

power to confer priority upon its new indebtedness; the State reserving to itself the next place in the obligations of the Company, after full provision shall be made for the new creditors; secondly, that the State should, for the whole amount of the Company's indebtedness to it, place itself in the relationship of a simple Stockholder, which would, as in the former case, leave the Company in the free use of its credit, and with power to confer priority upon the new indebtedness it may be necessary to incur; thirdly, that the State should consent to a sale of its interest in the road. The amount to be realized to the State by the proposed sale was, I believe, estimated at fifteen hundred thousand dollars. Were that amount paid in five per cent State Stock at par. (cancelling that much of the public debt) It would practically do no more than to effect an annual relief to the Treasury of seventy five thousand dollars; whereas the Company itself paid into the Treasury on account of interest, in 1849, \$75,000, in 1851, \$84,692; and in 1852, (inclusive of the \$25,000 paid in December of that year, and embraced in the first Annual Report of the Comptroller, though credited in the account of receipts as of the fiscal year 1853,) the sum of \$85,000. Unless, therefore, we are to anticipate a decided retrogression in the future operations of the Company, it is quite evident that the State could gain nothing by this proposed sale of its interest for less than one-half of the amount of its claims; whilst, on the other hand, after having incurred nearly all the sacrifices resulting from the past embarrassments of the Company, it would thereby surrender all of the possible advantages to be expected from the future success of the enterprise; besides sustaining an immediate loss of a million and a half of dollars of that part of its capital to which, though now unproductive, it confidently looks to aid in the payment of the public debt at some future day. As to the second proposition, it is questionable upon constitutional grounds. The Legislature being expressly prohibited by the Constitution from making direct appropriations or lending the public credit for purposes of Internal Improvement, it may well be asked how the loans made by the State to the Company, and the accumulations of interest subsequently funded, can now be converted into a subscription to stock, without violating the spirit and, indeed, the very letter of that instrument. The State, in surrendering the debt by becoming a stockholder, would virtually appropriate that much of the public capital to a forbidden object. The fact that the amount thus proposed to be subscribed to the Stock of the Company would consist of an outstanding debt due the State, and not