

had time and experience enough to reflect that "in the long run the people pay the rate," they saw that it was more profitable to co-operate in keeping up rates, for that would maintain profits to all the companies. The next step was to apply to the traffic on the lakes and canals the same policy as on land. This was accomplished by the gathering of the various lake units of Canadian steamships into one control, which could the more easily be done by the larger companies, which, taken together, had practically a monopoly of the docking and warehousing accommodations in the canal, lake, and river ports. This control of terminals and this merging of steamship lines have been silently effected during the last three or four years, and now we have in Canada the "greatest system of inland waterways in the world," controlled by a syndicate working in such harmony with the railway corporations that one can only compare it to the happy rhythm of the movement of the heavenly bodies which, in the poetic idea of the ancients, produced the music of the spheres.

In former years the railway rates in summer fell to the water level, but now water not only finds its own level, but rises to that of the rails, with this financial result, that the Canada Steamship Lines Ltd., at its last annual meeting (March, 1916), made a net profit of \$662,151, after allowing for interest charges, depreciation, etc. Without suggesting that there was anything more criminal in the affairs of this company than in any other corporation similarly endowed, the natural question is, How is this company able to navigate its boats from tide water in the St. Lawrence to the upper lakes with the historic rapids and Falls of the St. Lawrence, Niagara, and the Sault blocking the channels? Only because there is a great system of canals to overcome these obstacles. Who gave steamship owners this advantage? The people of Canada, at a total cost for the original canals and their subsequent enlargements of \$113,971,000. On the basis of the returns of 1915 it costs the people of Canada \$1,644,000 to maintain this right of way for steamship owners. No tolls have been charged to vessel owners since 1903, and the total canal revenues amount to less than \$500,000 a year, of which about two-thirds come, not from traffic, but from the lease of water-powers. No account is here taken of the lighthouse and life-saving services and the maintenance of the