

ordinary expenses, necessary to the conduct of the road, in view of its established business at the period of that legislation. A reference to the eighteenth annual report of this company presented to the last Legislature, will furnish you at page 7, with the argument of that company in support of the construction for which they contend. They rely upon the 5th section of the Act of 1837, chapter 302, as conferring the power claimed by them to make these extraordinary disbursements referred to in that report, and by the continued exercise of which, the revenues of the company have been diverted from the State Treasury, and applied to objects supposed by them to be beneficial to it. This section of the Act of 1837, makes it the duty of the company, to provide sufficient means for the transportation of all merchandise & commodities, that should be offered for transportation on the road, and the company, insist upon their right to use the current revenues for that purpose. The first section of this same Act of 1837 provides, "that so soon as the Baltimore and Chesapeake Bay Rail Road Company, shall have accepted to the provisions of that Act, and shall also have prepared & deposited with the Treasurer, an obligation, pledging the whole of the property and revenues of said company, for the purpose of securing to the State, the payment of the interest & principal of the loan which shall be made to said company," the Commissioner of loans was authorized to issue & sell \$500,000 of the Bonds of the State, and deliver the proceeds to the Treasurer, to be paid over to this company. You perceive that this company by the construction which they place upon the 5th section of the Act of 1837 annul the obligation imposed upon it by the first section of the same Act in the first & fifth sections both impose obligations upon the company, the one designed for the protection of the State, and the other for the convenience of the public, and the company were required to assume the faithful discharge of the obligations imposed by each section, before they could legitimately receive the money granted to them by that Act. You will find that the obligation imposed by the 5th section, was to be evidenced only by the acceptance of the law under the corporate seal of the company, and the signature of its President & Directors, whilst the obligation imposed by the first section, was to be evidenced by the additional solemnity of a written obligation, under the corporate seal of the company & signed by its President & Directors, pledging the whole of their property and revenues for the payment of the interest, &c. It certainly was not the intention of the Legislature of 1837, that this company should make its performance of the minor obligations, imposed upon it by the 5th section of that Act, the justification for its non-performance, of the much more important obligations, imposed by the first section of the same Act. In my opinion the Act of 1837, made it the duty of this company to use as much of the money received under its provisions, as was necessary to enable them to comply with the obligations imposed by its 5th section, and I entertain no doubt that the power which has been exercised by this company, is unwar-  
ranted by the spirit & letter of that Act, & in direct opposition to the provisions of all the other laws bearing upon the subject.

But, Gentlemen, the error of the construction of the Act of 1837 contended for by this company, will be rendered more apparent by an examination of the Act of 1838, chapter 395. By this Act the additional sum of \$750,000, is appropriated to this company, & the second section specifies the purposes for which this appropriation should be expended. It enacts "that the Treasurer shall pay to the President & Directors of said company, such sums of money not exceeding \$750,000, as may be necessary for the construction and completion of the said road, with the necessary depots, engines & Cars, for the purpose of travel & transportation, &c." and the fifth section of the Act of 1838 declares it to be the duty of this company, to perform the obligations imposed on it by the Acts of 1834 & 1837, to pay into the treasury the whole of its net revenues.

Gentlemen, the public interest and