

which, the sum of \$700,000 may be required for stocking the road after its completion.

For raising this deficiency, a recent communication from the President of the company to the Board of Directors, suggests two plans—the one, contemplating the issue of a preferred stock—the other, the issue of the company's bonds guaranteed against City and State taxation. Should the latter of these propositions be adopted, you will probably be asked to pass a law exempting from taxation, as well the bonds to be issued for the completion of the road, as those already outstanding; if the former, still, the interests of the company will require a similar exemption for whatever bonds may be issued in the prosecution of the work, and for the increase of its stock. The outstanding bonds on which the company has paid the State tax for the past year, amount to \$1,289,915 20 and the tax paid was \$3,224 79; the bonds to be issued will not exceed \$2,478,731, the tax upon which will be \$6,196 82, making a total of tax to be released of \$9,421 61; but as the receipts of the Treasury on this account, now amount to but \$3,224 79, that sum only would be subtracted from its present available means. It is, perhaps, proper here to remark that, although the whole amount of the tax paid during the last year was advanced by the company, yet it may be, that a considerable part of it was, and will be hereafter, in reference to future payments, retained out of the interest due upon the bonds. If this be the case, as such portion would, in fact, be indirectly paid by the holder or holders of the bonds, to that extent, neither the policy or the propriety of the exemption is perceived. Should the whole or any part of these bonds be exempted from taxation, so far from sustaining a loss, the State would be, in every aspect, a gainer by the transaction. Upon the extension of the road to Wheeling, the aggregate indebtedness of the company will amount to about \$6,000,000, its entire liability for interest will not exceed \$381,223, while the estimated increase of its nett revenue will reach the large sum of \$1,350,000, leaving after the payment of all interest, \$968,777, for dividend amongst its stockholders and for the creation of a sinking fund adequate to the speedy discharge of the principal debt. It needs no calculation to show, that the increased dividends consequent upon the completion of this road within two years from the first of June next, will more than compensate the Treasury for any present loss it may sustain by the exemption of these bonds from taxation. But this is a narrow view of the subject. The Baltimore and Ohio Rail Road Company, as before remarked, was incorporated for the avowed purpose of building a road which, by connecting the city of Baltimore with the Ohio, should serve, to attract to our own emporium the valuable commerce annually borne upon the waters of that river, while it might also become, incidentally, ancillary to the developement of the mineral resources of western Maryland. Few intellects, at that day, comprehended the stupendous idea of a continuous rail way connexion with the valley of the Mississippi; and no one foresaw the annexation of the vast territory recently acquired from Mexico, and the erection on the shores of the Pacific of a great commercial mart, destined to command the trade of