The Baltimore and Ohio Rail Road, with ordinary diligence on the part of those interested in its success, must form a link in this mighty chain of connexion the full value of which is, at this time, beyond all human calculation.

If, however, the countenance and support of the Legislature is withheld from this magnificent enterprise, and its completion should thereby be protracted through six, instead of three years, it is certain that, in the mean time, Pennsylvania will have formed her connexion with the Ohio river, and the golden harvest which Maryland should have reaped, will at least be put to hazard, if its fruits are not transferred, beyond all hope of reclamation, from her own commercial metropolis to that of another and more fortunate rival. Deeply impressed with the importance to the whole State of the completion of this work within the shortest practicable period and relying, with implicit confidence upon the good faith of the company, although prepared, had it been necessary, to have suggested much stronger and more effectual measures I earnestly recommend the enactment of a law exempting from future taxation all bonds of the Baltimore and Ohio Rail Road Company now outstanding and for the tax upon which that company is, in law or in fact, absolutely responsible to the State, as well as all bonds hereafter to be issued for the extension of the road and for providing necessary additional stock after its completion.

Connected with the affairs of this company, is another subject to which it is proper to call your attention.

On the fourth of November 1846, the President and directors of the Baltimore and Ohio Road Company, declared a dividend on the stock of the Company of three dollars per share, payable in cash to all stockholders of less than fifty shares, and to all stockholders of fifty shares and upwards, one dollar per share in cash, and two dollars per share in the company's bonds bearing interest payable quarterly and redeemable in twenty years. The dividend of the State amounted to fifteen thousand dollars, of which, five thousand dollars was cash payable at the Commercial and Farmers Bank, and ten thousand dollars bonds deliverable at the office of the Company. The necessity for a declaration of dividend in this form arose from the application of a considerable portion of the nett revenue of the company to the re-construction of the road, and to other objects connected with its operations. The Treasurer, on behalf of the State, refused to accept this dividend, mainly upon the ground that the President and directors, under the charter possessed no authority whatever to apply the nett earnings to the objects indicated, much less, to constitute the Company a borrower from its stockholders, without their consent. This decision of the Treasurer was affirmed by the Legislature at its subsequent session and the Attorney General was directed to commence legal proceedings against the Company, for the recovery of the whole dividend in money. Suit was accordingly instituted and upon appeal to the Court of appeals, that court by its judgment rendered at the December term 1847, while it recognised the right of the State to decline the acceptance of the dividend, nevertheless, fully sustained the company in the exercise of the power claimed by it, to apply its nett revenues to the reconstruction and extension of the road and to all other purposes necessary to its legitimate and successfull operations. The cash portion of the dividend has remained on deposit in the Commercial and Farmers Bank, since the time of its declaration; the bonds are in the hands of the Company and it is understood that the quarterly interest accruing upon them, as it became

(due)