rates, and therefore defined its value so distinctly as to induce all the holders, who are not obliged by their necessities to sell, to make the same estimation of its value."

The company then "actually set a limit on the stocks in its possession much above the present market rates," and by this simple process elevated the credit of the bonds pledged by the canal company; and that this effect was produced, is apparent from the limitation itself. This was indeed a "discreet use of these funds," and the operation would have been complete if necessitous holders had not been compelled to sell below the limits, and if the value of the bonds had been so distinctly defined as to induce *purchasers* to give more than the market rates.

It appeared to me, that the time selected for the mission was unfavorable; that the introduction of so large an amount of State stock into foreign markets, when England was flooded with unsaleable American securities, was likely to depress the price of what was already pledged; and that the arrangement itself, though the best that could be made "under the circumstances in which Mr. McLane was placed," was a provisional contract, not only for the sale, but for the hypothecation of the State bonds. It appeared to me, that it was injudicious to enter into *any arrangement* at a time when, according to Mr. McLane's statement to the treasurer, "the establishment of an agency, even without the obligation to make advances, was a matter of difficulty." To establish an agency and to secure advances also, it was of course necessary to submit to hard conditions; and these are found 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 cover 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 seems to be a singular provision that they should be entitled to double commissions on 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 are 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 give 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 cover advances, the minimum would be taken; and if that