

Company according to the terms respectively held by each payable at the office of the Company on and after the 20th day of January 1857 in full payable in bonds of the Company, dated the 15th day of May 1857 bearing interest at the rate of six per cent per annum, payable on the 15th days of November & May in each year, which said bonds shall be convertible into stock of the Company at their par value at the pleasure of the Board upon a vote of not less than two thirds of the whole number of Directors, or on a vote of a Majority of the stockholders in a general meeting assembled, on thirty days notice being given for the purpose of deciding such option.

This resolution was reported to the Board of Directors at their monthly meeting in December - The undersigned could not but state as to the line of conduct which their duty to the State prescribed to them - They resisted the proposed dividend by every proper expedient which they could devise without success - The measure was finally adopted in a modified form by the passage of the following Resolutions and Resolutions -

"Whereas there has been appropriated by the Baltimore & Ohio Rail Road Company from time to time the sum of three millions of dollars & upwards of the net earnings of the main stem of the road for the purpose of construction with the intention in conformity with the practice of the Company of paying the same to the stockholders in the shape of a dividend at such time as they might deem judicious, therefore be it

Resolved, that an annual dividend of twenty per cent. be declared on the stock of the Company, to be paid on or after the 12th day of January next to all stockholders owning stock on the 22nd day of December, 1856, in certificates of indebtedness bearing an interest from the 1st day of June 1857 at six per cent. per annum, payable half yearly, on the first day of December and June in each year until the first day of June 1862, on which date, after which the said certificates of indebtedness shall be converted into the stock of the Company at par.

Resolved, that for the payment of the dividends aforesaid the transfer books be closed on the 22nd inst. & remain closed until the 12th day of January next."

Your Excellency cannot have failed to observe that this proceeding on the part of the Rail Road Company produced a profound and most painful sensation in the public mind. The necessary consequences of the measure were palpable & it is wholly adverse to the interests of the public in the stability & credit of the Company & to the interest of every permanent stockholder and of every creditor of the Company. That a deep feeling was immediately and necessarily provoked into the bowels of the Nation thus, by one resolution to divert itself of one third of its capital in favor of a certain class of stockholders - Saunders & distinguished eminence after Mr. Matthews assumption had confidently pronounced it to be unwarranted by the charter of the Company & utterly unjust. The City Councils of Baltimore almost without dissent had protested against it and directed their representatives to oppose it upon grounds of public policy; and popular opinion condensed it with a degree of unanimity rarely witnessed in reference to any matter of public concern - But a Majority of the Board of Directors defied every remonstrance, persisted in the obnoxious measure - The Mayor and City Council of Baltimore reduced to the necessity of submitting to or