

of engines, has materially added to the expense of working the road; these and other causes, incident to the present unsettled condition of the financial affairs of the country, are the controlling reasons which have prevented the company from enlarging the machine and work shops as contemplated by the order which was adopted by the Board of Directors last summer; could these improvements be made at a reasonable outlay, and as was designed, fitted up and supplied with the necessary machinery for furnishing such work as we are compelled from necessity to have done at Baltimore and elsewhere, it would lessen the company's expenses a considerable sum, thereby adding to the cash balance an amount which would go far towards supplying the means required to rebuild the bridges and culverts on the line of the road, which are at the present time but temporary structures. Suggestions and inquiries have been made with a view to arrange to rebuild the bridges and culverts destroyed by the heavy rains in July, 1863; to erect new ones at this time, would cost a large sum, exceeding the amount standing to the credit of the company.

The company being desirous to have the means to perform satisfactorily all the services that may be required of them; with that view have purchased a new locomotive and ordered the Engine Elk Ridge to be rebuilt and repaired; with the addition of those engines, they feel assured that they are prepared to perform satisfactorily all the service that may be required of them, by the General Government for the transportation of soldiers and freight, and relieving the company from the necessity, as well as the expense of procuring engines from Government and the Baltimore and Ohio Rail Road Company, to enable them to perform this work. These engines, it is believed, will be on the road in fifteen or twenty days.

The four dumping cars ordered to be built, will be delivered during the present month. The Board has made provision for the payment of these cars by an appropriation.

The company have purchased the lot and wharf on Severn river, at the foot of Tabernacle street, and have secured, by an ordinance of the Mayor and City Council of Annapolis, the right to connect the same by rail with the Government road.

The number and description of passenger, baggage, freight and gondola cars remain unchanged; no additions needed to be made.

With the large stock of material and supplies in hand and the judicious and economical management of its affairs for the future, which have characterized the past much can be done