

pay the interest due in London on the sterling debt of the State. For such advances, the Company made its claim. In order that there may be no doubt that this claim of the Company is not only one of "strict law," but also of "equity" and justice, we cite not only the Act of 1835, chapter 395, which prescribes that the State, as a stockholder, shall be paid its perpetual dividend of six per cent. "out of the profits of the work as declared from time to time," and that the excess of profits, above that sum should be divided among the other stockholders, but we quote from the opinion of the Supreme Court of the United States, namely:

\* \* \* "On the contrary, there is much in the Statutes to repel any possible implication of an engagement to indemnify, and to make it apparent that such an obligation was not intended to be imposed or assumed."

"No distinction was made between the kind of money the Company might be compelled to receive, and that required to be paid to the State. Nor was any distinction attempted to be made between the kind of money with which the dividends to the State and other stockholders could be paid."

"For these reasons, we think, the contract between the parties exhibits no just ground for an implication that the Company assumed an obligation to pay its dues to the State in gold, or in any other manner than in money generally, and the fact that the Company did pay the State's interest in sterling funds in London down to 1865, cannot change the construction of the contract."

The Company was compelled to receive legal tender from those who used its road, and the State could, therefore, in equity and justice, only ask "out of the profits," what the Company was obliged to take.

We have deemed it right to set forth this claim of the Company to your Honorable Body, and leave you to deal with it as you judge to be meet and proper.

We now ask your Honorable Body to consider the question of the continuance of the imposition of the "Capitation Tax" on the Washington Branch. Twenty per cent. of the gross earnings from passenger transportation on the Washington Branch, and from the Relay House to Baltimore on passengers between Baltimore and Washington, which would be equivalent to forty per cent. of the net earnings from that source, must now be paid to the State Treasury.

By the Act of 1831, chapter 330, Section 8, a supplement to the first Act authorizing the construction of the Washington Branch, it is expressly provided, namely, "And if said Company shall not complete the said road, with at least one