The Monetary Times

Absorbed the INTERCOLONIAL JOURNAL OF COMMERCE, 1869; the TRADE REVIEW, Montreal, 1870; and the JOURNAL OF COMMERCE, Toronto.

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The Monetary Times

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PRINCIPAL CONTENTS OF THIS ISSUE.

PUBLIC REVENUE FROM CANALS.

That the waterpower of the various canals of Canada may be made the source of enormous public revenue, is constantly becoming more apparent. We find that the revenue from canals in the fiscal year 1906 was only $108,067. As there are no longer any tolls on the tonnage passing through Canadian canals, the revenue must have been derived from the waterpowers. That $108,067 is a ridiculously inadequate revenue from this source, is at once manifest. On the Lachine Canal at Montreal, it is estimated that 6,700-horse-power is available. Twenty-four years ago it was recommended that the value of this power should be placed at $12 per horse-power. In a report just made, $18 to $20 is recommended as the present value. It would also appear from this report that the holders of the leases on this canal have been having an easy time for many years, and that the majority of them have been taking more power than they were entitled to. Presumably, the price charged them was very low. So that it is no wonder that this source of revenue has not yielded anything like what it should. Otherwise, the Lachine Canal alone would have yielded more than the total revenue from all the canals.

The Beauharnois Canal has a still greater waterpower. It is estimated that fully 8,000 horse-power are available there; yet a few weeks ago the Dominion Parliament leased this power to a Montreal syndicate, for twenty-one years, at an annual rental of $12,000. This figures out to an annual charge of $1.50 per horsepower. To this must be added the $20,000 per year which it is estimated the syndicate will have to pay out in order to maintain the canal at a waterway for purposes of navigation, which sum, it is claimed, is now spent by the Government. This being so, the revenue might be regarded as $4 per horse-power. The cost to the syndicate will be somewhat in excess of this figure, as it is bound to assume whatever capital outlays are required, including an expenditure, at the outset, of some $60,000.

When it is remembered that users of electric power in the city of Montreal are paying all the way from $40 to $60—probably more frequently the latter—per horse-power, the margin of profit for the lessees of the Beauharnois Canal would seem to be so large as to justify the people in expecting that the Government would have obtained a very much higher price than it has.

When we add to foregoing, the 20,000 horsepower from the Soulanges Canal, which the Montreal, Light, Heat and Power Company expects to be in a position to deliver by the end of this year, we have a total of 34,900 horse-power developed in the canals contiguous to Montreal alone. These are only a few of Canada's canals, so that the total hydraulic power must be enormous.

It would not be possible to devise a more legitimate source of public revenue than the waterpower of the canals. No one can say of the canals that they have been built and developed at the cost of any private individual or enterprise. They were built for the Canadian public and by the Canadian public, and it would be well for the Canadian Government to see that they are treated as such.

None should be so quick to take fright at the slightest suspicion of any alienation of public revenue, as those whose investments have been made in the industrial and manufacturing concerns of the country. Public revenue must come from some source, and certainly the less contributed by outside sources, the more the manufacturers will have to contribute. There is little doubt that if the manufacturers of this country had always insisted upon the Government regarding public property and resources as the great source of public revenue, the taxation bogie would have long since assumed small proportions.