The active supervision which it exercises over the disbursements of the public monies — as well as the proper construction and execution of contracts, has furnished a check which was much needed in the large and complicated operations in which the city is always involved. The removal of the records to the new Hall, has enabled the heads of the different bureaus to systemize the business of those various departments; and the important papers connected with the property and general transactions of the municipal government, have been lodged in safe depositories, and so arranged as to be readily accessible when required for reference. The withdrawal of a large amount of clerical duty, which under the old system, devolved upon the Mayor, has enabled him to exercise a more active supervision over the general affairs of the city. It is with some pride that I refer to the system and good order which characterize all the departments of the service under the new organization, and the precise worthy zeal and efficiency of the officers in charge of the bureaus.

The finances of the city have been somewhat deranged owing to the failure of the Baltimore and Ohio Railroad Company to make its usual dividend in October last, for $155.000. and the Pittsburg and Connellsville Railroad Company to pay the interest upon the loan to that Company, amounting to $30.000. It has been my great desire, by keeping the various departments of the city government within the ~~[illegible]~~ limits of their respective appropriations, to pay off the whole floating debt, in order that at the commencement of each fiscal year, we may have our key upon the actual expenditures required to carry on the government. The habit of throwing the wants of one year into the estimates of another is always calculated to mislead, and has subjected the treasury to great embarrassments. During the past fiscal year no new debts have been incurred and a strict regard to economy has everywhere prevailed.

Much credit is due to the Comptroller, for his active

co-operation in bringing about this result, as well as the officers having charge of the other departments.

The whole indebtedness of the city at the close of the fiscal year, other than its funded debt, including arrearages of former years, and the interest accrued on the first of January to make up the deficiencies of the Baltimore and Ohio and Pittsburg and Connellsville Companies, together with the balance due on the jail, say $52.645.69, is stated by the Register at $352,000. Against this there are uncollected taxes in the hands of the Collector believed to be available, amounting to $300.000. and in those of the Auditor, say $80.000. making an aggregate of about $380.000.

With fair success these ought to be made available, and the whole floating debt paid off without encroachment upon the levy of the present fiscal year.

~~With~~ It is apparent from the above exhibit that with reasonable economy, after the present year, and with no unforeseen contingencies, to interfere with our prospects, the finances of the city must go on to improve, and the increase in the value of personal and real estate, may be expected from year to year to make a decided reduction in the rates of per centage required to meet our necessary expenses.

The late suspension of specie payments by the banks of this city has not been productive of the distress and inconvenience so confidentially predicted by some. It was in fact a just and unavoidable measure of relief to our mercantile and industrial classes. The financial revulsion which has recently swept the length and breadth of our land, is in my opinion, referable to a policy beyond the control of the banks. The utter prostration of the public credit, carrying with commerce and manufactures and the wages of labor, may be traced to a narrow system of finance originating with the general government, which cannot fail to work its own remedy in due season.