

authorities of Baltimore designedly suspended their subscription on behalf of the city, until they had been informed the subscription was made by the Treasurer on behalf of the State; and there is reason to believe that no subscription on behalf of the city would have been made, if any circumstance had intervened to prevent a subscription on behalf of the State. But your committee do not find any public act of the city of Baltimore, which made the State subscription a condition precedent to a subscription on the part of the city. The conclusion then is, that the city would remain bound, although the State should have and should exercise the right of annulling her subscription. It must be admitted that the subscription, made on behalf of the State, added greatly to the value of the stock in the hands of private adventurers; and that sales have been made, at prices, greatly exceeding those, which might have been commanded, if the States subscription had not been given. It is impossible to restore those persons into their former conditions, and to save them from the loss, which would inevitably ensue the effort on the part of the State to annul her subscription, to the stock of this Company

To apply this state of facts to the purposes of their report, your committee must assume.

1st. That the subscriptions on the part of State were dependent on the sufficiency of the subscriptions to the capital stock of the Maryland Canal Company.

2nd. That in fact those subscriptions are insufficient.

3d. That the State might have refused to subscribe upon the ground of such insufficiency, or having subscribed in ignorance of that fact, might upon further information have rescinded her contract before any act had been done by the companies or individuals upon the faith of her subscriptions, which altered materially their circumstances.

Upon this hypothesis it is, that your committee found their opinion, that the State cannot at this time exercise such right. The error supposed does not exist in the subject matter of the contract, but in a material circumstance which induced the parties to enter into it; and the fact about which the error is supposed to exist, was equally unknown to all parties. Where error exists, in reference to the subject matter, the contract is at all times void; but where it exists only in the motive which led to the contract, the party is required to exercise reasonable diligence in informing himself of all facts necessary to be understood by him, and cannot claim to avoid his contract upon any other terms, than those of indemnifying the other party from the consequences of the contract.

Indemnity in the cases before your committee is impossible. Looking to the amount of indemnity which might be fairly claimed, and to the consequences which would flow from vacating her subscriptions, your committee are of opinion that the public good will be advanced by affirming them to be valid. Nor can your committee say that reasonable diligence has been exercised by the State Au-