

istence of facts, on which, the obligation of the state to make her subscriptions was to depend, it occurred to your committee that the subscriptions themselves, were not absolutely conclusive of the legal obligation of the state, and that the certificate was not conclusive of the fact, of the sufficiency of the subscriptions to the capital stock of the Maryland Canal Company; but that your committee were obliged to refer to the subscriptions themselves, and have established the insufficiency thereof in point of fact, before they could undertake to report satisfactorily on this branch of their inquiries. They did therefore examine the papers before them, relative to the subscription to the capital stock of the Maryland Canal Company, and have taken oral proofs in regard to their sufficiency. But finding that the absence of witnesses would delay their further examinations, on this point, they resolved to proceed with the examinations more immediately connected with the Chesapeake and Ohio Canal Company, and the Baltimore and Ohio Rail Road Company. The Documents relating to the proceedings of those Companies, which have come to the hands of your committee, and the depositions of the Presidents thereof, taken before your committee, will accompany this report. No privity has been established by these documents and Depositions, between the Maryland Canal Company and the Chesapeake and Ohio Canal Company, or the Baltimore and Ohio Rail Road Company. There is no evidence before your Committee, which would justify the inference that, either of the Companies had notice of any objection existing against the sufficiency of the subscriptions to the stock of the Maryland Canal Company; on the other hand, it appears that they have acted, in full confidence of the validity of the states subscriptions to their stock, and upon such subscriptions, have predicated contracts and made expenditures of considerable amounts.

The Canal Company has located definitively, the whole line of its work; and entered into contracts for construction of a great portion thereof, to the amount of more than two millions of dollars. The persons immediately contracting with the company, and the thousands of laborers employed by them, have engaged in its service in the confidence of its ability to meet its engagements, which was induced by the subscriptions made on the part of the State. Delay in the construction of its work, embarrassment in all its affairs, and ruin to many innocent individuals, whose engagements with its have induced them to enter into large engagements with others, would be the inevitable consequences of an effort, on the part of the State, to annul her subscription to the stock of that company. The Baltimore and Ohio Rail Road Company, since receiving the States subscription, has expended upwards of \$60,000 in its preliminary survey; has procured a subscription from the city of Baltimore to the extent of \$3,000,000 upon the assurance of the validity of the States subscription; and in a like confidence, it seems that sales and transfers of stock of the company has been made, from individuals to individuals, to a very large amount.

It would seem, from the evidence before your committee, that the