

sheets upon the Chesapeake and Ohio Canal, the Baltimore and Ohio Railroad, or the Susquehanna Railroad, and would compare them with those on the New York, Pennsylvania, and Ohio and other State works, all of which he had in his possession, and which were at the service of any gentleman who wished to embark in the discussion. The only other remark he should make now was, and it was in addition to the remark he had made yesterday. He objected to the proposition of the gentleman from Frederick, [Mr. Thomas,] on account of its vagueness and incompleteness. The gentleman, [Mr. Thomas,] he must have a "diligent supervision." He took it for granted that when a gentleman submitted a proposition, an ingenious and intelligent mind could tell how it was to be carried out practically. Now, he found by the proposition of the gentleman from Baltimore county, (Mr. Howard,) that the board ought to be created so "as to use all the legal power of the State" to regulate the tolls on the works of internal improvement so as to prevent injurious competition. He desired to hear from the honorable gentleman how this was to be done? What legal power they had to exercise? And in what manner they were to perform this duty?

Mr. HOWARD said:

The gentleman from Montgomery, (Mr. Davis,) had called upon him to answer a question, very distinctly put, and he would do it, so far as he could with great pleasure. The legal power of the State was absolutely vested in two of these companies—the Chesapeake and Ohio Canal Company, and the Susquehanna Railroad Company. The State agents overruled the votes of all the other stockholders, and appointed the directors of the Canal Company, and these directors managed the affairs of the company. The State appointed the directors of the Susquehanna Railroad Company; and they passed what laws they chose. With regard to those two, therefore, this board could exercise unlimited control. With respect to those two companies, he supposed that his information was satisfactory. With regard to the other two, he had said yesterday, that if this board found that either one of the companies refused to come into an arrangement of tolls which was reasonable, not subversive of the interest of any one company or of the public, the board must appeal to the Legislature. There was always a power in the Legislature to keep corporations, whether civil, charitable, or religious, within their appropriate limits. It was analogous to the power of eminent domain. No corporation had a right to misuse its powers and convert itself into a source of injury instead of benefit to the public. In such a case the Legislature would have a constitutional right to bring it back to its appropriate sphere. If it should still persevere in running riot, its charter would be endangered, and might be forfeited by a *quo warranto*. In these various ways the proposed board would have ample power to secure the public interest.

Mr. DAVIS had listened to the explanation of the honorable gentleman, (Mr. Howard,) with

great pleasure, but he regretted to say that the gentleman had failed to satisfy him. He, (Mr. D.,) was at a loss to see how the directors of the Susquehanna Railroad Company, and the Chesapeake and Ohio Canal Company, with the legal powers already secured to them by their charter, would be controlled, except by the despotic power of removal, and appointment of a more supple tool in their places, to do their bidding. And he was not sure that this could be done in the Susquehanna Railroad Company, except at regular annual elections.

Mr. SCHLEY said he did not understand the view taken by the gentleman from Baltimore county, (Mr. Howard.) This article looked to the election of a board of commissioners, whose duty it should be to represent the State in all joint stock companies. And, as to the amendment that the gentleman had offered, making it the duty of this board "to review, from time to time, the rate of tolls adopted by any company, and use all legal powers which it may possess to obtain the establishment of a rate which may prevent an injurious competition with each other, to the detriment of the interests of the Treasury of the State."

He (Mr. S.,) did not comprehend how this board could perform this proposed duty. By the charter of the Chesapeake and Ohio Canal Company, the president and directors have the exclusive right to fix the tolls, never to exceed a specified minimum rate. There was great propriety in their being invested with the power to adjust tolls—for as they fixed them, they secured or drove away trade from this work. So far as the charter of that company, therefore, was concerned, the tolls were controlled as stated. How, then, did the State get any power over the subject? When the company, in 1834, applied for a loan, the Legislature inserted a provision in the law granting it that the tolls should not be reduced without its consent. Or, in other words, looking to the interest on that loan, they made it a condition of the loan, that the State would not lend to the company its money or credit, except upon the express contract that the tolls should not be reduced without the consent of the Legislature. That was all the control which the State of Maryland had over the tolls. The Chesapeake and Ohio Canal Company could increase their tolls within a fixed minimum, without the consent of the Legislature, but they could not reduce them without its sanction. And why? It was because of the theory then entertained that a reduction of the tolls would produce a diminution of the revenues.

This amendment, if he understood it, was, that this Board of State agents should have the power to review the acts of this Company. How could they exercise any control over the President and Directors, within the scope of their authority.

Mr. HOWARD. How, if the President and Directors elected, refused to increase or diminish the tolls?

Mr. SCHLEY replied, that if they did not keep their tolls at a rate that the agents approved, they might annually displace them. The Presi-