

were made to divert trade from the road, by the reduced freights at which offers were made to transport produce from Columbia, through the Susquehanna and Tide Water canals to Havre de Grace, and thence by the Philadelphia, Wilmington and Baltimore Rail Road to Baltimore or Philadelphia, compelled this company to make a considerable reduction in their charges, to avoid the loss of a large portion of the business which had usually passed over the road. The board were aware that the rates which they adopted, in May last, were below those which a few years since were deemed barely adequate to defray the actual expenses of rail road transportation, but they knew also that on this point very different opinions were extensively entertained, and that on various rail roads it had been ascertained that transportation at reduced rates had given an increased revenue, net as well as gross, from the great additional trade which had been thereby attracted, and in some instances, created.

Whilst reducing their charges, the board anticipated an increase in the quantity of tonnage, but at the same time, in consequence of the facilities afforded by the rival routes between Columbia and the cities of Baltimore and Philadelphia, they could not feel assured that such increase would be of sufficient magnitude to prevent the Revenue of the company at least for a time, from being unfavourably affected by such reduction. The board have accordingly seen with regret, that at the close of the year, the result has been a decrease in the net revenue, as before stated of \$17,368 20.

It is to be remarked that the Pittsburg trade over this route was not so great as it would otherwise have been, in consequence of the unusual length of time during which the Pennsylvania canals were closed last winter, by the ice. In the year 1841, they were not closed until the 20th of December, and were opened on the 7th of March following; whilst in the ensuing fall they were closed on the 25th November, 1842, and were not opened until the 7th of April last. There is good reason for believing that a considerable amount of produce and merchandize was in consequence diverted from this to other routes. In the course of the year, several items of expenditure have again been necessarily incurred, which do not appear in the transportation accounts, not being properly there chargeable, though their amount will be seen by a comparison of the general statement, No. 1, of receipts and expenditures, with the similar table annexed to the last annual report. The principal of these items, some of which were mentioned in that report as remaining to be provided for were:

For the completion of the viaduct near the city of Baltimore, on which \$1500 had previously been paid. The balance due for the construction of this work, which was paid in the past year was \$1,170 41.

For the completion of warehouse at York, on which at the last report \$400 had been paid, the balance due has been this year paid in full, amounting to \$2,885 68.

The 5th section of the act of Assembly of 1837, chapter 302, requires the company to have and keep a sufficient number of