

and experience on the part of those who are empowered to act as arbitrators between the railways and the public, and show the necessity of taking this office particularly out of the domain of politics, and beyond the reach of unthinking but clamorous legislative majorities. Speaking not for myself alone but I am sure for every railroad manager, I wish to give good, safe, efficient service at fair and reasonable rates. If it lacks the essential element of safety it does not follow under present conditions that the railway official is wholly to blame, nor should the whole fraternity be condemned because some members of it have treated the public unfairly. The point I wish to make is that this accident has in it not only a lesson for every railway manager but also for every board of railroad commissioners, every legislature, and for the general public as well.

#### Poor's Manual for 1887.

ADVANCE sheets of Poor's Manual for the current year, covering the history of the railroads of this country to December 31st, 1886, have just been issued. There are the usual tables giving the mileage, capitalization, funded debt, etc., etc., to the date mentioned, the work accomplished during the past year, and brief comments on the condition and traffic of the railroads of the United States. According to the Manual the number of miles of railroad constructed in the United States in 1886 was 9,000 miles, and the aggregate mileage for the whole country completed at the close of the year was 137,989 miles. The rate of increase during the year 1886 amounted to 7.8 per cent. Returns, giving the earnings and traffic operations for the year, were received covering 125,147 miles of road against 123,110 for the preceding year. The share capital of all the railroads making returns, including the elevated railroads, equalled \$3,999,508,508, against \$3,817,697,832 for 1885; their funded debts, \$3,882,966,330, against \$3,765,727,066 for 1885; their unfunded debt, \$280,673,814, against \$259,108,281 for 1885. The amount of share capital and indebtedness of all the companies for 1886 equalled \$8,163,148,652, against \$7,842,533,179 for 1885, the increase equalling \$320,615,473, while the rate of increase was about 4.09 per cent. The earnings from freight equalled \$550,350,054; from passengers, \$211,929,857; from miscellaneous sources, \$59,903,038. The operating expenses of all the roads for the year equalled \$524,890,334, and the net earnings \$297,311,615.

The general results of the operations of the railroad system of the country, as shown by the figures given, are summarized as follows. The traffic operations for the year—the passenger and freight movement—were largely in excess of any previous year, but the increase in the volume of traffic was nevertheless little above the average increase of past years, and is indicative of a healthy revival in the business of the country, and a continuance of its development rather than of any extraordinary movement due to speculative causes. In both passenger and freight traffic the rates per ton per mile and the average carrying distance of

each, fell off a trifle, so that, were it not for the increased movement of people and merchandise, the earnings would have shown a decrease. The gradual reduction of freight and passenger rates is, however, a natural sequence to the growth of the country. During the past year this decrease was less noticeable than formerly, for the reason that rates are now so low in the average as to admit of but very little further decrease. The earnings of the year, when compared on a mileage basis with the average of 1885, show large increases, but yet fall very much short of the averages of 1884 and 1883. This may be accounted for in some measure by the fact that a large extent of the mileage constructed in recent years has been through long stretches of comparatively undeveloped country, and again by the fact of the construction of duplicate parallel lines. The exhibit of earnings is made still more gratifying by the reduction in the cost of operating the roads, the total cost in 1886 being 63.84 per cent of gross earnings, against 65.12 per cent in 1885, the reduction being due chiefly to improved methods and the introduction of necessary economies. The payments made for interest on bonds during the year shows a decrease in the average rate of 0.02 per cent. This is probably due to the large increase in the funded debts of the companies, made to provide the means for new construction, on only a small part of which interest accrued or became due within their fiscal years; also to the provisions made in many reorganization schemes for a reduction in the rate of interest and for deferring interest payments for certain periods, and to the gradual retirement of high rate bonds by the larger corporations.

Among the additions to this year's Manual is a copy of the Inter State Commerce law which was passed by Congress last winter. There are also tables giving the range of prices of stocks and bonds at the principal exchanges in the United States.

#### Come to Stay.

SENATOR CULLUM, in a recent interview, expresses the opinion that the Inter State Commerce Law has come to stay. He says, "Under the law the inter-state commission is charged with the duty of reporting suggestions and amendments to the act to the Secretary of the Interior, who will then report them to congress. I anticipate that certain amendments will be suggested, as the practical working of the law has shown it to possess a few minor defects. That was to be expected, as no matter how perfect a theory may be, the moment it is put into practice there are certain to be some whom it will hurt in one way or another. Now, the other day I had a talk with one of the biggest wagon and carriage manufacturers in the country, and he was very bitter against the bill because it shut off his free passes. He said before the bill became a law the railroads furnished him with blank passes and when any of his customers wanted to come to Chicago or to visit his factory in an adjoining state all he had to do was to fill out a pass and the thing was settled. I replied to him that that was one of the bene-

ficent features of the bill, as under the old system he was given an advantage over the small fellows in his business they could not stand up against, and that eventually they would be crushed out and he derive the benefit at their expense. He finally admitted the justice of the bill. And so the thing runs. Where the bill hurts it is objectionable, but on the other hand there are thousands who are benefited. Now, I think we will always have a bill of the kind on our statute books, but I look for modifications from time to time as the circumstances require. Inter state legislation has come to stay.

"Has the practical working of the law up to the present led you to think of any amendment which will make it less odious to the railroads and more popular with all the people?"

"I can't say that I have given it any thought the last summer, and up to the present I have thought of nothing by which it can be improved to meet the points suggested. I have no doubt, however, that certain amendments will be proposed at the next session of Congress."

#### The Steel Rail Outlook

The following is from the *Railway Age*. Some steel rail manufacturers are beginning to anticipate a falling off in the demand for rails in 1888, based on the fact that they are not looking many orders for the coming year. While it is somewhat early in the season to expect orders for the coming season, still there is some reason for believing that construction will not be as great as during 1887, although new enterprises are being announced every day and an enormous mileage has been projected. The great companies are not likely to push competition into each others' territory so actively next year as they are now doing, and this is a matter for congratulation. But there is still a vast extent of unoccupied territory which must have railways, and thousands of miles will continue to be added each year for an indefinite period. That the prices of rails are likely to be lower is not a matter for surprise. The rail makers of the country have been overloaded with orders during the past year and have pushed prices up so high that they have invited foreign competition. The Southern Pacific Company has received or has now on the way 55,000 tons of rails manufactured in England which are to be used in extensive developments of that system in California, and very considerable quantities of English rails have been bought for other roads, the imports for the year ending September 30 aggregating 77,026 tons, against 10,476 in 1886 and 4,177 in 1885. As a result of this foreign competition, in connection with the belief entertained in some quarters that railway construction will show a large falling off next year, prices of rails have materially declined. They are now quoted at eastern mills at about \$38 for delivery this year, while for next year's delivery \$36 is accepted. One Pennsylvania mill reports the sale of 15,000 tons at that rate. Every rail mill in the country has all the orders that it can fill during the present year, and when