

Owing to various causes, the expenditures during the last year, have been necessarily much increased; of these, the interest on the loan of last session, in aid of the erection of the new buildings, and on the heavy Bank facilities required to meet the payments of the institution, in consequence of the large amount of goods on hand, rendered unsaleable by the dullness of the times, alone amount to 2005 47 more than the similar charges of the previous year. The city assessment of the institution for opening Madison street, an entirely new expense, is \$932 84, and the expenses for the subsistence of the prisoners and the deputy keepers, have been enhanced by the high prices of provisions, &c. \$1,986 48, making an increase in the total expenses of the Penitentiary, over the previous year, of \$4,924 79.

The manufacturing operations of this institution, are carried on at an expense for labor, measured by the actual cost of the support of the prisoners—much greater than that of any private extensive manufactory. It being for the last year—apportioning the gross amount of the expenditure for support and interest of money upon the *available* labor of the convicts—full 80 cents per day. The profits must of course necessarily depend upon the same causes of supply and demand that control all manufacturing establishments. When therefore, we consider the extraordinary and ruinous state of the times during the greater part of the last year—causing many of the manufactories of the country wholly to suspend operations, the utter failure of many, and a general prostration of trade—the Directors cannot but think themselves fortunate in being able to present so favorable an exhibition of the pecuniary condition of the institution. It will be seen that the profits have been adequate—to within the trifling sum of \$149 27, to the defrayment of the maintenance of the prisoners, and all the direct expenses of the Penitentiary, amounting to \$43,030 73, besides the extraordinary expense for opening Madison street, discount upon Bank loans, and the regular interest and instalment upon the loans authorised by the State, \$7,835 35, making the total amount of expenditures for the year, \$50,866 08.

The present amount of the loans contracted for the use of the Penitentiary, is \$56,500, of which the loan of 1828. (originally for \$30,000,) will be paid off in 1843, and as the loan of 1837 will be lessened in 1843, by the payments of instalments to the amounts of \$6,000, the entire amount of the present loans unredeemed in 1843, will be \$34,000.

The total expenditure for the new buildings and for the looms, and other new implements made necessary thereby equal the entire present amount of the loans, viz: \$56,500, of which \$40,000 was created for their erection. Thus, it will be observed, this extensive and important improvement in the State prison, has been made without any direct aid from the Treasury, or the aid of any kind upon the State. The interest upon the loans, and their redemption by instalments, being as they become due, regularly provided for by the institution.

The experience of the past year has served to test the efficacy of the Auburn system of prison discipline in our Penitentiary, to the in-