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THE ERIE CANAL,

AND ITS RELATIONS TO THE CITY OF NEW YORK.

UNTIL within the past few years no doubt has been seriously entertained that New York would forever retain its relative supremacy as the commercial and financial center of the continent, and to one bred and born in that city, it appears worse than heresy to give credence to any real fears in that regard. At times unpleasant statistics meet the eye. The exports to a large extent, and the imports in a lesser degree, seem to be seeking other ports, but the resolute confidence and faith of a loyal New Yorker do not abate one jot. "The conditions are temporary and exceptional," he says; "they will soon disappear, and New York will recover any ground lost from these vague undefined causes."

It is proposed in this paper to show the intimate relations that have always existed between the city and the Erie Canal; noticing how these have gradually changed, and how new conditions have arisen of late entirely dissimilar to those in force for the past forty years.

The settlement of the city dates from the year 1609. Its growth for many years was very moderate, and in its early days there were no indications of its brilliant future. During the seventeenth century the sea-coast became lined with other small ports: Portland, Salem, Boston, New London, Newport, Perth Amboy, Philadelphia, Annapolis, Baltimore, and Norfolk,—each with

a good draught of water in the harbor. By them were controlled the exports and imports of their respective localities, the fertility and productiveness of which were the measures of the growth of these cities. In time, as the population grew more dense and the internal avenues of trade improved, the tendency to centralize appeared; smaller towns stagnated while the larger increased. At the date of the Revolution, by "the survival of the fittest," Boston, New York, and Philadelphia had absorbed the greater part of the foreign trade north of Mason and Dixon's line.\* The general conditions of the growth of New York in the early days were not encouraging. It was not especially fortunate in the character of its tributary region; it had no available water-power, and by its insular position was isolated to a certain extent from the surrounding country, which was only fair as to quality of soil. It soon became apparent that Philadelphia was to be a most formidable rival. This city was not settled until 1682, seventy-three years later than New York, but the circumstances that surrounded it were more favorable. Its founder, William Penn, a most sagacious

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\* In the comparisons proposed to be made, Brooklyn will be treated as part and parcel of New York: the dividing river separating the city in name but not in fact, the two forming one city in the same manner that the Middlesex and Surrey sides of the Thames form London.

man, possessed great wealth, influence, and administrative powers; by his wise measures and skillful policy he consolidated and built up the settlement; the colonists, principally Quakers, were industrious, thrifty, and law-abiding; a catholic spirit of toleration invited and encouraged immigration; the lands in the vicinity were fertile; the climate was mild and the water-power abundant; and the Delaware River was navigable to

ever doubtful, the topography of the country absolutely determining it.

The Appalachian range, extending from Georgia to the St. Lawrence, presents a nearly continuous wall separating the seaboard from the valley of the Ohio and the lakes. The most complete gap is that made by the Hudson through the Highlands. From Troy, the head of tide-water, the valley of the Mohawk extends westerly, and

and the Delaware River was navigable to that point for the largest class of vessels then known. The result of these conditions was very marked: the growth of the city was rapid, and in 1735 its population became equal to that of New York, of which it then took precedence. In 1790 Philadelphia was the larger by 30 per cent., and at the beginning of this century, was unquestionably the leading financial and commercial city.

About this period, the emigration from New England began to take a noticeable shape; the stream at first was but small, but year by year it gathered volume. Crossing the Hudson and following up the valley of the Mohawk it spread out on either side (the valley proper having been previously occupied by the original settlers from Holland), and still pushing westward, it reached the fertile lands of the Genesee country. The wilderness soon was changed into prosperous settlements,—Syracuse, Rochester, Buffalo and other towns started into life, stimulated by a productive soil, which was peculiarly adapted to the raising of cereals. From its position, this section became mainly tributary to New York. The immigration to Western Pennsylvania was slower; it lacked a great reserve like the eastern states to draw from, and the lands were not so fertile. As a consequence the two cities gradually again approached in importance, and in 1820 Philadelphia lost the preponderance in the export trade, though its population was 137,000 while that of New York was but 123,000. The Western New York lands were, however, comparatively isolated from a market; at a distance from navigable streams, and with roads of the most primitive kind, exchanges were conducted under great disadvantages; the cost of transporting coarse agricultural products absorbed most of their value if hauled any great distance; and, as the producer could export but a small part of his crop so he could import but little. Living thus within himself, he enjoyed a home market in its most rigid sense. The need of an outlet became imperative; nor was the character of the highway or its location

valley of the Mohawk extends westerly, and still farther a broad fertile plateau spreads out to lake Erie. The elevation of this plateau is less than six hundred feet above tide-water, descending nearly uniformly in the direction of east-bound trade like an inclined plane. The remarkable advantages of this formation were appreciated at an early day, and the project of a canal to connect the waters of Lake Erie and the Hudson was soon seen to be feasible.

The project was not due to an inspiration of genius as is commonly supposed; Nature had too unmistakably marked out the path; man could not err, he had simply to avail himself of the advantages extended.

It will be remembered that "the West" of those days was Western New York, then known as "the lake country," and it was the main object of the proposed canal to supply its needs, and not those of sections still more remote which the frontiersman had barely reached. Undoubtedly to some speculative minds the possibilities of the existing "West" may have presented themselves as worthy of consideration, but it was the urgent need of an immediate outlet for Western New York that compelled the construction of the Erie Canal.

Under the vigorous lead of DeWitt Clinton the project took shape and was pushed forward to completion. The canal was opened for navigation throughout its length in 1825, the capacity of the boats being less than one hundred tons. The canal was a pronounced success at once, the tolls received during the first year being over a half million of dollars. The business gained rapidly, and in the next decade the tolls increased to one million and a half per annum. The relative advantages of the two leading cities until this time were about counterbalanced. In 1825 their respective populations became again equal, but from this year must be reckoned the wonderful advance of New York. In 1860 its population combined with Brooklyn was 1,076,000, while that of Philadelphia was 565,000. In 1870, New York had 1,400,000; Philadelphia only 674,000. In 1875, New York had

1,548,000. No such brilliant progress has probably ever before been witnessed in the growth of a metropolis, for it must be remembered that the increase was not alone one of mere numbers but more of wealth, traffic and concentration of industries. New York had

Canal was the outlet to the sea-board. The growth of railroads in the western states was slow: in 1850 only about a thousand miles of rail had been laid; from that period, however, the increase was rapid, the mileage of constructed roads in the western

concentration of industries. New York had absorbed the control and direction of the leading enterprises and become indisputably the financial and commercial center of the country. The notable fact that Philadelphia took the precedence and retained it for over eighty years and until the opening of the Canal, demonstrates that the present leading position now held by New York is owing neither to its harbor nor to its central position, but mainly to the topography that made the Erie Canal possible.

The past identity of the interests of the city and the Canal makes it interesting to analyze the sources from which the water highway secured its trade and the influences that were brought into action. Although the motive for the construction of the Canal was to supply a state need, it soon became apparent that its mission was much more extended and that the benefits were to be national. The great West soon felt the influence of this avenue to the eastern market. The growth of the states north of the Ohio and east of the Mississippi was stimulated, the increase of population from 1820 to 1840 being over three hundred and sixty per cent. while that of the state of New York was only one hundred. The advantages of this water transport were available at first only to such sections as possessed easy access to the lakes, but local canals were soon projected and constructed in the states of Ohio, Indiana and Illinois, and, acting as local arteries, these brought the produce of the interior to Cleveland, Toledo, and Chicago; and thus uninterrupted water transport was obtained from the very heart of the valley of the Ohio to the shores of Europe itself. As a necessity this increasing volume of trade sought New York through the Canal, and the wealth and importance of the city increased proportionately.

It was difficult, however, to extend the system of local canals beyond a certain limit, and consequently large districts remained undeveloped and unproductive. When most needed, however, a stranger appeared in the guise of an ally and friend of the Canal; a humble gleaner was the rôle that the western railroad first assumed. By means of local detached lines it gathered up the products of isolated localities and brought them to the navigable rivers and lakes, from which the

linchage of constructed roads in the western states above named being, in 1860, 11,000, and in 1870, over 23,000 miles.

The causes of this rapid development are patent. Like the Western New York of the preceding generation, these states were producers of agricultural products which were valueless without an outlet. This the railroad could furnish, but as the necessary capital must be drawn from local sources the most rigid economy of expenditure was required. The right of way was generally given. The construction was extremely slight in character, and every exertion was made to pare down the original cost to the lowest possible sum. The building of a road increased the production, and consequently the value of the lands in the vicinity. This was quickly noted by others and acted as a powerful stimulus, since no locality was willing to lag in the rear. Thus the necessities of the position, self-interest, and rivalry all combined to aid this rapid extension of territory made tributary to the Erie Canal.

And now let us glance at the business that has been done through the Canal.

The tonnage of agricultural products arriving at tide-water in 1840 was 294,000 tons, increasing with tolerable regularity until the culminating year of 1862, when the amount was 2,087,000 tons, an increase of over seven hundred per cent. in twenty-two years. The diversion of agricultural labor caused by the war diminished the tonnage; in 1871 it partially recovered, amounting to 1,500,000 tons; it has since declined year by year, amounting in 1876 to but 882,000 tons, a diminution of over fifty per cent. in fifteen years, and this in the face of an immense increase of production in the states beyond the Mississippi. It is interesting to note how small a proportion of this trade originates now in the state of New York. In 1836 the state furnished seventy per cent. of all the cereals transported, but in 1876 less than twenty per cent. This fact is important as showing to what a diminished extent the state at large is interested in the Canal, and consequently how small is the motive for its enlargement. This loss of trade by the Canal is of grave significance and worthy of the most careful study. Are the causes of this diversion transitory and evanescent, or will they

continue to exercise a disturbing influence? So long as the Erie Canal was the main

arate, independent links were combined into continuous lines, and local boards controlled

avenue for western products the position of the city of New York seemed impregnable; but the opening of new channels, and the consequent changes in the currents of trade may render its pre-eminence much less certain.

The question arises, To what are we to attribute the decadence of the Canal? Mainly, it is to the changed relations of the railroad, which, ceasing to be a dependent, began to assume the position of a rival, and in place of bringing freights to the Canal, transported them directly to the sea-board without its intervention,—a policy only made possible by great reductions in the cost of movement.

The substitution of the railway for the Canal was not a sudden one, as the gradual decline of tonnage receipts indicates. The first lines were constructed in short detached links generally subsidiary to the navigable streams with which they connected. At first, only passengers and light merchandise were transported, but soon the coarser freights were added, but only for short distances; thus the railroad superseded the stage-coach and the farm-wagon, but not the canal-boat. The slight and inferior construction of the earlier roads was a matter of necessity, the capital being mainly local, procured with difficulty and in small sums. The problem was generally to complete the road as soon as possible, and all other considerations were secondary. The rails were light, and often of the old strap pattern; ties were laid on the natural soil; bridges and other structures were of wood, and lightly built; the equipment was of small power and capacity, and the appliances generally inferior and defective. As the traffic increased, it soon became apparent how unfavorable were such conditions to economical operation; and gradually these defects were amended. The light rail was replaced by one of a heavier pattern; the road-bed was thoroughly ballasted and drained; permanent structures of stone and iron replaced those of wood; powerful and effective engines of improved construction were introduced; sidings were increased in number and extended when they were inadequate; double tracks were constructed; finally the iron rail gave place to the steel. All these improvements tended to greater economy of operation, and largely reduced the cost of transport. Perhaps the greatest improvement occurred in the administration itself. The small, sep-

by narrow views and jarring interests, were replaced by strong, united, centralized managements; a thorough system of organization controlled all the minutiae of the business; a direct responsibility was secured in all the departments, any loss caused by leakages or waste being at once detected and stopped; and, withal, the fullest measure of efficiency was inexorably demanded. These economies lessening the cost of transport gradually changed the policy of the roads, and it was now seen that the coarser products could be carried at very reduced charges, and consequently for longer distances. With this new character of business, full cars and heavy trains began to replace the half filled cars and light trains; the increased business in turn largely reduced the cost of operating, and still further stimulated this traffic.

To arrive at the amount of reduction in the cost of movement by rail, resort must be had to reports of leading trunk lines. In the earlier years of railroad operation, from various causes the statement of results was often defective and unreliable. The actual depreciation did not appear in the books or statements until renewals were required; this was particularly the case in regard to rails and equipment. A road must be operated several years before the actual cost of repairs can be accurately stated. Again, when heavy expenditures were being made to provide for improvements and facilities, not only were these charged to account of "construction," but the opportunity was often taken to charge to "capital" many expenses which should have been placed against "current expenditure." This was intentional in some cases, and in others caused by an imperfect and inaccurate system of accounts, the line between these two classes of expenses being misty and ill-defined.

A continued operation of years and the substantial completion of the main lines have removed both the temptation and the opportunity to err widely; one mill per ton per mile on the present immense tonnage would amount to so large a sum, that, if improperly charged to capital instead of to current, it would at once awaken suspicion and distrust. On the tonnage transported on the Pennsylvania road, that small rate would amount to over two millions of dollars per annum. It is evident that no serious error in this respect would remain unchallenged, and consequently the results as set forth in the later reports can be accepted as sub-

stantially correct. Taking these as a basis, the following results appear.

Before the war, the cost of movement on leading main lines was about a cent and a third per ton per mile. From 1860 to 1870 it was a cent and a half. In view of the advance of labor and materials, this was practically a reduction. Since that date the cost has gradually decreased. In 1875, on the trunk lines, the rate averaged about eight mills, and in 1876 only six,—the Pennsylvania road reporting under six, and the Philadelphia and Erie at five, the New York Central being stated at seven, and the Lake Shore at five and a half. The Baltimore and Ohio furnish no data on this subject. It will be remembered, moreover, that the above applies to the whole tonnage, both through and local, and that the former costs less to move than the latter, being exempt from large terminal expenses—cars not fully loaded, trains not filled up and other unfavorable conditions that effect the purely local trade. It is the opinion of the managers of the New York Central and Pennsylvania roads that the net cost of through freight will not exceed four mills. For the purposes of comparison with the expense by the Canal, it will be safer, however, to make no deduction on this account, but to take the rate of six mills as the cost of through tonnage. In the computation of the Canal expense, as given below, the interest on the boats is included. It is therefore proper, in making a statement of comparative cost of the two modes, to make an allowance for the interest on railroad equipment; a rate of half a mill will cover this, thus making the total railroad expense six and a half mills. But the rail is not confined to the necessity of transporting at average net cost. During the season of navigation, if a serious loss of business is threatened, the alternative is presented of discharging skillful, experienced men, permitting rolling stock to lie unused and deteriorating, disarranging the general current of trade, or of carrying at rates below apparent cost. It can readily be seen that less absolute loss may, and, in the policy of a company, does, often ensue by submitting to a temporary reduction rather than incur the great loss consequent upon a diversion of business.

But the rail possesses other and obvious advantages: The time occupied in transit is much less; a shipper can transact a much larger volume of business on the same capital; bills of lading are more negotiable, the risk is less, and insurance lower; no change of arrangements is necessary consequent on

smaller lots; it is less apt to heat, and arrives in better order.

It is now necessary to investigate the cost of movement by the Canal; this can be ascertained by taking the net amount received for freight after deducting tolls. This must be taken in series of years so as to arrive at an average, since one single year might be influenced by disturbing and exceptional causes. The receipts for freights measure not only the ordinary expense of operation, maintenance and depreciation, but also such a fair profit and interest as will induce the investment necessary to secure a sufficient supply of boats. If freights rise above the average, and consequently an undue profit is made in any one year, the effect is to stimulate the construction of additional boats; an over supply generally ensues, the rates fall, and building ceases, the law of supply and demand fully controlling the matter. Assuming, therefore, the receipts as a basis, it will be found that the cost of transporting one ton per mile by the canal has averaged for the forty-seven years, extending from 1830 to 1876, a trifle over eight mills. If the conditions were to be the same in the future, that rate could be assumed as the normal cost. But two disturbing elements must be considered,—one, the increased size of the boats, the other, the exceptionally high prices of the war period. From 1850 to 1860, prices were not extravagant for either labor or material, and did not vary greatly from those now prevailing. The rate for this decade averaged seven mills, but the size of the vessels was smaller; the gain from increased capacity has, however, been partly neutralized by the increase of time required for a trip. The actual reduction would be about 20 per cent., making the net result five and a half mills if boats of the size now in use had then been employed. From 1860 to 1870, the rate continued at seven mills, the gain by increase of size of boats being counterbalanced by advance of prices. From 1870 to 1876, inclusive, the rate was five and a half mills; this period comprises years of great activity and great depression, the highest rate being over seven and the lowest under four. From this experience, the rate under present conditions would be five and a half mills, and the results of these several periods coincide with the experience of other canals. If the prices of labor and material should continue to fall, the rate might possibly be placed at five and a quarter mills. This, however, is a minimum, and it is doubtful if it would attract the

boats. This expense does not include that required for the maintenance and operation of the Canal itself; this is paid by the tolls which, it is presumed, in the future will be established at no higher rates than will keep the works in proper order; they cannot be permanently lower, for the constitution of the state expressly forbids any expenditure exceeding the receipts of the previous year.

For the past ten years these expenses of maintenance have averaged a mill and three-quarters per ton per mile; in 1876 they were a mill and a half. If the tonnage should be less, of course this rate would increase; but with the present volume of trade, this can be assumed as the proper amount, provided the works are kept in thorough repair and are efficiently operated; the total minimum expense will, therefore, be not less than five and a quarter mills for movement, and one and a half for maintenance of the Canal, a total of six and three-quarter mills, against six and a half by rail. In both cases it includes cost of movement, embracing maintenance of way, interest on equipment, but not on the works themselves.

But it may be urged that the Canal still continues to transport at low rates, and that during the present year it has regained some of the trade heretofore lost. The reason is obvious; a very large part of the Canal expense consists of the interest and depreciation of the boats; the present rates barely pay the actual working expenses,—there is no margin for interest or repairs, and owners are compelled to witness their capital gradually obliterated, as the boats pass out of existence. The building of new boats has about ceased: in 1862 more than eight hundred were constructed; in 1876 only seventy-five. Again, the exceedingly low tolls established this year, by the Canal Board will not afford a revenue sufficient to maintain the works in a proper condition. The tariff must be increased or the Canal permitted to get out of repair; the present rates are therefore exceptional, and do not disprove the past experience of actual cost.

To the shippers has inured the benefit of the cheapened cost by rail, for freight rates were reduced in the same proportion as lessened cost; thus in 1858 the average rates on the New York Central and Erie averaged two and a half cents, while in 1876 the rate was about a cent, and on the Pennsylvania Railroad, averaging a mill.

usurped the position formerly held by the Canal. The change has not been abrupt but steady, and no backward step has been taken. The lighter merchandise was first absorbed, and in time the heavier general freights. At the close of the war the rail had secured the general merchandise passing in both directions, although it had not interfered materially with the coarser freights, such as agricultural products, lumber, stone, etc. At that date intelligent railroad opinion did not favor the idea that the railroad could ever compete to a great extent for this cheap bulky traffic; a part, it was thought, might be diverted to the rail during the winter, and in some exceptional cases during navigation, but it was generally conceded that the position of the Canal as enlarged was, as regards this traffic, impregnable, and that it must continue to be the channel by which agricultural products would be transported. By degrees, as unexpected economy of movement by rail was attained and the cost of the two modes became equalized, it became apparent that the Canal was to have a contest for its very existence. The total tonnage arriving by the Canal at tide-water in 1840, was 470,000 tons; in 1850, 1,370,000; in the culminating year of 1862, 2,917,000; in 1870, 2,290,000, and in 1876 only 1,740,000, showing an absolute decrease of general traffic of thirty per cent. since 1862. But, while this loss was occurring on the canals, the general internal commerce of the country was rapidly increasing, and railroads were showing the most astonishing gains. In 1853 the tonnage on the Canal was four-fold greater than that of the New York Central and Erie roads combined; in 1876 it was only about one-third. The traffic on the other trunk lines assumed immense proportions, the movement on the Pennsylvania road alone during last year being over ten millions of tons. Of the grain trade which but a few years ago was practically monopolized by the Canal, only fifteen per cent. of the amount arriving at tide-water in 1876 was transported on it, eighty-five per cent. being by rail.

But it may be asked,—Cannot some radical improvements be introduced to lessen the Canal costs, as has been done with the railroad? and instantly the magic word "steam" will present itself to many minds. That steam can be applied economically

the Pennsylvania Railroad only nine mills. Naturally, these reduced charges have completely revolutionized the internal commerce of the country, and the rail has entirely

that steam can be applied economically to canal-boats admits of no question, always provided that the vessel is of a certain size; and just here is the difficulty—the Erie

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*Canal boat is too small.* No practical man would dream of applying steam to a canal-boat of fifty tons, nor would he hesitate to apply it to one of a thousand tons. Experience alone must be the guide in determining the smallest-sized vessel in which it can be used to advantage, and there has been a large experience in this matter. Steamers have been plying on the Delaware and Raritan and the Delaware and Chesapeake canals for over thirty years, and the result has proved that steam is not economical when applied to boats of two hundred tons, and this is confirmed by recent experiments on the Erie Canal itself.

For steam implies skilled, and consequently, expensive, labor, with additional capital, greater wear and tear and less capacity for cargo, and these the gain in time does not offset. No power for a small vessel has been found so cheap as a pair of horses and a driver. A steamer towing one or more barges has decided advantages, but the serious loss of time occurring at the locks, where each boat has to be passed separately (thus delaying the others), will prevent this plan from being adopted to any extent. The same objection holds to the Belgian system,—which involves the laying on the bottom of the Canal of a wire cable, to which a steamer with a tow of boats is attached,—though an economical use of power is undoubtedly attained thereby. But even if the application of steam to the existing class of boats met with partial success, yet the reduction of expense would be too slight to meet the difficulty. To enable the Canal to compete with the rail some more radical change is necessary.

There is a remedy for this Canal decadence—a heroic one, *viz.*, to abandon entirely the present work and construct an enlarged canal fitted for boats of a capacity of not less than eight hundred tons. For this three routes have been suggested, each having its terminus at Albany: one starting from Buffalo on or near the present route; another from Oswego *via* Oneida Lake, and the third from the St. Lawrence *via* Lake Champlain and the existing Cham-

as a channel for the products of the state, but as the area of the cereal production moved westward, the state's interest lessened year by year; in 1876, of the total tonnage arriving at tide-water, as has been above stated, only one-fifth was furnished by the state. While such a project would be of undoubted advantage to the city, it is clear that the state would never consent to incur a vast debt in order to provide a cheaper mode of transport from the west. It is true that the general government might be induced to consider one of these rival schemes, but as foreshadowed in the report of Senator Windom to the United States Senate, "legislative necessity" would compel the consideration at the same time of the construction of impracticable canals connecting the Kanawha and the Tennessee rivers with the sea-board—in fact such a proposition would be the signal for opening the door to schemes so wild as to revolt the common sense of the nation. It is therefore to be presumed that the Erie Canal will remain at its present size for many years to come.

The disuse of the Canal will be hastened by the entire separation of interests that exist between the boat-owners and the Canal itself considered as property. If boats are not profitable, no regard for the future prosperity of the Canal will induce further ventures. A reasonable prospect must be had that the earnings will be sufficient to provide for the interest, and to replace the boats when worn out: there is no other motive to build. The position of railroad equipment is different; the ownership of that and of the road being identical, the former is maintained and renewed in the interest of the fixed property and irrespective of the earnings derived from the equipment.

The depreciation of boat property in the last few years has been enormous; the earnings barely paying the immediate expenses, proper repairs have not been made, nor have new boats supplied the place of those that have passed out of existence. In 1862 the number of boats was about six thousand, and as the life of a boat is estimated at twelve years, an annual supply of five hundred

plain Canal,—an improvement of the Hudson River below Albany being included in the plan. The estimated cost of any one of these schemes is from twenty to fifty millions, and in all probability the actual expense would exceed the latter sum. What parties are so interested as to expend this large amount? Certainly not the state of New York. The Canal was built mainly

would be required to maintain the working capacity of that year. The yearly average of boats built for each five years, between 1861 and 1876, has been successively 540, 330 and 240; for the past two years the average has been 88, and at present, building may be said to have ceased. Since 1862 it is supposed that about forty per cent. of the boats has disappeared, and the existing

equipment is old and much impaired in value. With this disastrous experience, it is idle to expect the investment of new capital, except under the improbable, and in fact impossible, contingency that rates will so advance as to enable boat property to earn a fair revenue sufficient to meet the expenses of interest, repairs and depreciation. Furthermore, a reasonable assurance must be had that these conditions will be continued for a series of years co-equal with the life of the boat. The disuse of the Canal is therefore simply a question of the decay of the existing equipment. There may be exceptional cases of building for special purposes, but the construction is practically at an end.

In five years from this date, it is probable that only twenty-five per cent. of the tonnage of 1862 will continue to exist; the rate of tolls that can be exacted from the small tonnage then transported will not suffice to maintain the Canal in proper order, and it will then be possible for the New Zealander of Macaulay to sketch the ruins of aqueducts from the summits of disused locks. In the face of fruitless efforts to avert the result, and after long discussion of its future management, the Canal will be forever abandoned.

To sum up: The Erie Canal, taking into consideration its capacity, length, amount of traffic and the interests involved, was perhaps the most important artificial water-avenue that had ever been constructed; it wonderfully hastened the local developments of the districts through which it passed; it provided a market for the surplus of the West, and lessened the cost of food of every person living east of the Hudson. All its functions were beneficent; its gracious task was

“To scatter plenty o’er a smiling land,”

and it was well worthy of the fostering care that it had received. In view of these facts it may seem unkindly and ungrateful to

disappear, what will be the effect on the future of New York? The Canal has been of vital importance to the city, securing for it the command of the export trade, and this reacting to increase the imports. This commerce built up powerful steamer lines and attracted foreign capital; the trade of the country became more and more centralized, and the city became the undisputed commercial and financial and social center of the continent.

Two questions now present themselves: Will the export trade of the city be materially affected by the diversion of commerce from the Canal? and if so, Will the general prosperity of New York be seriously impaired thereby? It would not be within the scope of this article to enter into an exhaustive analysis of all the elements that may modify the export trade of the future; too many conditions are as yet undetermined; too many factors unknown to permit the problem to be now solved. The rapidity of the movement westward of the center of cereal production; the deepening of the St. Clair Flats and the consequent increased capacity of lake vessels; the completion of the Welland Canal; the increased economy of movement on the Mississippi; the success that may be attained in deepening its mouth; the determination of the capabilities of the several trunk lines; the increased facilities afforded by them, particularly as regards elevators and warehouses at the termini,—all these involve disturbing elements which may effect radical changes in the future.

In case some export trade should be lost, whether the general trade of the city would be effected and to what extent, is a question still more complex; the influences that would control are so subtle and evasive, so impossible to fix and define, that the inquiry would fail to attain absolutely reliable results. The experience of the past six years, though limited, is not unsatisfactory. In 1860, of the total tonnage



predict that its days of power and vigor have passed away forever, and yet the conclusion is irresistible. That the rail can carry as cheaply as the Canal; that its advantages in other respects are overwhelming; that the trade of the country is attracted to it more and more; that the business of the Canal lessens year by year, and that its equipment is gradually melting away and will soon cease to exist,—all these are facts that can be neither explained away nor ignored.

Accepting the facts that the Canal must

exported from the six principal sea-ports, forty-six per cent. was from New York; in 1870, fifty-three per cent.; in 1873, sixty per cent.; and in 1876, fifty-seven per cent. The gain in 1870 was undoubtedly caused to a great extent by the diversion of cotton shipments from the Southern ports, while the slight loss shown in 1876 was due to the increase of the corn shipments at Philadelphia and Baltimore,—the latter city exporting in 1876 twenty per cent. more corn than New York. The import trade of the city does not as yet ap-

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pear to be affected, its percentage of the whole import trade in 1860 being sixty per cent., in 1870 seventy-one per cent., and in 1876 precisely the same. It cannot be disguised, however, that the present is no infallible guide for the future; the period is one of transition; and the rivalry of the future will be sharp, keen, and intensely aggressive. No city should suffer itself to be handicapped by an ounce of dead weight. New York in particular must reform the present crude, clumsy, expensive methods

of receiving and distributing traffic; in this respect it lags in the rear of both Philadelphia and Baltimore. Every effort must be made to reduce to a minimum all expenses of transfer; the car, the warehouse and the vessel must be practically brought together, and no stupidity of municipal officials must be permitted to intervene; old usages must be modified, and the most approved modern methods and appliances adopted. For this work, skill, energy, and brains are essential; past recollections will not suffice.

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