

OFFICE OF THE BALT. AND OHIO RAIL ROAD CO.

April 29th, 1842.

To the HON. LOUIS McLANE,

*Pres't. Balt. and Ohio Rail Road Co.*

DEAR SIR,—The following resolution, passed at their meeting on the 13th instant, by the board, viz: "That the president and the officers charged with the several departments, be instructed to reduce the expenses as much as they possibly can, and to report such reduction to the next meeting of the board," appears to me not only to call for a report of a reduction of expenses, where the same can be made; but also that proper and sufficient reasons should be given where it cannot be done with justice to the parties concerned, or without injuriously affecting the interests of the company.

In order, therefore, to arrive at those reasons, with regard to my department, it seems necessary to take a retrospective view of its organization previous, and for a short time subsequently to your becoming the president of the company, and to trace it along through several years down to the present period, comparing the duties and expenses at the different times, and also making a comparison with the duties and expenses of other similar offices.

On the 5th of July, 1837, a committee of inspection, was, at your request, appointed to co-operate with you "in promptly making a thorough inspection and investigation into the affairs of the company, with a view to provide for the proper appropriation of the future income, and to ascertain the practicability of an efficient organization in the management of the operations of the business generally, and with authority adequate to these objects." This committee consisted of Messrs. White, Williams and Patterson; and on the 4th of October, 1837, it was enlarged by the addition of Messrs. Cooke and Evans.

Under date of the 12th of September, 1837, after several previous conversations with you on the subject, I made, under your direction, a report to you, on the then organization of my department. In this report I stated, that "the principal object to be attained was the concentration of all and every description of information relating to the road, and its operations, with the least possible delay in the company's office," and with this view I suggested the propriety of having all payments of money, as far as might be practicable, made immediately and directly from the office, instead of by the persons in charge of the different departments. From the books at that time, nothing could be ascertained but the payments *in gross*, made by each department during the quarter; and the details of the payments were only to be found