5546 pons themselves will not be satisfied or cancelled until the interest which they call for has been paid, and secondly, because in case of a default in the interest on the funding bonds, the funding bonds may all be surrendered, and the unpaid coupons themselves returned, uncancelled and unaffected by their deposit. Or stating the situation differently, when the railroad issues its funding bonds in exchange for the income coupons, it does not make an <u>absolute</u> payment of interest on the income bonds, but it makes only a <u>conditional</u> payment thereof that is a payment which will become absolute only upon condition that the railroad earns and pays the interest itself, and also upon condition that the company does not in the meantime default in the interest on the funding bonds.

5547 The question therefore is not whether interest is "actually paid", within the meaning of Article 81, section 210, of the Code of 1904, when a corporation gives its obligation or other security in payment of such interest, instead of paying the same in cash, because in the present case the security which the railroad gives is not given in payment of the interest coupon. The question is, when the railroad issues its funding bonds not in absolute, but in <u>conditional</u> payment only of the interest maturing on the income bonds,- in other words, when it makes a payment which will really be no payment at all unless certain conditions are hereafter complied with,- is the interest, in such a case as that, "actually paid" so as to make the bonds assessable under the Maryland statute?

5548 It seems to me perfectly clear that in such case interest is not "actually paid", on the bonds. Even if the interest could be "actually paid" by the railroad exchanging for its one obligation represented by the income coupon, its other obligation represented by the funding bond (which I very much doubt), still this could not be so unless such exchange amounted to a <u>payment</u> of the income coupon. In order to constitute a <u>payment</u>, the railroad would have to be <u>discharged</u> from any possible future obligation to pay the income coupon, and the bondholder would have to surrender all right to proceed thereafter upon the income coupon. In other words, the income coupon would have to be <u>cancelled</u>, and could not be kept alive; because if it is kept alive, it cannot at the