

AMERICAN FRAUDS IN FRANCE

Herald Special Report from Paris.

Major General John C. Fremont and Others Charged with the Perpetration of Huge Cheats.

The Memphis and El Paso Railway Bonds and Other Speculative Swindles.

SIX MILLIONS OF DOLLARS INVOLVED.

Credit Mobilier Financiering in Another Shape Before the Paris Tribunal.

RICH AND SPICY REVELATIONS.

Fremont's Reply to the Judicial Citation.

History of the Operations and the Bases of the Indictment.

TELEGRAM TO THE NEW YORK HERALD.

The following special despatch to the HERALD has been received from our correspondent in the capital of France:—

PARIS, March 3, 1873.

The case of the Memphis and El Paso Railway bond—variously known as the Transcontinental Memphis and Pacific Railroad, and as the Southern Transcontinental Railroad—frands is fixed for trial before the Criminal Tribunal of Paris, for Tuesday, the 4th of March.

THE INDICTMENT AND PERSONS INDICTED.

Major General John C. Fremont, with six other persons named in the proceedings, will be arraigned before the Court under indictments charging them, each and severally, with swindling divers personages by a fraudulent sale of worthless American bonds to the extent of six millions of dollars.

FINANCIAL REVELATIONS AND CURIOUS FACTS TO FOLLOW.

Exposures not unlike those which have followed from the investigation of the Crédit Mobilier's transactions in the United States are expected to ensue from the legal and judicial probing of this new and unusual case in the French Court.

FREMONT'S REPLY TO THE CITATION.

General Fremont has been cited to appear in person. He has replied to the summons by answering that he cannot get to Paris in time.

The Financial Conspiracy—Its Combination, Intent and Mode of Operation.

With the above important special telegram to the HERALD we have the following special history of the financial frauds which constitute the bases of the French indictment:—

Several items have appeared in the papers in regard to the suit brought in the French Courts against John C. Fremont on account of the sale of bonds in France of what was called the "Transcontinental Memphis Pacific Railroad Company," of which he was President. It is not expected that he will appear in person to defend himself, but the suit is brought in accordance with the customs of France to bring out generally all the facts in the case and endeavor to reach such Frenchmen as participated in the swindle. The writer was in Paris during the summer of 1869 when the sale of these bonds was made, and well remembers their advertisements in the leading papers of that city. Nothing could be stronger than the terms of these advertisements. It was stated that the bonds were a first mortgage on all the lands ceded to the road, "amounting to 10,240 acres per mile, or 300 acres to every \$100 bond, and thirty acres to every \$100 bond." They were offered at 410 francs for every \$100 bond, payable in 1890 at 415 francs. Six per cent interest was said to be guaranteed by the American government, and purchasers of bonds at that time (May) were entitled to the first coupon, payable in July. The trustees of the bonds were announced to be "Andrew G. Curtin, Governor of Pennsylvania, Minister Plenipotentiary of the United States at St. Petersburg; Paul S. Forbes and Sylvan M. Swenson," as copied from the Paris Le National, May 12, 1869. The name attached to the advertisement was M. J. Fassals, one of the officers of the French Bourse, and there was no doubt that their introduction had the sanction of the imperial French government. Editorials appeared from day to day announcing the excellence of the bonds, the favor with which they had been received, and predicting a speedy advance in price. Every American in Paris knew their character; but it was impossible to expose the fraud, as the papers had been subsidized and government favor been procured.

A CIRCULAR.

In the English language was laid on the tables of the American banking houses in regard to it, but it could not reach the French. Some Frenchmen did discover the fraud and denounced it, but, to gain time, libel suits were brought against them. The bonds were sold, and a gentleman connected with one of the principal banking houses of Paris asserted that, as the proceeds of this sale, they remitted to New York the largest sum they had ever remitted at one time—almost three millions of dollars.

To facilitate the sale of the bonds.

MAPS WERE PREPARED, with large lines drawn from Norfolk, Va., to San Diego, through the whole American continent, and it was said that the new company had formed connections with roads already built, so that much of the line was then virtually in operation.

FOUND OUT.

The operations of the swindle, many of them, came out in a report made by the late Senator Howard, of Michigan, on the committee on the Pacific Railroad, on a bill to incorporate the "Southern Transcontinental Railway Company" and grant it the right of way, presented to the Senate April 22, 1870. By his report \$9,000,000 of these bonds were sold in Paris at sixty per cent, realizing at that rate \$4,800,000. The facts as stated above were admitted before the committee, as the French papers were produced, and the only defence was that the agents made these false representations without the authority of General Fremont. But for these false statements, however, the bonds could not have been sold.

When all the facts are brought out on trial this will probably be found to be one of the most audacious and successful swindles in England or Germany, where American securities are better known, nor can it be repeated in France. It has affected seriously the good name of our country in France.

SPAIN.

Parliamentary Proclamation of Emancipation in Porto Rico and Cuba Said To Be Imminent.

The British Cabinet Refuses to Recognize the Republic.

Battle in the Field, with a Gradual Advance of the Carlists Towards the Capital—Bourbonist Master and Alleged Republican Mutinies.

TELEGRAMS TO THE NEW YORK HERALD.

LONDON, March 3, 1873.

The special commission of the London Echo writes from Madrid that a decree abolishing slavery in Porto Rico is impending, and that one of the first acts of the Constituent Cortes will probably be to proclaim emancipation in Cuba.

GREAT BRITAIN REFUSES TO RECOGNIZE THE REPUBLIC.

In the House of Commons this evening Viscount Enfield, Under Secretary for the Foreign Department, answering an inquiry from Mr. Whitwell, stated that it was "the unanimous opinion of the Cabinet that no government admitting of recognition had been established in Spain."

French Reports of the Progress of the Carlist Cause—The Situation at Pamplona Exceedingly Critical—General Pavia's Division Said to Have Deserted.

LONDON, March 3, 1873.

The news received here from the Northern and Northwestern provinces of Spain, mostly from Carlist sources, shows that the insurrection is growing stronger every day.

AT PAMPLONA.

The situation at Pamplona is critical. A rising of Federalists is apprehended within the city. The national troops withdrew on Saturday into the citadel, and the commandant threatened to bombard the town if the Federalists revolted. The Carlist chiefs Ocho and Dorregaray, with 4,000 men, were within three miles of the walls. The garrison numbers 3,500 men. The reinforcements sent by General Pavia deserted on the march.

What is Said in Paris.

PARIS, March 3, 1873.

Le Figaro reports that two bands of Carlist insurgents have entered the province of Madrid.

BATTLE AND DEFEAT OF THE REPUBLICANS.

The Carlists under Sebilla recently defeated a government force commanded by Ceballos, near Tornera. The latter lost several officers and twenty private killed.

Ceballos retreated to Barcelona.

RAPID MARCH OF INSURGENTS.

The insurgents are rapidly organizing their increasing forces in the Basque provinces—Navarre, Alava, Catalonia, Valencia and Arragon.

AWAY FROM THE FLAG OF DEMOCRACY.

The Army of Vittoria, formerly under the command of General Moriones, has been reduced by desertions from 12,000 to 7,000 men.

BOURBONIST ADVANCE TOWARDS THE CAPITAL.

It is reported that a Carlist band has penetrated to the vicinity of Aranjuez, twenty-eight miles southeast of Madrid.

War News and Legislation in Madrid.

MADRID, March 3, 1873.

The Imparcial says that a column of troops while pursuing the Carlists, in the Province of Lerida, suddenly mutinied and refused to continue the pursuit.

In the Assembly to-day a bill was presented by Señor Castelar re-establishing the Spanish Legation at Bern.

President Thiers' Policy of French Neutrality.

PARIS, March 3, 1873.

President Thiers has issued rigorous orders to prevent the introduction of arms into Spain across the French frontier.

The Spanish mails are several days behind time.

AMADEUS.

The Ex-King of the Spaniards Embarked at Lisbon for Genoa—Royal Honor from the Portuguese Court—Farewell Scenes on Shore and Down the Tague.

TELEGRAM TO THE NEW YORK HERALD.

LISBON, March 3, 1873.

The ex-king and Queen of Spain, with their children and all their Italian servants, embarked at noon to-day on the frigate Roma. They were accompanied to the pier by the King and Queen of Portugal, the princes and princesses of the royal family, the dignitaries of the Court and the members of the Portuguese Ministry.

The royal personages took an affectionate leave of each other.

As the ex-king stepped on the deck of the Roma salutes were fired from the shipping and the shore. The SPANIARDS SAY FAREWELL AND RETURN TO THEIR FLAG.

The Spanish servants of the ex-king took their leave of the royal family and returned to Madrid in the afternoon.

UP ANCHOR AND DOWN THE TAGUS.

At one o'clock the Italian frigate weighed anchor and proceeded down the Tagus amid the acclamations of the multitudes of spectators, who crowded the quays and piers and buildings near the shore.

THE OBJECTIVE POINT.

The Roma sailed for Genoa, but will call at Gibraltar and the French ports on the way.

FRANCE.

The Report of the Thirty Under Debate—President Thiers Breaks His Oratorical Truce—The Arsenal Renowned.

TELEGRAM TO THE NEW YORK HERALD.

PARIS, March 3, 1873.

The National Assembly reassembled in session at Versailles to-day.

The debate on the report of the Committee of Thirty was resumed and continued. The Left attacked M. Dufaure and the monarchists generally, and insisted on further explanations from the government.

THE ARSENAL RENOWNED.

It is announced that the French arsenals are now replenished, and all the material of war lost during the late conflict has been replaced.

A HORRIBLE MURDER.

A monster Strangles His Young Wife in a Fit of Jealousy at St. Zepherin, Canada.

QUEBEC, March 3, 1873.

A frightful murder is reported from St. Zepherin, back of Sorel. A man named Benoit, aged thirty-eight, recently married a girl of eighteen. On coming home from early mass yesterday he saw an old man and bowed to him. Benoit said nothing and went home. He went to church again at ten, and when asked why he did not bring his wife said she was dead.

"Dead?" cried his friend "I saw her this morning," "yes, dead!" cried Benoit; "I have struggled with her."

He was seized and the crowd went to the house, when they found the woman quite dead on the floor, black in the face and bleeding from the nose and mouth. The monster glared at his crime, saying he was proud of killing the woman. The mob was with difficulty prevented from lynching him. This is all I have learned of this horrible affair as yet.

ENGLAND.

Ministerial Defence of Crown Rights After Treaty-Making—Premier Gladstone's Explanation of the Alabama Claims Award—The Irish University Bill Question—Cotton Supply—Ballion in Balance from the Bank.

TELEGRAM TO THE NEW YORK HERALD.

LONDON, March 3, 1873.

In the House of Commons this evening Mr. Julian Goldsmid put the question, of which he gave notice last week, in regard to the excess of the Geneva award over the actual losses sustained by the United States, and what steps had been taken to procure a remission of such excess.

Mr. Gladstone replied that he was glad to have the opportunity of correcting a prevalent mistake. The American government, he said, had claimed \$5,000,000 sterling damages; but the Geneva Tribunal had awarded a little more than half that amount. The Tribunal had, under the terms of the Treaty of Washington, the choice of two methods of payment; one, the reimbursement of individual losses, and the other, the award of a gross sum. It decided to adopt the latter method. Following precedents, Her Majesty's government could not go behind that decision.

The explanation was received with cheers.

TREATY-MAKING RIGHTS OF THE CROWN.

In the House of Lords to-night Lord Campbell moved an address to the Crown asking that all treaties with foreign Powers be presented to Parliament six weeks before ratification.

Earl Granville opposed the motion. He declared on the authority of the greatest lawyers in the land that the constitutional change thus proposed was an interference with the prerogative of the Crown, and he proceeded to demonstrate the inconvenience it would cause and its utter impracticability.

The Marquis of Salisbury supported and Lord Selborne and the Earl of Lauderdale opposed the motion, which, after further debate, was negatived without a division.

THE IRISH UNIVERSITY BILL DEBATE.

The House of Commons debate on the Dublin University bill was postponed until Thursday next.

BULLION FROM THE BANK.

The amount of bullion withdrawn from the Bank of England on balance to-day is \$25,000.

SEVENTEEN THOUSAND BOTTLES AND SIXTY-THREE BALS OF AMERICAN COTTON WERE LANDED AT LIVERPOOL TO-DAY.

THE FORGERIES ON THE BANK OF ENGLAND.

Intense Excitement in Financial Circles in London—The Amount of the Frauds Not Yet Ascertained—Police on the Alert and the Public Warned—A "Ring" of American Swindlers Supposed to Have Been Engaged.

TELEGRAMS TO THE NEW YORK HERALD.

LONDON, March 3, 1873.

The discovery of the immense frauds on the Bank of England causes the greatest excitement in financial circles.

It is impossible to state the amount of the forgeries or the ramifications of the operations of the swindlers, as the authorities maintain the strictest secrecy in their investigations. The Bank of England has issued a notice cautioning the public against negotiating certain specified five-twenty and ten-forty United States bonds, aggregating in amount to \$220,000.

It is thought that the forgeries were perpetrated by a ring of American swindlers, and not by one.

Calculations as to the Amount Lost.

LONDON, March 3—P. M.

It is now believed that the frauds on the Bank of England will reach \$1,000,000.

MEXICO.

Presidential Congratulations from General Grant—The Chief Justiceship—Freight from the Capital to the Coast—Railway Projects.

TELEGRAM TO THE NEW YORK HERALD.

CITY OF MEXICO, Feb. 20, 1873.

Mr. Wilson, United States Minister to Mexico, made an official visit to President Lerdo on the 10th of February, carrying to him the congratulations of President Grant on his (Lerdo's) election to the Presidency.

President Lerdo said that he hoped the friendly relations existing between the countries would remain forever.

GOODS TRANSIT IN GOODS.

Goods are now expressed in one day between the city of Mexico and Vera Cruz.

AMERICAN RAILWAY PROJECTS.

The railroad projects pressed upon Congress by General Rosecranz and Mr. Plumb will come before that body for final disposition in April.

THE CHIEF JUSTICESHIP.

It is supposed that the recent election for Chief Justice resulted without a choice—no candidate having received the necessary number of votes. Congress will now probably have to elect the Chief Justice.

CUBA.

The Spanish Democracy Opposed in the Interior—The American Claims Commission Questions as to United States Citizenship—Counterfeit Currency.

TELEGRAM TO THE NEW YORK HERALD.

HAVANA, March 2, 1873.

The Tribune says that a pressure is being exercised in some of the interior towns upon Spaniards to prevent them proclaiming freely their liberal or republican ideas.

THE AMERICAN CLAIMS COMMISSION.

The Commission appointed to examine into the claims entered by Americans for damages done them by the rebellion, are now hard at work and expect to settle at an early day, and without trouble, the claims of all who are indirectly American citizens.

Government agents, however, are now collecting evidence going to show that many of the claimants are not American citizens.

BANK NOTE COUNTERFEITS.

A number of persons were arrested recently on charges of circulating counterfeit \$50 bills. The plates, it is ascertained, were engraved in Barcelona.

NAVAL INTELLIGENCE.

The United States steamer Omaha, Captain Fehlgar commanding, arrived in the Straits of Magellan January 20. Officers and crew all well.

CRUISE OF THE CANANDAIGUA AND HER TRIP FOR CUBA.

The Panama Star of February 16 reports as follows:—

The United States steamer Cayana, Captain G. B. Easton commanding, arrived at Havana on the 10th of February, en route to Havana. The following is a list of her officers:— Captain—William Rosekrantz.

Lieutenant-Commander—E. D. Sprague. Lieutenant—C. M. Anthony, W. P. Kendall and A. Dunlap.

Master—C. H. De Blois and L. E. Bixler. Engineer—Chief, O. H. Lacey; First Assistant, H. H. Cline; Second Assistant, W. H. Platt. Surgeon—Henry Wells.

Assistant Surgeon—F. S. Bradley. Paymaster—C. W. Slamm. Second Lieutenant of Marines—S. K. Allen. Boatswain—Peter Johnson. Steward—J. S. Bucklin. Carpenter—Thomas McCall. Gunner—J. W. Bogert.

Chief Clerk—E. W. Milford. Captain's Clerk—H. J. Herlihan. The ship left Key West on the 12th of December, touching at Samana Bay, St. Thomas, Pointe à Pitre, La Guayra, Porto Cabello, Santa Martha and Carthagena.

THE STATE CAPITAL.

A Pretty Sharp Trick on the Committee of Insurance.

WHERE IS THAT \$15,000?

The Comptroller and Fire Commissioners Called On for Accounts.

Another Display of Eloquence by the Famous "Seventy."

The Old Charter Arguments Relashed for the Senate Committee.

WOODEN WANTED TO WORST THEM.

ALBANY, March 3, 1873.

A copy of the Steuben Courier, of date 16th ult., is being scattered about among members of the Legislature. In it there appears an editorial statement to the effect that an alleged "bill of expenses," said to have been incurred by the various roads interested in the defeat of the Pro Rata Freight bill last Winter, and which was, it is alleged, sent by the Central to the Erie Company, the following item appeared:—"To paid Senator Harrower, \$5,000." Harrower is one of the investigating committee appointed to clear up the mystery surrounding the E. light of last Winter, and will doubtless, if innocent, be able to show whether this is a libel or not.

A VERY SHARP DODGE.

The Committee on Insurance of the lower House last Friday reported adversely on the bill compelling insurance companies to file an annual statement of their business with the Secretary of State. The report was agreed to. It now turns out that some sharp lobbying man, who got wind of the fact last week how the committee stood, went down to New York and made a contract with the companies to have the bill reported adversely. His price for general subscription was fifteen cents per share, and, of course, among the members of the committee. Well, the bill was reported adversely on Friday, and on Saturday the money was paid to the lobbyist in New York. This "cash transaction" the committee have learned of, and they are all wild about it; they declare they have been "sold out!"

that they knew nothing about the lobbyist's transactions, and that he profited by his knowledge of what the report would be for his own benefit, and that they had nothing to do with him directly or indirectly. If the payment of the money to the lobbyist is a fact can it be that the row has been brought about simply because he wouldn't divide after he got his racket? The committee may answer.

CITY COMMON SCHOOLS.

The House in committee considered the bill providing regulations for the common schools in the city of New York. Mr. Husted moved that a section of the act providing that the terms of office of inspectors shall terminate in twenty days after the passage of the act, and that the Mayor shall appoint three inspectors in each school district, whose term of office shall be determined by lot, and that annually hereafter the Mayor shall appoint one inspector for each district. The motion was carried. The same section is contained in the present law. A motion was also carried striking out the section giving the Board of Education power to appoint superintendents of grammar schools and primary departments, and to have the power to remove them.

It is now believed that the frauds on the Bank of England will reach \$1,000,000.

WESTERN UNION TELEGRAPH COMPANY.

A resolution was adopted calling on the President and Treasurer of the Western Union Telegraph Company to report within fifteen days as to whether any officer, agent or employee of that company had used any of its funds for the purchase of stock of the company, and if so, whether the purchase had been cancelled on the books; also, whether any of the company's stock had been sold on the market for the purpose of raising money to pay the firm's commissions.

A resolution was also passed on the Fire Commissioners to report a statement of all moneys held and received by them; also the amount disbursed, and to whom, for the Fire Department, and the moneys they hold for the Mutual Aid Association.

THE COMMITTEE OF SEVENTY AND REPORT.

The committee of seventy, who were appointed to investigate the charges relative to the objectionable features of the charter to-day, that document now being in the position of Mahon's bill, and which has been introduced into the Assembly and the Senate. It was said, though somewhat roughly, handled the committee by the members of the House, and desired by the Custom House men lies out the Senate and the Governor. The "Seventy" feel that they are yet life and hope, and to-day made the following report:—

The committee of seventy, who were appointed to investigate the charges relative to the objectionable features of the charter to-day, that document now being in the position of Mahon's bill, and which has been introduced into the Assembly and the Senate. It was said, though somewhat roughly, handled the committee by the members of the House, and desired by the Custom House men lies out the Senate and the Governor. The "Seventy" feel that they are yet life and hope, and to-day made the following report:—

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