

In consequence of the Messrs. Brown's former connection with the state, I offered the agency to them, at the same time requiring moderate advances to commence at a later period. But, while they would have been willing to receive the bonds, and agree to offer them for sale at some future period, when the state of the market should be more propitious, they frankly avowed the impossibility of any immediate attempt to make sales, and declined altogether making any stipulation for advances of any amount.

I felt it to be of the first importance to the company which I represented, to secure it the option of such advances, as, in case of urgent necessity, would prevent the abandonment of the work, and I believed such an arrangement of scarcely less importance to the state, if it could be effected without prejudice to her credit.

It was obvious to me that no business in Europe so imperiously required character, influence and experience in the agent as the management of American securities; and I saw that without such advantages in an agency upon the spot, the bonds of the state might not only lose their just equality, but, under the circumstances in which a portion of them were placed, be fixed at a price ruinous to the state, and destructive of her works.

I could not doubt that the house of Baring, Brothers & Co., whose connections, ability and influence throughout Europe are not exceeded by those of any other, was peculiarly fitted for such a trust, and with it I pressed, and finally concluded, my negotiation. It would have been difficult to induce this house to take an agency even for the sale of the bonds independently of advances, without the privilege of paying the interest; but such an agency, coupled with advances, without including that of paying the interest, and thereby identifying the stock on which advances were to be made with the character and credit of their own house, was wholly impossible.

It is also to be remarked that the terms upon which this part of the agency is to be performed, is that usual in such cases, and not more than would have to be given to any other house of respectability.

I deem it my duty to observe, moreover, that, from my observations while in Europe, I consider the influence of the agency selected as of no less importance to the state, in giving character to the securities, and affording them a fair chance of sales, than of any particular benefit to the house itself.

On these grounds mainly I deemed it advisable to conclude the arrangement contained in the accompanying correspondence; and feeling entire confidence that it is the best that could be done as well for the present as the future, I hope it will meet your approbation, and, if necessary, that of the legislature.

I have the honor to be, sir,

Very respectfully,

Your obedient servant,

LOUIS McLANE.