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EXPLANATORY STATEMENT.

OFFICE ANNAPOLIS AND ELKRIDGE }  
RAILROAD COMPANY, }  
ANNAPOLIS, February 9th, 1864.

The Annapolis and Elk Ridge Railroad Company beg leave respectfully to submit to the Honorable Committee on the Judiciary, to which was referred, by an order of the House of Delegates, of the 13th day of January ult., so much of Governor Bradford's Message as relates to this Company, the following explanatory statement:

It would appear to a casual reader of the Governor's Message and the Comptroller's Report, not acquainted with the history of the State's connection with this Company, that the State has advanced large sums for the construction and equipment of the road, independent of its subscription to the capital stock thereof; whereas, no other sum has been paid by it, for that purpose, except as a subscriber, in common with the private stockholders, and as provided for by the Act of 1841, chapter 168, amended by the Act of 1846, chapter 234.

It is submitted that the Governor and Comptroller are mistaken in the views they have expressed of the Act of 1841, chapter 168, and of the obligations of this Company, under its provisions. They appear to be under the impression that the interest and principal of the bonds, issued in virtue of that Act, were to have been paid out of the funds of the Company, and not by the funds of the State; whereas, the circumstances under which the Act was passed, as well as the language and import of the Act, show that the Legislature intended these obligations should be provided for by the State, in case there should be no nett profits of the Company, payable into the Treasury, agreeable to its charter, (1836, chapter 298.) The very words of the Act admit of no doubt as to the design of the Legislature.

The inducements which moved the Legislature to the passage of the law, may be found in the condition of the Company at that time, and in the large share of stock held by the State. The claims (arising out of untoward occurrences, during the progress of construction and equipment of the road, as fully detailed in a Report of a select committee, February 23d, 1841, to the House of Delegates, see *Vol. Pub. Docs., Dec. Ses. 1840,*) against the Company, were urgently pressed, and it was utterly unable to pay them; its locomotives had been mortgaged, and a decree passed for their sale; and, if