to the stockholders in the last annual report, have been discharged; and those remaining unpaid, do not in all exceed the sum of $40,700.

The nett revenue of the Main Stem (including the sum of $46,467 received from the Washington road) after payment of the foregoing debts, amounts to $172,479; of which the board have determined to appropriate $15,000, according to the pledge in the last annual report, as the commencement of a sinking fund on account of the loan of $1,000,000, for the Washington road.

Of the balance they have determined to divide among the stockholders $2 upon each share of stock, payable on and after the first day of November next, reserving a surplus of $17,479.

Before passing from the accounts of the Main Stem, the board deem it proper to remind the stockholders that in the operations of the past year they have not only encountered the competition and impediments already adverted to, but have been exposed to the heavy charge incident to the employment of horse power in the introduction of passengers, as well as burthen, into the city. The amount of such charge, with the present travel, may be stated at from 12 to $15,000 annually. It must of course increase in proportion to the augmentation in the number of passengers, unless the present system be abandoned, or the city authorities should think proper to permit the introduction of the locomotives; as is now permitted in some other cities, and partially in Baltimore, without injury or inconvenience.

The affairs of the Washington road are shewn by the statements C and D.

The nett earnings of this road for the year ending on the 30th September 1842, authorised a dividend of five dollars per share, and left a surplus of $8,834 40.

The nett earnings for the year ending on the 30th ultimo are $71,691 46; which added to the surplus of the preceding year amount to $80,525 86, of which the board have decided to divide among the stockholders four dollars and fifty cents per share, payable on and after the 1st day of November next, retaining a surplus of $6,275 86.

From this it will be seen that during the past year the company have paid on account of the subscription to the Washington road $13,533 more than they have received from its earnings.

The sum paid to the State for the six months from the first of January to the first of July 1842, being one-fifth of the gross receipts from passengers amounted to $20,500 26, and from the first of July 1842, to the first of January 1843, to $18,125 69, together $38,625 95.

The amount paid to the State on the same account for the half year from January to July 1843, was $15,439 88.

It is also to be remarked that if to the sum of $33,565 57 paid to the State on the first of January and first of July 1843, the one-fifth of receipts from passengers, there be added the sum of $24,750, the dividend of the Washington road; $10,000 from the Main Stem, and $1,269 60 regularly remitted by the board to London as the interest upon £5,250 sold of the subscription of $3,000,000, it will appear that

the State has received during the year the sum of $69,585 17, being nearly seven per cent. upon her entire actual investment in both roads.

The railway, the passenger and burthen cars, and depots and water stations of this road are in good condition; and the expenses of repairs, and cost of transportation in the aggregate vary in a small degree from those of the preceding year. The aggregate value of materials on hand for repairs of railway, locomotives and cars may be estimated at $5,900.

A comparative statement of the operations upon the Washington road during the past and preceding year, is appended to this report, and marked F.

It shews that, although the cost of working the road in both years has been nearly the same, the falling off in passengers has been at least seventeen per cent. and in tonnage about eight per cent.; and, consequently, that the diminution in the revenue is mainly, if not wholly, attributable to a decrease in the passenger travel. Such result was apprehended last autumn as likely to arise from the cheaper competition by the bay line of boats from Baltimore to Norfolk; and an application was made to the Legislature, at the last session, by parties concerned with the southern portions of the inland route, to authorize a reduction of the charge for passengers on the Washington road. The application proved unsuccessful; and alhough this board thought the apprehension well founded; and concurred in the justice and propriety of co-operating with the Southern Companies in a fair reduction throughout the line, they had no power to alter the rate of charge for passengers between the two cities, or to bear any proportion of a reduction by others, without the authority of the Legislature, or, in the recess, of the governor of the State.

The charter also makes it lawful for the Legislature, upon the application by the rail road company for any reduction in the established rate, so to regulate the charge as without reducing the proportion of one-fifth at present reserved to the State, in fact increase it, and reduce only the share of the company.

Unwilling to expose the interests of the stockholders to the operation of this provision, the board declined preferring any direct application. They, however, caused a communication to be made to the Governor on the 2d of August acquainting him with the actual falling off in the business of the road, subsequent to the adjournment of the Legislature, and calling his attention to the causes which it was supposed had contributed to it. To this letter an answer was transmitted by the Secretary of State on the 5th of September acquainting the board that, in the opinion of the Governor, the charter authorized him to consent to a reduction of charges for temporary objects only, without power to provide for the case to which the company had called his attention; and that, besides, he did not feel justified in interfering in the present instance, inasmuch as the Legislature, at its last session, had the whole subject under consideration and did not think proper to act.