

vation of power, prior to the execution of contracts with third parties for construction &c., and while the charter is merely a contract between the State and the Company, the right of repeal exists, they have grave doubts as to the existence of this power on the part of the Legislature after rights have rested in others than the incorporators, and contracts have been made with third parties in the due exercise of the authority conferred by the charter.

Your Committee would illustrate their view of this legal proposition by a familiar example.

Every one knows that a power of Attorney, unless it is otherwise expressed is revocable at the option of the party making it. Suppose then that a power of Attorney were granted authorizing the making of a contract for the construction of a railway.

Prior to the making of the contract, no one doubts that the power could be revoked, but will any one contend that after the making of the contract, the party who gave the power of Attorney could then alter, change or revoke it. Your Committee do not see the distinction in the case supposed from the one now presented for their consideration.

Whatever doubt however, in the absence of express judicial decision may exist in reference to this power, your Committee certainly think that it would be an act of unparralleled injustice and a violation of the plighted honor of the State to abrogate contracts which have been entered into under the express powers conferred by the charter, and without any proof of bad faith on the part of those who have contracted for the construction of the work, and who are bound to fulfil their obligations by the most stringent provisions which could be embodied in a contract.

Your Committee cannot doubt however, if a power of repeal or modification exists to annul contracts already entered into with third parties, that this power can only be exercised upon the condition that the Legislature makes full and ample compensation to the Company and contractors for all loss which may accrue by way of direct and consequential damages. The exact amount of these damages, your Committee cannot state with precision, but they are satisfied they would amount to a very large sum.

Your Committee cannot refrain from calling the attention of the General Assembly, to the disastrous effects which such legislation as that invoked by the Baltimore and Ohio Railroad Company, would have upon the future development of the State, and the investment of foreign capital, now so much needed in different sections of the State, to promote the prosperity of our people.