First-class passengers not only expect to have a seat for themselves, but another for their feet.

Mr. Stewart states that on two days selected as a fair average, whilst 4,482 passengers were booked from Euston Square, the trains to accommodate them contained 13,512 seats; and that in the case of fifteen up trains, carriages containing 1,274 seats were put on to accommodate only 179 passengers. Now, there is no such latitude permitted to third-class passengers. Indeed, this class does not object to close packing. No through carriages are put on for them, and they move about with very little luggage, and take their places in the branch trains without any sense of grievance because of having to change. So that every third-class carriage, if there be passengers enough, may be filled with its paying load. And what is a paying load? The late Robert Stephenson, in his address to the Institution of Civil Engineers, in 1856, held that anything beyond five-eights of a penny per mile per passenger may be rendered profitable, even if the passenger-train be only half filled.

"Nothing," said he, "is profitable, because nothing is so cheaply transported as passenger traffic. Goods traffic, of whatsoever description, must be more or less costly. Every article conveyed by railway requires handling and conveyance beyond the limit of the railway station; but passengers take care of themselves, and find their own way without cost from the terminus at which they are set down. It is true, passengers require carriages of somewhat more expensive construction than those prepared for goods; but this expense is compensated for by the circumstance that they are capable of running, and do run a much greater number of miles—that the weight of passengers is small in proportion to the weight of goods—and that consequently the cost for locomotive power is less. It has been shown that 111,000,000 passengers, weighing 8,000,000 tons, have been conveyed during the past year (1854) over a distance of twelve miles, yielding a revenue of £9,000,000 sterling. This gives, at the least, 2s per ton per mile for the weight of passenger conveyed. Coals are conveyed, in some instances, at a halfpenny per ton per mile. It is to be recollected that trains are usually capable of transporting at least two or three times the number of passengers ordinarily travelling by them, and that the weight of the passengers in all cases is in extremely small proportion to the gross weight of a train; as, on an average, there will be fourteen passengers to every ton, and each train will readily convey 200 passengers. The cost of running a train may be assumed in most cases to be about 15d per mile; therefore 100 passengers, at five-eighths of a penny per mile per passenger, would give us 5s 2½d. per train per mile, which may be taken as about the average train earnings throughout the year. It is obvious, therefore, that anything beyond five-eights of a penny per mile per passenger may be rendered profitable, even if the passenger-train is only half-filled. Hence all the directorates should look to the maximum amount of gross revenue to be derived from large passenger traffic, which maximum amount is only to be obtained by affording enlarged public facilities and temptations to travel."

Where railway companies have had the courage and the wisdom to adopt the policy of low fares, it has invariably proved successful, especially where there are large populations to be accommodated. But many of them have adopted it only in a half-hearted, perfunctory way, and been too prone to fall back on the stupid and indolent policy of raising fares by wholesale in the hope of thereby increasing dividends, though the more usual result has been only the increase of irritation and discontent amongst their customers. Directors have found it as hard to believe that a line can pay better by charging moderate fares, as the defenders of the old letter-carrying system did in the success of the penny post. Yet proofs of the wisdom of the low-fare policy have never been wanting. Year by year the railway returns published by the Board of Trade show that it is not the high priced but the cheap traffic that increases most rapidly, and is capable of by far the largest development; for while the higher priced class remains nearly a fixed quantity, that of the lower class is almost unlimited, and there is nothing that will induce multitudes to travel but low fares. In the early years of railway travelling the second class outnumbered all others, the first and third passengers being about equal. In 1842 the third class formed less than one-third of the whole; ten years later they were about one-half; whereas now they are more than three-fifths of the whole number of passengers. Of the 274,293,668 carried by day ticket in 1866, 162,725,160 were third-class. But the increase in the receipts from this class of traffic has been in even greater proportion than the numbers carried. Thus, while the increase in the number of third-class passengers in ten years was at the rate of 56 per cent., the increase in the receipts from the first and second class was only 23 and 29 respectively. Mr Stewart gave evidence before the Commission to the same effect, as to the experiences of the London and North-Western Company. He said that in ten years, with an addition of 420 miles, or 88 per cent. there had been an increase in the first-class receipts of only £71,000, or 13 per cent; in the second-class, £202,000, or 88¼ per cent., being, in fact, equal to the increase in the mileage; and that the same broad features had shown themselves year after year. The Midland Company also, which has been managed with great judgment, pursued a course of gradual lowering of fares all over their system, with the most successful results to the shareholders as well as to the public. The following is from the evidence of Mr. Allport, the general manager of the company.

For some years an opinion prevailed at the Midland Board that our passenger fares could not be reduced, though they were rather high. I was constantly urging upon the directors a reduction. We first abolished the express fares upon the entire line between Bristol and Birmingham, and after about five or six months, we found that we had recovered that loss. We then adopted the same reduction upon the whole line. Again, some twelve months ago, we reduced our fares between Derby and London and the whole of our southern system, by which, on paper, we appeared to lose about £20,000 a year upon that single reduction. That loss recovered itself in about four or five months, or in six months at the outside. The reduction we then made was from 2½d. to 2d. To a certain limit, I believe, low fares are very beneficial both to the companies and the public. We have fares as low as a ½d. per mile on some parts of our line, and the returns are very satisfactory.

In confirmation of the same view, it may be added that wherever railway companies have by force of circumstances—such as competition by river boats or sea-going ships—been compelled to run at low rates, there the traffic has eventually become the largest and most productive. Hence the immense railway traffic along the Thames and Clyde, where the river-boats have forced the directors of railways to lower their rates so as to bring travelling by railway within reach of the multitudinous classes. Hence, also the low rates and consequent large traffic in coal and goods run between the North and London.

THE EFFECT OF LOW FARES.

The effect of low fares in inducing large numbers of persons to travel was curiously illustrated on the opening of the Glasgow and Greenock line. The river Clyde runs nearly parallel with that railway, and excellent steamboats performed the service between the two towns, at 1s and 2s per passenger. When the railway was opened the average fare was reduced to 10d, and the total number of passengers by all routes was increased 100 per cent. Open carriages were then put on, and a fare of 6d was charged for 23 miles, or at the rate of about a farthing a mile. The annual number of travellers was immediately increased by about a quarter of a million or 82 per cent. on the whole; while the gross receipts were increased by 15 per cent, the working expenses remaining nearly the same. The third-class fares were then raised from 6d to 1s, in the hope of increasing the revenue. The number of travellers at once fell off 18 per cent, and the gross receipts 10 per cent. The third class carriages were next made more comfortable by covering them in; but this did not attract more third-class passengers. It only induced first and second-class passengers to transfer themselves to the third class carriages, and there was a falling off of 18 per cent. in the numbers of those classes, occasioning a considerable further loss to the company. It was thus demonstrated that it was the low fare alone that induced so many additional persons to travel; and on ascertaining this the fare was reduced to its former low standard, at which it still remains. Of the three railways south of the Thames which have recently combined to raise their fares, only one is solvent, the second is pauperized, and the third is hopelessly bankrupt. And if the directors of those companies think that they will be enabled by their recent measure to place their respective concerns in a sound financial position, the public must under present circumstances, be content to abide the infliction until better days come round. General experience is, however, quite against the theory that high fares will increase the receipts. It may do so temporarily, but the eventful result will be that that part of the public with whom daily travelling is a necessity will gradually remove into lower-fare districts, whilst a serious check will be given to those building operations in the neighborhood of stations, which all the metropolitan companies have up to this time been endeavoring to encourage. But there is still a large number of travellers with whom travelling is not so much a matter of necessity as of choice; and though these may be tempted to travel by a moderate fare, and still more so by a low fare, they will certainly not be tempted by a high one. They will simply refrain from travelling unless when they cannot avoid it. When workmen strike for a rise of wages, they assume that the money available for wages is an unlimited quantity. The combining companies seem to us to have run into precisely the same error. The great bulk of travellers by railway are, as we have seen, not rich people but people of moderate means, and many of them comparatively poor people, who travel third-class, because they cannot afford to pay more. When the average suburban resident pays so much for rent and taxes, so much for clothing, and so much for food, there remains but a small surplus for travelling by railway; and if the companies raise the fares twenty-five or fifty per cent, the inevitable result will be, as in the case of the Greenock line, that many of the first-class passengers will travel second, and second-class travel third, when a still larger number of third-class passengers will altogether disappear from the trains. In the meantime, while the Southern companies are engaged in trying their experiment, and stimulating by their policy the revival of recently abandoned competing schemes in their respective districts, let us see how railway matters have been managed abroad.

(*To be continued.*)

Direct trade is to be established between Chicago and the West Indies *via* Mobile, by the construction of a railroad between Cairo and Columbus, Ky., and the organization of a line of steamers between Mobile and Havana. The movement will not amount to much. The railroad competition in Eastern and Western transportation, is too great for such an enterprise as the one proposed.

The captured cotton claims seem likely to hang on for many years. The Clerk of the Court reports to Congress that for the year ending December 7th, 1868, decisions involving the amount of $800,000 have been made. One of these claims was for $123,060 the value of captured cotton. The largest sums were awarded in this class of cases. Many claims are yet to come.—*N. Y. Paper.*

MONEY MARKET.

ACCORDING to the official statement of banks for November, they are in a still better financial position than the month before, and in the absence of any increased demand for money, rates rule low. Good business paper can be done at from 6 to 7, and regular customers of banks in good standing have no difficulty in obtaining all necessary accomodation. On first-class collatorals, loans could be obtained as low as 5 per cent. on short dates.

Sterling Exchange has advanced in New York, this market participating in the improvement. We quote Bank Bills, 90 days, 109⅜ here, and in New York 109¼.

Gold Drafts on New York are a heavy sale at ⅛ to ¼ discount.

Gold in New York has fluctuated between 136 and and 134¾, the latter being the closing quotation. Greenbacks are now quoted 73¾c to 74c.

Silver continues very abundant, buying at 4½ and selling at 4¼ to 4⅜ per cent discount.

The following are the latest quotations of Sterling Exchange, &c:—

Bank on London, 60 days sight	109⅜ to 100
" " sight	110¼
Private, " 60 days sight	108¼ to 109¼
Bank in New York, 60 days sight	109¼
Gold Drafts on New York	⅛ to ¼ dis.
Gold in New York	134¾
Silver, large	4½ to 4¼ dis.

THE GROCERY TRADE.

Baldwin, C. H., & Co.	Mitchell, James.
Chapman, Fraser & Tylee.	Robertson, David.
Chapman H., & Co.	Tiffin, Bros.
Childs, George, & Co.	Thompson, Murray & Co.
Gillespie, Moffatt & Co.	Torrance, David, & Co.
Jeffery, Brothers & Co.	West, Bros.
Kingan & Kinloch.	Winning, Hill & Ware.
Mathewson, J. A.	

THE business of the past week has again been very light, and prices with few exceptions are quite unchanged.

TEAS.—The Canadian demand has been light, and principally for local wants. There has been a steady business with New York however, and holders are firm in their views. Arrivals have consisted principally of several lots of Japans and Greens *via* Portland.

COFFEE.—Is unaltered and without much enquiry.

SUGAR.—Raws have been in fair demand during the week, and are firm at previous quotations, with sales of several lots fair grocery and some round lots low grade to the Refineries on private terms. At auction, a few first lots were sold, but prices were unsatisfactory and balance was withdrawn. Refined is unchanged.

MOLASSES.—Has received rather more attention, although buyers and sellers appear to be somewhat apart in their views. Stocks of Clayed and Centrifugal are light, but the better grades are still arriving. Prices are firm, and holders unwilling to submit to any reduction.

FISH.—Herring are in small demand, and sales only of a retail character, chiefly for local consumption. Prices are unchanged. Codfish is neglected, but quotations are unaltered.

FRUIT.—The demand for Layer Raisins has been limited. Valentias, however, have received good enquiry, and several round lots have been placed at 6½c. to 6¾c. at private sale, and 6c. to 6½c. at auction, holders refusing to repeat at these figures. Currants are unaltered, and but little enquired for.

RICE.—There has been only a light demand during the week. Some 200 bags Rangoon, slightly damaged was sold at auction at $3⅞ to $3½, and a small lot of sound at $3.95, balance being withdrawn, and held at from $4 to $4 10.

SALT.—Is quiet and without change.

SPICES.—Are without much enquiry, except for small lots to sort up stocks.

WINES AND LIQUORS.—Mr. Alfred Rimmer's sale of wines on the 22nd, has been the only one this Christmas. Some exceedingly old and costly wines were offered, which hardly brought the required price, and they were withdrawn after the first lots, but quite a large quantity of fair good wines were sold at prices in favour of buyers. The amount to be offered was however so large that Mr. Leeming, Auctioneer, expressed his intention of continuing the sale at 2 o'clock on Saturday, 26th. About 900 dozen are still to be offered for competition.

Sale of Damaged Groceries for account of underwriters, at the stores of Messrs. Gillespie, Moffatt & Co. John Leeming & Co., Auctioneers:—

179 bxs Valencia Raisins, 428 hf do, 82 qr do, 4½c to 5½c; 18 bgs Rangoon rice $3⅜; 41 do $3¼; 8 half-chts Imperial tea 37c; 15 do Gunpowder do 37½c; 25 catties Young Hyson 58c.