

Message
to the
Senate

The only part of the Message which refers to the recent dividend declared by the Company is as follows:

"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 stock holders of less than fifty shares, and a dividend of one per cent, in cash, and two per cent, in the Bonds of the Company, payable twenty years after date, to the stock holders of more than fifty shares. I have been unable to recognize the force of the reasoning, intended to justify this novel method of declaring a dividend, by which the individual who has advanced less than fifty 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 stock holders, that it would have been more equitably exercised, by revising 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 interest or those of the public, would be advanced by the creation of a debt (secured by a pledge of the property, and future earnings of the Company) for the payment of dividends, declared of conjectural profits. The Treasurer, possessing no power, to use the bonds of this Company for any purpose, and being unwilling to recognize the legality of this novel proceeding, which might lead to the future exercise of the same power, by this and other Companies, has not received this dividend, and believes it to be his duty, to submit the subject to you, unembarrassed by any action on his part."

I have examined with all the care I could command, this part of the Message, with the anxious desire of discovering whether in substance or manner it could be legitimately complained of, and with the intention of correcting any error in fact, and of withdrawing any expressions, which could be properly deemed offensive by the President of this Company, I have been unable to discover either in the statements made, or in the manner in which they are made, any thing, which could be deemed offensive by any other than one who was pre-determined to find something to serve as a pretext for some move on his part, to withdraw the public attention from the present condition, and future prospects of the work entrusted to his management. It will not escape your observations, that the main objection urged in the executive Message, to the dividend as declared, was to the discrimination which is made between the stock holders of less than fifty shares, and those of more than fifty shares, and I will in the first place, ask your consideration of this objection, and of the manner in which it is attempted to be justified in the address of the President of the Company.

The dividend declared, is a cash dividend of three per cent, to all stock holders of less than fifty shares, and a dividend of one per cent, in cash, and two per cent, in the bonds of the Company, payable twenty years after date, to the stock holders of more than fifty shares.

By this anomalous method of making a dividend, A. the owner of forty nine shares of stock in this Company, is paid his dividend