vested as a productive sinking fund, as well for the payment of the annual interest on the debt, as for the debt, which, when and as redeemed, will become a legitimate amount for a stock dividend, if judged expedient.

II.—*Of the Washington Branch.*

Statements "D," "E," and "F," exhibiting the business of this road, establish an increased receipt of $36,408 18, as compared with the previous year; and *that* notwithstanding the reduction of the fare from $1 80 to $1 25; and it is gratifying to report that the months of July, August and September, the period in which that reduction has been in action, shew a very small comparative loss in the aggregate amount received, while the gradual increase of passengers shew that ere long, there is good reason to believe, the former receipts will be exceeded. Additional facility too, has been afforded to the people, and measnres are in progress yet further to provide accommodation along the road, as well to encourage tonnage as passengers. The onerous tax imposed by the State of one fifth *the gross* revenue received from passengers upon that, and the portion of the Main Stem of Baltimore and Ohio Rail Road, over which the Washington Branch cars travel, has retarded improvements on the line; and it is hoped, that some modification at least, may be granted, and the means of the Company thereby increased to make it in every respect a model road.

III.—*The Finances, and the Need of Additional Capital.*

Exhibit "A" shows that Loan No. 1 matures on the 1st of January; the amount of that loan has been reduced by the action of the sinking fund to $712,468 72, which will be the amount falling due on the first, and therefore on that day in the category of floating debt and for the maintenance of the faith and credit of the Company, must be provided for and paid off. So with each loan, in order that each may maintain its rank in the Mortgage list, and its relative value be sustained. The application of a portion of the loan now being negotiated with the City endorsement, to this purpose, does not add to the capital or expenditure, it being merely the renewal of a matured obligation, as imperative as any.

The renewal, therefore, of Loan No. 1, (in the amount now afloat,)	$712.468 72
To finish the 100 miles of second track, ordered by the Board on the 8th December, 1852, being 60 miles East of Cumberland, and 40 West, of which only about 20 miles have been laid, and to carry out the Resolution of the 10th Aug., 1853, when the remainder of the line to Cumberland, and thence to Piedmont, was ordered, ...	2,500,000 00

To arch the Tunnels and finish other masonry, erect the absolutely needed Engine Houses, Station Houses, Water Stations, Work-shops at the five principal Stations, and their furniture, and additional Rolling Stock, all of which the business of the Road imperatively demands, ...	1,800,000 00
Floating debt, represented by Bills Payable, issued for Machinery principally, and to be issued for contracts for Machinery not yet completed, ...	2,153,694 00

IV.—*The present Western Terminus.*

In order to a just appreciation of the importance attached to the junction next July, with the Central Ohio Rail Road at Wheeling, the following enumeration of its connexions is given, which must satisfy every Stockholder in this Company, that they cannot be passive upon the policy of as early an alliance with that work as practicable.

CENTRAL AND SOUTHERN DIVISIONS.

In the direction of Saint Louis:

"Central Ohio," 136 miles; "Columbus and Xenia," 54; "Dayton and Xenia," 15; "Dayton and Western," 36; "Indiana Central," 72; "Terre Haute and Richmond," 72; "Terre Haute and Alton," 170 miles, ...	555
Also—"Springfield and London," 19; "Springfield and Dayton," 24; "Dayton and Greenville," 31; "Columbus and Piqua," 103; "Bellefontaine and Indiana," 120; "Columbus and Cleveland," [in part] 60; "Lawrenceburg and Indianapolis," 115;	472

In the direction of Cincinnati, Lexington, and Louisville, Ky.:

"Cincinnati, Wilmington and Zanesville," 162; "Little Miami," 84; "Cincinnati, Hamilton and Dayton," 60; "Covington and Lexington," 92; "Madison and Indianapolis," 84; "Jeffersonville and Columbus," 60;	542
Miles,	1,569

Roads radiating from Indianapolis:

"Indianapolis and Peru," 60; "Indianapolis and Bellefontaine," 84;	144
	1,713