dant, American securities were in demand, and the credit of the State stood unimpaired, and very little doubt was entertained, that the bonds could be disposed of according to the terms prescribed by the act of Assembly. But the following year, when the commissioners, who were appointed to negotiate the proposed loan, visited Europe for that purpose, a great change had taken place in the money market, and it was found impossible to sell the bonds at the stipulated price. After their return, they concluded an agreement with the Chesapeake and Ohio Canal Company, and the Baltimore and Ohio Rail Road Company, for a sale of a large portion of the bonds, amounting to six millions of dollars. At December session 1837, the Legislature refused to sanction this agreement, because it was apprehended that the companies might be compelled to sacrifice the credit of the State; but assented to a modification of it, which required that none of the bonds should be transferred from the possession of the Commissioner of Loans, till their equivalent in money was paid into the Treasury, according to the conditions of the loan of 1836. Yet at the same session, the Legislature directed the delivery of stock to the Chesapeake and Ohio Canal Company, to the amount of two millions five hundred thousand dollars. The bonds, thus delivered to that company, were transferred to banks and capitalists on both sides of the Atlantic, to be held as pledges for temporaty loans, or sold, at the option of the holders, for whatever discredited stock would bring in a depressed market. The 5 per cent. sterling stock issued in pursuance of the acts of last session, and delivered to the internal improvement companies, will probably pass through a similar course of degradation. When these companies are pressed by heavy engagements, which they generally contract without funds, they are compelled to sacrifice whatever securities come into their possession, for the purpose of saving their own credit, and preventing the immediate ruin of their laborers and contractors. The Chesapeake and Ohio Canal Company was in this condition when it received the 6 per cent. stock in 1838, and the additional 5 per cent. sterling stock, for one million three hundred and seventy-five thousand dollars, issued in pursuance of the act of last session. These stocks have been used in the payment of old debts, and the fulfilment of existing contracts, which could not be abandoned without the payment of heavy damages to the contractors. What loss will result from the hypothecation and forced sale of the stock, the high interest of the loans for which it was pledged, and the payment of costs and commissions, it is impossible to ascertain; but the amount will considerably reduce the resources, upon which the company relied for the completion of the canal. The State has invested seven millions of dollars in loans and subscriptions for that work, which will yield neither interest nor dividend till it is finished to Cumberland. Between that place and the District of Columbia, there is no intermediate point at which it can terminate, with the least prospect of advantage to the State, or profit to the stock-