

It will be noticed that the State has, by the acts of the General Assembly referred to above, incurred a debt of \$2,132,045.31, and that for its repayment the said Company has executed to the State bonds amounting to \$1,884,045.31. This last mentioned sum being the entire amount loaned by the State to the said Company. The difference between the obligations of the State to her creditors, and the obligations of the said Company to the State being \$248,000. This difference is accounted for by the sale of the stock authorised to be issued per chapter 302 of 1837. That act directed the Commissioner of Loans to issue certificates of stock or bonds of the State to the amount of \$500,000 bearing interest at the rate of three per centum per annum; to deliver one of the said certificates of stock or bonds of the State, for the amount of \$100,000, to the then Treasurer of the Western Shore, to be applied by him to constitute a Sinking Fund for the redemption of the debt thus authorised, and to sell the residue of said stock or bonds on the *best terms to be obtained*, the proceeds thereof to be held subject to the order of the Treasurer, and by him to be paid to the President and Directors of the said Company or to their order. The \$400,000 was sold at the rate of \$63 for every \$100, producing \$252,000 in cash, which was paid over as directed to the said Company. Which if deducted from the \$500,000, authorised to be issued, leaves the above difference of \$248,000.

The payment of the interest and principal of the above mentioned loans was professedly secured to the State by three several deeds of mortgages from the said Company, bearing date as follows: First—of the 26th May, 1835, for the loan authorised by chapter 241 of 1834. Second—of the 12th May, 1838, for that authorised by chapter 302 of 1837; and third—of the 12th June, 1838, for that authorised by chapter 395 of 1838. The act, chapter 20 of 1839, changes an amount of the stock not exceeding \$663,196.66, authorised to be issued by chapter 395 of 1838, from five into six per cent. and is covered by the last mentioned deed of mortgage. By these several mortgages the Baltimore and Susquehanna Railroad Company conveys all and singular the lands, tenements, capital stock, estate and securities, goods and chattles, property and rights now (then) or at any time hereafter (thereafter) to be acquired and the nett tolls and revenues to the State of Maryland, for the prompt payment of the interest and principal of the loans made by the State to the said Company.

The York and Maryland Line Railroad Company by a deed of mortgage, dated the 28th August, 1835, doth give, grant, bargain and sell, convey and assign, transfer and pledge, unto the State of Maryland, the nett tolls and revenues of the said road to be completed from the Maryland line to the Borough of York, to be void, however, if the State is saved harmless from any loss on account of the loan made per chapter 241 of 1834, agreeable to the fifth section thereof.