

The question recurred upon Mr. HEBB'S amendment.

Mr. HEBB. I will state that the proviso attached to the act of assembly passed in 1842, chapter 301, to sell the State's interest in the works of internal improvement, and buy up the debts of the State, when authorizing the sale of the Chesapeake and Ohio canal, recognized these scrip holders. The amount held by these scrip holders and other creditors is \$946,435 39, and with the estimated interest to July 1st, 1864, is \$2,200,000. This is only the portion for which there is no lien upon the canal. These creditors reside all along the line, laborers, persons who furnished materials, and others; and I think it is only fair that if this work is to be sold, these parties should be protected. These persons living along the line would sooner have the State control the canal than any private individual.

Mr. MILLER. If that amendment prevails, it will impose upon the company an obligation to do that which they are now under no legal obligation to do, and never have been. These scrip holders and creditors of the company referred to in this amendment, hold debts which the company owe, debts contracted by the company, on which recovery must be had if suit is brought in a court of law, against the company itself. We cannot sue the State for those debts. The State, since 1842, has taken no action whatever upon those debts. If they are barred by limitation on the face of them, the debts are gone just in the same way that the creditors of any private individual cannot recover after the term has expired by limitation. At this day the scrip holders, if they wish to recover those debts must bring their suits, not against the State of Maryland, but against the Chesapeake and Ohio canal company. They have no claim upon the State for them. If they cannot recover them as against the company, if the company has not property enough to pay those debts, those creditors are in the same position as every other person is who trusts an insolvent corporation, and in no better position.

What is the object of this amendment? It is to clog a sale of the State's interest, in its effect, with a condition that all those outstanding scrip debts shall be paid before the sale, or secured to be paid before the sale is made. They amount, upon the statement made in the report of the comptroller of the present company, to over \$300,000 for post-notes, as they are called in this report. What did these creditors receive when they received that money? Did not they know they were taking the notes of the Chesapeake and Ohio canal company and not of the State of Maryland?

Mr. HEBB. I do not propose by my amendment that the State shall pay those.

Mr. MILLER. I know you do not. That is

not the reason I object to the proposition. But I say those creditors knew they were trusting the company and not the State. This provision requires that before the State shall sell its interest in this canal, the company shall secure those debts. Now, if the company has not got money enough to pay those debts, and nothing to mortgage to secure them with, how in the world can such a provision as that be carried out? It is an effectual clog on all sale whatever. What right have those creditors, those scrip holders, simply contract creditors of an insolvent corporation, to come in and ask for their money upon debts due by this company years and years ago? Is there any law in that? Is there any justice in it? It is not proposed that the State of Maryland now shall assume and pay those debts; but the sale of the State's interest is to be clogged by this encumbrance, in favor of the scrip holders and creditors, to an amount of more than two millions of dollars, who have lost all remedy unless they fall back upon a party who never saw one of those scrip-notes, who does not know what the terms of the contracts were. These are merely promises to pay, like an ordinary bank note. I say the recovery upon them has gone by limitation since 1842, twelve or fifteen times over.

Mr. HEBB. I will state to the gentleman that the canal company has by resolution agreed not to take advantage of the limitation of the statute; and has issued a large number of certificates and bonds upon which the creditors have obtained judgment.

Mr. MILLER. Then the creditors have the judgments. How does the sale of the State's interest affect their rights under them? If property is seized, or you can get judgment, the sale of the State's interest ought not to affect it in any way whatever. An illustration was put the other day by my friend from Baltimore county, perfectly unanswerable. If I am a stockholder in the Chesapeake bank to the amount of \$150,000, and the bank has outstanding notes and obligations and debts to the amount of \$200,000, and I wish to sell my interest in the bank to anybody, does that affect the right of the noteholders or creditors of the company to go against the corporation and get their claim? Would it not be a most monstrous proposition to say that I as a stockholder in this bank should not sell out my interest unless I secure all those outstanding debts? That seems to be the proposition.

When the State comes into these internal improvement companies, it takes the place of a private corporator or stockholder in it, and financially occupies no other position whatever. It is just like an individual. The sale of its interest in this company should be clogged with no other conditions than the sale of the interest of A, B, C, or D in the company. That appears to me to be a plain