placing the amounts thereby raised at higher rates of interest, being more or less of a speculative nature, are not such as the Government would be justified in accepting for deposit in the Treasury for the trust funds of life insurance or other institutions of a like nature.

ON THE EVE OF THE PRESIDENTIAL ELECTIONS.

It is now too near Election day for any more extended criticism of what one of the ablest New York journals dubs, the "irrational, immoral, anarchistic yawps of ignorance and folly," known as the free coinage of silver scheme. This, however, we may put on record. Neither the United States nor any other country can afford to adopt a standard which is different to that in vogue in the other great monetary nations of the world. If the silverites be successful in the Presidential elections, it is difficult now to predict the trouble which will inevitably ensue in the general derangement of national and individual credit. Internecine complications little anticipated may develop, and we can only express the hope that the people of the United States will, ere it be too late, calmly consider the situation, and rise in their might as one man to protect the honor and the credit of their country, and sink individual interests in the great issue at stake.

WHEAT AND SILVER.

Throughout his campaign Mr. Bryan has expressed contempt for the law of supply and demand as the dominant factor in fixing prices. The one idea of these theorists is that prices have run down solely because gold has gone up in value. The situation at present affords a most striking illustration of the absolute power of the law of supply and demand to control prices. Nothing has recently occurred to affect the value of gold, yet wheat has gone up in two months by 25 per cent., which is a demonstration that the market value of wheat is not, as Mr. Bryan has strenuously insisted, dependent upon the value of gold. In the same period the price and supply of silver have remained stationary. The recent rise in wheat is simply the effect of the proportions being changed between demand and supply from those proportions which prevailed while wheat was at a low figure. Wheat prices were low because supplies were high. Wheat prices are now high because supplies are low. The prices of gold and silver, individually, or relatively, have thus been demonstrated to be no factors at all in fixing wheat prices.

THE GRAND TRUNK MEETING.

The half year report presented at the recent meeting of the Grand Trunk Railway in London was looked forward to with more than usual interest, and anticipations of improvement in its finances owing to the change of management Rumors were current of economies being effected of a radical nature, and changes calculated to enlarge the receipts. The new General Manager, Mr. Hays, has certainly made his mark as a re-organizer, but to what extent he will succeed in materially reducing expenses and drawing more traffic has yet to be seen, as his first half year is not a fair test of his powers. The first half of each year is always the least in receipts. But this year the receipts from freight traffic were $5,700,000, compared to $5,440,000 in the first half of 1895, a gain of $260,000. This is in part owing to the introduction of more commodious freight cars and better arrangements for handling business. This has involved considerable outlays for rolling stock, of which still greater ones will have to be made before the line is well equipped. This is especially the case with regard to the branch lines, respecting the passenger and freight cars on which complaints are rife. In this respect Mr. Hays is somewhat handicapped in his efforts to secure better financial results, as it is a very costly process to bring the rolling stock of a railway up to a higher standard. The receipts fell short of meeting fixed charges and rentals by $400,000. We have little hope of these recurring deficits being turned into surpluses by economies and large traffic, so long as the rates are so low. The decline in transportation rates since 1873 is the true explanation of the depreciation in the values of railroad properties. Competition has been so keen as to put a large number of American railroads into the hands of receivers, a fate which the Grand Trunk and the Canadian Pacific have escaped though their finances have been very seriously damaged by carrying freight too cheaply. Since 1873 passenger rates have been reduced on four of the leading U.S. lines as follows:—

	Rate per passenger per mile. 1896. cents.	Rate per passenger per mile. 1873. cents.	Amount saved to passenger on traffic of 1896 $
Penna. (east of P. & E.).....	1·953	2·658	5,020,114
New York Central..........	1·89	2·06	1,231,18
Chic., Mil. & St. Paul......	2·357	3·058	3,189,847
Chicago & North Western...	2·05	3·16	4,013,767
Total saving..............			$13,454,915

The effect of reduced freight rates is shown in following table, for which we are indebted to the New York, *Financial Chronicle*:

	Rate per ton, per mile. 1896 cents.	Rate per ton, per mile. 1873. cents.	Saving to shippers on traffic of 1896. $
New York Central........	0·67	1·57	34,870,796
Penna. (east of P. & E.)...	0·563	1·443	71,740,622
Chic., Mil. & St. Paul.....	1·03	2·50	35,653,569
Chicago & North Western.	1·03	2·35	31,315,222
Total saving in freight.....			$173,580,211
Total saving to passengers..			13,454,915
Total.....			$187,035,126

While doubtless the rates in 1873 were unduly high, the reaction therefrom was far too severe, as rates have ruled so low as to be unequal to paying running expenses. There is a prospect of the Grand Trunk being brought into closer union with the Joint Traffic Association, and a better understanding being established with its competitors by which its finances will be improved. We are satisfied that an advance of rates which will be almost inappreciable to shippers would put an end to deficits, and provide something for those whose capital is invested in the Grand Trunk—capital out of which Canada has enormously profited.