

Your Committee acting under the foregoing resolution, proceeded to take testimony and submit to your Honorable Body as a part of their report the evidence taken before them.

Your Committee does not propose to make any extended comment upon that testimony.

The Baltimore and Drum Point Railroad Company, incorporated by the Act of 1868, Chapter 364, had no corporate power to acquire any interest in the Annapolis and Elkridge Railroad.

The Annapolis and Elkridge Railroad Company never possessed any right to aid the Baltimore and Drum Point Railroad Company in the construction of its railroad. The Act of 1872, Chapter 425, under the authority of which the Annapolis and Elkridge Railroad Company issued bonds to the amount of \$400,000, and secured these bonds by a mortgage of all its franchises and property, was enacted as appears by its express terms, only for the purpose of enabling the Annapolis and Elkridge Railroad Company to extend its own road and to build branches from that road.

It cannot be pretended that the arrangements made between the Annapolis and Elkridge Railroad Company and the Baltimore and Drum Point Railroad Company were sanctioned by the Act of 1870, Chapter 476, Section 24, because that Act forbade any such arrangement unless it were first approved by the Stockholders of both Companies assembled respectively in general meetings. No such general meetings of the stockholders of the respective companies assented to the arrangements which are disclosed by the testimony.

It is perfectly evident therefore, that President Magruder and his Board of Directors misapplied all these bonds of the Annapolis and Elkridge Railroad Company, which were used for any other purpose than the extension of the road of that company or the building of branches to that road.

It is equally evident that the Baltimore and Drum Point Railroad Company has no legal right or title to retain the ownership or control of any stock in the Annapolis and Elkridge Railroad Company.

It further appears that the Baltimore and Drum Point Railroad was not completed within the time limited by the Act of 1868, Chapter 364, Section 19, and that its charter is therefore, by the express terms of that Act, null and void.

It can claim no advantage under the Act of 1876, Chapter 337, extending the time for the completion of its road, because its President and Directors did not comply with the