

**Railway Bonds and Interest** A RECENT issue of Poors' Manual of Railway Statistics is not very encouraging to bond-holders. There can

be little doubt that the cost of all railroads was much in excess of what they could now be built for. Labor and equipments of all kinds are now lower than some years ago. As a general rule, sufficient allowance is not made in railway financing for the serious depreciations which necessarily occur in the values of the various properties owned, upon which bonds are based. The life of a railway, to a very large extent, is terminable in a more or less number of years. The rails and their supports, the rolling stock, the stations, depreciate steadily; even the permanent way, with its culverts, bridges, embankments, fences, and so on, can hardly ever be kept from depreciation by repairs and renewals, which, in too many instances, are not treated as expenses, but are charged up as though they were extensions or increases in the values of what has been only renewed. In 1887 the bonded debt per mile of American roads was \$28,290, last year it stood \$31,119. There is no reason to believe that the additional \$2,829 per mile is represented by new work, or permanent and remunerative improvements. In the former year the average rate of interest borne by U. S. railway bonds was 4.71 per cent., in 1893 the average was 4.30 per cent. The decline has been an advantage to the companies; but if, as seems to have been the case, they have been enlarging their bond issues without increasing their power of earning money by what these bonds were issued for, the drop in rate of interest has been counterbalanced by having more bonds to pay interest upon. There has been a decline for some years in the earnings per ton per mile, in freights from 1.034 in 1887 to 0.893 last year, and in passengers from 2.276 down to 2.046. While the bonded debts have been increasing per mile, and rates decreasing, the ratio of expenses has been steadily rising, going from 64.45 per cent. in 1887 up to 70.72 in 1893. With such facts before them we do not wonder at the managers standing firm against an increased rate of wages, a small percentage rise in which cuts very deeply into the surplus for profits. As a necessary consequence of such conditions, there has been a fall in the dividend rate from an average of 2.16 per cent. to 1.86 per cent., a figure that will have to be much enlarged before railway stocks show any marked advance, especially after the recent exposures to which we allude on another page. Although the figures for 1893 are so low they exceed those of 1888, 1889 and 1890. Looking over the statistics of the U. S. railways for some years past, the conclusion is justified that the bankruptcies in 1893 were being led up by the enormous extensions previously made in spite of decreasing receipts and of increasing expenses. The U. S. railway system has been developed far faster than the needs or the capacities of the country. Fortunately there is not such a general distribution of railway securities as there was in the earlier days of these enterprises. The first check given was when the Great Western skipped a dividend, by which widespread desolation was spread all over England, depriving

many widows and other dependent persons of their only source of income, and slicing away a large share of their capital. U. S. railways have fallen to a considerable extent into the hands of a comparatively few men who make money out of their holdings in a way not open to the ordinary stock-holder, such as the manipulation of contracts for works and supplies, respecting which there are suspicions expressed which show a profound distrust of the management of American railways.

#### The Visit of the Warships.

WHETHER the bringing to this city of five ships of war has any significance beyond an amiable desire on the part of the Vice Admiral to give his officers and men a little relaxation from the monotony of ship life is a matter for speculation on which opinions vary. If it is thought well to parade the material strength of Great Britain to impress Canadians with her power, we see no reason why this should not be done, though of its necessity we are not assured. The vaporings of a small knot of agitators for annexation are known here to be unworthy of serious notice; but as their mouth-piece has a brilliant reputation in England, this so-called "movement"—a movement, let us say, without any sign of progression—is very much over-estimated in the old land. As a corrective to such misapprehension, the visit of the warships will have value, as we venture to say that the Vice Admiral, his officers and men never before saw, or heard, such demonstrations of loyalty and affection for the old flag, as they did during their stay in Montreal. It speaks volumes for the improved *morale* of the fleet since Marryat's days, that our streets have daily and nightly swarmed with sailors without a single unpleasantness having occurred, though our citizens, with mistaken hospitality, have done their best to get Jack into trouble. To Mayor Villeneuve, a word of hearty praise is due for the zealous manner in which he upheld the hospitality of the city. We have the highest authority for stating that, from the Vice Admiral, down to the humblest man on board, this city has made a lasting impression for its stability, its mercantile activity, its hospitality, and its pride at being one of the great ports of the Empire.

#### The Causes of Fires.

OUR contemporary, the *Chronicle* of New York, has for years been doing good service to fire underwriters by the publication of the "fire tables" which bear its name,—a work which is the completest of any of its kind, and has acquired a standard reputation. With characteristic enterprise that journal has now added to the obligations of the profession, by the issue of an extra number containing colored diagrams showing in a simple and graphic manner the causes of fires in the various classes of property in the United States based upon the statistics covered by the "fire tables." These should be especially interesting and useful to the inspectors, surveyors and agents of companies as indicating the principal sources of hazard which experience has shown to attach to the different kinds of risk. From the data supplied we have compiled the list