fully employed than either would ever have been, had but the one route existed. These works having all been completed to Columbia only last spring, cannot be supposed yet to have developed the results which they will produce; whilst by dividing the trade which was already prepared to avail itself of the advantages of these new routes, they have for the present, each rendered the other the less productive. It will be admitted too, that the trade from the city to the interior, which pays the highest rate of toll and freight, has not, during the past year, been by any means, so great as may be calculated on in periods of ordinary activity and freedom from commercial embarrassments. We believe, therefore, that it is reasonable to expect that the future revenue of the company will be found constantly to increase, and that even during the next year, it will greatly exceed that of the past.

The whole amount earned by the transportation department, beyond its expenses, we have not been able to make available towards the payment of interest to the State. Several parties who made use of the road for the transportation of produce and merchandise, (some of them to a great extent) were creditors of the company, and declining to purchase the State stock in satisfaction of their claims, the company were compelled to receive a large amount of their own obligations in payment for freight. Again, in repeated instances, in consequence of the disappointment of the creditors, by the inability of the company to meet their demands as was anticipated when the law of 1838 was passed, suits had been brought and judgments obtained against the company, and the whole operations of the road were in danger of being interrupted by levies upon the property of the company, and suspended for an indefinite period, until the termination of an expensive course of litigation. Several claims of this character the company have had to extinguish during the year, and their only means of doing so was by the temporary appropriation to that object, of a portion of the funds derived from the revenue. It is not deemed necessary in this report, to enter more particularly into a detail of these circumstances, however embarrassing they have been to the operations of the company. We can, however, with confidence express our conviction, that in all the measures we have pursued, the true interests of the company have been consulted, and we feel assured that should a more particular statement of our proceedings be called for, either by the stockholders, or by the authority of any other party, having the right to make such enquiry, we shall be found to have discharged, with a proper regard to the interests entrusted to our care, the duties which devolved upon us.

On the Westminster branch, passenger cars have run to Owings' Mills throughout the season, but are withdrawn in the winter, as locomotives cannot be used on that track, and it could not consequently be kept clear of snow, except at an expense which we could not be justified in incurring. The time limited by law for the completion of the road to Westminster will shortly expire, and an application to the Legislature, to extend the period will be necessary.

We have much pleasure in stating that the whole track of the road, from Baltimore to York, is now in perfect order; that part which at the date of our last report, was constructed with the plate rail, having since been entirely renewed with a heavy T rail, laid in a substantial and permanent manner. If the means of the company would justify a further expenditure in obtaining a passenger depot within the city, and in improving their present depots by additional buildings, the comfort of passengers, and the facilities of the company for carrying on its business, would be promoted; but without this, the company are now prepared to forward a much more extensive trade than has yet offered, and we do not therefore contemplate that any further expenditures will soon be required for those purposes. The soundness of the policy of constructing a Rail Road in a solid manner, with heavy rails, has received further proof by the experience of the year, in the small amount which has been required to keep the track in repair. This has cost for the twelve months, $10,378 35 for the whole distance of fifty-six miles; or on the average of $142 40 for each mile of heavy T rail, and $543 06 for each mile of the old plate rail track, which, until the month of August last, was the only one used for a distance of nearly six miles.

An unforseen expenditure has been necessarily incurred this year, for arching a part of the tunnel on the York and Maryland line road, about five miles from York. Although this tunnel in its whole extent, passes through a rock, apparently solid, it was found that the operation of the frost at both ends of it, had last spring displaced several pieces of the rock, which fell on the track, and it was evident that the evil would continue to increase with each successive winter. To guard against a danger of so serious a character, strong arches have been constructed, extending at the northern opening of the tunnel, one hundred feet, and at the southern, thirty-two feet. The final returns of the cost of this necessary work have not yet been received, but it will be about six thousand dollars.

In the department of machinery, several improvements have been introduced, calculated to diminish materially the heavy annual cost of repairs. The principal of these consists in the substitution of cast iron wheels, with chilled tread, on the locomotives, for those with wrought iron tires which were before used; and which were found to wear so rapidly as to require frequent renewal, at a heavy expense. Chilled driving wheels of four and one-half feet diameter have now been running on the road for six months, and have been found to answer perfectly; and from the success which has attended the experiment, other Rail Road Companies, in different parts of the country, have been induced to adopt the same improvement.

The regularity with which both the passenger and burthen trains have performed their trips since they first commenced running to York, has been such as to do the company much credit. On the occurrence of the extraordinary fall of snow in December, 1839, they were interrupted, as it is believed, were those on every road without exception, to which the storm extended. On the 1st of January last