the course proper to be pursued. In order to facilitate you in this inquiry, I transmit herewith a communication from the Commissioners of the city of Baltimore, dated 5th January last.

The various internal improvement companies which made terminate in Baltimore show a state of prosperity in the highest degree satisfactory. To these works our people are mainly indebted for the rapid advancement in all our mechanticle, mechanical and industrial improvements, and I should be forgetful of my past relation with the most prominent of these enterprises, if I did not commend them to your most favorable consideration.

The annual report of the Baltimore and Ohio Railroad Company shows a steady increase in the business of that great thoroughfare, and we have good reason to anticipate under careful and judicious management the most gratifying results to the trade and business of our city. No community has done more in the development of her geographical advantages, and the origin and history of our western connections will not be without interest to those who come after us.

The aggregate revenue from tonnage, mails and passengers during the fiscal year ending on the 30th of September was $4,830,171.56, for the first three months of the present year there has been an increase over the last of $105,093.42.

The North Western Virginia Railroad, I am happy to have the pleasure to announce, is at length completed, and with it our system of western improvements. This road was commenced as you are aware, under the auspices of the city of Baltimore, whose credit was loaned to the extent of $1,500,000. Of all the works of internal improvement after the Baltimore and Ohio Railroad with which our city credit has become associated, this is believed to be the most important. It is so because it taps the Ohio river, the greater highway of western trade, ninety two miles below Wheeling, the present terminus of the Baltimore and Ohio Railroad and holds the key in all future times to the

rich products of the Ohio and Mississippi valleys.

In no other way could the Baltimore and Ohio Railroad have secured its safety against the sharp rivalries with which it is already in close proximity at the city of Wheeling, or the city of Baltimore have placed herself upon that secure footing in reference to the trade of the great west, to which for more than a quarter of a century she has been directing her attention. The Baltimore and Ohio Railroad now stretches her great arms from the point of divergence in the Cyanite valley to the north and south, and the combination is so complete and effectual that what she fails to attract at one point she will become to command at the other, thus accomplishing all that was ever contemplated in the expensive effort to appropriate to herself the commercial advantages of a region of country whose producing capacity is only beginning to show itself in the streams of trade that are being daily poured in upon us.

The effort to accomplish this work, has not been without its embarrassments. It commenced with a stock basis of $500,000 only, and has involved an expenditure of more than $5000,000. The city of Baltimore stands in the relation of first mortgagee, on her guarantee of $1,500,000, and is therefore secured against any reasonable contingency.

In addition to the above there is an amount of $45,000 due to the city, for coupons paid by her in July last. This of course she has the right to claim at any moment.

A contract having been made by the Baltimore and Ohio Railroad Company for working this road, on condition of the assumption by said company of the entire interest upon the bonded debt, for a term of five years, with the privilege of renewal the interest of the city of Baltimore is thus placed beyond contingency, and it is the desire of the company in view of the great benefits that are likely to accrue to the trade of the city, and the difficulties with which they have had to contend, that they may be allowed to liquidate this debt, by such instalments