

the 160 acres of free grant land is objected to. It is to be regretted that this fee should be exacted under the circumstances, and more especially as the Canadian Government, though professing sympathy and readiness to aid, is really doing nothing whatever. It is not likely, however, that, if negotiations took place, the demand would be adhered to.

The Pacific Railway scheme is more suitable for capitalists, or persons with means to purchase. We are glad to notice that the plan which has been followed with so much advantage in Minnesota is to be adopted in the North-West of Canada. The price of the land is to be \$2.50 an acre, payable in instalments, but there will be a rebate of \$1.25, or one-half for every acre brought under cultivation within three to five years from the date of purchase. There will be special rates for land required for cattle-raising and other purposes, not involving immediate cultivation. It is announced that the company expect to have 250 miles of railway west of Winnipeg in operation by the close of the present year, and 650 miles further to the foot of the Rocky Mountains by the end of 1884. We do not understand that this special reference to the prairie section implies that the other sections will be neglected, but that they are those in which the parties to whom the circular is addressed are chiefly interested. It is evident that the parties controlling the Pacific Railway are not disposed to withhold the lands from settlers with a view to increased prices in the future. It may be inferred that the prospects of an increased immigration are highly encouraging.

GRAND TRUNK RAILWAY.

An interesting memorandum from Sir Henry Tyler, in reply to a circular from Col. Grey President of the Great Western Company on the subject of the proposed fusion of the interests of the two companies, has been published. It purports to have been written in consequence of representations made by influential shareholders in both companies, and is an able argument in favour of the proposed amalgamation. We should infer from the letter of a Great Western shareholder, which has been published in some of the Canadian papers, that the object which Sir Henry Tyler desires to accomplish is not understood, although it has been very clearly and satisfactorily explained. The shareholder gives the operations of the two companies and their respective dividends, and the market value of the respective stocks, arguing that, unless on

the principle of Great Western ordinary stock dividing equally with Grand Trunk second preference, an amalgamation will be injurious to the former. All this is quite beside the question raised by Sir Henry Tyler, which is not an amalgamation of the various stocks, but a pooling arrangement on equitable principles, with the view of materially reducing expenses and giving a larger net income to each company, which income would be divided among the respective shareholders and bondholders, precisely as their respective net revenues are at present divided. Sir Henry Tyler had stated on a former occasion that £200,000 a year might be saved by the amalgamation, and he criticizes with some severity the inconsistent statements of his opponent, who on different occasions said that not one-half, one quarter, one-tenth could be saved, virtually admitting by his inconsistencies that he had not given any careful consideration to the subject. Sir Henry Tyler states that the saving was "originally estimated by our executive officers in Canada on careful consideration at a considerably higher figure than I have ever stated." Sir Henry Tyler points out that the aggregate receipts of the two companies were £3,250,000—so that £200,000 would be about 6 per cent. Sir Henry, without entering into details, states in general terms how by a "fusion of receipts," not "an amalgamation of capitals," great economy might be secured, such as joint agencies instead of separate competing agencies; absence of competing trains and the advantage of joint working traffic, and common use of cars; consolidation of establishments, especially at points where two systems meet; and consolidation of general offices in Canada and London. These and the absence of competition would, there can be little doubt, effect the moderate percentage of "gain" estimated by Sir Henry Tyler. It is pointed out in the memorandum, in reply to an objection formerly raised as to engagements with American companies, that the allies of the Great Western "would naturally become still more allies of the joint system." "It would be more powerful to command the assistance of American allies, and to resist the action of American rivals." Nothing can be fairer than the propositions of Sir Henry Tyler, who says: "If the two companies unite under any scheme involving identity of interest, and if the two systems are worked under one and the same management, then obviously what is good for the one is good for the other. Their interests become identical. They must prosper or suffer together." While

we refer to the subject of the fusion of interests of the two companies, we may remark that, as the parties interested are nearly all residents in the United Kingdom, and well able to take care of their own interests, Canada is more likely to benefit than to suffer from the continuance of competition.

WESTERN TRAFFIC.

The mercantile community in Montreal are waiting with no little anxiety the action of the Government with regard to the canal tolls on merchandize destined for the West. The period is approaching when the canals will be opened for traffic, and it is notorious that the State of New York has decided to allow the free use of the Erie Canal on all traffic destined for the West. Whatever opinion may be formed as to the policy of abolishing the canal tolls, we cannot imagine that there will be any serious difference of opinion as to the necessity of following the example of our neighbors. If the canals were the property of private individuals or of joint stock companies the action taken by the State of New York would necessitate the adoption of a similar policy by the owners of the competing line. Although Montreal is considered by many to be specially interested in this question, it must be borne in mind that the great object is to secure as large an amount as possible of the traffic to and from the West for the St. Lawrence route. After the enormous expenditure of money that has been made during the last fifty years, with the view of securing this traffic, we cannot imagine that our Government will remain quiescent when such an act of aggression as that of abolishing the Erie Canal tolls has been perpetrated. The danger is that, owing to the absence of the Minister of Railways and Canals, under circumstances which are the cause of general regret, there may be delay in taking the steps which are generally considered to be absolutely necessary. It is only the more desirable that all specially interested in the St. Lawrence trade should use every effort to keep the question constantly under the notice of the Government; and of course the Harbor Commissioners and the Board of Trade have special responsibilities, which there is no danger whatever of their evading. We have watched with much interest all the discussions which have taken place on the subject of the remission of the debt for the improvements on the river, and we are bound to state our conviction that there is no ground whatever to reproach either of the bodies referred to, or the city members, with want of zeal. We venture to hazard the opinion that, if