with care, and in the most substantial manner. The institution, when completed, will, I feel certain, be one of the strongest and best appointed of its class, in the United States. It is a source of gratification, that the selection for the site of the institution has met with almost unqualified approval from those who are best acquainted with the subject. It is further a source of gratulation, that the site has been secured, and the building will be erected, at a cost less than the amount of the appropriation for that purpose.

NEW TOBACCO WAREHOUSE.

The General Assembly, at its last Session, directed the Governor, Comptroller, Treasurer, Attorney-General and Supervisor of Warehouses, to cause a new Warehouse to be erected for the inspection of tobacco, to take the place of the Warehouses which had been destroyed by fire, and appropriated the sum of fifty-nine thousand dollars for this purpose.

The Board were successful in securing a contract for the erection of the building at a cost of \$39,900. A variation from the original plan was subsequently agreed upon, with a view to increase the capacity of the building for storage, and at the same time add to its strength and security from fire. To these ends, an alteration was made in the foundation, and an additional centre-wall running the whole width and height of the building, and an additional floor, were contracted for, adding considerably to the original cost. These alterations, however, render the building capable of being used as two distinct and separate houses, and although they will increase the costs of the work, the difference in capacity for storage, and security from fire, by means of the erection of the thick centre-wall, will more than counter-balance the additional expenditure. The building is now approaching completion, and will be finished at a cost considerably less than the appropriation for the purpose.

STATE NORMAL SCHOOL.

Since the making of my last Report, this building has been completed and handed over to the State Board of Education. It is, I believe, universally esteemed as a substantial and beautiful structure, ample to the purposes of the Normal School, for an indefinite series of years, if not for all time. It is a source of pride to the Board of Public Works, that this building has been completed and delivered over with all its appointments, at a cost inside the original appropriation made for it by the General Assembly.

FINANCIAL CONDITION OF THE STATE.

I take pleasure in calling the attention of your Excellency, and of the people of the State, to the satisfactory, and, I may say, prosper-