

## TRADE IN FRANCE.

THE state of trade generally in France, the Paris correspondent of the Times says, is far from prosperous, as appears from the enormous amount, 202 millions, of the metallic reserve in the bank collars. Nothing of the kind, as the *Semaine Financière* observes, has been witnessed in the history of credit establishments. It is the incontestable sign of absolute stagnation in commercial affairs, and more than a vague and instinctive mistrust, it is the expression of a general and systematic refusal of confidence in the maintenance of peace, well or ill founded. But it is also a curious evidence of the resources of France and of the excessive power of hoarding. When the country, uncertain, and fearful of the future, stops short in its industrial and commercial career, rejects all enterprises which require any unusually long period, and ceases altogether to speculate, it may repose on a treasure of more than 200 millions safely locked up in the coffers of the Bank of France. M. Forcade, in the *Semaine Financière*, says—We see on all sides susceptibilities so extravagant as to seem affected at the slightest step we take—at our slightest word, and the patience of no people, of no government can tolerate their frequent recurrence. What can we say of the attitude of the Italian cabinet at the visit paid by a French general to Rome? And yet M. Rattazzi pressed for being the man of French influence. What are we to think of the uproar at Berlin in consequence of a few words uttered *sotto voce* about Schleswig and the treaty of Prague? Is it indeed no longer permitted to France to open her lips on the most paltry affair which happens to engage the attention of the Berlin cabinet? Our diplomacy is prohibited from conversing. After having profited so much by our neutrality, does M. Bismarck think that he can long make use of France as a scarecrow to irritate the Germans and hasten, by a sort of false alarms, their absolute submission to Prussian supremacy? Such is the experiment we have been making since the Luxemburg question, and which very probably is not near its end. Such, at any rate, is one of the causes of the stagnation of commerce and industry, and one of the reasons why there are now lying idle in the bank more than 200 million francs.

## THE LAKE ONTARIO SHORE RAILROAD.

BUFFALO, Sept. 4, 1867.

To the Editors Commercial Advertiser.

ALLOW me to call your attention to an account published in an Oswego paper, giving the proceedings of a meeting of the citizens of that city, and delegates from the New England States held in Oswego, to consider the propriety of connecting Buffalo with Oswego, by the present road from Buffalo to Lewiston, and thence by a new road on the south shore of Lake Ontario to Oswego, thereby giving Buffalo not only a direct railroad communication with Oswego, but with all New England towns by that route. I can see no reasons why Buffalo should not co-operate at once with Oswego in the enterprise, and will here give some of my reasons.

First—It is a well known fact that there is always a larger and better assortment of the different kinds of wheat from Illinois, Wisconsin, Ohio, Indiana, Minnesota, Iowa, and Michigan held in store here than in any other place on the entire lakes which enables the milling interest of Lockport, Rochester, Syracuse, Utica, Troy, Albany, and New York to supply themselves at this point, while Oswego has been deprived of these advantages owing to her peculiar location and one can readily see that if this road should be built Oswego could possess all the advantages now enjoyed by the cities before mentioned by availing herself of the facilities to purchase her supplies of wheat for her numerous mills in that city, and as to Buffalo this would add largely to the demand not only for milling wheat, but for all kinds of produce destined for the numerous manufacturing towns in all New England. Furthermore, it would add largely to the demand for bituminous coal, which is to be brought to this city by the Buffalo and Washington Railway.

Secondly—The great amount of passenger travel now going from east to west, from Portland and other eastern cities and towns of New England, by the Grand Trunk road would no doubt change to the new route, and pass by the way of Niagara Falls through this city.

With the few above mentioned advantages which the building of the said road would ensure to Buffalo, I am fully of the opinion that Buffalo, with all her capital and business interest, should, without a moment's delay, co-operate with Oswego in this important enterprise.

The meeting referred to was held at Doolittle Hall on Saturday evening last—Hon. Alvin Bronson presiding. Several prominent gentlemen spoke in favor of the enterprise, and the following resolutions were adopted.

Resolved, That this meeting approve of the construction of a Lake Shore road, from Oswego to Lewiston, on the Niagara River, believing that the rapidly increasing commerce of the country urgently demands it as an important link in a direct through line from Portland to Chicago, and thence to connect with the Pacific Railway.

Resolved, That a Committee of nine be appointed by the President, to prepare the papers and adopt such measures as may be necessary to benefit and accomplish such an organization.

The Chair appointed the following Committee under the resolution.

E. R. Talcott, A. I. Grant, and D. C. Fort, Oswego; Dr. George P. Eddy, and Wm. Hotchkiss, Niagara; Mr. Harris, Orleans; D. S. Cole, Cayuga; Dr. Wilson, Wayne; Jackson Reynolds, Monroe.

## SWINDLING BY A FALSE PROSPECTUS.

IN giving judgment in the Overend-Gurney case, Lord Cranworth used language which could not very well be mistaken. He said: "For the honor of the great mercantile community of the city of London, I wish I could have believed that the prospectus was honestly and fairly framed. But I cannot. I must believe that the truth was intentionally concealed, and that hopes were held out which those who framed the prospectus must have known would deceive those who trusted to it. There was both *suggestio falsi* and *suppresso veri*. The Lord Chancellor was of the same opinion. He said there had been "fraudulent misrepresentation and fraudulent concealment on the part of the company."

This case suggests to a London journal several delicate questions. It is curious to know on what terms men who have concocted and published a fraudulent prospectus are received in the commercial world—whether they are shunned by all honest merchants, and ejected from the boards of any company of which they are members, as having done a dishonest and disgraceful thing, or whether mercantile morality is on a par with that of the saw-grinders of Sheffield, who have resolved to stick by their Broadhead, so that such an act as inducing a contract by fraud is regarded in the city as a venial indiscretion which should not be allowed to tinge a man's social and professional standing? When an officer in the army is authoritatively pronounced a liar and a coward, his career is generally supposed to be at an end. Is there no code of honour in commerce, too?

LONDON AND PORT STANLEY RAILWAY.—The annual general meeting of the shareholders of the London and Port Stanley railway was held on Wednesday afternoon in the offices of the company in this city, a large attendance being present. The following gentlemen were elected directors for the ensuing year. Mr. T. Moore, of St. Thomas; Mr. Thompson, of Port Stanley; Mr. Murray Anderson, of London. The municipal directors from the city of London are Mayor Frank Smith, Ald. McBrule and Ald. Wheeler, from St. Thomas; Mayor Thomas Arkell, from the county of Egin; Mr. Nairn, warden of the county; from the county of Middlesex, Mr. R. Dreany, warden. At the after-meeting of the board, Mr. M. Anderson, of London, was elected president of the company, and Mr. Thomas Arkell, of St. Thomas, vice-president—London paper.

## PROPOSALS FOR REPUDIATION.

THE New York Evening Post of the 7th instant says—

The fact that General Butler has joined Mr. Pendleton in the declaration that the "five-twenty" bonds ought to be paid off by the creation of legal-tender notes, is likely to attract attention abroad, and to make foreign and domestic holders uneasy.

Yet there is really no cause for uneasiness. In the first place, the faith of the United States is fully and openly pledged to their payment in gold. The United States have always paid in gold; they could not have borrowed sixpence during the war upon any other understanding than that they would pay in gold; and the government did not hesitate at all times to declare, upon inquiry, that it intended nothing but payment in gold. For instance, we have before us a note to Mr. Chase, then Secretary of the Treasury, from a prominent firm in this city, dated February 12th, 1861. The writer asks—

"We have recently had repeated inquiries from European capitalists, and to-day one from a leading London banking firm, as to whether the principal as well as the interest of the 5 20 United States bonds is payable in gold."

We have always accepted the general interpretation, current here of the law authorizing the issue of said loan, but at present cannot lay our hand on the bill, and as we have recently heard parties in this city doubt if the principal, whether paid in five or twenty years, would be returned in gold if they arguing that the law does not make the payment in gold obligatory on the United States, we beg to solicit the favor of your informing us precisely as to this point.

We have sent some of these bonds abroad, and the London inquiries we have received to-day are made we are persuaded, with a view to purchasing such government securities.

To this the reply was clear and precise

"TREASURY DEPARTMENT, Feb 15, 1864

"Gentlemen—Your letter of the 12th inst. relative to the funds in which the five-twenty bonds will be redeemed, has been received.

"I am directed by the Secretary to say that it is the purpose of the government to pay said bonds, like other bonds of the United States, in coin, at maturity.

"Very respectfully,

M. B. FIELD.

"Assistant Secretary of the Treasury

"Messrs. Barclay & Livingston, New York

There is no doubt at all about this point—the government borrowed, and the lenders lent, with plain understanding that the bonds would be paid in gold. But General Butler and Mr. Pendleton both discuss the matter in such a way as to show that they care little about any pledge or understanding. They appeal to self-interest, to the supposed base instincts of the poorer people. They attempt to prejudice the poor against the rich, and in the pretended interest of the poor, call for the issue of more legal-tender notes. But there is no danger that they can deceive and mislead the American people to their dishonor, for the people are not such dunces as these politicians take them to be. To pay the "Five-twenty" bonds by an

issue of greenbacks in their place would be to ruin every workman and woman in the country—for, as a correspondent of ours remarked yesterday, "it is the man or woman who works for wages to whose pocket the great mass of circulating money is to be found. The capitalist hardly carries more money, perhaps not as much, in his pocket, as the mechanic who keeps no bank account. The capitalist has his warehouse, his dwelling, his mill, his cotton, his wool, and his real property of every kind, he might lose the paper money in his pocket and all his United States bonds, and when they were gone he would find a larger relative proportion of the property of the country than he had before, while the mechanic and the laborer, whose all would be in his pocket or in the savings bank, would lose his all—he would have no property to represent his past labor.

Mr. Pendleton's "declaration," alluded to in the foregoing, is as follows—

"Now the 5 20 bonds become payable at the option of the United States in five years after the issue. There are six hundred millions becoming payable in the present year. Again, they are just by their terms payable in gold, and the very fact that the interest is stated to be paid by the exact rate of the market rate. The exact letter of the bond and I think you will agree with me that the government creditors of such a share are entitled to no more, requires the bond to be paid in such money as other creditors are paid with by the United States. The popular idea is that the 5 20 are payable in gold, but that arises from the fact that Mr. Chase, while Secretary of the Treasury, upon the first issue in 1862, had a letter addressed to him by some bankers as to whether these bonds would be paid in gold, and he replied, what was true at the time, that all the obligations of the United States had been paid in gold, and it was proper to presume that they would be so paid in future. And upon the strength of that letter the bonds were deemed gold-payable as well as gold-bearing, although it was in exact opposition to the words of the contract. Now why does not Mr. McCulloch recommend that a loan be made in lawful currency of the United States, taxable as other property is, and with the proceeds of that redeem the 5 20 bonds as fast as they become payable by the option of the United States?

## SHIPBUILDING IN NEW BRUNSWICK.

A CORRESPONDENT of the St. John Morning Journal has written the following respecting shipbuilding on the Kennebecasis—

The stagnation which at present is visible at its ship-yard in and about this city, has, to some extent extended to the banks of the Kennebecasis, and the same complaints with which we are so familiar here, may be heard from those engaged in this branch of industry along the banks of this noble river. Although a total stoppage has not taken place, except in one instance, still the spirit of enterprise which heretofore characterized the shipbuilders of that locality is not so apparent to so great a degree, but has given place to a more cautious yet persevering determination to overcome all existing difficulties, so that when a change for the better takes place, which even, let us hope may come, they may be able to grasp the golden opportunity, and realize profits they are now debarred from reaping. The splendid advantages to be found by shipbuilders along that river is another cause to which their success may be attributable, and it seems unaccountable that the numerous localities to be found there for this purpose has been allowed to remain unoccupied, while other places not possessing the same advantages have been eagerly grasped at. There is little doubt that under Confederation a new era in the history of the Kennebecasis will be entered upon, and it may yet become as celebrated throughout the Dominion for ships as the Clyde is throughout Europe.

On the western side of the river there are two vessels in course of construction—At Chatham the Messrs. Flowering have a large ship of about 900 tons, built under the superintendence of Lloyds, to class A1, which is nearly ready for launching, and it is needless to add that she will sustain the reputation which this firm has already gained as builders, they having spared neither time nor expense to render her a splendid specimen of naval architecture. About ten miles below on the same side, Messrs Titus & Merrin are erecting the frame of a small vessel of about 30 tons burden but whether it is the intention of the gentlemen to launch this season we are unable to ascertain.

A few miles above Rothesay Station, on the eastern bank, in a beautiful Cove, at present nameless, Messrs. Titus & Dow, long and favorably known among the ship-owning community, have commenced operations, and success cannot but follow where two gentlemen of so marked ability are associated together. We anticipate for the locality where these gentlemen have located a brilliant future.

We trust before the advent of another summer to chronicle other enterprises of as substantial a nature as those here mentioned.

AUSTRALIAN PROGRESS.—In 1865 the imports into the Australian colonies reached £35,000,000, and the exports £30,000,000. Within the last sixteen years New South Wales and Victoria have yielded £150,000,000 worth of gold, and New South Wales has produced 500,000 tons of coal. South Australia has also within the last ten years, exported £5,000,000 worth of copper. The tonnage of vessels which arrived at Australasian ports in 1865 was 2,000,000, and a similar amount of tonnage left those ports during the same period. Forty years ago the number of horses, cattle and sheep in Australia was under 400,000; the number is now nearly 35,000,000.