to secure, advances also, it was of course necessary to submit to hard conditions; and these are found Message in the arrangement with the Barings. They are to be allowed one per cent. for commissions, a quarter per cent: for brokerage, one per cent. on dividends, and a half per cent on the redemption of the bonds. They are to make advances to the company of £10,000 a month, and to reimburse themselves, by the sale of stock "without regard to limitations". And for "sales needful to reimburse acceptances" they are to receive an additional commission of one per cent. Such a consideration would hardly induce so respectable a house to sacrifice the credit of the State, but it seemed to be a singular provision that they should be entitled to double commissions for sales made below the rates fixed by the company. And what are these rates which are supposed to have defined so distinctly the worth of the bonds, and induced all the holders who were not obliged to sell, to make the same estimate of their value". Three rates were named for different portions of the stock which however is to be sold "at such limits and prices as the company may think proper to fix from time to time". If capitalists had been made acquainted with the terms of the agreement and it is presumed they were not, they would have seen that the company did not require the whole proceeds of the stock at once; that so far as sales were not necessary, the highest limit was fixed; that to meet expenditures not very remote, the limit was reduced; that to secure advances, the minimum would be taken; and if that could not be obtained, that all limitations were to be removed or altered "from time to time". However low the credit of the State might have stood abroad, it is difficult to understand how such limitations of the price of stock could place it on higher grounds. American securities of every kind have since risen in value; and this favorable change may be ascribed not to the arrangement with the Barings, or to the financial skill of Mr Lardner, but to the gradual improvement of the money market in England.

In tracing the history of these bonds from the loan law of May 1836 down to the arrangement with the Barings, I was led to the conclusion not only that they were placed in a train for hypothecation, but that in the existing relations between the Baltimore and Ohio Rail Road company and the State they ought not to be disposed of at any considerable sacrifice or pledged at all without the consent of the Legislature. The State had agreed to subscribe and pay 3,000,000 to the company on condition among other things, that the President and Directors of the Maryland Canal Company should certify that a sufficient amount of stock was subscribed to ensure the completion of the Canal by the most northern practicable route; and the State directors should certify under oath, that they sincerely believed that the subscriptions of the City of Baltimore and the State with certain other funds, would be sufficient to complete the road from the Ohio River to its present track near Harper's Ferry; and that the bonds issued for the payment of the State subscription should be sold at 20 per cent. above their par value. The first condition was complied with in form; and at December Session 1837 application was made for a modification of the second, so as to enlarge the basis of the estimate by letting in all bona fide subscriptions, whether made by Virginia, or by corporations or individuals. The Legislature, by an act of that session, chapter 314, modified the condition accordingly, but annexed others of which the most important was this; that the money to be paid to the company for the State's subscription should be applied to the construction of the road west of Cum