

1839, at 77 per cent of their par value, and all the debts of the company then paid, it would have left a clear, unincumbered balance of \$848,839, applicable, in the language of the interrogatory, for carrying on the work and payment of interest to the State of Maryland.

The question now put to me assumes that the contracts in force on the 1st June 1839, were "in effect debts." Until the letter of the President of the company of 10th February 1840, to the Governor of the State was written, I never knew it to be assumed that a contract for labour to be performed at a future period was a debt. If so, was not the salary of the President and other officers of the company for an indefinite time, equally a debt? And if these were debts then, how is it that in the statement of debts now presented by the President to the Legislature no notice is taken of any such debts? There are yet large contracts in force, and salaries are stipulated to be paid to the officers.

I have not the means of saying what the work would amount to on completion, which was under contract on 1st June 1839, but it would I presume, very much exceed the sum of \$848,439.

The sum required to pay the monthly estimate, due in June 1839, (the per centage being deducted,) was about \$77,000, and the average amount required for the same purpose during the summer of that year, was about \$70,000 per month.

I am required to say whether a sum largely exceeding \$849,439 was not necessary to pay the monthly estimates on contracts which the board could not legally abandon. To this end, it is necessary to find what contracts the board *could* legally abandon.

The great contract for the Tunnel, made by the former board, contains a provision that they might terminate it at any time, on giving the contractor 30 days notice of their intention to do so, and paying him for all the work done and expenses incurred, to be estimated by the engineer. Similar provisions are contained in five other contracts. Many of the contractors had not, in June 1839, the force employed which was necessary to complete this work in contract time; this was legal cause for abandonment. Besides these, I confidently believe, that many of the contractors on the line would willingly have surrendered their contracts at that time when labour and provision were very high, if the board had offered the same terms of settle-