

relative operations for these two years, we find that the profits from all sources in 1837 were \$25,087 32, being \$7,044 17 less than those of the preceding year, while the amount chargeable to the Institution, is \$25,236 60, being \$3,727 31 more than that of 1836, thus leaving a deficit of \$149 27, chargeable to the stock account.

This great difference between the respective accounts for these years may be attributed to the high price of provisions, and raw materials necessarily used at the penitentiary, without any corresponding increase of their fabrics; and the suspension or embarrassment in business during the past seasons, by which an unusually large amount of manufactured goods remain on hand unsold. To these causes may be added the additional interest paid on the loan of 1836; and nearly \$1,000 paid towards opening and improving a street—making about \$1,500, an entirely new charge. If these differences be fairly estimated according to any assumed average of commercial transactions for the few years preceding when such embarrassment did not exist, it would show that the finances of the institution are still in a very healthy condition, and that there is no grounds for supposing that it will not hereafter as heretofore afford the most favorable exhibition of its pecuniary operations.

At the commencement of our examination, or more properly, when we turned our attention to the finances of the institution, the accounts had not been made up for the fiscal year, which terminated on the 30th November. Consequently, the expositions contained in the testimony, on this part of the subject, being made up from the books, as of the day of their date, in June and July, vary from the statements contained in this report. But since the books were settled on the 30th November the committee have examined them with reference to the foregoing statements, and to the annual report of the directors, and find that the fiscal accounts contained in the annual report are fully warranted by the condition of the finances as exhibited by the books of the institution.

Upon this branch of the inquiry it may be proper to notice a fact, that is not generally understood, and in consequence whereof much excitement exists against this prison. It is alleged that its operations injuriously conflict with honest labor out of doors, and one of the chief reasons assigned is "the great cheapness of convict labor—taking much less to support them than is required for citizens, and enabling the penitentiary to make and sell goods at a much lower rate than they can be manufactured at in Baltimore." This statement is made upon the assumption that each man in prison performs full work, and that all over the actual cost of each man's support, and the materials found goes into the profit and loss account. This is a very great error. By calculations based upon the average number of convicts, and the average amount of receipts and expenditures for several years past, it appears to the committee that for the payment of all expenses, including the necessary maintenance of the prisoners, and the interest