

Annual obtained, were it not that the opinion is entertained by some that the successful operation
of the Canal would be injurious to the City of Baltimore. Those who entertain this opinion
do not reflect, that the Canal is absolutely under the control of the State, & that the per-
manent interest of the State, in the prosperity of her commercial companies, would en-
sure such an exercise of that control, as would prevent the injurious results apprehended
by them or you will perceive by the report of the Baltimore & Ohio rail road Company,
that its President & Directors have declared a dividend of three per cent, to be paid in cash
to all their Stockholders of less than fifty shares, and a dividend of one per cent. in cash, & two per cent.
in the bonds of the Company, payable twenty years after date, to the Stockholders of more than fifty
shares. I have been unable to recognise the force of the reasoning, intended to justify this
novel method of declaring a dividend, by which the individual who has advanced less than
five thousand dollars, for the construction of this road, receives at once his dividend in cash,
whilst the State, which has advanced five hundred thousand dollars for the same purpose,
is to receive her dividend at the end of twenty years. It does seem to me, that if this Company
possess the power under their Charter, to discriminate in favour of any class of their Stockholders,
that it would have been more equitably exercised, by reversing their present action. It
may be proper also for you to consider, whether the Company possess the power to issue such
stocks, or possessing the power, whether its permanent interests, or those of the public, would
be advanced by the creation of a debt, (secured by a pledge of the property & future earnings
of the Company,) for the payment of dividends, declared of conjectural profits in the Treasurer,
possessing no power, to use the bonds of this Company for any purpose, and being unwilling to
recognise the legality of this novel proceeding, which might lead to the future exercise of the
same power, by this & other Companies, has not received this dividend, one believes it to
be his duty, to submit the subject to you, unembarrassed by any action on his part.

This Company has certainly been managed with more ability & energy, than either of
the other Companies, to which I design to refer, and this may be attributed to two causes em-
inently worthy of your consideration. It is to be referred chiefly to the fact, that the
stock of that Company has always continued of sufficient value to command the anxious
supervision of the private Stockholders, and the directors elected by them, and the second
cause of its better success, which may perhaps be considered only as an incident to the
first, is the comparatively large salaries paid by this Company, to its officers & Agents.

The importance of this view of the subject, will be seen & appreciated by you, in
the examination of the conditions of other Companies, to which I now desire to ask your
attention. The tabular statement which I have submitted, will show you, that the State
is the preferred Stockholder or Creditor, in each of the other Companies, to an amount, much
more than sufficient to exhaust all the revenues which have been hitherto received by
them, and that the individual Stockholders in each of those Companies, have long since
ceased to feel any interest as such in their success. The State is consequently the only
party interested in having those works so managed, as to produce the largest possible
revenue. Indeed I may say that the interest of the private Stockholder is now antag-
onistical to that of the State, ceasing to look upon his stock as of any pecuniary value,
the interest of the private Stockholder, would not be promoted by the establishment
of that tariff of tolls, which would produce the largest revenue, but by fixing the lowest
rates of toll, which would be adequate to keep the road or Canal in proper order for his use.

If the private Stockholders, or the directors elected by them, are more comfortable owners of
real estate in a City, they would be interested in the establishment of precisely that