

regular Mail Road it may be stated that the income of the Baltimore & Susquehanna Rail Road, shows an increase for the months of October and November of the present year over the corresponding months of last year of \$3661.44 from passengers and 9575.59 from freight or a gross gain of \$13,236.70^{cts} 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 was not opened until the 20th Nov.

Mr. Neal says that you particularly wish to know "What are the future prospects of this 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 rights of transportation instead of leaving them to be monopolized by private Car owners, the modification of the toll law, 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 alluded and the natural growth of those sources of revenue need not be opened to the Company may be cited.

It may be proper to state also that when I took charge of the Presidency of this Company there was in existence between it and the Wrightsville York & Gettysburg Rail Road 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 to this Company. This effort was I am happy to say successful so far in the annulling of the old contract, and the making of a new one, less onerous it is believed to this Company, but not considered perfectly equitable. There was however involved in the matter a choice of evils, and it is thought that by the election of the lesser the revenues of this Company arising from its connection with that road, will be somewhat increased. A condition of the contract with the Wrightsville York & Gettysburg Rail Road Company is that it should issue to this Company its bonds bearing 6 per cent interest and payable in fifteen years for the amount of its indebtedness to this Company. Of these bonds \$100,000 have been received and are available to this Company.

The true policy of this Company in working the York & Gettysburg Rail Road - a very important connection - is believed to be to seek a similar indemnity for the actual cost to this