secure the payment of the principle and interest of the debt these companies owe the Government.

Mr. Hill—May I ask the Senator a question? If there has been a violation of the trust, and that violation gives us a right to go to the the courts—and I concur with the Senator that that is the case—is it not better that we should go to the courts? Why not turn the case we have got over to the courts, if that is a good case, rather than attempt to make another case and turn that over to the courts?

Mr. Bailey—I have expressed my opinion; I may be in error—

Mr. Hill—I say to the Senator that I concur with him fully that if there is a violation of the trust and danger of an annihilation of the road, the remedy is ample before the courts. I agree that remedy would extend to taking the road out of the hands of the corporation. I think the Senator is right in that, that if a violation of the trust exists, or such a condition of things as amounts to a violation of the trust, you have a right to go to the courts.

Mr. Bailey—I understand the Senator, then, to agree with me that, if I have correctly stated the facts, my conclusion in regard to the rights of these parties on the one hand and their obligation on the other are correct, and that the Government of the United States has the right to-day to appeal to its courts for the purpose of protecting its interests and compelling the performance of this trust?

Mr. Hill—I have said this, that if the Senator is right in his statement that the action of these parties amounts to a violation of the trust, the United States has ample remedy in the courts of justice.

Mr. Bailey—Then certainly the Senator and I will not differ very widely; for, if we are agreed about that, certainly as doubt exists in so many minds, and instructed as both of us have been by our experience as lawyers in construing statutes or in devising remedies, he will join with me in improving the law, and make the remedy more perfect.

Now, Mr. President, I agree with very much that was said yesterday by the Senator from Georgia in the very able speech to which we all listened with so much pleasure. These acts of 1862 and 1864 are naturally divisible into two parts: First, those portions of the acts which create one corporation and give within the Territories of the United States franchises to the other, which give to them their rights, their privileges, their immunities, their powers. Another division is that portion which proposes after the corporations are created to make a contract with them. I agree with the Senator that a corporation can be created and franchises granted only by the sovereign, and that in contracting with the creatures it has called into being for a loan of money or bonds the sovereign occupies no higher position and has no rights other than will be awarded to a citizen. I agree with him further that the reserved right to alter, amend, or repeal these acts does not necessarily give to Congress the power at all times and without regard to change of circumstances to change the contract made under the second division to which I have referred.

It seems to me that when this law was enacted the corporators had a right to organize their companies, but were under no obligation to accept the bounty of the Government. The two propositions were essentially distinct. Organized, they might have undertaken with their own capital or capital borrowed elsewhere to build this great line of railway, but the proposition having been submitted to them by the Government of the United States for a loan of $55,000,000 of bonds they could accept it or not as they might deem expedient or in accordance with their interests. If accepted, I agree with the Senator from Ohio (Mr. Thurman) that Congress could the next day have withdrawn the proposition or at any time before the work was begun upon the line of railway; but whenever a single section of the work was done and the bonds were delivered that were due from the Government upon that section, to that extent there was an executed contract between the two parties and that contract, and the obligations and rights of the parties in respect to it rested secure under the sanction of the good faith of the Government and the intelligence and civilization of the age. I say nothing about the power of Congress in the absence of a constitutional inhibition. That question is not before us; but without regard to that, this contract rested under the sanction and protection of a wise policy, of a just policy, and is, as it seems to me (I say it respectfully to those who differ from me), under the protection of the consciences of the people of the United States. I do not think the contract could be disturbed, but as to the remainder of the work not yet done the offer might have been withdrawn, and not until the work was finished was the contract executed in all its parts upon the part of the corporations or beyond the control as to the unfinished parts of Congress. When finished the rights of the corporations and of the Government of the United States became fixed and established; neither could disturb it. Nor, in my opinion, does the power that is reserved to alter, amend, or repeal the act give the power to Congress to interpolate a new term into the contract which had been executed. A contract is an agreement between two or more persons in regard to some particular thing. The very definition implies that there shall be an agreeing of minds, that there shall be two parties at least to the agreement. But in the estimation of the Senator from Georgia (Mr. Hill) this bill proposes to interpolate a new term into the contract. If I believed this to be so I would vote against the bill. I would vote against it because I do not believe that Congress has the power, acting for the Government and people of the United States and against the will of a person who has contracted with it, under such a reservation as this, to make a new term in the contract. But this view interposes no obstacle to my hearty support of the bill which has been presented by the Judiciary Committee. I hold that the power of Congress in respect to matters that are properly subject to its legislative control is commensurate with the wants and the interests of the people of the United States. I hold that within its constitutional limit the Congress has the same power that a Legislature has to change the law from time to time in order to meet the varying wants and exigencies that may be developed in society.

These corporations, resting in fancied security under the protection of the law, which, as it now stands, gives to them power to distribute all their earnings to stockholders and to disregard the just claims of creditors, assert that they have a vested right in the law as it is, and that no change will be made that will interfere with their power to distribute the earnings so unwisely and so unjustly.

It is generally understood among statesmen and lawyers and laymen that the Legislature may, from time to time, change the law to meet the property necessities of each generation and of each state of society. The Legislature of Massachusetts or of Tennessee, looking to surrounding circumstances and conditions, will amend their laws to suit the wants of their own people. We are an English-speaking race, and of course a practical race. Our laws are practical in effect, and are made from day to day and from year to year to meet the exigencies that arise in the actual experience of our people. As a practical people we have established governments whose powers reach to every relation. It interposes in our domestic life and enters into the very privacy of our homes; it regulates the relations of husband and wife, of father and child, of neighbor and neighbor; it prescribes the laws of marriage and divorce; it directs the disposition of our estates after death, regulates the terms and conditions on which wills may be made, and points out the legal successors to lands and houses and goods; it controls the business affairs of men and makes laws for their government; it commands their services in peace and in war, and compels service in offices of public trust or in deadly battle.

There is no limit to its power other than that imposed by the people themselves by constitutional barriers. And yet it is said here to-day that great and all-reaching as is this power, however potent to regulate the most delicate and important relations of life or to interfere with the business affairs of mankind, however absolutely it may control our property or command the services of the citizen, it is robbed of all its greatness in the presence of a creation of its own and cannot forbid it to consummate a meditated wrong.

I cannot bring myself to believe that these corporations have any other or greater privileges and immunities than belong to citizens of the United States, unless they have been conferred by the Government; and where in their charters is to be found any warrant that the Government will not undertake to regulate and control their business affairs as it regulates and controls the affairs of the citizen? In my State and the State that is represented by the honorable member from Georgia, we have a law providing that, if a debtor in anticipation of the time of payment of a debt is making a fraudulent conveyance of his property with a view to evade the payment of that debt, the creditor may sue out an attachment and impound the property and hold it under the jurisdiction of the courts until the debt shall become due. This is statutory law; but has anybody ever questioned the power of the Legislature to enact such?

Mr. Hill—I will say to my friend that, so far from questioning it, I concede it fully. I admit it is the law now that if these companies, or either of them, shall attempt to make a fraudulent conveyance of this property, or shall by their own act impair the value of this property, or shall in any way by their own act seek to destroy the security of the United States upon this property, you have an ample right to go into court and restrain them, and a perfect right to take the property out of their possession to that extent.

Mr. Bailey—I suppose, then, the Senator from Georgia would rest the power of Congress to legislate on this subject upon the fact that there was or was not a fraud in the conduct of these parties?

Mr. Hill—I rest it upon the fact that there was or was not a breach of the trust. I do not rest the power of Congress to legislate; I rest the power of the courts to interfere; and I say your remedy is ample. I say Congress can provide remedies that the courts must administer.

Mr. Bailey—This debt is not due—

Mr. Hill—Whether these companies have been guilty of fraud or guilty of a breach of trust is a judicial question.

Mr. Bailey—That is not now the subject of inquiry. I am speaking now of the power of Congress as a legislative body to prescribe laws for to control the conduct and business affairs of those who are subject to its power as a legislative body. I illustrated the idea that I was attempting to advance by referring to a species of legislation that is very familiar in the gentleman's State and in my own. He contends that Congress has no power to enact into a law the bill that is presented by the Judiciary Committee, and what does that do? It simply undertakes to regulate and control the action of a person who is subject to the legislative will of Congress, and not more so nor less so than the citizen of Georgia who undertakes to make a fraudulent conveyance of his property. The gentleman spoke yesterday of default, and I suppose the idea is in his mind to-day that there can be no action without a default. The citizen of Georgia who is or will become indebted in the future is not in default, although he actually conveys his property, until the debt becomes due.

Mr. Hill—I do not agree with the Senator. There may be several kinds of default. There may be a default in payment, which can only occur after the debt becomes due; but there is a worse default which by fraud seeks to destroy the debt before it becomes due. In the first place, where the default is one of payment and occurs after the debt becomes due, the remedy is in a court of law. If it occurs by fraud in advance of the debt becoming due and endangers the existence of the debt, then the remedy is in a court of equity.

Mr. Bailey—The test of it then is the danger of losing the debt, as I understand.

Mr. Hill—If that danger is caused by the act of the party. If that danger is the mere result of the natural course of events, a natural depreciation of property, there is no remedy, for no debtor is responsible for the acts of God or the king's enemies or the natural course of events. The debtor is responsible for his own act, and if by his own act he brings the property into disrepute, destroying the value of the property, or wasting the property, or seeking to make a fraudulent conveyance of the property, then a court of equity will intervene and restrain him. But the simple fact that the debt is not due, the simple fact that the property is insufficient to pay the debt, the simple fact that the debtor is insolvent, are all misfortunes; they are not crimes; they are not frauds.

Mr. Bailey—Or, the gentleman should have added, if he is dividing out his estate, or if a corporation is dividing out its assets among its stockholders without regard to its obligations to pay its debts, then there is a default.

Mr. Hill. I concede that if the stockholders are dividing out that which is included in the mortgage, that which is covered by the lien, it is a fraud.

Mr. Bailey—Mr. President, the rights of creditors do not rest upon any idea of forfeiture of a mortgage. In the case supposed, provided for by the law of Georgia, there is no mortgage, but the Legislature interposes. Why does it interpose? The debtor is not under a legal obligation to pay the debt *eo instanti*, at that moment. No more is this corporation under any obligation, moral or legal, to pay its prospect-debt to the United States Government; but the debt is imperiled by reason of the action or conduct of the debtor, and the Legislature interposes and the legislative power changes the law and gives the creditor a new remedy. For what purpose? To protect itself, to compel the performance of the contract, to require the debtor to remain or to suffer his property to remain in a condition where it will be subjected to the payment of the debt; and when the gentleman concedes that that sort of legislation is constitutional and valid and right, he concedes all that we contend for here.

Mr. Beck—Will the Senator from Tennessee permit me to say that the legislation is applied to debts that existed before that legislation was had, and as to which there was no such right of interference, just as well as to those debts which were incurred afterward?

Mr. Hill—And I will say to the Senator from Tennessee further that all the legislation to which he refers in his State and mine does not interfere with the contract; it does not require the debtor to pay one cent before the debt becomes due. It simply says the property shall be held; that the debtor shall not fraudulently convey it; that he shall hold it in *statu quo* until the debt becomes due.

Mr. Bailey—We propose nothing more than that here. There is no change of this contract at all. I say that it is impossible for the Senator from Georgia, with all his ingenuity, with all his ability, with all his mastery of the principles as well as of the technics of the law, to show in what particular or that in any particular this bill in requiring the creation of a sinking fund changes the contract between these parties or expedites one day the payment of the debt that will become due in the future from these corporations to the Government of the United States.

Mr. Hill—The contract requires the corporations to pay one-half of the compensation for Government transportation. This bill requires them to expend the whole of it on the debt.

Mr. Bailey—Not at all.

Mr. Hill—You require them to pay it into a sinking fund, which sinking fund is placed in the Treasury of the creditor. You take the money away from the debtor. The law to which the Senator refers in Tennessee and Georgia does not take a dollar from the debtor before the debt is due.

Mr. Bailey—It takes his property from him.

Mr. Hill—It does not take his property from him; it only holds it.

Mr. Bailey—What difference does it make whether this sinking fund is in the Treasury of the United States or in a bank in New York? The Treasury is adopted for that purpose, not alone because it is a Government agency, but because it is supposed to be the safest to all parties. If a dollar shall be lost by reason of the defalcation of officers of the United States, the Government will, not in law but in honor, be bound to make that loss good. For that reason, because it is safer and more convenient, the Treasury of the United States is selected as the custodian of this fund.

Mr. Hill—How does it lessen the burdens you impose by this bill upon the debtor to pay this additional half of the transportation account simply because the creditor takes the money and holds it but does not pay it out to the creditor until the debt becomes due?

Mr. Bailey—It is no burden to a man to pay a debt.

Mr. Hill—It is a burden to pay a debt before it becomes due.

Mr. Bailey—The whole argument proceeds upon the assumption that a creditor has no rights in respect to the earnings of his debtor, upon the assumption that the debtor may if he can under some legal technicality escape the payment of the debt that he may legally and properly do it. We take nothing from this company that it is not under the highest moral obligation to devote to the payment of the debt, and we simply propose to convert that moral obligation into a legal obligation. The case is not in one particular different, in the view in which I am now considering this subject, from the case that was supposed a while ago of a debtor in the State of Georgio who proposed to transfer, or attempted to transfer, his property for the purpose of avoiding the payment of a debt. The Government, or rather the law, seizes the property in that case—the law enacted by the Legislature, that undertakes to regulate and control the relations of man with his fellow-man in their business transactions. The law seizes it and dedicates it to the payment of a debt, or rather, it impounds it and holds it until the debt shall become due. His property is taken from him just as we propose to take money from the vaults of these great corporations and place it in the Treasury of the United States as security for the payment of debts payable *in futuro* and which the officers of the company have declared that they cannot and will not pay.

But, Mr. President, I believe it is the law in the State of Georgia as it is the law to-day in Tennessee and in most of the States of the Union, that if a debtor offers to remove himself and his property from the State where the debt was created, in advance of the time for payment, that property may be seized, it may be impounded, and may be held until the debt shall have become due. Upon what principle does that legislation rest? Why is not that unconstitutional? Why does not that work a change in the contract between the parties?

Mr. Hill—That goes exactly upon this definite principle, that the debtor after he has made the debt is endangering its collection by his own act, not by the act of another, and he is changing the jurisdiction of the debt; he is traveling beyond the jurisdiction in which he created his debt.

Mr. Bailey—Then the power of the Legislature rests not upon the fact that it is a Legislature. It is not an inherent power; it is not a power derived from the people; but the power is derived from the act of the absconding or fraudulent debtor.

Mr. Hill—The necessity for the legislation is derived from that act.

Mr. Bailey—The necessity for the legislation? Who shall judge of its necessity? If the Congress has the right to enact laws on the subject, who can judge or inquire into their wisdom or necessity?

Mr. Hill—It would be unconstitutional for a Legislature to pass an act authorizing the property of a debtor to be seized before the debt is due, if he is not changing his situation, if he is not removing; and the legislation itself in this bill only seeks to have vitality upon the ground that he is not changing his jurisdiction.

Mr. Edmunds—Suppose he were wasting it?

Mr. Hill—Certainly; if he were wasting it, that would be the same thing.

Mr. Edmunds—Now what is the difference as to a corporation paying money to its stockholders, whence it never can come back, which it is confessedly necessary to get to pay its debts?

Mr. Hill—Ah, you have got no lien upon that income, no lien upon the arnings. You have a lien upon the *corpus*, and you would have a right, a perfect right, to proceed against that in such a case.

Mr. Edmunds—If I do not interrupt the Senator from Tennessee, may I ask the Senator from Georgia if every creditor of the corporation has not a lien upon every dollar of its income, by the nature of a corporate lien?

Mr. Hill—After the debt becomes due.

Mr. Edmunds—Have you not before the debt becomes due?

Mr. Hill—Not unless he is endangering the payment of the debt by his own act.

Mr. Edmunds—That is the very question, whether he is not endangering it by dividends to the stockholders when confessedly if it goes on there will be nothing to pay the creditors with.

Mr. Hill—Confessedly, the creditor has elected his own security, confessedly the creditor has dedicated the *corpus* of the road to pay the debt; and confessedly the debtor is doing nothing to endanger that security.

Mr. Edmunds—But the Senator from Georgia carefully leaves out the proposition that I put to him, that upon the universal principles of law applied to corporations, no matter whether you have a mortgage security or not, every dollar of the assets and income of a corporation is a trust-fund for the payment of its creditors first, and for division among its stockholders afterward. Therefore, if a corporation, without regard to whether there is a mortgage lien or not, divides up its earnings among its stockholders to the danger of its creditors, it is violating the law of its existence.

Mr. Hill—I do say emphatically that no creditor of the road has any right as a legislature to pass acts and to administer a law to prevent the debtor from using the income of his property before the debt becomes due. He has a right to use the rents, issues, and profits of the property, and no law ever arrested it or can ever arrest it unless by so doing he is violating a contract. If he has included the rents, issues, and profits of the property in a mortgage, then he is bound. If he has not, then there is not any court on earth that can impound the income of a man's property in advance of the debt being due; nor was it ever done. I say broadly it never was done. It cannot be done in the nature of things, because when a man dedicates the *corpus* of the property to the payment of the debt, to that the creditor must look. The creditor has elected his security; the creditor has dedicated his security; he has fixed the debt on that security and he must rely on it. There is no lien in favor of an ordinary creditor against a debtor—none in the world. But I beg pardon of the Senator from Tennessee for having interrupted him.

Mr. Bailey—Although that may never have been done by a court, yet such is the temper, and such are the convictions of the American Congress to-day, that it cannot hereafter be brought as a reproach against the courts of the United States that they will not entertain jurisdiction where a debtor has publicly and solemnly announced to his creditors that his purpose is to administer his affairs as not only to bring a debt to mature at a future day in peril, but to bring it to absolute, positive, and certain loss—

Mr. Hill—Of course the unauthorized announcement of an officer amounts to nothing, but if there is any announcement by the corporation that they intend to bring this debt in danger by their act, the courts will give you ample remedy to restrain them.

Mr. Harris—Will the Senator not admit the fact that by reason of the dividends that have been paid and are being paid the ultimate security of this debt is not only hazarded, but it is rendered almost certain that it will prove a loss to the Government?

Mr. Hill—On the contrary, I say that by the appropriation of the income, the security selected by the Government for its debt is not only not impaired, is not only not lessened one dollar, but I say emphatically in this very contract which the Government made it has stipulated that the company shall use those earnings. It stipulated that as an inducement, in the eighteenth section, for them to build this road. Who supposes that anybody would have undertaken to build this road on an agreement that for thirty years there should be no earnings from it? Who supposes that any men would undertake to build the road on a distinct stipulation that they were to have no earnings for thirty years? There is a stipulation to pay the Government; but there is no stipulation that they shall have no earnings for thirty years. But the danger the courts will remedy; the future will give you a remedy not lessening the security which the contract has dedicated to the payment of your debt. I beg pardon of my friend for having interrupted him so long.

Mr. Bailey—Not at all. I am very much obliged to the Senator. I was a little fatigued, and it gave me an opportunity to rest.

But the Senator asks in his concluding sentence who supposes that the parties contemplated that the Government of the United States would take all the earnings of these companies and leave nothing for them to distribute to their stockholders as a compensation for the capital that they have invested. I do not understand that to be the case. I understand from the reading of the bill presented to us by the Judiciary Committee of the Senate and the report which accompanies the bill that even after making these appropriations to the sinking fund there will be left from year to year to the stockholders of one of these companies a dividend of 6 per cent., and to the stockholders of the other not less than 4½ per cent.

Mr Hill—Have you any more right to take half the income than you have to take the whole of it?

Mr. Bailey—Not a bit of it. We have a right to take it all if necessary to prevent the meditated fraud. The Senator seems to suppose that because the law as it exists——

Mr. Teller—I ask the Senator if he will submit to an interruption? When the Senator says they have a right to take it all to avoid this meditated fraud, I should like to know to what he refers.

Mr. Bailey—I refer to what they have announced; to the extracts from letters and speeches I have already read.

Mr. Teller—I should like to know what they have announced.

Mr. Bailey—They have announced it to be their purpose to divide their net earnings as between themselves and to leave this debt of the Government of the United States to accumulate; and they declare that natural consequences, the almost necessary consequences of their acts will be to bring these companies to absolute bankruptcy and to cause the Government to lose a great part if not all of the debt that will be due in the future.

Mr. Teller—Will the Senator answer this question: When the Government took this lean and postponed the payment of the debt until the maturity of the bonds, interest included, did they not guarantee not only by that provision but by a special provision that the companies might take these dividends? Are they not then living strictly within their contract when they take these dividends?

Mr. Bailey—Considering the question from the point of view that I have now presented, I do not say that they have not the legal right to distribute this money. They have the legal right; I will concede that.

Mr. Teller—I understood the Senator to say that they had not the legal right. Then I misunderstood the Senator.

Mr. Bailey—I say they have a legal right to do it, but I say notwithstanding that it is a fraud that they contemplate perpetrating upon the Government of the United States by withdrawing what they may have the legal right to withdraw in the present state of the law, and without the remedial legislation that is proposed from the payment of their debts, and appropriating it to a division among themselves. But I am arguing here to prove that the Congress of the United States has a right to control them and to make that illegal which they claim is legal to-day.

Mr. Teller—And which you admit is legal now, and yet you say this legislation does not change the contract?

Mr. Bailey—Not at all. The Government has guaranteed nothing. The Government of the United States does not guarantee to its citizens that the law shall never be changed. In a case in 4 Otto, the very same claim was made that is made here to-day by a corporation chartered in Illinois, that it had a vested interest in some way in the existing law, and although the Legislature of the State of Illinois changed the law, it was said the action of the Legislature was illegal and unconstitutional. The legislation was intended to change that which before had been right in a legal sense into what the law pronounced to be wrong. Chief Justice Waite of the United States Supreme Court in commenting upon that says:

> But a mere common law regulation of trade or business may be changed by statute. A person has no property, no vested interest, in any rule of the common law.

You have no vested interest in that rule that gives you a right to distribute these earnings among the stockholders of this corporation as against the creditors.

> That is only one of the forms of municipal law, and is no more sacred than any other. Rights of property which have been created by the common law cannot be taken away without due process; but the law itself, as a rule of conduct, may be changed at the will, or even at the whim, of the Legislature, unless prevented by constitutional limitations.—*Munn vs. Illinois*, 4 Otto, 135.

But there is another reason which has been alluded to by the Senator from Vermont, or which was alluded to a few moments ago, why this legislation may take place. He stated, and he stated what is unquestionably the law, that the property of every corporation is a trust fund for the payment of its debts, made so by intendment of law. The corporators are exempted in their natural persons and in their individual property from either arrest or seizure under execution, and from all the processes by which payment is compelled as between individuals in their contracts with each other; and when these corporators have paid into their treasury or have conveyed to the corporation money or property which is intended for the corporate use, from that moment it is dedicated to the corporate purposes and becomes a trust fund.

Judge Story rendered a decision in the case of Wood *vs.* Dummer, 3 Mason's Reports, in the year 1824, where the stockholders of a corporation had met together and their directors had distributed to them the money of the corporation, leaving the creditors unpaid. A bill was filed to compel them to refund the money and they were compelled to restore it.

Mr. Teller—It was a capital stock.

Mr. Bailey—It may have been capital stock, but it was the property of the corporation. Do you mean to say that the net earnings or profits are not property? Do you mean to say that no obligations rests upon the corporation to provide for the payment of a debt in the future? I will read a few lines from this decision.

> The individual stockholders are not liable for the debts of the bank in their private capacities. The charter relieves them from personal responsibility and substitutes the capital stock in its stead. Credit is universally given to this fund by the public as the only means of repayment. During the existence of the corporation it is the sole property of the corporation, and can be applied only according to its charter; that is, as the fund for payment of its debts, upon the security of which it may discount and circulate notes. Why, otherwise, is any capital stock required by our charters? If the stock may, the next day after it is paid in, be withdrawn by the stockholders without payment of the debts of the corporation, why is its amount so studiously provided for and its payment by the stockholders so diligently required? To me this point appears so plain upon principles of law, as well as common sense, that I cannot be brought into any doubt that the charters of our banks make the capital stock a trust fund for the payment of the debts of the corporation. The bill-holders and other creditors have the first claims upon it, and the stockholders have no rights until all the other creditors are satisfied.

The capital stock was the subject of litigation in that particular case, and hence he was speaking of capital stock; but the idea, the reason, applies to property of every description. The decision made by Judge Story in his case of Wood *vs.* Dummer has been upheld by the courts of nearly every State in the Union. The position has been adopted and made the basis of frequent decisions by the Supreme Court of the United States, one of which is very well known to some of us in the South, the case of Curran *vs.* The State of Arkansas, reported in the fifteenth volume of Howard's Reports. Here is a trust fund dedicatad to the payment of debts. Here is an obligation resting upon the payment of this great debt. They say, however, that they will not do so and resist the attempt on the part of Congress to compel by law that to be done which they rest under the highest obligation to do. They say that there is no law that will authorize a bill in chancery to be filed to enforce this obligation. Then, sir, we will make a law; the obligation shall no longer be imperfect; legislatures are established to enact laws, and to correct defects in the written or unwritten law, whenever these defects may be discovered or the business affairs of life shall bring them to notice.

Now, the jurisdiction of courts of equity in regard to trust funds of this kind is unquestioned. It is usually exercised in cases of an insolvent corporation or one whose charter has expired, been annulled, or revoked; but the principle settled by the case of Wood *vs.* Dummer and the case of Curran *vs.* The State of Arkansas is that property of a corporation is, a trust fund for the payment of debts. The principle stands whether the corporation be solvent or insolvent, whether its charter continues in force or has been annulled or has expired by a lapse of time. It may be that under the present state of the law where a corporation in the full possesion of its franchises shall from year to year divide its earnings between the stockholders in such a manner as to imperil the rights of creditors whose debts are not due, the court will not feel authorized to interfere to control the action of its officers, but the refusal to exercise jurisdiction in such a case is because the creditors cannot maintain an action until the debt becomes due. Notwithstanding, this, however, the property is a trust fund, and the highest moral obligation rests upon the officers to so administer its affairs as to protect the rights of creditors who are entitled to priority of payment over the stockholders, and this becomes a legal obligation whenever a right of action accrues to the creditors.

Now, may not the remedy be advanced without injustice to the stockholders? If the conduct of the officers manifest an unmistakable purpose to bring the corporation to a state of bankruptcy, if they shall refuse to be governed by the ordinary rules of business prudence and care, and when the necessity is obvious refuse to provide a sinking fund for the payment of debts to mature in the future, that cannot otherwise be paid, can they with any propriety object that the law-making power shall require them to do so or shall provide a remedy that will protect the creditor against a meditated wrong?

It is objected that such legislation will divest vested rights. What right is taken away? What vested interest is disturbed by such legislation? The corporation is left in the undisturbed possession all franchises and all its property. It continues to transact its legitimate business and to make such profits as that business will fairly earn, but is required to do what every government and every corporation whose affairs are managed with any regard to prudence or the just rights of creditors will voluntarily undertake to do.

Is the power to perpetrate a fraud, to be recognized as a vested right? If the law be defective, shall it not be amended and made to conform to the wants of society?

Tortures that Need not be Endured.

People suffer a great deal of pain unnecessarily. Among tortures that need not be endured are those inflicted by the rheumatism and gout, since the acrid element in the blood which produces them by contact with the sensitive covering of the muscles and joints may be eliminated by the use of that machless depurent, Hostetter's Stomach Bitters, before the inflammatory symptoms are developed to any great extent. When it is considered what excruciating tortures rheumatism inflicts, and what a tendency it has, when fully developed, to attack the heart, the advisibility of an early use of such a reliable antidote becomes at once apparent. The rheumatic virus is expelled from the blood by the increased action of the kidneys—which act as strainers—produced by the Bitters, and the sufferer will find, if he uses this supreme defensive agent, that he will be protected against a return of the agonizing complaint. Dyspepsia, fever and ague, liver and bowel complaints and other maladies, are also cured by this admirable remedy.

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Consisting in part of

Extra Early Green Peas,
Imperial Brand Peaches,
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Mountain Sugar Corn,
Challenge Brand Raspberries,
Strawberries, Challenge Brand,
Blackberries, Challenge Brand,
White Cherries,
Bartlett Pears,
White Heath Peaches.

A large assortment also of

Canned Meats,

Boneless Pigs Feet,
Corned Beef,
Pickled Oysters,
Lobsters, Etc., Etc

February 23, 1878-2m

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Wholesale and Retail dealer in

HARDWARE, IRON,

Agricultural Implements, &c

CLARKSVILLE, TENN.

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BUCKEYE

New Light Mower,
New Mower Combined,
New Table Self-Rake Reaper.
New Dropper Reaper.

Sweepstake Separators!

With Steam and Horse Power.

Bellville Vibrator!

Picker and grain saver, something new.

THE BEST THRASHER MADE.

Be sure to call and see it before you buy. With steam or horse power.

Thomas' Riding Hay Rake,
Advance Riding Hay Rake,
Revolving Hay Rake.

STUDEBAKER FARM WAGON.

Will run lighter, last longer, and is warranted for two years.

Avery's Steel and Cast Plows, Points, etc.
Clarksville Steel and Cast Plows, Points, etc., etc.
Meikel's Steel and Cast Plows, can work either cast or steel points.
South Bend Chill Plows, etc.
Diamond Iron Chill Plows, etc.
Iron Double Shovel Plows, all kinds and make.
Superior Grain Drills, with and without fertilizing attachment.
Hocking Valley Corn Shellers.
Farm, Bells, Baby Buggies, Webster's new Amalgam Pens, Whips of all kinds, Tools of all kinds, Locks, Hinges, Nails, Builder's Hardware of all kinds, Gum Belting, Packing, Leather, etc.
Call and examine before purchasing elsewhere, as you will be waited on politely by

ED. TURNLEY, J. S. ELDER,
FRED NAYLOR, J. H. TURNLEY.

March 2, 1878-tf

For Rent.

The STOREHOUSE on Franklin street, lately occupied by C. M. Barker, is for rent for the year 1878. Possession given immediately. Apply to S. B. STEWART, Executor.

January 12, 1877-tf

COAL! HAY!

You can buy Diamond Coal and Hay, at REDUCED PRICES, of J. S. WOODSON & CO.

Office Tobacco Leaf Building.

March 23, 1878-tf.

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NATIONAL PUBLISHING CO., Philadelphia, Pa.

March 23, '78-4w.

Chancery Sale

FOR

Saturday, April 13th, 1878.

A. H. Ewing, Trustee, vs. C. and G. Hiter.

Pursuant to decree in this cause at the February term, 1878, of the Montgomery Chancery Court, I will sell publicly to the highest bidder, **on the premises**, at 2 o'clock P. M.,

Saturday, April 13, 1878,

Lots Nos. 1, 2 and 3 of the C. M. Hiter lands, lying on the Dover road, in Civil District No. 8 of Montgomery county, each lot containing 100 acres, plat and boundaries of which are on file in my office.

TERMS—On lot No. 2, which was purchased at former sale by Mrs. E. B. Manson, one-half cash, and balance on twelve months' time with interest. On other two lots, ten per cent. cash and balance on twelve months' time with interest. Notes with good security required for all deferred payments, and a lien retained. No redemption.

POLK G. JOHNSON, C. & M. and Commissioner.

March 16, 1878-tdspr:&bills 11 50

ECLIPSE LIVERY, FEED And Sale Stable.

I have just received a number of good Saddle and Harness Horses, also several new Buggies, and am prepared to furnish the public with something neat and nice. I also do a general sale business. Call and examine my stock

C. S. DANIEL & BRO.

August 4 1877-tf

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Lovell & Larkin, CABINET SHOP,

Franklin street, two doors above Melodeon Hall. All kinds of

FURNITURE REPAIRED,

FURNITURE MADE TO ORDER,
CARPETS MADE AND PUT DOWN,

Window Shades put up, old Mattresses made over, etc. A full line of

FURNITURE

Kept in stock, fresh and new.

Clarksville, Tenn., Oct. 13, 1877-tf

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Robt. Aug. Broadhurst.

January 12, 1878-tf

Blacksmithing.

I have opened a shop on Water street, next door to the warehouse of E. B. Whitfield, where I am prepared to do all kinds of Blacksmithing on short notice. Horse-shoeing a specialty.

Feb. 16, '78-3m. HENRY STRATFORD.

$45 PREMIUM WATCH AND CHAIN—a stem-winder. Free with every order. Outfit free. J. R. Gaylord & Co., Chicago, Ill.

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Wholesale and Retail Dealers in

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AND

AGRICULTURAL IMPLEMENTS

Clarksville, Tenn.,

Have in Store

WOODS' CELEBRATED

SELF-RAKE REAPER,

WOODS'

Iron Mower,

CHICAGO PITTS

Separators and Horse Powers,

CHICAGO PITTS

Separators and Steam Powers,

Riding Hay Rakes,

Revolving Hay Rakes,

WHITEWATER

Farm Wagons,

BABY BUGGIES,

SCYTHES & CRADLES,

on all of which we are prepared to make liberal inducements to buyers. Our stock of

Building Hardware, Mechanic's Tools, Iron, Wagon Timbers, Double Shovels, Plows, Nails, Etc., Etc., Etc.,

will at all times be complete. A large stock of

GUM BELTING,

which we will sell at Louisville and Nashville prices. Call and examine our goods and prices, or write for information.

FOX & SMITH.

May 6, 1876-tf

JOHN J. WEST,
Attorney at Law,

Office on Strawberry Alley,

CLARKSVILLE, - - - TENN.

☞Special attention paid to Collections.

Jan. 26, 1878-3m

T. M. RILEY
ATTORNEY AT LAW

CLARKSVILLE, TENN.

Will practice in the Courts of Montgomery, Stewart and Houston counties. Office up stairs, south side Strawberry St.

March 25, 1876-tf

GEO. C. MARTIN, ED. C. CAMPBELL,

Martin & Campbell,
ATTORNEYS AT LAW

AND

Solicitors in Chancery,

CLARKSVILLE, - - - TENN.

Will practice in all the Courts of this and adjoining counties. dec23'78tf

C. G. SMITH, HORACE H. LURTON

SMITH & LURTON,
Solicitors and Attorneys at Law,

CLARKSVILLE, TENN.

Will practice in all the Courts of Montgomery, Houston and Stewart.

January 5, 1878-3m

Original Attachment.

State of Tennessee--Montgomery Co.

J. N. Blackford & Co. vs. A. L. Phipps.

In this cause it appearing by affidavit that the Defendant, A. L. Phipps, is justly indebted to the Plaintiff, and his whereabouts at present is unknown, so that the ordinary process of law cannot be served on him, and an original attachment having been levied upon his property: It is therefore ordered that publication be made in the Clarksville Chronicle, a newspaper published in the city of Clarksville, for four successive weeks, commanding the said A. L. Phipps to appear before me, at my office in District No. 16 of Montgomery county, Tenn., or some other Justice of the Peace, on Saturday, the 20th day of April, 1878, and make defense to said suit against him or it will be proceeded with ex parte.

T. T. HARPER, J. P.

March 23, 1878-4t

Original Attachment.

State of Tennessee—Montgomery Co.

John Bramlet vs. John Riggins.

In this cause it appearing by affidavit that the Defendant, John Riggins, is justly indebted to Plaintiff, and his whereabouts is at present unknown, so that the ordinary process of law cannot be served on him, and an original attachment having been levied upon his property: It is therefore ordered that publication be made in the Clarksville Chronicle, a newspaper published in the city of Clarksville, for four successive weeks, commanding the said John Riggins to appear before me, at my office in District No. 16, of Montgomery county, Tenn., or some other Justice of the Peace, on Saturday, the 20th day of April, 1878, and make defense to said suit against him, or it will be proceeded with ex parte.

T. T. HARPER, J. P.

March 23, 1878-4w.

Original Attachment.

State of Tennessee--Montgomery Co.

H. L. Dotson vs. Charles Wilson.

In this cause it appearing by affidavit that the defendant, Charles Wilson, is justly indebted to the plaintiff, and is a non-resident of the State, so that the ordinary process of law cannot be served on him, and an original attachment having been levied on his property: It is therefore ordered that publication be made in the Clarksville Chronicle, a newspaper published in the city of Clarksville, for four successive weeks, commanding the said Charles Wilson to appear before me or some other acting Justice of the Peace for said county, at my office in Clarksville, Montgomery county, Tenn., on the 11th day of May, 1878, and make defence to said suit against him, or it will be proceeded with ex parte.

R. D. READ, Justice of the Peace.

March 30, 1878-4t

STEAM ENGINES, A. B. FARQUHAR, York, Pa.,

Cheapest and best for all purposes—simple, strong, and durable. Also Traction Engines for common roads.

SAW, GRIST AND RICE MILLS, GINS, PRESSES AND MACHINERY generally. Inquiries promptly answered.

Vertical Engines, with or without wheels, very convenient, economical and complete in every detail, best and cheapest Vertical in the world. Fig. 1 is engine in use. Fig. 2 ready for road.

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Ornamental and other Iron Works. All kinds of repairing done to order, Iron Fences cast, and wrought iron for houses and graveyards. Awning Frames, Iron Doors and Shutters. All kinds of house and other Blacksmithing done, also Key Fitting, etc. Orders solicited. I have a lot of different sized Strap Hinges on hand, which I will sell cheap.

Shop on First Street, bet. Commerce and Franklin, Clarksville, Tenn.

Nov. 24, 1877-3m

$777 is not easily earned in these times but it can be made in three months by any one of either sex, in any part of the country, who is willing to work steadily at the employment that we furnish. $66 per week in your own town. You need not be away from your home over night. You can give your whole time to the work, or only your spare moments. We have agents who are making over $20 per day. All who engage at once can make money fast. At the present time money cannot be made so easily and rapidly at any other business. It costs nothing to try the business. Terms and $5 outfit free. Address at once, H. HALLETT & Co., Portland, Maine. jy21,77-ly

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Steam Engines, Saw Mills,
PLANTER'S PRIZE SCREWS

Machinery Repaired at Short Notice.

Call and see our

STEAM JET PUMP,

and throw away your cold water Pumps—no more use for them when you can do better.

WHITFIELD, BATES & CO.

Aug. 26, '71-tf

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AT HATTLER'S.

I would respectfully inform the citizen of Clarksville and vicinity, that I hav opened a Tailor shop on the corner of First and Franklin streets, and am prepared t make up work on short notice and in goo style.

All Work made up in the Shop Guaranteed.

I have an experience of twenty-five years in cutting. My motto is to please the man I work for. Please give me a call.

Respectfully, B. G. HATTLER.

August 18, 1877-ly

M. C. PITMAN, ED. H. LEWIS.

PITMAN & LEWIS,

Dealers in

CLOTHING,
GENTS' FURNISHING GOODS

TRUNKS, VALISES, ETC.,

Franklin Street, opposite the Court House

CLARKSVILLE, TENN.

September 29, '77-tf

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A Guide to Wedlock and confidential Treatise on the duties of marriage and the causes that unfit for it; the secrets of Reproduction and the Diseases of Women. A book for private, considerate reading. [illegible] pages, price [illegible] cts.

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