

The Chesapeake and Ohio Canal, the Baltimore and Ohio Rail Road, the Baltimore and Susquehanna Rail Road and the Susquehanna & Tide Water Canal, were all designed to have their western terminus beyond the limits of the State; and Baltimore City was designed as the eastern terminus of all, except the last. We then looked to the great West, as the source from which was to come the passengers and trade, that were to remunerate us for the vast outlay required for the completion of this grand system; and we must now look to the same source, or abandon the only object which could justify the magnitude of the original design.

In reference to its western terminus, the destiny of the Canal may now be considered as fixed; it must for our day and generation, continue within the limits of our State; but its eastern terminus, will conform to the original design, if there should be any foundation for the apprehensions of those who now oppose its western extension.

We must consequently, look to the Baltimore and Ohio Rail Road, and its extension to the Ohio River, as the only means of securing to the State, the great advantages which were contemplated from the gigantic scheme, in the prosecution of which the means and credit of the State have been for the time so completely exhausted.

It will be your duty, to consider whether you can render any assistance to that Company in obtaining from our sister State of Virginia, a right of way, that this road, may through her territory, reach its original destination, the Ohio River. The importance of this extension at this time, not only to Virginia and Maryland, but also to the Country, is greatly increased by the present critical position of the foreign relations of our Country.

Since the adjournment of the Legislature, the Baltimore and Ohio Rail Road Company have, as authorized by the law of that Session, reduced the fare for the transportation of passengers upon the Washington Branch of the road, and I have great pleasure in communicating the fact, that this experiment has resulted in giving to the State for the last three months, an increased revenue of \$1,279 ⁴²/₁₀₀.

During the past fiscal year, the State received from the Baltimore and Ohio Rail Road Company, for the State one fifth of the gross receipts for the transportation of passengers on the Washington Branch, the sum of \$38,699 ⁴⁰/₁₀₀, and for the same period for dividends \$48,000, making an aggregate of receipts from this company of \$86,699 ⁴⁰/₁₀₀. By law the sum of \$34,069 ⁵⁶/₁₀₀, is appropriated from the State's revenue from the road to the free school fund; and the balance \$52,630 ⁴⁰/₁₀₀, is applicable to the demands upon the Treasury.

I have received and will transmit the annual report of the Baltimore and Susquehanna Rail Road Company. This large investment which the State has in this work, will render your attentive supervision of the proceedings of this company a matter of interest to yourselves, and of duty to your constituents. The serious indisposition under which I have suffered, since the report was received and my ineffectual occupation in preparing this communication, has prevented my examining the report with that care which its importance merits.