

Report of the President and Directors that the gross receipts for 1853 were largely increased, and that the net income was greater by \$37,633.40 than that of 1852. The net revenue for the last year, was \$125,642.51; and was considerably larger than that of any one of the preceding eleven years, with the exception of 1851, when it reached \$150,973.88. Such exhibits would seem to indicate the ability of the Company to pay, last year, at least as much of the current interest due the State as had been annually discharged in the previous four years. It appears, however, that the revenues were consumed principally in the renewal of the old tracks, the construction of sidings, the repairs of bridges, and the purchase of such additional stock and equipments of the road, as were considered indispensable for the accommodation of a constantly increasing trade, and for the profitable employment of the work hereafter. I am not disposed to question the soundness of the views which produced those arrangements. Although the Treasury was thereby deprived of a part of its resources for the year

It is true, as urged in the Report of the President and Directors, that the policy of "stinting" their road originated in the pressing exigencies which at one time threatened the financial integrity of the State; and it is equally true, that no such reason now exists for the continuance of that policy. It may also be conceded that a more liberal and comprehensive scale of arrangements should be adopted for the future, in order that the road may be amply prepared for the enlarged trade which its extensive foreign connections will develop and naturally direct towards it. Nevertheless, I must be permitted to say, that any radical change in the general policy of the Company, should such be contemplated, could only be effected with the free consent and approbation of the State. Besides the original loans of nearly nineteen hundred thousand dollars, this Company owes to the State more than twelve hundred thousand dollars of funded and unfunded interest. The State likewise occupies the position of a preferred creditor. It has, therefore a two fold right to decide upon any proposition which might contemplate such a material change in the policy of the Company as would necessarily control the future application of its revenues.

That right was fully recognized in the tenor and spirit of the memorial presented by the Company to your predecessors at the last session. The State was asked to do one of three things; first, "to retire from its position as a preferred creditor of the Baltimore and Susquehanna Railroad Company, and leave it at perfect liberty to use its credits to such extent as may be necessary, with