CHEAP RAILWAYS.

(From the Toronto Globe.)

MR. PATERSON, of Owen Sound, having sent us an enquiry relative to the cheap railway system spoken of by Mr Laidlaw in a recent letter, we submitted the querry to the latter gentleman who furnishes us the following interesting reply:—

To the Editor of the GLOBE:

SIR,—In reply to Mr. Paterson's enquiry I beg the favour of space in your journal to disclaim any particular acquaintance with the system of cheap railroads, in succesful operation in India and Australia, and to make a few remarks on relative subjects.

The cardinal principal of the system I believe to be the diminution of cost of construction to the level of the traffic, and the resources of the countries requiring facilities for inland transportation.

The enormous and often unnecessary cost of our rail roads, besides sinking the original capital, necessitates high rates of freight and passage, which press with grievous severity on the property of our farmers and lumbermen, &c. These rates diminish and neutralize the value of the roads to the land owners of Canada, while signally favouring by low through rates, the land owners of the Western States bringing their products into competition with our own. The people ought to see that this flagrant abuse of their interests is corrected.

Little railroads that will pay for the money invested and be perfectly sufficient for the traffic on their routes, will receive encouragement, as the only feasible way of infusing activity and prosperity into settled or unsettled districts, which are remote from present railroads or waterways. We do not want, because we cannot afford, on our inland lines the luxury and expense of such railways as are necessary between the large centres of trade in Europe.

American through travel on the Great Western Railroad can afford palace cars costing $20,000 each; but in calculating for new internal lines in Canada, it is inexpedient to anticipate the traffic of fifty years hence, or exceed in luxury in fittings the habits of our agriculturists, lumbermen and dealers, who require only moderate accommodation for themselves and to carry the products of their industry to market at reasonable rates.

The railways referred to as successful in India and Australia, I understand to be about 3 feet to 3 feet 6 guage, having light rails about one third the weight of the Grand Trunk Railroad rails: engines from 7 to 10 tons weight—Grand Trunk Railroad engine weigh 20 to 30 tons—freight cars to carry 4 to to s, and the passenger cars in proportion. It follows from these figures that the cost of cuttings gradings, bridges, iron ties and rolling stock, can be reduced to about one-third of the cost of the Grand Trunk Railroad, very likely to one fourth, reckoning the money made by tier upon tier to great contractors (said in one instance to be £4 000 a mile), as wasted by bad management, which cou'd in future be avoided by letting contracts to the smaller class of local contractors, who really built our present roads.

A railroad hence to Owen Sound (if Mr. Cumberland fails to get support for the Angus route) with short feeders to the left, built under a system of rigid economy on the scale aforementioned would pay, and create such prosperity on its route as the people must be strangers to for a long time without a railway of some kind. It only needs a look at the map to see the benefits which would accrue to Toronto from this railroad.

Mr. James Adamson, of this city for six or seven years, has been strenuously advocating the construction of a rail road from this city to a point on Gull River, either in Baxley or Laxton, then at a future time to Lake Nipissing. The Gull River its tributaries and the intervening country afford an almost inexhaustible supply of pine and other timber, while the greater portion of the route this side is one of the richest agricultural countries in Canada, not to mention the mineral region in the neighborhood of Gull River.

Mr. Adamson and his coadjutors propose, at their next meeting to ask the Board of Trade to nominate a committee of the Board and other citizens to take into consideration the merits of the "cheap railroad system," with a view, if found satisfactory, to organize a company ask for a charter and one million acres of land from the Local Government of Upper Canada, near Lake Nipissing, to build this railroad. The proposed cost of the first 90 miles is about $1 000,000, and if a patent for 100 acres of land were tacked to each $100 in stock, a great portion of the stock would probably be taken in this country.

The townships to be so largely benefitted, on either route, no doubt, would take stock with land attached or to the bare value of the right of way, if they would not give it free assessing themselves and paying among themselves the cost, as what would be an unimportant gift as compared to them with the value of the road. North and East of Laxton, a large and wealthy English company now or formerly under the presidency of Lord Westbury, have about 150,000 acres and being bound to settle their lands in a given time, they would assuredly afford this enterprise immediate encouragement and effective aid—while it will be manifestly the interest of our own Government, to facilitate the settlement and opening up of the country. Is it not to secure the adoption of this policy we feel so pleased to get the management of our own affairs, as proposed under Confederation? I will say nothing of the value of this railroad to the merchants manufacturers and the owners of property in this city. The city can give free right of way across the Don and up Palace street, and the Fair Green for station ground and a road to the lake and be recompensed for making better bargains for what remains of their property in the hands of the Through Traffic Railroad.

The Proprietors of the Northern and Grand Trunk Railroads promised this city abundance of cheap cordwood: but with a policy inimical to the city interests and to the prosperity of the farmers on these routes, the managers of these companies, for which the city made such sacrifices, have refused to carry us our cordwood, for which a vast amount of money would have gone into the country, enabling the settlers at the very first and critical period of their settlement, to make rapid strides to comfort and independence, besides saving to the country a great portion of the large amount paid for coal in the United States—a disadvantage not yet balanced by the sight of through traffic passing over our costly Esplanade. The farmers and proprietors of land should allow no railroad to be chartered in future without a clause enforcing the carriage of cordwood, the first and important product of new land, at lumber rates, or less. It is the real interest of the railroads to carry cordwood at the lowest paying rates, as they would be much more than recompensed by the increase of freight for any advance in the cost of their fuel.

Decisive efforts on the part of the citizens are imperatively necessary to secure a just share of the business of the interior. I am, sir, your obedient servant,

G. LAIDLAW.

Toronto, Jan. 16, 1867.

THE BRITISH WINE TRADE.

WITH reference to the British Wine trade, the following is from the circular of Mr. F. W. Cosens. :—The numerous public sales of common Wines, and the prices realised under the hammer, show that the trade in such qualities is a limited one and cannot be forced beyond its legitimate standard, even at ruinous prices. The supply of really sound consumable Wine has during the year been scarcely equal to the demand, certainly not in excess of it. Total of Wine imported for ten months ending 31st October, 12,543,569 gallons; home consumption, 11,050,264 gallons; exported, 1,835,843 gallons. The stock of sherry in bond shows a large decrease, the figures being for 1st November, 1865, 44,587 butts; for 1st November, 1866, 34,707 butts. These figures clearly indicate why forced sales of consumable Wine have been so few, and prices so well maintained, in the face of a panic which has lowered the price of almost every imported commodity. Sherry, Port, and other Wines remain in fair demand, and prices are well maintained, both here and in the producing countries. Brandy of 1865 in fair request; for older vintages usual demand. Rum: A slow sale at quotations. Sherry: The export from Cadiz for the month of November was moderate, 4,185 butts, and prices were well maintained. In consequence of some dispute touching the ad valorem duty levied in New York upon Wines from Cadiz, the demand for that market is for the moment in abeyance. Looking at the wretched prices, reported from Sydney and Melbourne by the last mail, shipments of Sherry are not likely to be induced thence, especially as more profitable markets are daily demanding Wines. Port: The Wines of 1866 are reported to be light in body and colour, and the quality barely above mediocrity; low qualities are therefore slow of sale, at unsatisfactory prices, but good and fine qualities maintain full quotations.

WHISKEY AND ITS CHANGES.

THE vigilance of the officers of the U. S. Internal Revenue department recently discovered that the wholesale price of Whiskey was about fifty cents a gallon less than the tax imposed upon it by Congress, and a New York paper gives the following explanation of the manufacture and the way the distillers evade the duty:—

It seems that the most common article produced by distillation is "molasses whiskey," or more properly "rum." The mode of preparation is so simple that any housekeeper is able at a small outlay to have a still of his own and make enough daily to realize a handsome income. Molasses costing seventy cents per gallon is mixed with eight times the quantity of boiling water; yeast is added, and the mixture suffered to ferment three days. It is then distilled. Molasses of a specific gravity of thirty pounds contains 97 per cent. of rum and the distiller generally gets it from 80 to 40 per cent above proof. Government officers are deceived by the manufacturer as to the per centage, as well as by other means. Great pains are taken by the manufacturer to rectify the article before the officer can ascertain the fact as it then loses its identity and cannot be taxed. The proper method of rectifying is by filtration through powdered charcoal which removes the fusil oil and other impurities; but this is too slow to suit and so finely-broken coal is used, which fails to change materially the character of the liquor.

The following approximate figures will give some idea of the lucrativeness of this business. The actual profits are more than the estimate we give:

Cost of 100 gallons of molasses	$70
Cost of manufacturing use of apparatus &c.	15—$85
Value of 70 gallons of spirits thus obtained:	
At $1 50 per gallon	112
Profit	$27

But, as stated above, the genuine rectifying process is too slow for the manufacturer; and the liquor is "leached" instead, by being passed through cracked in place of pulverized charcoal. This fails to a great degree of clarifying it, and the fusil oil principally remains. This is the article generally vended; and revenue officers fail somehow to distinguish it from spirits which have been actually rectified. The constituents of this whiskey are about 75 per cent. of alcohol, 22 per cent. of water and 3 per cent. of fusil oil and other impurities. The alcohol is separated by the "alcohol column" an apparatus in the form of a pillar, consisting of chambers one above another to admit the vapor as it passes from lower to higher. Thus the "proof" is increased. Distillers often have several barrels on hand of fusil oil. By putting a gallon of it into each cask of whiskey, the character of the article cannot be detected. It can afterward be restored by the alcohol column.

Corn whiskey is prepared in a similar manner. The "beer" or wort is prepared by mixing the meal with warm water at 185°; after which it is run off from the mash-tub into a cooling vat; and then about 12 per cent. of rye flour and malt is added, and the whole stirred for two hours, when it is removed to the fermenting cisterns, which are supplied with coolers. Yeast is then added, and the wort stands three days; after which it is run off and distilled. A bushel of Indian Corn can be made to yield five gallons of whiskey; the distiller usually obtains about three and a half. The residue goes off with the re use or "swill." A rye whiskey is made by adding rye to the corn; and in like manner wheat whiskey by the addition of wheat.

A common method of evading the tax is by deceiving the revenue officers as to the quantity actually manufactured. The rectifying and leaching processes enable the distiller to shirk the payment of the tax. Another mode is that of converting it into "burning fluid." It is notorious that since the introduction of coal oil and petroleum into household use they have superseded this compound; so that the professed manufacture is a self-evident fraud. The composition of burning-fluid is as follows: Alcohol 70 parts, turpentine 25 parts, impurities 5 parts. The article palmed off by distillers upon revenue officers is somewhat different. When the "beer" or wort has ceased fermenting, from 3 to 5 per cent. of turpentine is added before distillation, which gives to the liquor afterward a milky appearance and the smell of turpentine, seeming to deceive the inspector as to its real character. The article distilled is whiskey, which being under 88 per cent. proof will not "cut" turpentine. The "burning fluid" thus palmed off on the inspector contains about 70 per cent. of alcohol 25 of water and foul oil and the residue turpentine and impurities. It is easy to separate the foreign elements by the "alcohol column" or by rectification.

Officers and others are also puzzled because distillers do no use a "separater" in their stills to shut the spirits of high proof from the spirits of low proof. In such cases a series of copper pans with false bottoms is attached to the "doubler." As the vapor passes through the bottoms, a stream of cold water is at the same time running over the pans. The denser parts of the vapor are thus cooled, restored to fluid form, and returned to the doubler by means of a tube, while the rarer portion enters the still and comes out at the "tail-pipe" as whiskey of 20 to 50 per cent. proof. When a separater is used, the "low wines" are conducted into a "mountjoy," from which they are forced back into the doubler by a pump or steam-force.

These, and many other instances which might be mentioned, indicate the manner in which the revenue is being defrauded by this illicit manufacture. It may be suggested that the remedy lies in more stringent laws. We do not think so. All experience teaches that such excessive taxes cannot be collected and that a moderate rate of duty produces the most revenue.

PROPOSED CHEESE FACTORY.—The *Guelph Mercury* says: A meeting of farmers and others interested in cheese making, was held in Donald's Hotel, on Tuesday evening, to consider the subject of establishing a cheese factory in this locality. The meeting, though not large, was unanimously of the opinion that the manufacture of cheese was the most profitable investment that a farmer could make, as during the summer six months, the most that could be got per cow on the average in butter making would not be over one pound per day, or say 28 lbs. per month, and this sold at 15 cts. per pound would realize $25.50, whilst the milk of a cow at three gallons per day and sold at 10 cents per day, would amount to $48.20, and leave the butter of 24 Sabbaths, at one pound per day, to be added, making the total $46 80, or, $21.6 in favour of cheese. A good deal of general conversation took place on the best means of getting a factory in operation. As the sum of $2,000 was considered requisite for that purpose, and it was doubtful if any person was prepared to make so large an investment, a committee was appointed to canvas the farmers and learn what number of cows could be guaranteed, after which steps would be taken to get the necessary capital subscribed.

THE NEXT SOUTHERN COTTON CROP.—The New York *Financial Chronicle* at the close of a lengthy review on the future of the cotton crop, says:—

"Among those best acquainted with the condition of the South and with the disposition of cotton growers, the opinion is strongly cherished that the next crop will be more limited than has been generally expected. There can be no doubt that the profits upon the present crop are too insignificant to encourage an extension of this branch of production. The unwise tax upon cotton bears with great severity upon the growers, and has wallowed up nearly all the profits upon the crop. The burthen of testimony goes to show that, with the enhanced costs of labour, and the uncertainty about its employment, it is impossible, upon an average, to raise cotton for less than 25 cents per pound; and adding to this the tax of 3 cents, and the now heavy charges for transportation, it is clear that there is no inducement to lay out an large breadth of land in the production of the staple. The Southern crops of cereals, during the past year, have fallen below the wants of that section, and breadstuffs have consequently ruled high; it is, therefore, reasonable to suppose that this year more attention will be given to grain culture and less to cotton growing: and the more so as those crops are less subject to suffer from the risks of the seasons and the irregularity connected with the present condition of the new labour system.