

That the railways there have greatly reduced the value of canal property is not to be denied; and if the railroads had been first in the possession of the ground, and in the enjoyment of a monopoly of both the heavy and the light traffic of that populous country, and had been able under that monopoly to fix their own prices, it is equally certain that the construction of canals along side of them would have inflicted serious injury on their proprietors.

The canals of Great Britain had long been made on almost every line where there was trade to support or water to feed them, and in some places where there was neither of these inducements to authorize their construction.

As a general rule, the canals which were most needed were established first, and, being eligibly placed, they were eminently successful; and, notwithstanding the fact that every canal of any consequence in England now has a rail road alongside of it, these primitive canals are *still* successful. Those of more modern construction have generally suffered much more in their competition with the rail roads.

The cause of this difference is clear. Any canal located through a highly cultivated and densely peopled country, abounding in wealth and manufacturing establishments, and enjoying the exclusive monopoly of its trade, will necessarily, under good management and in ordinary circumstances, prove to be highly productive property. Its trade will usually consist of a great variety of commodities; it will carry coal and oars from the mines to the furnace, pigs from the furnace to the forge, and bars and hardware from the forge to the seaport. It will carry wool and cotton to the factory, and manufactured goods thence to the market; corn to the mill, and flour to the shipping. Its trade will consist in fact of every commodity consumed or produced in the district through which it passes.

The tolls levied on this tonnage will be low on some articles and high on others—graduated with a view to the greatest profit to the company; but the great bulk of the trade will consist of those commodities which will bear but moderate charges. Still the valuable products of the manufacturing establishments, in consequence of the high charges assessed on them, will generally yield a very important portion of the revenue.

If, in this state of things, the rail road is located through the same region, and between the same extreme points, the lines of the two works in some places coming in contact or crossing each other, and in other places deviating a few miles, it may do the canal proprietors very serious injury, and that, too, without materially aiding its own. The actual cost of *freight* by the rail roads is perhaps three or four times as high as the actual cost of conveyance on the canal; but yet, by carrying goods at cost, or but little above cost, it will either strip the canal of those articles from which it previously received the greatest amount of *toll*, or compel the