

there were completed 71,000 miles of railway. At the close of 1872 there were completed in the United States 66,237 miles of railway, which were in operation in 1873. There was outstanding and supposed to represent the cost of these roads an indebtedness thus made up:

Capital stock.....	\$1,947,638,584
Bonds and other forms of debt.....	1,836,904,450

Total assumed cost.....	\$3,784,543,034
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This sum includes, in addition to the actual cash cost, the watered stock, and the bonds and stock voted as gratuities to the construction companies, etc.

The earnings of these railways for 1873 were as follows:

Gross earnings.....	\$526,419,935
Operating expenses.....	342,609,373

Net earnings.....	\$183,810,562
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This, it must be remembered, includes all the unproductive and non-paying railroads of the country, and shows that the operating expenses averaged 65 per cent., leaving 35 per cent. as net earnings. While a large number of roads defaulted in the payment of interest on bonds and passed dividends, there was paid in cash for dividends on stock, \$67,120,000, or an average of 3.45 per cent. on the aggregate par value of capital stock, and \$116,700,000 as interest on bonds, equal to 6.25 per cent. on the whole bonded indebtedness of all the roads. Omitting the railroads which defaulted, the dividends for 1873, computed on stocks and bonds swollen far beyond the honest cost of the railway, were not only liberal but promptly paid.

These figures compare well notwithstanding the year 1873 was for four months stricken with a panic, with the figures of 1872.

	1873.	1872.	Increase.
Capital stock and debt..	\$3,784,543,034	\$3,159,423,057	\$625,119,977
Gross earnings	526,419,935	465,241,055	
Net earnings	183,810,562	166,754,373	

These figures are on the lines of railway actually in operation in 1873. There was an increase over 1872 in the amount of capital stock and debt of about 20 per cent., which represented the increased mileage. The gross earnings in 1872 were 14.75 per cent. upon the total capital and debt, and in 1873 were about 14 per cent.; thus, notwithstanding the increase of capital by the