

Charge to  
Divide

President and Board who declares utterly undeserving of the public confidence; &c. &c.  
This brings up between the author of this paper and myself, the distinct question of fact, whether in stating that this dividend was declared of conjectural profits, I have stated the truth or not. It is truly unaccountable how the President of this Company, whose great ability is so universally admitted, and by no one more fully recognized than by myself, should have thought it his duty, or prompted by feelings which should not have been permitted to govern his official action, could have been induced to make before your honourable body, an issue of fact so clearly susceptible of demonstration, as the one which he has made.

I have stated it as my opinion and belief that this dividend so far as it is declared of the bonds of the Company, has been declared of conjectural profits, and the President of this Company says that this untrue, & that he and every member of the board who assented to this dividend have been insulted, by my attributing to him and them so gross a violation of duty. The question then is, whether the dividend so far as it is declared of the bonds of the Company, is declared of conjectural profits; It does seem to me that the mere statement of the question embraces a satisfactory answer. The Company, to a portion of its stockholders pay the dividend in the bonds of the Company, secured by a mortgage upon the future receipts of the Company. Are not the future receipts of the Company uncertain - conjectural. If so, the dividend which depends upon those receipts must be necessarily conjectural. The proposition is too plain for argument, as every one must admit, that the ability of this Company to pay either the interest or principal of the bonds issued, depends absolutely upon the future receipts of the Company, beyond the necessary expenses for repairs, &c., which every one must admit is (to say the least of it,) uncertain and conjectural. But I should be wanting in respect to the author of this paper, if I were to omit to notice the argument advanced by him to sustain his charge that the statement made by me is untrue.

He says "that the net earnings of the Company during the years over and above the current expenses including the ordinary repairs of railway and machinery, amounted to the sum of \$440,476 <sup>54</sup>/<sub>100</sub>, being more than six per cent. upon the capital, and these it may be observed, constituted the actual not conjectural profits of the year. Now if this was so, the plain duty was imposed by the charter upon the Company, to divide those actual not conjectural profits amongst its stockholders, and the State was entitled to receive from the Company in money (not in its bonds) six per cent upon her stocks instead the one per cent now given her. But apart from this view of the subject, you will permit me to ask your consideration of the ground upon which the President claims the right of declaring this dividend under the charter of the Company. He says that under the charter and under the law of the last session, the Company is authorized to borrow money for the repairs upon which he states the net earnings of the Company have been expended, and he says that he found it more advantageous to the stockholders to borrow the net earnings to which they were entitled from them, than from others, and that by a financial scheme proposed by the Treasurer