

In reference to these objects, the operations of the company are believed to be conducted with as great economy as those of any other company, in proportion to the magnitude of the enterprise, of which the board have any knowledge.

In some instances in which an increase of salary has been authorised, the measure was deemed only just to the officer, and necessary to ensure the services of competent agents, in consequence of the increased duties and responsibility arising from the great augmentation in the business of the road. In others it formed part of an arrangement by which certain agents were dispensed with and their duties devolved upon others.

These arrangements were made as well to simplify the operations of the road, to concentrate and ensure more strict and rigid the responsibility of the agents, and to introduce better economy into the entire system.

While the board have acted from a belief, that the wisest economy, consists in commanding the best grade of talent fitted for the service, and of rewarding its exercise with a liberal frugality, they have not been unmindful of the importance of keeping their expenses within their income, small as that has been.

Even an unprofitable road, however, requires fixtures incident to such works, and is not to be conducted with less expense than others possessing greater advantages; at the same time, it will appear from the last annual report, that in the last two years, a surplus of income over expenditure has been gradually accumulating; and from an examination of the tabular statement herewith submitted, that notwithstanding the augmentation in the trade and business of the road, and the increase of salary, which in some instances has been allowed, the aggregate amount paid for salaries of the principal officers is at present less than it was in the 1835, or in any intermediate year."

Signed,

LOUIS McLANE, *President.*

I certify the foregoing to be a true copy.

J. I. ATKINSON, *Secretary*
of the Baltimore and Ohio Rail Road Company.

Extracts from the Minutes of the Board.

December 27th 1836.

On motion, it was

Resolved, That the salary of the President be fixed at six thousand dollars per annum, to commence on the 1st of January, 1837, payable quarterly.

The board then on motion, proceeded to ballot in order to supply the vacancy occasioned by the resignation of Mr. Patterson, and Messrs. Hawkins and Patterson were appointed tellers; when on counting the ballots it was ascertained, that the whole of the votes present, had been given to Louis McLane, Esq., who was