fore a resort was had to the credit of the company, and if found inadequate, then an issue of bonds might be resorted to; this is the obvious intent of the 11th section of the charter. It reads as follows: "That if the subscriptions obtained be insufficient, the president and directors, or a majority of them, may issue the bonds of said company to an amount not exceeding the capital stock authorized by this act, and may secure the same by mortgage upon the property, franchises and revenues of the company."

The policy and practice of the State has been to require that all stock companies shall have a real and substantial capital value, and it has never encouraged corporate enterprises predicated simply upon debt. In the case of the Union Railroad Company, now under consideration, a real stock basis of $600,000 was doubtless contemplated. The capital thus authorized was intended to be first applied to the construction of a railroad as far as might answer that purpose; some real and tangible value would thus be created upon which to predicate a loan. But in the absence of such a basis of values it is difficult to see what the company could have to mortgage as a security for an issue of $500,000 of bonds, and yet this is just what has been done. The entire enterprise (saving the meagre stock subscriptions obtained) and upon which there has been but one dollar paid in, is predicated upon nothing but bonded debt.

The committee close this portion of their report with some comprehensive reflections on the general policy of the State and city aid to railroads, referring to the legislative cautions and restraints, particularly in the matter of granting power to one corporation to participate in the affairs of another, or become responsible for its debts, which had been deemed necessary, and the tendency of municipal and other corporations to pervert and abuse their legitimate authority in doing by indirect means that which they could not obtain authority to accomplish by an open and direct appeal to the Legislature. No citizen, it is declared, can lend himself to this and claim an immunity from rebuke and a just public censure, even though he may escape punishment by the State.