

April 17th, 1875, for the half year ended March 31st, 1875. It did not pay any dividend for the half year ended September 30th, 1875. But why? The slightest examination of the financial condition of the Washington Branch, and of the demands of the State will show the reason.

On the 20th of May, 1875, the payment was made to the State of Maryland in settlement of the judgment in the "Capitation Tax" case, of \$424,229.81, and as the further claim of the State for this tax or bonus, for its charter largely exceeded all the resources and all the earnings of the Washington Branch Road, any attempt to pay dividends thereon, without relief from the State's claims, would not only have been wrong and dangerous, but would hasten the necessity to mortgage, and probably lead to the sale of the road in order to pay the State's claims, and thus lose to the State of Maryland and all its owners their whole property in the work. It must, therefore, be perfectly clear that no dividends could have been declared at the last usual semi-annual period without a reckless disregard of the interests of the Company.

As much misapprehension prevails on the subject, and as the public mind appears to be deeply imbued with the conviction, which has been forced upon it by erroneous statements frequently and continuously made, that the investments of the State of Maryland in the Baltimore and Ohio Railroad, and in its Washington Branch, have been disastrous to its interests, and that the tax payers have consequently been thus subjected to heavy burdens, it is deemed necessary and just to present the facts.

What have been the investments of the State in the Baltimore and Ohio Railroad?

First. On April 1st, 1834, the State subscribed for five thousand shares of the stock of the Washington Branch; five hundred thousand dollars, (\$500,000,) provided a bond having twenty-five years to run, with interest at five per cent. was taken in payment therefor, and as a security in part for the interest on this five hundred thousand dollars, a bonus was to be paid for the line from the Relay House to the borders of the District of Columbia, being for the use of twenty-seven miles of the territory of Maryland, of twenty per cent. of the gross revenue from passengers, between Baltimore and Washington. The result of this investment has been namely: A receipt of fifty thousand dollars in stock as a dividend on 10th December, 1838, and of dividends in cash of \$1,625,250.00, also for one-fifth of gross revenue from passengers, \$3,327,919.56. A statement is appended hereto, which shows the actual result, charging the interest paid by the State on the five per cent. bond taken by the Baltimore and