

In consequence of these difficulties, the subscription on the part of the State remained merely nominal until the year 1839. On the 5th April, 1839, the Legislature passed "an act to provide the ways and means to meet the subscriptions on the part of the State to works of internal improvement;" and by that act they proposed to the company in lieu of the mode of payment provided by the act of 1835, to accept in satisfaction of the State's subscription the *sterling* bonds of the State, to the amount of *three millions, two hundred thousand dollars*, and to secure by mortgage upon the property and revenues of the company, the payment of the interest, at the rate of *five per cent. per annum* on the bonds created by the act for the term of *three years* from the date of the bonds.

The company accepted the proposition contained in the law of the 5th April, 1839; regularly executed the required mortgage to the satisfaction of the Treasurer, and received from the *Commissioner of Loans* the sum of \$3,200,000, in the *sterling* bonds of the State, on their own account and for their own use; to be disposed of at their own pleasure, without other accountability to the State than that *named* in the mortgage, and such as might arise from the duty of faithfully applying them to the purposes of the company.

The State thereby became released from other or further payment of her subscription; and the company acquired the absolute ownership and disposal of the bonds, as fully to all intents and purposes as any other owner of the bonds of the State who may have acquired them by purchase or otherwise.

Upon these facts, it is presumed, no doubt can be entertained by any one that the arrangement proposed by the act of 5th April, 1839, and assented to by the company, is an executed contract, which cannot be changed by one of the parties without the assent of the other; and that the State having actually paid her subscription, though in the form of her bonds, cannot by any act of her own recall it, unless, indeed, she should prefer paying the money in lieu of the bonds, to which the company would doubtless not object.

It is impossible, I think, Sir, after the views here presented, seriously to suppose that the Legislature possesses any right to recall the bonds delivered to the company, and now in the hands of Messrs. Baring, Brothers & Co.; and I venture to express the hope, that an attempt in any other way to impair their value will receive no greater favor. They have been delivered to the company in discharge of the State's obligation, and for the furtherance of a great work of internal improvement, are entitled to the same respect as any other portion of the public debt, and the care which the company have heretofore taken of them ought to be sufficient guarantee that they have knowledge enough of their own interests and duties not to sacrifice them in future.

Independently of this, the large expenditure already incurred by the city of Baltimore in the prosecution of that part of the work to which her contribution was particularly applicable, and the sacrifices, to which, on that account, her citizens have been subjected, present