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of three per cent, in cash, whilst B. the owner of fifty shares of stock, only receives a cash dividend of one per cent, and is compelled either to take one third of the dividend which is paid to A. or to receive the other two thirds of his dividend in the bonds of the Company, secured by a Mortgage of the future earnings of the Company, to which he would be entitled whether, whether the bonds were received by him or not. — It will certainly require more ability than is possessed even by the distinguished author of the paper under consideration, to convince you, that a dividend by which one portion of the stockholders receive three per cent. in cash, and the other portion only one per cent. in cash, and the residue of their three per cent, in the bonds of their own Company, secured by the future earnings of the Company, (which are at least conjectural) is equal or just. — It would have been more equal, if this dividend had been declared either entirely of cash, or entirely of bonds, for then no discrimination would have been made between the different classes of Stockholders, but each would have shared alike (as under the Charter they were entitled to) the profits whether real or conjectural. — The stock of this Company consists of $7,000,000 of which the State owns $500,000, the City of Baltimore $3,500,000, and private stockholders $3,000,000. — Under the Charter the Company are required to divide either annually or semi-annually, the nett profits, equally amongst the Stockholders, according to the number of shares held by each. —

Suppose then in the first place, that a dividend were declared entirely of bonds, bearing six per cent interest, secured by a mortgage of the future earnings, of the Company, what would be the effect of such a dividend? —

At the end of twelve months the Company, would under the Charter be obliged to pay from the earnings of the year, (if sufficient) the six per cent interest, and if the profits of the year exceeded this interest, they would be obliged to divide the excess of those profits amongst the Stockholders, in the shape of a dividend. — The stockholders would be receiving a portion of the profits of the year, in the shape of interest, and the residue of those profits in the shape of dividend. — If on the other hand, no dividend were declared, the result to the stockholders would have been precisely the same, they would at the end of the year, receive the whole profits, the only difference being that without the bond dividend, they would receive those profits in the shape of dividends, instead of receiving a part in the shape of interest, and the other part in the shape of dividend. — It is therefore apparent, that a dividend in bonds would be altogether nugatory, leaving the stockholders to receive precisely the same, to wit, the entire nett profits whether such a dividend were declared or not. — But I must not omit to examine the argument, (if it may be so designated) intended to justify this discrimination between the different classes of the Stockholders of the Company. — This able President says, "that after deducting from the nett profits, the portion of those profits borrowed on account of the coal trade & other appropriations, there was left $90.540. in cash, which after providing for the sinking fund, would divide about one per cent on the capital". — And his argument is, that the State if he had not given three per cent, of this $90.540. to the Stockholders of less than fifty shares, would only have been entitled to one per cent. and that consequently, the State receives