

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.

Much of the growth and prosperity of our State, and the onward march of the City of Baltimore in numbers and wealth is due to the successful prosecution of our works of internal improvement, and it is now a well accepted fact, that no community can hope for prosperity if its people are indifferent to the facilities necessary to afford certain rapid and cheap intercourse, and interchange of the products of industry; for it is by such means that vast treasures of wealth are brought into the commerce of the world and made to contribute to the general happiness and progress of man, which otherwise would remain valueless.

The magnitude of such undertakings, however, not unfrequently exceeds individual means, and hence the necessity for Acts of incorporation, uniting and centralizing individual efforts and capital in order to secure the successful accomplishment of such enterprises. The aid of States and Cities have, at times, been invoked and properly given to secure prompt success, and benefits have resulted far in excess of the temporary inconveniences resulting from the non-ability of such undertakings in the beginning to be fully productive. While these things are true, still there is a great necessity for caution, and for legislative restraints lest communities through the wiles of the designing, and by the recklessness of others should become dangerously involved in debts beyond their means to pay without great suffering and hardship, and thereby cause alarm, when capital