is favored in railway freights. So far from being favored the contrary is the case. Any grace shown to Toronto by the Grand Trunk has been a matter of necessity, not of favor. Montreal interests have swayed the traffic legislation; Montreal influence, political and otherwise, has directed the whole unfortunate career of the Company. The political influence which centres in Montreal forced the Company to build miles of unprofitable road, and in many other ways has proved its bane. This secret was learned at great cost, and the Company, awakened to a consciousness of its real position, freed itself of the load. Another secret has to be learned and that is, the gross injustice done to Toronto trade by freight arrangements which discriminate against Toronto and Western Canada generally and favor Montreal on the one hand and the Western States on the other. For the purpose of explaining this, we avail ourselves of calculations made by Mr. Chisholm, a prominent Toronto merchant, who has given a good deal of attention to its elucidation. The unjust policy pursued towards Canada in favor of the United States is thus shown. The rate of freight on flour and meal from Chicago to Boston is 55 cents, equal to 38½c. gold, from Sarnia to Portland, 798 miles, or less than ½c. a ton per mile; from Chicago to Toronto 21½c. equal to 14c. gold or less than 9–10c. a ton per mile; Chicago to Montreal 45 7-10 equal to 32c. gold or less than 65-100c a ton per mile. If we contrast the rates on Canadian productions to Toronto we can appreciate the extent of the injustice which we have to submit to. Sarnia to Toronto 2c. a ton per mile; Stratford to Toronto over 3c.; Guelph to Toronto over 4¾c.; Brampton to Toronto over 7½c. Freight trains from Sarnia to Portland, consist of fourteen cars for which the Grand Trunk gets $38.50 per car or $539 per train, the distance being 798 miles. For the same number of cars from Sarnia to Toronto, distance only 168 miles, the Company gets $490 or $49 less than to Portland. Is it to be wondered at that Western Canada complains of the Grand Trunk not only when inducements are offered to immigrants to go beyond our boundaries as "through freight," but also when the cost of transportation to the sea-board from the Western States is less than from the Province of Ontario, and Western Yankees get their business done at a loss to the Grand Trunk of 150 per cent., which loss has to be made good by us Canadians in the payment of a tax in the way of extra charges on our own productions.

The freight arrangements, which brought about the state of affairs referred to, operates prejudicially to the whole of this Province. We shall now proceed to explain how Toronto is affected directly by the imposition of discriminating rates:—

	Miles.	Grain.	Flour
Cornwall to Montreal...........	67	10c	20c
Peterboro' to Toronto...........	68	16	24
In favor of Montreal..........		6	4
Prescott to Montreal............	112	14	28
Seaforth to Toronto.............	112	16	32
In favor of Montreal........		2	4
Kingston to Montreal..........	172	18	35
Sarnia to Toronto	168	20	40
Four miles nearer in favor of Montreal		2	5
Belleville to Montreal	220	20	40
Sarnia to Toronto	168	20	40
	52		
Sarnia to Toronto and Toronto Montreal.....................	501	45	90
Sarnia to Montreal direct.......	501	37	76
In favor of Montreal		8	16

	Miles.	2nd Class Goods per 100 lbs.	3rd Class Goods per 100 lbs
Montreal to Cobourg.....	260	25c	22c
Toronto to Cobourg......	72	20	15
	188	5	7
Montreal to Bowmanville	290	25	22
Toronto to Bowmanville	43	17	14
		8	8
Montreal to Kingston....	198	16	15
Toronto to Kingston......	165	28	22
	33	12	7
Montreal to Whitby......	304	25	22
Toronto to Whitby.......	29	14	12
	275	11	10
Montreal to Lucan.......	446	35	31
Toronto to Lucan........	113	25	20
	333	10	11
Montreal to Seaforth.....	445	39	34
Toronto to Seaforth.......	112	25	20

It requires no great skill to discover why it is that the Grand Trunk Railway Company has so many enemies throughout the length and breadth of this Province. It has been wearing out its rails and locomotives in carrying through freight at a loss and taxing the local freight to make up for it. It has been carrying through freight and either neglecting local freight or transporting it so slowly as to drive business men into using every other available means of getting their goods. No time could be more opportune than the present for an inquiry into the character of the internal legislation of the Grand Trunk. The English stockholders are bent on knowing the real state of affairs, and applying a remedy if there are ills to complain of. For their own sakes, as well as for the sake of the country, it is to be hoped that an immediate investigation will be had.

The editor of *Herapath's Journal* has directed great attention to the affairs of the company, and we commend to his careful consideration what we have set out about. If the Riviere du Loup section does not pay, close it, rather than compel this Province to bear an extra tax to make good that loss. If the people of Quebec want that section kept open, let them pay for it. If the merchants of Montreal wish props for their trade, let them pay for them. What Toronto wants is a fair field and no favor.

THE PREMIUM NOTE SYSTEM.

A letter from the Hon. Elizur Wright, of Massachusetts, to S. Pedlar & Co., of Montreal, has been published in pamphlet form. As it may be regarded as the latest addition to the literary pile which the Premium Note controvery has been the means of bringing together, we are prompted to make it the subject of a review.

We are not admirers of the Premium Note system; we discussed it fully in all its bearings a few months ago, and beg to refer our readers to Nos. 27, 28 and 30 of this journal. Since then we have seen no reason to change our opinion, and need not, therefore, now enlarge upon it. Our present remarks will be confined to reviewing the arguments of Mr. Wright, whose defence is perhaps the best that has been written. We may say at once, that we are quite at one with him in the conclusion that, financially, the system is perfectly sound; in fact, we go a little farther, and believe that, as a system, it must be so, so long as the cash portion of the premium in each year is sufficient to cover the risk for that year, and so long as the interest charged on the notes is equal to or greater (which in practice it always is) than the actuarial rate upon which the premium is based. We believe further, as we showed in the articles above mentioned, that there is very little difference, far less than is generally imagined between the note and all cash systems; but that, if there is a slight advantage (which we doubt) in the former in respect of the smaller amount of cash which is paid in the first few years, it is far more than counterbalanced by the uncertainty as to the rate of premium in future and as to the sum which will be received at death, so that our objection is that the system, though financially sound, is not an advisable one for Life Insurance. Mr. Wright (p. 9) casts much ridicule upon Mr. Barnes for assuming that the justification of premium notes is their being met by current dividends. As a matter of history, however, Mr. Barnes is probably right, for we believe the origin of the note system to have been that when it was found that companies were declaring annual dividends of 50 per cent and upwards, the question naturally arose, why pay cash for the purpose of having it returned in a year or two? why not give a note instead? Mr. Wright justifies the note system in this way: