

be tendered to the latter, before this company could be authorized to use steam on that part of their road, between the Point of Rocks and Harper's Ferry. The amount fixed by the commissioners has been paid—the notice to be given of the approach of the locomotive engines in the narrow passes, where the Canal and Rail Road are in contact has been agreed upon, and accordingly the horse power heretofore used between the points in question, has been dispensed with, and the entire travel and transportation between Baltimore and Harper's Ferry, except at the Inclined Planes, is now performed by steam. The relations of this company and the Chesapeake and Ohio Canal Company are of the most friendly kind, and such as should exist between two corporations, having a common origin from the State, and in whose stock, and in the success of whose works, the State has so deep an interest.

By referring to the Tenth Annual Report it will be seen that the Washington Branch Road on which a tax of one fifth of the amount received from passengers to be paid to the State, will have produced from that source \$35,229 81, or upwards of 7 per cent. per annum on the half million subscribed to that Branch by the State; and from the net revenue of the road, a profit has been realized equal to a dividend of nearly five per cent. making together upwards of eleven and a half per cent. on the investment of the State in the Branch Road, and nearly six per cent. on its entire investment, both in the Branch Road and in the main stem.

A dividend of the profits on the Washington road, has not yet been made, to the Stockholders, but has been applied to the purchase of real state for depots, moving power, or other disbursements properly chargeable to construction, increasing by that amount, the cost of the work, and its appendages over the \$1,500,000 of stock subscribed for it. At a proper time, it is the intention of the Board to make stock of the dividend thus appropriated, the sale whereof will produce the funds with which to pay the stockholders; so that the dividend is to be considered only as deferred.

The President and Directors regret that it is not in their power to give the same satisfactory account of the State's investment in the main stem. Here for various reasons