

which is held to be a forgone conclusion. And almost simultaneously with Republican success in the beginning of November, the Treasury Department will require to disburse about \$20,000,000 in Gold to pay the November interest on their Five-twenty and other Bonds. All those causes operating together, the Bears feel assured, must at least temporarily render Gold abundant and lower prices, and by buying Bonds during October, and selling by January, handsome profits are anticipated.

Notwithstanding several causes which might send Gold upwards, we must confess the Bears make out a pretty strong case. The most important circumstance upon which their calculations are based, is probably the success of the Republican party at the approaching election. The Democratic party has come out in favour of partial repudiation, and their triumph would undoubtedly lower the price of Bonds, on the other hand, the Republicans have firmly set their faces against repudiation in any shape, and the success of General Grant, must improve their Bonds both in Europe and at home. And of the latter's success, judging from present indications, there can be little doubt. The recent victories of the Republicans in the State Elections almost renders the defeat of Seymour and Blair certain, and we cannot doubt that the stand taken by the Republicans with regard to the National Debt, will give increased confidence in, and value to, the securities of the country. It is only reasonable to suppose also, that the disbursement of so much Gold by the Treasury Department must also have a favourable effect upon the interests of the Bears, however much the "Bulls" may toss their heads at it. The twenty millions to be paid for interest on the first of November, will soon find its way by thousands of sources to the Gold market, and its effect must be felt to a considerable extent. Unless some great drain of gold for custom or shipment abroad takes place in November, it is reasonable to suppose that there will be a larger supply of Gold in the market than for some months past. No such drain, however, is anticipated, and so speculators invest accordingly.

Although circumstances seem to encourage hopes that Gold will fall, and Bonds rise for a short period at least, it would be well for the speculative to remember that such investments are the wildest kind of speculation. The barometer of the Gold Room is so sensitive—so easily put up or down—and there are so many circumstances transpiring abroad and on this continent which affect it, that scarcely any dependence can be placed on present appearances. Circumstances would at present indicate that the parties who have entered into the speculation we have described have judged wisely and will come out successful; but it would not surprise us in the least if some unseen cause arose to frustrate all their expectations, and that instead of counting their gains they may have to chalk down something in the way of loss.

Buying Bonds or Gold on speculation is the next thing to a lottery. You are quite as likely to lose as to win. At the present time, for instance, any disturbance in Europe would not only overthrow all the calculations of the Bears, but possibly not a few of themselves. The first note of trouble between France and Prussia would be felt in New York, and actual war would inevitably have a most disastrous effect upon the financial position of the United States. It would cause a rapid rise in Gold, and then speculators relying on a contrary movement, would find themselves landed high and dry. And if, for instance, it should turn out that, contrary to public expectation, Seymour and the Democrats triumph at the Presidential election, and repudiators gain possession of the Government at Washington—how would such speculators turn out then? Whilst we do not expect either of these results—as we have stated before—still they are by no means impossible, and they plainly show that buying Bonds or Gold under the most promising circumstances, is a wild and hazardous experiment.

We have given this inside glimpse of the reasons which have induced some recent Bond purchases, not because we approve of such investments, but simply to give the readers of the Review an inkling of what is going on in such circles. The movement may not in New York or elsewhere, be entered into very largely, but we have from the mouth of one who has invested a considerable sum, that the prevailing sentiment among speculators in Gold is as we have described it, and that purchases of Bonds have been made accordingly. Our own opinion is, that such speculation is dangerous in the extreme, and that men who have capital, would do infinitely better by confining themselves to legitimate business, which is far safer, even if the promised profits are not so large.

RAILWAY FARES.

WE have long held the opinion that Railway Companies all the world over (with marvellously few exceptions) have stood in their own light by maintaining high rates of passenger fares. We know we are in a small minority in advocating a general and very great reduction of fares, but, nevertheless, we confidently maintain that were passengers carried over railways at rates low enough to make travelling comparatively inexpensive, and not, as it is now, the luxury of the rich, the increase of traffic would abundantly repay the increased cost of carrying it.

It may be stated as a proof that we are over sanguine in this particular, that trial of the system of low fares has been made from time to time by rival lines competing for passengers, and which competition has invariably resulted in loss to all the railways interested. At first sight this might appear conclusive, but as competition for passenger patronage is generally limited to two or at most three lines, and as there appears to be an immediate loss it never is continued for a period of time long enough to create in a new class of the community the habit of frequent journeying, and it is only by bringing its cost within the means of the many whose incomes give but a small surplus over their necessary expenditure that this can be attained.

In considering this subject it must be borne in mind that there is a very much greater profit in carrying passengers than there is in the transport of freight, once the point is reached of running expenses being covered. Passengers need no handling, either in loading or unloading; they walk into the car, and they walk out of it again when they reach their destination, and there is no further trouble or delay. The car is then ready for immediate use on its return trip. We have not at hand any figures to show the average cost, per mile of running additional cars on a train, supposing that these cars bear no proportion of the cost of the original train, which, let us say, consists of locomotive and tender one baggage, one post-office and express, one second-class, one smoking and three first-class cars. We cannot but believe, however, that the cost of running these additional cars would be very light, inasmuch as the chief items of expense in running a train are the fuel, and salaries of engineer, fireman, conductor and brakemen. The consumption of fuel might be increased slightly by additional weight to be drawn, and extra brakemen might be required, but, otherwise, there would be absolutely no increased cost incurred by attaching to the train as many cars as the locomotive could draw. Of course, in making a close calculation some small allowance would have to be made for interest on additional rolling stock and for increased wear and tear of roadway, but these items would be insignificant in a large business.

The increased passenger traffic which, we believe, would arise from low fares, would, we think, be chiefly local and over short distances. Suppose the regular fare to be one cent per mile, no matter what the distance, the cost of going from station to station would be so trifling as scarcely to be a matter of consideration to any but the actually poor and pleasure parties would be constantly made up to go short distances, or people would, on very slight provocation, travel a few miles by rail to see their friends. Many are deterred from making an interchange of visits merely by the heavy cost of travelling, and as the number of those who cannot afford a luxury at a dollar is greatly in excess of the number of those who will not be denied under two dollars, so and in such ratio may we expect to see the number of travellers increased by any marked reduction of fares.

As a practical test, we should like to see the Grand Trunk try this experiment on any short section of its line, say from Montreal to Lachine. Let the fare be reduced to one cent per mile, with season tickets paid for in advance at a proportionably low rate. Then let trains be run at the hours most likely to meet the wishes both of those who lived at Lachine but did business here, and of those who would be likely to go to Lachine for pleasure, such as ladies and their children—and let this experiment be continued say for two years, and if it does not prove a complete success, profitable both to the Grand Trunk and to Lachine, and a boon to the community, then will we be content to yield our opinion on this question, and to acknowledge that after all we are not as wise as we thought or as the great army of railway managers and directors who have so pertinaciously stuck to the comparatively prohibitive system of high fares.

In this connection, we find an ally in the author of a new scheme of railway organization, whose main arguments are as applicable to any low fare system as they are to his plan. Mr. Raphael Brandon's proposal is thus described by an English paper:—

It is simply an adaptation of Sir Rowland Hill's Post-office scheme to railway passenger traffic. He proposes to treat a passenger like a letter, and send him anywhere over the kingdom, regardless of distance, at a fixed minimum charge. A three-penny stamp shall take you, third-class, any journey, in one direction you like to go, whether from Ludgate Hill to Sydenham, or from John O'Grate's to Land's End. If you prefer second-class, you will take a sixpenny stamp, if you luxuriate in first-class, your postage will amount to one shilling. This sounds as mad as the penny postage innovation sounded at first. But Mr. Brandon quietly proceeds to argue in his pamphlet that it would pay everybody, shareholders, the public, and the Government besides giving renewed impetus to industry of all sorts. The sum proposed to be charged for passenger postage looks ridiculously small. In reality it is not so much less than the average fare at present paid, for the average journeys, as might be supposed. In 1863, in round numbers, 3,600,000 passenger trains ran over 71,000,000 miles carrying 252,000,000 passengers. The traffic produced £14,724,802. This gives an average of nearly 21 miles and 78 passengers for each train, which is about 8½ passengers per mile, giving an average fare for, at present paid, per average journey of 14d. only. Now, says Mr. Brandon, give me an universal 3d fare everywhere, and I will promise you six times the traffic, which will give the United railway interest an excess of £4,000,000 of receipts, with very little, if any, addition to the expense of carrying an increased number of passengers. But that is merely supposing each person paid but 3d. It is calculated, however, that of the increased number of travellers the second-class would ride first-class at 1s. and two-sevenths the seventh would ride first-class at 1s. and two-sevenths the seventh at 6d. This would raise the annual return to £22,000,000 for passenger traffic, instead of £14,724,802 as at present. Does some one say that the analogy between carrying a passenger and carrying a letter is false, because a letter is but half an ounce, and a passenger is really a meaty hundred-weight? Which is, by far, the most expensive part of the postal system? The transit of a letter or its delivery? Its delivery. Granted, then, that the transit of a passenger is something more expensive than that of a letter, the passenger saves the most costly part of the postal outlay, because he delivers himself; the balance is therefore, on the passenger's side, for the additional expense of transit is nothing to the saving in distribution and delivery.

We do not see exactly how this plan could be worked unless the Imperial Government should purchase the Railways as it has the Telegraphs of the United Kingdom, but we suppose some method might be adopted which would enable each railway to keep the tally of the passengers carried, and their average number of miles.

Statement of the Post Office Savings Banks account, for the month of September, 1863.			
Amount on deposit as per last statement (August 31st).....	\$	262,661.32	\$
Add—Amounts received and interest accrued during August (\$57,023 00). Less amount withdrawn during August (\$11,742.04).....		45,280.96	
Amount received from depositors during Sept. \$63,209 00			
Interest paid.....		22 28	
Amount of withdrawal cheques.....		63,231.76	
		13,227.67	
		50,003.59	
In hands of Rec. Gen., Sept. 30 ...		\$257,959.87	
Bearing interest at 4 per cent. ...		219 907.87	
Bearing interest at 5 per cent.		135,860.00	
Bearing no interest, being the amount in the hands of the Rec. General, to meet outstanding cheques.....		2,250.90	
		257,968.67	

JOHN LANGTON,
Auditor.

Audit Office, October, 1863.

CROWN LANDS REGULATIONS.

THE Assistant Commissioner of Crown Lands, Province of Quebec, has issued the following circular, which we reproduce from the columns of the official Gazette:—

Notice is hereby given that His Excellency the Lieutenant-Governor has been pleased, by Order in Council, dated the 2nd instant, to sanction the following modifications in the Timber Regulations:—

1. All old and new licenses for limits or timber berths, shall be renewed annually for a period extending to 30th April, 1869; Government reserving its power of changing once during that period the tariff of dues for cutting timber, but not, however, before 1st September, 1873.

2. The clause of the regulations of the 21st July, 1863, which fixes a gradual increase of ground rent in the case of non-occupancy, is repealed, and instead thereof, a further sum of \$1 is added to the ground rent