

**HOPE FOR THE CANALS! SHOWING THE EVIL
OF AMALGAMATIONS WITH RAILWAYS TO
PUBLIC AND PRIVATE INTERESTS, AND THE
MEANS FOR THE COMPLETE AND PERMANENT
RESTORATION OF CANAL PROPERTY TO A
POSITION OF PROSPERITY, PP. 5-41**

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THOMAS BOYLE

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SHOWING THE

EVIL OF AMALGAMATIONS WITH RAILWAYS

TO PUBLIC AND PRIVATE INTERESTS,

AND THE MEANS FOR THE

Complete and Permanent Restoration of Canal Property

TO A POSITION OF PROSPERITY,

UPON ITS PRESENT BASIS OF ORIGINAL AND INDEPENDENT

ENTERPRISE.

BY THOMAS BOYLE,

OF WOLVERHAMPTON.

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SYNOPSIS.

Amalgamations and their consequences—dismissal of carriers by railway companies—means used by railway companies to depreciate canal property—objects being amalgamation and monopoly—amalgamation proved to be injurious to railway proprietors; canal proprietors; senders and receivers of goods; passengers by railway, and the general public—no saving of expense to be effected by amalgamation—insight into the apparent reduction of freights by the London and North Western Company—instances of railway irregularities—restrictions and impositions the result of monopoly hitherto—faults of canal carrying—comparative superficial view of railway and canal working—original bad formation of canals—injurious consequences upon dependant collateral departments—improvements suggested—combination under the guise of competition—a carrier's ability of accommodation proportionate to the extent of his traffic—advantages of a general concentration of traffic—perfection of a carrying system—business of a carrier defined—carrier's disregard of the principle of the division of labour—violation of this principle the fundamental cause of the prevalence of errors—errors of delay and non-delivery proved to be remediable—constitution and establishment of the "Merchants and Manufacturers' Carrying Union"—objects;—the reduction of freights; prevention of errors; and the reducing the whole carrying system of the kingdom (including the railways!) to a position of complete responsibility to the senders and receivers of goods—Simpson's propeller for canal navigation—diagrams and description—rate of saving to be effected—general advantages—facility of application in connection with the "Union" above named—general observations—half-a-dozen reasons for joining the "Merchants and Manufacturers' Carrying Union."

HOPE FOR THE CANALS!

ACTIVE influences have, for some time past, been at work, and are still in operation on the part of the railway companies for bringing about amalgamations of railways with canals. Already many of these latter, who a short time since stood in independent and honourable rivalry, are included in the companies of their more powerful competitors; while others have been reduced to such a helpless condition, that they too, are discussing the propriety of submitting to the same alternative.

It has become quite a rage amongst railway companies to endeavour to buy up the canals running in opposition to them. In cases where direct negotiations have failed, they have entered upon a course of operations not less certain, ultimately to accomplish their object, if timely measures of prevention be not taken, than that this accomplishment will be the establishment of a monopoly of the most powerful and arbitrary description; under which galling restrictions and impositions may be enforced upon the public with the recklessness of irresponsibility; and for whose correction, a tedious, expensive, and uncertain appeal to the legislature will be the only remedy.

The London and North Western Railway Company have, it is well known, thrown the carriers off their lines, monopolizing the whole of the traffic themselves, and retaining the more influential merely of the dispossessed carriers as agents, upon condition that they further give up their canal traffic whenever it is considered by the company to interfere with their interests. In pursuance of this condition, the parties so retained by this company, have since been obliged to cease carrying upon canals; and the only employment they, therefore, now possess

as carriers, is in conveying goods to and from the railway. Thus, the canals are in a moment deprived of their most enterprising and wealthy traders, whose operations, together with their influence, acquired principally upon this once flourishing field of enterprise, and at a period before railways were in existence, are thrown into the scale of their monopolizing rivals.

The canal companies, thus disburthened of a considerable portion of their traffic, and embarrassed with the remainder, owing to the difficulty of providing at a short notice, efficient substitutes in the room of their most important traders, are thrown into dismay. Writers in the interest of the railway companies, industriously circulate the opinion, that canals must ultimately give place as railways proceed. Circumstances are artfully contrived to justify this opinion,—the railway companies parading the fact of their having reduced their freights, in some instances, nearly down to the level of the canals; and the uninitiated portion of the public, being led to believe that this is a perfectly gratuitous act of liberality, and intended to be permanent, look upon the current opinion as being confirmed by independent collateral circumstances, and the state of the canals to be, therefore,—*hopeless!*

Down go the shares in the market, the purchasers being principally railway proprietors, or persons otherwise interested in railways. Meetings of baffled directors and dispirited proprietors of canal companies are now held, at which present helplessness and gloomy anticipations for the future, are the only representations. Seeing their principal traders gone and their traffic diverted into the hands of their powerful rivals,—the temporary reduction of railway rates necessitating a further proportionate reduction of theirs—the depreciation of their shares in the market—no immediate profits for distribution, and but slightly grounded hopes of future improvement;—and further, seeing that the railways have insinuated their representatives amongst them,—it is not to be wondered at that the alternative should be hopefully entertained, as it has been of late, of the sale of their property to the railway companies.

By these indirect means the railway companies get rid of the necessity of *proposing* negotiations, and avert the opposition which the public would be sure to give, were the tendency and nature of their designs more generally understood. The overtures are made to come, as it were, voluntarily, from the canal companies, who, under the circumstances, must be content with very moderate proposals; and who are thus in danger of falling, a bargain, into the hands of the railway companies, to complete the establishment of the most powerful and unassailable monopoly, which the commercial materials of the kingdom could combine to furnish.

It is evident the railway companies are not amongst those who are of opinion, that the existence of canals is incompatible with the due extension of their own system, or they would not be so anxious to buy them up. It cannot be that they wish to gain possession of them merely for the sake of seeing them expire in their hands; nor can it be that they have any fancy for devoting their surplus capital to the unprofitable labour of filling them up, in order to anticipate their own prediction of their falling, naturally, into disuse. It is evident their object is to *work* them,—but subserviently, instead of in opposition to, their own lines of railway.

The permanent utility of canals is thus inadvertently admitted; and their perfect compatibility with the utmost railway extension, so far as the feeling of the railway companies can affect the question, is placed beyond a doubt. Amalgamations are, in fact, but means to an end, that end being, monopoly and its results,—arbitrariness and irresponsibility;—and it will be shown, that not only the canal companies and the public in general, but the great majority of railway proprietors, are deeply interested in preventing their accomplishment.

A movement is being made to maintain the integrity of the canals, and to thwart the endeavours of the railways to obtain possession of them, for purposes of monopoly and self-aggrandisement. It may, at first sight, appear to be necessarily the interest of a railway proprietor, to further the designs of the undertaking in which his money is invested, against those of any other project; but a little reflection will show that this is not the case.

The great body of the commercial public who are in the habit of sending and receiving goods, are more deeply and permanently interested in the rates of carriage, than they are in the prices or per centages of railway or canal stocks. To the permanent holder of stock, who is also a receiver and sender of goods, the difference of one or two per cent. upon a few hundred pounds is but a slight matter, in comparison with the difference of 2s. 6d. per ton, more or less, upon the carriage of his goods.

The majority of railway and canal proprietors being persons, who, as receivers or senders of goods, are more or less interested in the rates of carriage; and the design of the railway companies being the establishment of a monopoly to enable them with impunity to increase these rates, both upon canals and railways; it becomes a question, and one too, it will be seen, of some importance, to decide as to what course it is best for a person thus doubly interested, to pursue.

There are others, also, who are but singly interested, namely, railway capitalists, who are not traders,—whose whole anxiety is, as to the amount of dividends,—having no concern whatever in the rates of car-

riage ; and whose case in reference to amalgamation or the contrary, we shall first proceed to consider.

In the case of the London and North Western Railway Company, and others in similar circumstances, who usually pay 10 per cent. dividend, leaving surplus profits remaining, and whose boast it has been that they are able to do this from the receipts of their passenger traffic alone, there does not appear to be any reason, on the part of the mere capitalist, for desiring the slightest change in the extent or management of the concern.

If the highest dividend allowed by law be secured to the proprietor by the passenger traffic alone, or even by it in connection with the amount of goods traffic his railway at present possesses, of what possible use to him can be any further extension of the business by amalgamation, or increase of the profits ? It can only serve the purposes of the managers and directors, and lead to jobbing of all sorts, and oppression of every interest in the slightest degree antagonistic to the body possessing so much superabundant wealth. The proprietor has in this case, no interest whatever in favouring the extension of the establishment, and his motto ought rather to be, "let well enough alone." Further, it is possible it may do him a serious injury :—The canal proprietors, whose project is, under present circumstances at least, a losing one, will, in the event of amalgamation, still have to be paid their agreed rate of dividend. This can be done in two ways. It can be deducted from the amount of the railway profits,—reducing the proprietor's dividends ; or, it may be done by increasing the canal fares,—mulcting the manufacturer's merchandise. Thus, in the absence of an increase of the canal rates to enable them to pay their own dividend, *his* must be taxed for that purpose.

It is clear from the foregoing argument, that amalgamation *may* injure the interests of a railway capitalist, by occasioning the reduction of his dividend ; while, the event of *non*-amalgamation subjects him to no positive risk, as experience proves that all the opposition which canals can give to railways—even when worked to the utmost degree of perfection of which the system is capable—can have no sensible effect in diminishing their present prosperity, or retarding their permanent progress.

The mere capitalist, then, it will appear, is the only person beside the railway managers and directors, whose interest would not be *certain* to be injured by amalgamation and its consequences. He neither sends or receives any goods, and he consequently pays no freights, nor has he any concern beyond that connected with the rising and falling of dividends ; and even he would only be warranted in favouring amalgamation, in the event of a railway paying a *less* dividend than the