

THE RAILWAYS OF THE UNITED STATES.

From advance sheets of Poor's Manual of the railways of the United States, the *Railway Review* publishes a synopsis of the railway operations for 1884. The number of miles of road, at the close of 1884, was 125,379, of which 3,977 miles were constructed during the year. During the same time, the share capital was increased from \$3,708,060,583 to \$3,762,616,686, the funded debts from \$3,500,879,914 to \$3,699,115,772, and other debts decreased from \$244,666,596 to \$268,925,286. The total share capital with the indebtedness of all kinds, reached \$7,676,339,054, a net increase within the year of \$198,533,272. These are stupendous figures, of which it is difficult to form any adequate conception. The broad fact that there was a new expenditure on railways within the year of nearly two hundred millions, though it was a year of light construction, shows the power of the vast railway system of the country to absorb fixed capital.

The returned cost of construction appears surprisingly high, being \$61,400 a mile, though it is a trifle less than in 1883, when it was \$61,800 a mile. But these figures are swollen by a great deal of water. Still there are people who think that the present roads could not be duplicated at a less cost.

While there was an increase in the length of the roads and in the total expenditure upon them, there was a decline in the gross earnings from \$823,772,292 to \$770,684,908. The earnings per mile fell from \$7,461, in 1883, to \$6,663. The decline in the net earnings being about 9 per cent.

"In the analyzed figures of freight and passenger traffic and the earnings therefrom," the *Railway Review* notes "some suggestive facts. It appears that the number of passengers carried increased by 7.8 per cent. and the number of passengers carried one mile increased by nearly 3 per cent. But the rates received were lower, being 2.356 cents per passenger per mile in 1884, against 2.422 cents in 1883, and the gross earnings from passenger traffic were only \$206,790,701 against \$215,287,824 in 1883. If the rates of 1883 had been maintained the result would have been quite different. The same is true of freight traffic. This traffic fell off in volume by about 2½ per cent., but gained in tonnage moved one mile by about 1½ per cent. The rates per ton per mile were 1.124 cents against 1.236 cents in 1883, showing a falling off of 1.12 mills. The Manual estimates that, had the rates on passenger and freight traffic been maintained during 1884 on the same plane as that held in the year preceding, the gross earnings of the year under review would have been fifty million dollars better than they were. In other words, the gross earnings of all the roads would have been \$827,525,371, exceeding by \$56,840,463 the amount actually received, and greater by \$3,752,447 than the earnings for 1883."

"We," continues the *Review*, "are thus again brought bluntly up before the fact that railway property is growing weaker as a producer of revenues to its owners. We

find that despite the widespread commercial quiet of 1884 the tonnage per mile and passenger traffic per mile both increased in healthful ratios; but that with this augmentation of traffic came lower gross earnings and lower earnings per mile. The latter, by the way, fell from \$7,461 per mile in 1883, to \$6,664 in 1884, showing a decrease of \$798 per mile. These changes are chargeable to the quoting of lower rates, and, while a portion of the average decline in rates established during the year is due to the long observed tendency of rates toward smaller figures, the bulk of the low averaging of 1884 was doubtless ascribable to the traffic wars which have drawn so much adverse comment upon railway management."

In future considerable allowance may be made for the decline in the rate of interest. Railways are essentially things of capital, and if the earnings of capital undergo a great decline, the rates obtainable by railways may be expected to follow. What do we learn on this point? We are told that many of the old railway bonds now falling due bear 6, 7 and 8 per cent. interest; and that they will be replaced by bonds bearing interest at the rate of 3½, 4 or 5 per cent. There was, however, no reason why the fall in railway rates should to any great extent precede the fall in the rate of interest. The decline in the rate of interest has already been felt by the railways to an appreciable extent; for while debts increased in 1884, the total amount of interest paid was reduced from \$293,367,285, in 1883, to \$268,106,258, in 1884. Should the reduction in the rate of interest be one-third, on the renewal of existing bonds, the companies will save \$90,000,000 a year in this single item, whereas the loss in the reduction of rates last year was less than \$57,000,000. May not the truth be that thought the companies are paying on old engagements far more than the current rates of interest, the public refuses to pay very much more in freights than current rates of interest would require? This fact did not appear in the form of the reduction, but it does not follow that it had no influence in bringing it about. The lesson, learned too late, is that the railway companies should have borrowed for a shorter term. On this view of the matter, the effect of unnecessary duplication of railways acquires a new meaning. This duplication, especially in the case of the West Shore and the Nickel Plate, which proved so disastrous, enabled the public to decline to pay rates which were only made necessary by existing rates of interest to which the companies were bound but which far exceeded the present market rate. In declining to pay for water the rate due to wine the public had a better justification,

SCOTCH SHIP-BUILDING.

Ship-building on the Clyde is at a low ebb. During the first seven months of the present year the tonnage built has been less than in the same period in any year for the last ten, with two exceptions. In the last seven months the tonnage reached 103,815 tons. In 1883, when the highest figures of the ten years was reached, the tonnage was

227,595; in 1877 the tonnage touched the lowest point 94,400 tons.

During the month twenty-one vessels of 9,890 tons were launched, being sixteen steamers of 4,018 and five sailing ships of 5,872 tons. Even in comparison with the past months of the present year there is a very decided decline. January had 11,170 to its credit; February, 14,020; March, 13,126; April, 18,860; May, 18,157; June, 18,592; and now July has fallen almost 50 per cent.—to 9,890. The following table, which we take from the *Glasgow Herald*, will show the tonnage in July and in the past seven months of the present year as against the same period in the preceding ten years:—

	July.	Seven Months.
1875.....	22,650	134,950
1876.....	19,800	108,322
1877.....	13,900	94,400
1878.....	8,100	136,611
1879.....	7,767	100,828
1880.....	21,760	137,918
1881.....	26,078	184,444
1882.....	25,480	194,154
1883.....	28,860	227,595
1884.....	13,551	156,537
1885.....	9,890	103,815

Messrs. Napier & Sons, Govan, have received orders from the Russian Government to construct engines of 12,600 indicated horse power for the steamer "Sinope," now under construction at Sebastopol. The engines were designed by N. C. Kirk, who received a premium from the Russian Government. This Russian order will keep the Napiers employed for two years. Should war break out, the work would have to stop. In peace Great Britain supplies her possible enemies with the engines and implements of war. These are the largest engines for a war-ship ever undertaken; so that if they be completed Russia would have superior steamship power, if less of it, than Great Britain. The world is full of anomalies and this is one of them.

BRITAINS IMPORTS OF TIMBER.

There was a decline of eight per cent. in the total imports of timber and lumber into the United Kingdom for the first half of 1885, as compared with same period, 1884. The decline, which included both hewn and sawn goods, amounts to 173,848 loads, on a total import for the six months of 1,153,351 loads sawn, and 791,927 hewn. We give the figures at the principal ports.

PORT.	6 MOS. ENDED 30 JUNE, '85.	6 MOS. ENDED 30 JUNE, '84.
London.....	417,839	485,203
Cardiff.....	187,865	184,791
Hartlepool (West).....	115,016	123,422
Hull.....	136,828	131,969
Liverpool.....	145,378	193,417
Newcastle.....	56,517	55,144
Newport (Mon.).....	75,955	89,518
Sunderland.....	57,592	54,594
Swansea.....	38,410	45,186
Dundee.....	17,900	21,737
Glasgow.....	12,930	15,646
Greenock.....	26,896	31,690
Belfast.....	25,082	20,328
Dublin.....	15,218	24,649

In the list of places which import timber, as we find it in the *Timber Trades Journal*, there are 113 points mentioned, of which 72 are in England, 25 in Scotland, 16 in Ireland. There are slight increases of imports at a number of minor ports, as well as at Cardiff, Hull, Newcastle, Sunderland, and Belfast, in the above list. These are