

subject to the Admiralty. In response to this communication Earl Spencer, the First Lord of the Admiralty, addressed a letter to the president of the chambers, Sir Albert K. Rollitt, in which, after declaring that the objects of the chambers and the government were identical, he asked the chambers to point out any special dangers which they thought the mercantile marine might incur in time of war.

Replying to this invitation the president of the chambers has addressed a letter to Earl Spencer in which he says that the question involved is not merely that of some special danger or particular source of weakness which would place the mercantile marine in peril in the event of war, but rather that of general danger arising from the relative fighting value in ships, guns and men of the British navy as compared with the navies of other countries. It is obvious, he says, that the safety of the mercantile marine in time of war would be absolutely dependent upon the British navy being strong enough to keep the command of the seas. If this command were to be lost the English mercantile marine would be destroyed or shut up in port, and the supplies from outside Great Britain, upon which it is so largely dependent for many of the necessities of life, would be cut off. Moreover, the loss to British commerce thus caused would not merely be limited to the time during which the war would last, serious as even that might be, for history teaches that when commerce is thus lost much of it passes permanently away into the hands of foreigners. The great danger which is feared for the mercantile marine and which the chambers wished to impress most earnestly upon the Board of Admiralty was that the royal navy might not be found strong enough, if the occasion arose, to hold its own in the various ports of the world where its presence would be required to protect British commerce and other interests.

In concluding the communication the president of the chambers expressed the hope that the Board of Admiralty would see its way without loss of time to determine upon an adequate and comprehensive programme of shipbuilding during the next few years, so as to quickly add to the number and fighting value of the British ships, and to make the royal navy as superior as is reasonably practicable to any combination of foreign fleets that might be expected to be brought against it, and that during the same period such steps should be taken as were necessary to provide a full number of qualified officers and men for service in the fleets, and to place the coast, commercial harbors and colonial defenses as to ships, guns and torpedo and submarine mining stations, and the protection of the coaling and repairing centers and trade routes, in the most efficient condition. The president added that it appeared urgently necessary to decide at once what number of the different classes of ships should be added to the navy, what their armaments and equipments should be, and what should be done and projected as to the other forms of defense referred to. On most of these points the chambers, Sir A. K. Rollitt declared, would not feel able to speak with authority or advantage, except in conference with members of the Admiralty having an accurate acquaintance with details, and he suggested the appointment of a commission in which the government and mercantile interests would be represented so as to ensure,

without in any way delaying such immediate action as is necessary, a full examination into the duties that are likely to be required of the navy in the event of a war, and the steps that might properly be taken to make it thoroughly adequate to perform them. The strengthening of the navy has become a question of urgent interest in Great Britain. It should not be suffered to fall into the background in the United States until our navy and coast defenses are put in a more efficient state than they are in at present.

SOME RESULTS OF THE BUSINESS YEAR 1893.

The business year 1893 promises to go into history with heavier net losses in financial, commercial and industrial circles throughout the United States than in the more severe among other panic periods in the past eighty years.

A number of competent observers* have estimated the approximate minimum net losses in business in this country in the past twelve months at about one thousand million dollars, "or more than one-third of the amount of the national debt at the close of the war," but it requires only a superficial examination of data already at hand to suggest that the total is too small.

One item to be considered in any calculation suggested by the foregoing is that there are more than 1,000,000 industrial and other wage-earners in enforced idleness throughout the country more than were similarly situated one year ago, whose average daily earnings are not as low as \$1 each; the larger proportion have been out of work for weeks, and many of them will probably continue idle for weeks to come. This consideration points to a total loss in wages paid to date as compared with last year of between \$30,000,000 and \$40,000,000, aside from heavier losses to manufacturers and others the shutting-down of whose works and establishments have rendered idle the wage-earners referred to.

It appears that the output of iron throughout the country has been curtailed more than 40 per cent., heavy woolen goods 35 per cent., print cloths, a relatively prosperous branch of the cotton-goods industry, 10 per cent., and leather and shoes about 30 per cent.

Prices of food and other staples show a severe shrinkage when compared with quotations at the close of December, 1892. Quotations for wheat, wheat flour, Indian corn and for oats, which had suffered by December, 1892, a severe shrinkage extending at least over a period of twelve months, now range from 16 to 15 and to 14 per cent. lower respectively for cereals named than last year. Prices of standard qualities of pork at wholesale are 10 per cent. lower, and of steam lard 21 per cent. lower, while sugar ranges 36 per cent. lower than in the latter portion of December last year. Coffee naturally shows an advance in price over a year ago, about 6 per cent., due to special influences, mainly to the disturbed political situation in Brazil. The price of cotton and of wool is about 20 per cent. lower in each instance than a year ago, while print cloths are 25 per cent. lower. Leading food products are seen, therefore, to range from one-tenth to one-third lower in price than a year ago, and textiles and fabrics from one-fifth to one-quarter lower.

Pig iron, steel billets and steel rails have

* Among them Hon. David A. Wells, in the *Forum* for January, 1894.

all suffered severe reductions in price within a year, the first named nearly or about one-third in some markets, billets rather more than that proportion, and steel rails nominally about 17 per cent. A calculation of the reduced value of staple products sold in the past six months as compared with a corresponding period a year ago would probably make plain a shrinkage of from 15 to 30 per cent., which, if the details were worked out, would point to a shrinkage in value amounting to an enormous aggregate.

For eleven months of the past year there was a falling off of \$6,000,000,000 in the total volume of bank clearings, or 11 per cent. The decrease in the value of exports, domestic and foreign, for eleven months of the year was about \$68,300,000, or 8 per cent., while the corresponding decrease in the value of imports was about \$48,400,000, about 6 per cent. Those who have kept track of losses by fire in the United States report the increased loss for eleven months this year as compared with eleven months last year at \$24,000,000, or 20 per cent. Liabilities of suspended banking institutions during eleven months of the past year were about \$169,000,000 in round numbers, twenty-eight times as large as in eleven months of 1892, while liabilities of other business institutions which were compelled to suspend were approximately \$407,000,000, an increase of 400 per cent. The correspondence in decreases of exports and imports, with the increase of 7 per cent. and total deposits in New York banks in the middle of December this year as compared with last, and with a decrease of 8 per cent. of loans by New York banks, is further testimony to the extent of the shrinkage in volume of business.

RAILROAD INSOLVENCIES.

The natural complement to the record of railroad receiverships in 1893, which was quoted in these columns last week, is the presentation of the total number of roads which at this time are under the charge of the courts and on the road to undergo the process of reorganization. During the present week the addition of the Atchison, the San Francisco and New York & New England companies to the list has made an increase in the record of such disasters for the current year to the extent of 9,850 miles of road, \$346,468,000 of bonded debt, and \$125,446,000 of share capital, or a total capitalization of \$471,914,000. The figures given last week must, therefore, be revised, the total receiverships for the year being raised to 74, the roads represented having 32,379 miles of lines and an aggregate capitalization of \$1,651,116,000.

The changes involve a corresponding alteration in the interesting tabulation given in last week's issue of the *Railway Age* in reference to the mileage and capitalization of the roads which are at the present moment in the hands of receivers. Adding, however, the figures for the Atchison and New England, the record in question shows that 43,047 miles of road, representing the property of 126 separate corporations, are at the close of the year in the custody of officers of the courts, and that the share capital thus involved is \$1,083,259,000 in amount, while the bonded debt of the companies aggregates \$1,116,167,000, or a total nominal capitalization of no less than \$2,199,426,000.

Including this week's additions to the record, the proportions which these figures bear to the totals representing the entire

railroad systems of the United States are as follows: 24 per cent. of the aggregate mileage, 21 per cent. of all the railroad share capital of the country, 20 per cent. of the bonded debts, and 22 per cent. of the capitalization in both stocks and bonds.

The companies whose receiverships occurred in 1893 were given in full in the last issue of BRADSTREET'S, and need not be repeated at this time. It is, however, of some interest to note the list of companies still remaining in that position whose original embarrassment dates from preceding years. This, as given by the *Railway Age*, is as follows:

THE RAILWAYS NOW IN THE HANDS OF RECEIVERS.

| Road and date of receivership. | State. | Miles. | Funded. | Capital stock. |
|------------------------------------|-----------|--------|-------------|----------------|
| Minn. & St. Louis..... | Minn. | 368 | \$9,313,000 | \$9,799,000 |
| Lebanon Springs..... | N. Y. Vt. | 57 | 2,000,000 | |
| East & West Alabama.. | Ga. Ala. | 118 | 1,750,000 | 1,190,000 |
| 1889. | | | | |
| Carolina, Knox. & Wn.. | S. C. | 13 | 200,000 | 351,000 |
| Waco & Northwestern.. | Tex. | 54 | 1,140,000 | 1,100,000 |
| Los Angeles & Pacific.. | Cal. | 30 | 875,000 | 17,000 |
| South Carolina..... | S. C. | 247 | 8,820,000 | 4,204,000 |
| 1890. | | | | |
| K. C., Wyand. & N. W. Mo. Neb. | Mo. Neb. | 192 | 4,324,000 | 2,073,000 |
| Toledo & South Haven.. | Mich. | 36 | 210,000 | 242,000 |
| Chautauqua Lake..... | N. Y. | 25 | 513,000 | 60,000 |
| Chesapeake & Nash..... | Ten. Ky. | 36 | 875,000 | 1,050,000 |
| Choctaw Coal & Railwy. | I. T. | 98 | 11,501,000 | 3,750,000 |
| 1891. | | | | |
| Texas Western..... | Tex. | 52 | 1,000,000 | 1,000,000 |
| Atlantic & Danville..... | Va. | 285 | 4,952,000 | 5,754,000 |
| Marietta & North Ga..... | Ga. Ten. | 239 | 1,784,000 | 3,384,000 |
| Kentucky Union..... | Ky. | 100 | 2,500,000 | 5,000,000 |
| Pa., Poughkeeps. & Bost. Pa. N. Y. | Pa. N. Y. | 96 | 1,811,000 | 2,000,000 |
| Georgia So. & Florida..... | Ga. Fla. | 255 | 3,420,000 | 4,275,000 |
| Macon & Birmingham.. | Ga. | 97 | 1,640,000 | 1,000,000 |
| Balt. & Eastern Shore.. | Md. | 88 | 1,460,000 | 475,000 |
| Carolina, Knox. & Wn.. | S. C. | 13 | 200,000 | 301,000 |
| Chicago, K. C. & Tex..... | Mo. | 20 | 425,000 | 473,000 |
| N. O. & Northwestern.. | Miss. La. | 84 | 1,540,000 | 4,550,000 |
| Texas Trunk..... | Tex. | 50 | 1,000,000 | 750,000 |
| Houston Belt..... | Tex. | 6 | 60,000 | 150,000 |
| Richm. Nichols v. Ir. & B. | Ky. | 61 | 2,375,000 | 2,425,000 |
| 1892. | | | | |
| Chattanooga & South..... | Ga. Ala. | 96 | 1,440,000 | 1,440,000 |
| Char., Sumter & West.. | S. C. | 150 | 2,320,000 | 1,380,000 |
| Chattanooga Union..... | Tenn. | 43 | 86,000 | 1,000,000 |
| Hud., Sus. Bridge & N. E. | N. Y. | 147 | 4,000,000 | 10,000,000 |
| Central of Georgia..... | Ga. | 1,450 | 16,042,000 | 7,500,000 |
| Blue Ridge & Atlantic.. | Ga. | 21 | 1,681,000 | 400,000 |
| G. R., Detroit & Lansing. | Mich. | 55 | 1,108,000 | 1,100,000 |
| Florida Midland..... | Fla. | 44 | 880,000 | 8,000,000 |
| Abbeyville & Waycross. | Ga. | 13 | 137,000 | 1,000,000 |
| Gulf & Ship Is. and..... | Miss. | 20 | 40,000 | 400,000 |
| Fort Payne & Eastern.. | Ala. | 14 | none | 5,000,000 |
| Richmond & Danville.. | Va. etc. | 3,320 | 16,360,000 | 5,000,000 |
| Rich. & W. P. Terminal. | Va. | 88 | 1,600,000 | 75,000,000 |
| Valley..... | Ohio. | 88 | 4,000,000 | 1,200,000 |
| East Tenn., Va. & Ga. | Ten. etc. | 1,265 | 39,000,000 | 57,000,000 |
| Mobile & Birmingham.. | Ala. | 147 | 4,500,000 | 3,000,000 |
| Memphis & Charleston.. | Ten. Ala. | 202 | 5,524,000 | 5,113,000 |
| Zanesville & Ohio River. | Ohio. | 72 | 2,000,000 | 2,000,000 |
| Jackson, Tam. & K. W. | Fla. | 200 | 7,660,000 | 3,010,000 |
| Bristol, Elizabeth & N. C. | N. C. | 22 | 400,000 | 600,000 |
| South Atlantic & Ohio.. | Va. | 70 | 1,060,000 | 1,000,000 |
| Allegheny & Kinzua.. | Pa. | 42 | 285,000 | 500,000 |
| Wash. City & Pt. Lookout. | Md. | 20 | 232,000 | 180,000 |
| Mobile & Girard..... | Ga. Ala. | 135 | 1,800,000 | 1,270,000 |
| Hartwell..... | Ga. | 10 | 20,000 | 21,000 |
| Sav., Amer. & Mont..... | Ga. Ala. | 870 | 3,000,000 | 1,160,000 |
| Knox., Cum. Gap. & L. Ten. Ky. | Ten. Ky. | 22 | 2,150,000 | 2,955,000 |

It may at the same time be noted that a few large systems contribute the greater proportion of the totals. Taking nine systems, the Central of Georgia, Richmond & Danville, East Tennessee, Reading, Erie, Union Pacific, Wisconsin Central, Northern Pacific and Atchison, it will be found that these figures aggregate 30,637 miles of road, \$928,000,000 of funded debt and \$520,000,000 of stocks, or altogether \$1,430,000,000 of capital, these companies by themselves representing 17 per cent. of the mileage and 13 per cent. of the entire railroad capital of the country.

The paper already quoted states that in the past year 24 companies have been taken out of the hands of receivers by foreclosure sale, and that in the past ten years the same process accounted for 259 roads, supplemented by voluntary reorganizations. The record of receiverships for the same period included 309 lines, so that the total now remaining in the same position, 126, represents a reduction of 183.

The startling fact that 24 per cent. of the whole railroad mileage of the country is virtually bankrupt, the same figures holding good with respect to the capital involved, is one calculated to arrest attention. Railroad managers, it may be noted, show an increased disposition to ascribe these results in part at least to the injurious effect of national and state legislation acting adversely to the interests of the carriers. Admitting that this involves exaggeration, and