

THE DOMINION TELEGRAPH COMPANY.

WE publish in this issue, a letter written by Mr. Cayley, President of the above company, to the *Gazette* in reply to an article which appeared in the *Trade Review* of the 13th instant; and also a letter of Mr. H. B. Reeve, Secretary of the company, denying the truth of certain statements and his denial, we understand, he is prepared to substantiate by proof, if necessary.

As a mere matter of justice, we give the same publicity to these documents, although not addressed to us, as the article obtained which called them forth. We also take this opportunity of stating that the only interest we have in this matter is that there should be no loss sustained by shareholders who might be induced on the strength of names such as those of the Directors to invest money in the enterprise. We have no interest in preventing a competition with the monopoly that now exists, and we say with all sincerity that if the Dominion Telegraph Company's enterprise be carried through honestly, if its promoters prove to have no connection with those who engineered the Grand Trunk line through to its ruinous completion, if every precaution be taken by the Directors that those with whom they are associated, and to whom the details of construction and the inspection of the work are entrusted are honorable and capable men, then none will be more ready than we will be to assist the company in getting its share of public patronage; and the letters we publish to-day give us every hope that this will be the case. At the same time, we are still in favour of a Government system of telegraphy in preference to the working of the wires through joint-stock companies, and we hope the inevitable reduction of rates will come in that way.

One paragraph in the article to which Mr. Cayley replies, we much regret having published, namely that which refers to himself personally, and we tender him this apology for its appearance.

We quite agree with Mr. Cayley in his appreciation of the benefit our article may prove to the Dominion Company, accepting his statements as correct; and we are certain that whenever, as in this case, there are any suspicious circumstances to be explained, it is best for all parties that such explanation should be given. If the information we received, on the strength of which our remarks on the promoters, or rather the supposed promoters of the company, were based, prove to have been inaccurate, we shall only be too glad to make the correction, and in such a way as to show that we at least had not the slightest personal feeling in the matter, and that whatever we published was published, as we believed, in the interests of the public.

UNITED STATES BONDS AND CREDIT.

THE great event of the year in the United States—the Presidential Election—is now over. We think the people of the R-public have reason to congratulate themselves on the result. We do not make this remark so much because Grant and Colfax, the Republican Candidates, have achieved a victory at the polls, or on account of any features of their intended politics; but we think they are to be congratulated because the result insures that the national credit will be upheld, and good faith kept with their national creditors. Had the Democratic party elected their candidates on the New York platform, we fear a great blow would have been given to American credit. Whatever Gov. Seymour might have desired to do himself, we fear he would have been surrounded by men like Fendleton and Vallandigham, who would have forced the policy of partial repudiation upon him. Many Democratic candidates appealed for support to the people on the ground of refusing payment of the national bonds in gold, and certainly the party platform, to say the least of it, squinted at repudiation. Had Seymour and Blair triumphed, the demand that the bonds should only be redeemed in currency, might have increased until it became irresistible. This would have been a dire calamity. It would have been a gross breach of faith upon the part of the Republic towards those who supplied means in its hour of need to put down rebellion, and we feel assured it would have forever damned their credit in the money markets of the world. The success of Grant, however, finally disposes of the base repudiation proposal, and must tend to raise American credit and honour everywhere. Many expected the success of the Republicans to cause a fall in the price of gold. We believe it has had considerable to do with the recent decline, and we consider it no good argument against this view,

that the fall in gold took place before the election, for the success of Grant was anticipated on all hands. We feel convinced the result of the contest must give firmness to, and increase the popularity of their bonds in Europe, by silencing the uneasy feeling beginning to prevail among holders, lest the action of Mississippi should be followed by the Federal Government itself. The election of Gen. Grant must also soon end the vexed question of Southern reconstruction, and terminate the painful and injurious squabbles between the Executive head of the Government and Congress. Another fortunate circumstance for American credit, is the sending of the Hon. Reverdy Johnson as Minister to England. This gentleman has shown an earnest desire to bring about the most cordial relations between the United States and the Mother Country. Lord Stanley and he seem to have easily found a fair basis upon which to settle the Alabama claims. This is a fortunate circumstance for both countries, but it is especially so for the United States, for the quarrel did not injure English credit, whilst it materially effected that of our neighbours. We anticipate from all these circumstances, that peace will prevail both without and within the United States, and we are sure that is what the Republic wants more than anything else, not only to increase its credit among the nations, but to augment the happiness and prosperity of its own people. As a kindred people wishing to live beside them on terms of peace and friendship, we congratulate them on their brightening prospects.

BRINE AND SALT.

AMONG the new enterprises recently begun in Canada, there is one which has attracted considerable attention, but not more than it deserves: we refer to the salt wells of Goderich. It will be remembered that the brine was discovered a little over a year ago, whilst some of the enterprising inhabitants of that town were boring for oil. Considering the stagnation existing at present in the oil markets, it is probably fortunate for the people of Goderich that their enterprise resulted in finding salt instead of oil; it is, at all events, fortunate for Ontario, for the discovery has added another to our industrial enterprises, and supplied a want which has been long felt and regretted. The quantity of salt we imported from the United States in 1867, was close upon 90,000 barrels, and it is gratifying to know that the Goderich salt wells are so successful, that they can be made to supply every barrel which Ontario requires.

Sufficient time has not yet elapsed to develop the Goderich salt territory to anything like its full extent. The general belief is, that there exists a large reservoir of brine, which could supply many more wells than have yet been sunk or contemplated. According to the latest information at hand, there were eight companies which had commenced operations, and the wells sunk by several of these were in active operation, whilst the others were nearly ready to follow suit. The capital of these companies is thus given by a gentleman who spent a considerable part of the summer in the locality.

NAME.	CAPITAL.
Dominion Company, (in operation)	\$20,000
Goderich Salt and Petroleum Co., do	15,000
Ontario, do	15,000
Huron, do	10,000
Victoria, do	10,000
Maitland	10,000
Prince Well	10,000
Tecumseh	5,000

This is a considerable amount of capital to be invested in salt-making, but as we consider the enterprise as yet in its infancy, we feel convinced that it is small compared to what it will be before five years have elapsed. Of those wells in operation, the number of kettles used, varies from sixty to as high as one hundred and twenty; these vessels hold about 140 gallons each. The Goderich Company have a twenty-horse steam engine to work the machinery which forces up the brine, which flows at the rate of 500 barrels in twenty-four hours. The depth of the wells is, of course, varied; but some of them are over 1,000 feet deep. After the most ample tests by experienced chemists, and judging from the results of several months' experience, there is no longer any doubt that the first statements regarding the strength and purity of the brine are correct. The salometer shows the gravity of the brine to run between 90° and 100°, which is a degree of strength seldom found. The cost of turning out each barrel of salt at Goderich, is \$1 per barrel or thereabouts.

The production of salt at Goderich must seriously interfere with the trade of the Americans in this article, and it is reported that the salt-packers of New York State (Syracuse and Onondaga) have been trying to destroy the Goderich Companies and maintain their hold on our market, by underselling the latter. We have no fears of this stratagem succeeding, but certainly the Goderich people are at a disadvantage from the fact that every barrel of salt they attempt to sell in the United States is met with 90c of a duty, whilst their competitors can send theirs into Canada without charge. Although the writer generally holds to free trade principles, he does not consider this state of matters just to Canadian enterprise, and can easily understand how the American Companies might sell their surplus production of salt in Ontario so cheaply as to shut up the Goderich wells, and then raise up the prices again and re-imburse themselves out of our people.

The advantages of the Goderich salt wells are by no means inconsiderable, not only to that town, but the whole province. They have caused the New York salt dealers to lower their prices, and thus every consumer of salt has been benefitted; they have also added another to our industrial enterprises. So far as Goderich is concerned, they have attracted capital to the town and added very considerably to the value of property and the importance of the place. Several speculative Americans have been very anxious to purchase the principal wells and territory. We understand high prices were offered to the companies and individuals concerned. But the latter asked still higher figures, and so the bargains fell through. We are just as well pleased that this important enterprise remains in the hands of our own citizens.

FINANCIAL AFFAIRS IN NEW BRUNSWICK.

THE failure of the Commercial Bank has, we are sorry to have to record, been followed by the suspension of the St. Stephen's Bank, and the failure with heavy liabilities, of Mr. S. J. Scovill, its agent at St. John, and doing a large private banking business. It is stated that although the run on the St. Stephen's Bank was severe, there was no necessity for it to close its doors, as its affairs were in a sound condition, and no difficulty would have been experienced in carrying to a successful end negotiations for aid which had been already commenced with the Bank of Montreal. The *St. John Morning Journal* writes as follows concerning the matter:—

"It is understood that the Bank had offered the Bank of Montreal what we may call Municipal Bonds, held by it, to the extent of \$60,000; also the personal security of ten of the best names on the St. Croix—names representing two or three millions of dollars—as security for the redemption of the notes of the St. Stephen's Bank. It is stated that Mr. Rose had directed the Bank of Montreal to accept, if asked to do so, such ample security and undertake to redeem the notes of the Bank, and it is believed that the other Banks, on being secured, would co-operate in floating the paper of the Bank and restoring public confidence. The general feeling here is that these arrangements ought to have been perfected, and the hope is still strongly expressed that the President and Directors of the Bank will see that they are carried out. So far as we can see this would be the wisest course for the interests of all who are interested in the Bank. With ample assets, with powerful backing, with a wealthy proprietary, why should the Bank succumb? The public will await further intelligence from St. Stephen with profound anxiety."

After the suspension of the Bank, its notes fell to 70c. to 75c. on the dollar, although previously the public confidence had been such that they passed readily at par. We do not suppose that ultimately the Bank's creditors will suffer any loss, and the probability is of an early resumption of specie payments.

The greatest loss from this panic will fall upon the creditors of Mr. Scovill, whose liabilities are variously estimated at from \$150,000 to \$500,000, the correct amount being somewhere between these two extremes. Mr. Scovill who was the agent of a Halifax Bank also, and who has always been looked upon as a steady-going, honorable and reliable man of business, had built up a large banking business, and had numerous depositors whom he attracted by liberal interest paid on the balances of their accounts. He is supposed to have lost heavily through gold speculations in New York and in other ways. At the time of his failure he was heavily indebted to the St. Stephen's Bank, but it appears that the Cashier of that institution immediately got possession of all Mr. Scovill's cash and other assets, although not to more than about one-half of the entire amount due.

The Commercial Bank, in addition to its business losses already reported, will suffer very heavily.