

steam it is now restored to her again; and if this connection, even thirty years or more ago was esteemed of almost vital importance to her, how shall we now estimate it when these thirty years have added many millions to its wealth. And shall we not consider this great city—great now—and what she is to be in a few years under the tremendous impulse to be imparted by the many important connections she is opening, north, south and west, it is scarcely safe to predict. Shall we not consider this great city as the mart of our State, with whose every pulsation vibrate health or disease through all its veins to the remotest extremity. As some slight indication of the great importance to the city of Baltimore, as well as to this Company, of the new trade opened to us through the Pennsylvania Railroad, it may be stated that the income of the Baltimore and Susquehanna Railroad shows an increase for the months of October and November of the present year, over the corresponding months of last year of \$3,661.11 from passengers, and \$9,575.59 from freight, or a gross gain of \$13,236.70 in two months; and it may be observed that this gain properly belongs to a shorter period even than two months, as our connection with Pittsburg through the Pennsylvania Railroad was not opened until the 20th November.

Mr. O'Neal says that you particularly wish to know what are the future prospects of the Company, in relation to its indebtedness to the State.

This is a wide question, and more time than can now be given to it would be desirable, but I have formed certain opinions and views upon the subject, which I shall not hesitate to lay before you, and to invoke for them your kind consideration.

To premise, it is my belief that the past fiscal year of the Company may have been the turning point in its destiny. In support of this view, the change in the policy of the Company by taking to itself the profits of transportation instead of leaving them to be monopolized by private car owners; the modification of its toll sheet, by an advance of rates upon its way business, the advent of an entirely new source of revenue during the winter months, through the connection with Pittsburg, to which I have hereinbefore adverted, and the natural growth of those sources of revenue heretofore open to the Company may be cited. It may be proper to state also, that when I took charge of the Presidency of the Company there was in existence, between it and the Wrightsville, York and Gettysburg Railroad Company, a contract entered into in the year 1839, and which I considered exceedingly unjust and onerous towards this Company. Without loss of time an effort was made to annul this contract, and to substitute for it one less onerous towards this Company. This effort was, I am happy to say, successful so far as the annulling of the old contract, and the making of a new one, less onerous it is believed to this Company, but one not considered perfectly equitable. There was,