

stock, on the condition, that the company should secure the payment of interest as therein described, and release the State from the contract, made by the commissioners under the act of 1835. Mr. Latrobe states, that application was made to the Legislature, to obviate the necessity of complying with certain stipulations, which he enumerates; and that the law, (the act referred to,) "fresh, no doubt, in the minds of the board, was passed, placing the sterling five per cent. bonds of the State, at once in the hands of the rail road company, for the entire subscription, dispensing thereby with the six months' notice, and without limit as to the price at which the bonds are to be sold." And he adds, "that all the stipulations of the act of 1835, chap. 395, have either been complied with by the company, or obviated by the Legislature of 1838—and the bonds of the State are now, or soon will be, in the company's hands, to be applied *whenever* they can be made available, and *wherever* the company deems best, and the law of 1837, ch. 314, remains a dead letter on the statute book.

The Legislature certainly intended, by the act of last session, to pay the State subscription in sterling bonds, and to confide in the prudence and discretion of the company, as to the time of bringing them into the market, and the terms on which they were to be sold. What else was applied for, or intended to be granted, I do not pretend to decide; but there is very little doubt, from the representations that were made in favor of sterling stock, that the Legislature expected it to sell at par, or very little below it; and, from the general concern expressed, about the condition of the bonds already pledged, it can hardly be supposed, that a single member would have consented to place any other bonds in a train of hypothecation.

Mr. Latrobe, after showing, that, by estimating for a single track and a plate rail, the funds of the company would be sufficient, as required by the law of 1835, proceeds to state other difficulties in the following words: "But while the 3d and 4th stipulations of the act of 1835, chap. 395, were thus complied with, the 1st, 2d, 5th and 6th, relating to the 20 per cent. premium—the six months notice—the payment of but one million per annum—and the payments *pari passu* with other stockholders, remained uncomplied with, and still effectually prevented *the use* of the State's subscription."

"To obviate the necessity of complying with these stipulations, application was made to the Legislature at its last session and the law was passed, placing the sterling five per cent. bonds of the State at once in the hands of the rail road company." Yet the company, in its exposition, seriously enquires, "What has arisen to create distrust in their prudence? What has heretofore restrained them from making such sacrifice? Why have they refrained from selling the stocks, without reserve, both at home and abroad?"

I answer upon the authority of Mr. Latrobe, that "the 1st, 2d, 5th and 6th stipulations of the law of 1835, remained uncompli-