

train earnings showed the satisfactory expansion of 3 per cent. The increase in mineral receipts was 2.2 per cent. It is evident that the improvement in railway earnings mainly resulted from the activity of our manufacturing industries. Had our cotton trade been able to obtain all the raw material it needed to meet the demand for cotton goods, the expansion in railway earnings would have been still more noteworthy. How large was the expansion in the goods receipts will be evident from the following statement:—

Gross Earnings, 19 Principal English Railways—June Halves.

	1910. £	1909. £	Inc. or Dec. £	%
Passenger trains	18,761,000	18,220,000	+ 541,000	+ 3.0
Merchandise and live stock	13,532,000	12,924,000	+ 608,000	+ 4.7
Minerals	10,263,000	10,045,000	+ 218,000	+ 2.2
Total freight trains	23,795,000	22,969,000	+ 826,000	+ 3.6
"Railway" earnings	42,556,000	41,189,000	+ 1,367,000	+ 3.3
Miscellaneous receipts	2,339,000	2,287,000	+ 52,000	+ 2.3
Gross earnings	44,895,000	43,476,000	+ 1,417,000	+ 3.3

The main item of railway expenditure is conducting transportation—in other words, "traffic" and "running" expenses. This comprehensive term includes the wages paid to the men at the stations, to the guards of the trains, to the engine crews, to signalmen, to shunters, and to others connected with the working and loading of the trains, also the sums paid for water, fuel, and stores. This important item of conducting transportation has increased only £85,000, or .6 per cent., in the past half-year, against an increase in gross receipts of 3.3 per cent. The total expenditure for repairs and renewals of equipment has increased £155,000, or 3.2 per cent. The expenditure upon carriages has been £74,000 greater than last year, an increase of 5.5 per cent.; the expenditure upon waggons has increased £43,000, or about 4 per cent., and the outlay upon locomotives nearly £38,000, or rather less than 2 per cent. The maintenance of way expenditures have increased £51,000, or 1.2 per cent. For the purpose of showing the economy effected in conducting transportation and the heavy additional expenditures upon the equipment we give the following comparison:—

Expenses, 19 Principal English Railways—June Halves.

	1910. M. Ch.	1909. M. Ch.	Inc. or Dec. M. Ch.	%
Miles Maintained	13,892:71	13,824:29	+ 68:42	+ 0.5
Maintenance of way	4,279,000	4,228,000	+ 51,000	+ 1.2
Do. equipment	4,979,000	4,824,000	+ 155,000	+ 3.2
Cond. transportation	14,336,000	14,251,000	+ 85,000	+ 0.6
General expenses	1,146,000	1,116,000	+ 30,000	+ 2.7
Total "railway" expenses	24,740,000	24,419,000	+ 321,000	+ 1.3
Compensation	313,000	293,000	+ 20,000	+ 6.8
Rates and taxes	1,981,000	1,948,000	+ 33,000	+ 1.7
Miscellaneous	1,479,000	1,489,000	— 10,000	—
Operating expenses	28,513,000	28,149,000	+ 364,000	+ 1.3

The proportions of the gross earnings absorbed for maintenance and for conducting transportation will be apparent from the following:—

Ratios of "Railway" Expenses to "Railway" Earnings of the 19 Companies—June Halves.

	1910. %	1909. %	+ or -
Maintenance of way	10.05	11.26	— .21
Do. of equipment	11.70	11.70	—
Conducting transportation	33.69	34.61	— .92
General expenses	2.70	2.71	— .01
Total	58.14	59.28	— 1.14

The greater portion of the increased sum expended upon equipment has occurred in labor, but the total increase in the sum paid for wages in all departments, including the much heavier outlays upon the repairs and renewals of the carriages, is only £205,000, or 1.6 per cent. The additional outlay upon materials was £57,000, or 1.6 per cent. Coal cost £21,000 less than last year, a reduction of nearly 1 per cent., notwithstanding an increase of nearly 1 per cent. in the train mileage. The economy in coal has, we understand, arisen in some measure from an effort to diminish the time spent by locomotives waiting about under steam and wasting fuel and wages. We have previously referred to the improvement of 27 per cent. in the profit. The increase in dividend has not been equal to the increase in profit, as the companies have wisely decided to devote a portion of the large increase in profit to reserve. Still, the increase in the sum divided in dividend is as much as 17.2 per cent., and the average rate of return upon the Ordinary stocks is raised from 3.11 per cent. per annum for the June half of 1909 to 3.64 per cent. per annum for the past half-year, an improvement of 0.53 per cent. In the June half of last year the sum distributed in dividend was £221,000 greater than the profit earned in the period, and the balance was made good out of the sum brought forward from the previous half-year. In the past half-year there is a surplus, after paying the higher dividend, of £129,000. After devoting £310,000 to reserve fund, against only £51,000 last year, the balance carried forward to the December half-year is £601,000, against £471,000 carried forward at the end of June 1909.

The following statement gives a comprehensive view of the aggregate results of the 19 principal English railway companies in the past half-year in comparison with the results for the first half of 1909:—

Results of 19 Principal English Railway Companies.
June Half

	1910 M. Ch.	1909 M. Ch.	Inc. or Dec. M. Ch.	%
Miles maintained	13,892:71	13,824:29	+ 68:42	+ 0.5
Train miles	152,407,668	151,167,414	+ 1,240,254	+ 0.8
Cap. expended	858,937,000	854,213,000	+ 4,724,000	+ 0.6
Ordinary stock	270,541,410	270,368,519	+ 172,891	—
Gross earnings	44,895,092	43,476,287	+ 1,418,805	+ 3.3
Oper. expenses—				
Wages	12,558,148	12,352,738	+ 205,410	+ 1.6
Materials	3,719,420	3,662,414	+ 57,006	+ 1.6
Coal	2,549,623	2,570,643	— 21,020	— 0.8
Electric power	77,719	80,897	— 3,178	— 3.9
Rates & taxes	1,980,962	1,948,643	+ 32,319	+ 1.7
Compensation	312,851	293,068	+ 19,783	+ 6.7
Other	7,314,107	7,230,398	+ 83,709	+ 1.0
Total	28,512,830	28,148,801	+ 364,029	+ 1.3
Ratio	(63.29%)	(64.75%)	— (1.46%)	—
Net earnings	16,382,062	15,327,286	+ 1,054,776	+ 6.9
Misc. income	588,353	529,137	+ 59,216	+ 11.2