it is deemed judicious to defer, for the present, its declaration, until the extension and active prosecution of mercantile operations ensures the continuance of the company's avenues."

The extra dividend of $3.000.000 in the bonds of the company, which occupied so large a share of the attention of the last Council, is still in a state of suspense. "To delivery to the stockholders" says the report, "was restrained by legal process, and its legality now awaits the decision of the courts."

I would particularly invite your attention to that part of the City Commissioner's report, which relates to the proceedings against the Northern Central Railroad Company, and their refusal to comply with the established grades of the city.

The Pittsburg and Connellsville Railroad Company, I regret to say, gave official notice on the 13th of November, that they were unable to meet the interest on the one million loan to that company, due on the 1st of January, and the same was provided by the city. This loan was made by the City Council by an ordinance approved June 24th, 1853. On the 18th of June, 1856, an ordinance was passed, "changing the form of said aid from a guarantee by the city of said company's bonds, into the city of Baltimore's own bonds, the latter to be issued in substitution of the former."

The arrangement with the Pittsburg and Connellsville Railroad Company, under this ordinance was made, and the bonds nearly all exchanged before the commencement of my term of service. My agency has extended only to a co-operation with the Commissioner of Finance in carrying out what had been already determined upon by the Council.

The report of the president of the company, which will be submitted for your consideration, will be found to contain a full explanation of the plans and operations of the company

and the causes which have led to their suspension. I regret that no very encouraging prospects are held out, either of a prompt completion of the road, whereby the city of Baltimore might derive some return for this large outlay, or the productiveness of that portion which has already been put in operation. The road in its present unfinished state, is dependant upon local support, and must so continue, unless a state of things should occur which I am unwilling to anticipate.

I have received assurance from the president of the company that from and after the date of the suspension, all the net earnings of the finished part of the road will be paid into the city treasury. These she estimates as equivalent to the interest upon at least one half the loan, say $30.000 per annum. Also from the point I can hazard no opinion.

It will be advisable to refer this subject to a special committee of your body, who may find it necessary to visit this road, and report upon what is best to be done. The city is now at liberty to foreclose her mortgage, and thus take possession of the road: but it will be for you to consider, whether this would be advisable under the circumstances and at the present time. In the event of a sale, the city would have to become the purchaser; as it can hardly be foreseen that any individual or corporation would incur the responsibility of providing an amount of more than $3.500.000 to complete the work and make it productive. It seems to me that a specific pledge of the net revenue, with a power reserved to regulate the salaries and expenses of this road, would answer every present purpose, and place the city in possession of all that she could hope to accomplish by a sale.

The communication which I found it my duty to make to the public, prior to the last State election, in reference to matters connected with the working of the new police system, renders it unnecessary for me to go into any detailed statement of the operations of that