

prominent—Pittsburgh, with its industries in iron, glass, and staple fabrics, and Rochester, with its enduring meadows, orchards, wheat fields, and intelligent women and men. One may be more successful than the other, but it will be a national calamity if they harmonize and form one monopoly. There is enough for both; in twenty years there will be more than both can do.

Our Continental trade, thus throwing its shadows before, will demand millions of men in all the industries and arts; and, in connection, farming and fruit-growing will require a practical and scientific development only possible in times of peace and in a land of liberty. One who takes these things in view, naturally will prophesy that the new systems of education and thought necessary in carrying on our vast trade will react on European Constitutions, and make the coming generations smile that their fathers were the slaves of aristocrats and kings.—*N. Y. Tribune.*

MELANCHOLY LOSS OF LIFE—The schr. *Venus*, of Sydney, C.B., Capt. Muggah, was driven ashore about 11 o'clock at Dark Cove, near the mouth of Ketch Harbor, N.S., and sad to relate the captain and crew of six, (with the exception of one man,) two women and a young girl were drowned. One man named McLeod saved himself by jumping from the jib-boom to the cliff, whence he was enabled to reach a house about a quarter of a mile off. He came to the city yesterday and gave the first information of the affair. One of the women was named Armstrong, another Mrs. King, both belonged to Newfoundland.—*Halifax paper.*

THE FAULT OF THE UNITED STATES CURRENCY SYSTEM.—The *N. Y. Bulletin* says:—"At every period of monetary pressure we find the cry raised in banking circles that our currency system lacks elasticity. Our \$300,000,000 of bank currency is redeemable in greenbacks; it is all in circulation, at points more or less remote from the banks issuing it; and no effective means is provided for its redemption. The law provides that the banks shall hold a certain legal tender reserve for redemption purposes; but it fails to institute any agency practically enabling the note holders at a distance to get it. The result is that, at certain periods of the year the banks of this city are loaded up with bank notes which they can only partially use, but upon which they mostly pay 4 per cent. interest. This currency also finds its way in large amounts into the National Treasury, which makes its payments to the banks of this city to a corresponding extent in this class of notes. It is evident that some means should be provided for an easy and inexpensive redemption of these notes as one means of affording to the currency its required elasticity."

EXPORT DUTY ON TIMBER.

(To the Editor of the Mercury.)

QUEBEC, Oct. 5, 1867.

SIR,—It afforded me much pleasure to read the article in your paper of yesterday on the timber trade of the Dominion.

Your suggestion to put an export duty on timber merits the immediate attention of the Government. One of the first practical benefits that we would derive from Confederation would be the levying of a simultaneous and uniform export duty on timber in New Brunswick and Canada. There are many considerations not only why an export duty should be levied, but why it should be levied immediately by an order in Council. I shall not reproduce your argument of the reckless waste of one of our principal sources of revenue, or rather the reckless waste of the capital of the nation and that, too, for a miserable consideration alike to the lumbermen and the country.

As the consumer has to pay for the duty on sugar, so the consumer would have to pay for the duty on timber. I believe that one of the first principles of political economy that the consumer has to pay for the cost and charges of the article. Therefore the burden of the duty would fall on the consumer. But there is such a thing as a prohibitory duty—a duty that would deprive the consumer either from inability to pay the price, or by his inability to procure a substitute at a cheaper rate. Our study should, therefore, be to impose such an export duty that would neither prohibit the consumer from inability to pay, nor enable him to procure a cheaper substitute.

And such a duty would, in my opinion, be 1d. per cubic foot on all white pine and hardwood in the log, under 15 inches girth, on all red pine under 14 inches girth, and on all sawn lumber (including deals) under 12 inches; 2d. per cubic foot on all white pine and hardwood, 15 inches and up; on all red pine, 14 inches and up; and on all deals, 12 inches and up.

The timber of Europe competes with our timber of small girths in the home markets, but for our timber of large girths we have no competition of any moment. It is for that reason that I propose a higher rate of duty for the large timber. The present is a most opportune time for imposing the duty. The operations for this year in the way of shipping are nearly over; no contracts have been entered into for next year, and altogether a more favorable moment there could not be for levying the tax. No one in this country would suffer; a large source of revenue would be acquired; the consumer would have to pay a fair price; and the capital of the country would not be wasted, as hitherto, without some adequate consideration.

I am, yours, &c

MERCATOR.

RAILROADS AND CANALS FOR FREIGHT.

THE New York *Financial Chronicle* contains the following long, but interesting, article:—"For sometime past the comparative advantages of railways and canals in the transporting of freight have engaged public attention and the Constitutional Convention, which has been in session at Albany through the summer, has occupied a long period in the discussion of the subject. This discussion has arisen out of the general question of canal enlargement, with regard to which great diversity of opinion has been developed, as is evidenced in the diverse reports presented to that body. For instance, the majority report of the Committee on Canals proposes an immediate enlargement of the locks together with certain improvements of the channel, as does also the minority report made by Hon. Israel T. Hatch, from the Committee on Finance. The majority, however, of this latter committee takes decided ground against any immediate enlargement, and proposes a modification of the financial article of the constitution, which will effectually preclude the undertaking of any such work for the next fifteen years; and a single member of the committee makes a special report to show that the canals of the State of New York have already passed the period of their greatest usefulness, and that henceforth we must depend upon railroads to meet the increasing wants of our internal commerce.

On a former occasion we submitted our reasons for deeming it injudicious to commit the State by constitutional provisions to either policy. It is very probable that during the present period when taxation, national, State and local, is pressing heavily upon the people the general sentiment will preponderate against such an increase of the State debt as would probably become necessary in case of enlargement. Nevertheless, it seems to be settled that the canals shall not be sold—the goose furnishing too good plucking to permit it to be done. In such case it is apparent that either the enlargement must be carried forward as soon as it is prudent, or some other avenue through the State must be furnished, to accommodate the carrying trade of the West. At the present time, the current of traffic sets strongly in the route across the State of New York, and our interests as well as our duty to sister States demand that we shall not obstruct this channel; that either the State must act, or the whole matter must be thrown open to private enterprise, regardless of its influence on our canal revenue. And just in this connection the question of freight railroads becomes of importance. If they are to supersede canals to any considerable extent, enlargement is entirely unnecessary. To our minds such an event appears possible, though we are aware of evident practical objections which must be first overcome. Yet as there is this possibility, and little probability of immediate enlargement, we see additional reason for reiterating our opinion that a public policy should be adopted which contemplates such a contingency and the State not be committed in its fundamental law to any fixed plan.

Were this question between canals and railroads one simply of rapidity of transportation the railroads would certainly take the preference. The round trip from New York to Chicago and return is now accomplished in about 12 days by rail; while by water, 30 days or more are required between this port and Buffalo. Even if steam should be introduced into the navigation of the canals this difference in time could not be diminished sufficiently to obviate the advantage in favor of the railroads. Then, again, the canals are closed and their navigation suspended during four or five months, while the railroads continue open the entire year. Besides, there is more or less danger of injury to breadstuffs from dampness, heating, etc., while making the slow journey by water, which is almost entirely obviated when they are carried by rail.

On account of these advantages our dealers in breadstuffs, to a large extent, even now supply the facilities afforded by railroads. They can often meet their orders in the city of New York in time, by bringing grain and flour at call from the entrepote of the West, Toledo, Chicago and Milwaukee, and not be absolutely dependent on the supply already brought forward. The effect has been to diminish, to a remarkable extent, the amount annually carried on the canals, while the railroads have steadily increased their business. The following table is compiled from the official documents and shows the number of tons of breadstuffs transported on the Erie Canal and on the New York Central and the Erie Railroad for the past eleven years:

Year.	Erie Canal.	Central Rail'd.	Erie R.R.
1856	475,385	283,027	148,943
1857	263,141	275,941	120,617
1858	454,831	201,507	154,534
1859	250,872	219,751	112,722
1860	710,138	313,872	197,233
1861	1,054,295	441,582	243,959
1862	1,777,292	439,885	261,824
1863	845,446	405,380	228,632
1864	606,891	461,511	215,986
1865	420,614	349,103	212,677
1866	253,165	453,663	397,968

These figures present the remarkable circumstance that our railroads are gradually but surely supplanting the canal for this species of freight, in spite of the fact that the transportation by railway is attended by disadvantages of a serious nature, many of which, however, could be obviated on a freight road. The freight cars are unsuitable, and the waste, therefore, in carrying breadstuffs is computed by shippers as high as 14 per cent. There is great negligence also on the part of the persons employed by the railroad companies in respect to keeping all the cars together on freight trains, and so bringing them through to their place of destination. Indeed forwarders declare that in every shipment one or two cars are sure to be left somewhere on the way, putting them to great annoyance expense and loss of time by such inexcusable carelessness.

Then there are other difficulties or disadvantages not so easily obviated. A single canal boat, for instance, will carry eight thousand bushels of wheat, which is equivalent to the load of twenty freight cars. And what is of even more importance, lighters must be employed at considerable extra expense to take the freight brought by railroads to the part of the city desired, whereas canal boats can land at any point. Then, again, there is the difficulty of loading and unloading the immense number of cars which would be needed for this freight business. As at present managed, more extensive accommodations would be required for the purpose than any road can furnish. But we think that when the question is reduced to that point, some way will be found of obviating the difficulty. Whatever success has in the past attended railroads in competing with canals has been in spite of these disadvantages.

As to the charges for transportation by water, they increase as the season advances. At the present period the cost of bringing a bushel of wheat from Chicago to New York, including charges at Buffalo, is, we believe, about 29c. They may advance 10c. or 15c. before the close of navigation. If we assume 40c. as the possible cost before navigation closes, the cost of carrying a ton of wheat by water from Chicago to New York would be between \$13 and \$14. Even this extreme price, however, is less than the charges by rail; and with freight trains always made secondary to those carrying passengers, and compelled to give way to them, we cannot expect much improvement. As throwing light upon this question, we have prepared the following table showing the business done by the Erie Railroad—the earnings, expenses and profits on freight—for the six years ending September 30 in each year:

Year.	Tons carried one mile.	Gross earnings.	Gross earnings, p. ton p. mile in cents.
1860	214,084,396	\$1,884,243	13.14
1861	251,350,127	4,351,494	17.34
1862	351,002,255	6,642,915	18.92
1863	403,670,861	8,432,234	20.89
1864	422,013,644	9,855,088	23.31
1865	388,557,213	10,726,264	27.61

Year.	Gross expenses, per ton in cents.	Profits.	Profits per ton p. mile in cents.
1860	\$2,143,524	10.01	\$1,700,819 8.13
1861	2,236,334	9.30	2,414,530 8.04
1862	3,558,346	9.55	3,284,564 9.36
1863	3,893,881	9.64	4,538,252 11.25
1864	6,147,831	14.87	3,707,257 8.77
1865	7,718,542	19.87	3,047,722 7.74

By this table we perceive that, in the year 1861, the actual cost to the railroad of transportation was less than one cent a mile for carrying a ton of freight; and that the average for six years, notwithstanding the extraordinary expenses of 1865, was twelve and six-tenths mills, or about a cent and one-fourth. This includes, it should be kept in mind, all interest on capital, repairs of cars, track, etc., of which the company charge more than the proper share, we think, to the freight traffic, since the wear of express passenger business is so much greater than the freight business. Besides, as the freight trains must give way for passenger trains, they are sometimes kept waiting at stations for hours, and this loss must be made up in extra speed, which increases the expense many times.

It will therefore be perceived in a moment, that by the employment of a railroad exclusively for freight, these disadvantages would be generally obviated, and expenses of transportation would be greatly reduced. Cars suitable for the business would then be employed, and there would be good reason to expect no such vexation as leaving off one or two cars from a train at places along the route. There would be no necessity for a speed exceeding ten miles an hour, which would obviate to a great degree the wear of cars and track, and yet make headway as fast as is now the case at fifteen miles. One express train wears more than ten freight trains. No time would be lost by waiting at stations, but the trip could be a continued one at a slow rate of speed from point to point.

It is thought that on a railroad built substantially for the purpose, from fifty to one hundred cars can be drawn by a single engine and, of course, very many of such trains could be placed on the track every day, if necessary. This would enable it to do all the transportation that would be offered; and it is obvious that it could be at cheap and yet remunerative prices. As shown above the cost for wear of cars and track, and for other expenses, ought to be largely reduced from the present rates. It would appear, therefore, that if the average cost of the last six years of one and one-fourth cents per mile should be received for every ton of freight, a fair proportion of that amount would be net profit. At that rate the total charge from Chicago to New York would be about \$13.75 per ton for wheat, which is but little more than is charged for its transportation by water.

Imperfect as the estimates are which we have displayed, they seem to indicate sufficient uncertainty with regard to freight transportation, to make us hesitate before inserting a provision in the Constitution, committing the State to any certain fixed policy with regard to our canals. We would approve of leaving that instrument open, however, so that the Legislature, in case of any contingency, may have the power to act as necessity may require. The people do not desire a hide-bound policy, which will not allow them to take advantage of future developments or improvements.

The Illinois Central Railroad has purchased the Dubuque and Sioux City Railroad, which is now completed to Iowa City, and is to be pushed through to Sioux City on the Missouri river, about a hundred miles north of Omaha.