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RAILWAY
REVENUE:

A TREATISE ON THE ORGANIZATION OF RAIL-
ROADS AND THE COLLECTION OF
RAILWAY RECEIPTS.

*Containing Rules and Regulations necessary to ensure faithful
accounting, and explaining, generally, the object and extent
of railway accounts and the necessity of their being
organized upon scientific principles.*

BY
MARSHALL M. KIRKMAN.

SECOND EDITION, ENLARGED AND REVISED.

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To
ALBERT KEEP, Esq.,
PRESIDENT OF THE CHICAGO AND NORTHWESTERN RAILWAY
COMPANY,
THIS VOLUME
IS INSCRIBED, WITH THE RESPECT AND ESTEEM
OF
THE AUTHOR.

PREFACE.

THIS volume (divided for convenience of statement into three books) is based upon the observation and experience of the writer, extending over a period of some twenty-three years, in connection with the financial affairs and accounts of railroads.

It is not claimed that the method of accounting described in the second and third books is perfect, but it is believed to be comprehensive and impartial in its application ; it is, above all, practical in its working, and as simply and inexpensively arranged as is consistent with reasonable efficiency and security.

Under a system similar to it in many respects, the writer collected, with the aid of an efficient organization, over one hundred and fifty millions of dollars of railway receipts. This was done without the loss of a dollar from delinquent agents, so far as known. The collection extended over a period of ten years, and passed through the hands of some four hundred constantly changing agents.

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RAILWAY REVENUE.

BOOK I.

CHAPTER I.

THE MORALE OF OUR RAILWAY ORGANIZATIONS.

A GREAT railway is in many respects like a great government.

It is essentially despotic in its construction and manner of procedure, and is animated and controlled by a single mind with the combined wisdom and sagacity of many men.

The colossal character of its affairs; the momentous interests involved; the activity and circumstance attendant upon the conduct of so great a business without pecuniary risk; the ceaseless changes; the strife for power; the intrigue for preferment, all combine to surround it with a charm more fascinating to high-spirited men than the mere possession of wealth; yet, so continuous and absorbing are its de-

mands upon the nervous energies, so harassing in its effects upon the mental life of those actively engaged in it, that, as a rule, they become old and broken down while they should yet be in the vigor of middle age.

A railway possesses for those connected with it all the insidious charm that characterizes an active political life, but without its attendant publicity and gross vilification. Its attachés, while striving zealously for the common good, are all actuated by motives more or less selfish; loyal without exception to their company, they are rarely embarrassed in their official life by any friendships except those of convenience; weighing, with the precision of consummate courtiers, the probabilities of this or that faction in the management, they are ever ready to welcome the victor. The chief that has embarrassed his administration and alienated many supporters, in his efforts to surround himself with men personally devoted to his fortunes, sees eventually with apprehension and shame that the support of his most trusted friends is governed by policy and their friendship dictated by self-interest. The officer who is saluted upon every hand with cordial recognition to-day is passed by to-morrow with cold indifference or positive neglect. His star, by some fortuitous circumstance for an instant in the ascendant, excited attention and speculation;

but the evolutions of a day, sometimes of an hour, are sufficient to destroy the prospects and blast the hopes of the most aspiring, or call from obscurity to positions of conspicuous trust men apparently without friends or ultimate prospects of advancement.

In every railway organization, underneath the surface the most active rivalry exists between the servants of the company. The strife to which this rivalry gives birth, while rarely prejudicial to the company interested, renders the life of a railway officer one of continual surprises and harassing perplexities. This is, of course, to be expected where so large a number of men are brought into immediate contact, without previous acquaintance, who possess the peculiarities of education, temper and object that characterize the officers of our railway companies. The stratagems that are employed by them in the internecine warfare which they wage for the possession of power and place excite passions and engender hatreds that are not unfrequently life-long in their continuance.

The finest administrative ability to be found in our country animates and controls our great railways. Doing a colossal business, extending sometimes over several States, and employing frequently ten thousand men in the prime of life, restless, energetic and ambitious, moving in their places with the precision of trained sol-

diers, yet each animated by a high and mighty resolve to succeed, it requires for their proper management abilities of the very highest order.

How to control these myriads of men without destroying their individuality and pride, how to throw around them, and the officers that control them, the safeguards that are essential to the due protection of a company's interests, without destroying or weakening the discipline so necessary to the force, are questions that occur naturally to all who desire that the resources of the property, with all its accessions, shall accrue to the owners and to no one else.

The organization of the different railway companies of the country appears, to a superficial observer, to be substantially the same; yet the widest diversity exists. The authority exercised by the several operating officers on different roads varies materially. Those roads situated in the immediate neighborhood of the proprietors possess, usually, a conservative and well-balanced organization, each particle held in its place and under proper restraint by the easy means of communication possessed by all with the owners.

Now, the organization that may, perhaps, be safely left to watch over the interests of a property located in the immediate vicinity of its owners might and would be fatal to a road situated at a remote distance from such owners.

Roads remote from the proprietors not unfrequently pass by easy and imperceptible stages under the complete domination, practically, of one or perhaps two operating officers: men ostensibly working zealously in behalf of the proprietors, but really intent only upon their own personal aggrandizement.

The danger of demoralizing the force of a road by a division of authority, or by placing adequate checks upon its affairs, in many cases deters the directors from any practical attempt at it whatever.

Now, while absolute authority is essential to the management of the physical life of a railway, its exercise nevertheless not unfrequently degenerates elsewhere into the most shameful excesses—into an utter disregard of the commonest principles of business, hesitating not an instant in establishing precedents fatal in their scope and ultimate consequences; in inaugurating policies so weak that a word is sufficient to dispel them if there is but one independent man cognizant of them and courageous enough to utter that word.

Manifestly the check that is requisite, and that may be so essential to the safety of a company, cannot be expected where the whole power rests absolutely in the hands of a single operating officer. It is possible by a division of authority happily regulated and balanced—as we shall explain

more fully hereafter—to secure independent action in all matters of administration without such division being in any way detrimental to the material interests of a company. And as such division can be secured without danger, it should never, in a single instance, be neglected.

Men cling with desperate tenacity to every species of power, though its exercise may be contrary to the plainest dictates of reason and good business usage. Satisfied, perhaps, of the rectitude of their purpose and indifferent to the uses that may be made by their successors of the power they have secured, they stoutly resist to the very last every effort at reform.

Every measure of reform in railway administration, to be successful, must be brought before the right person and at an opportune time, and must appeal with an unmistakable force to the good sense and justice of such person, otherwise in the hurry and confusion of affairs it is overlooked or ignored.

It not unfrequently happens in the administration of railroads that the official, or body of officials, whose duty it is to correct the evils that constantly menace every great corporation is incapable of judging of the necessity or practicability of changes that may be suggested. It consequently falls out many times that projects the most grave, and reforms the most urgent,

are delayed for years, and perhaps finally abandoned, in consequence of a contemptuous allusion, or the emphatic assertion of the practical man that "It is inexpedient or impracticable."

Now, *inexpedient* or *impracticable* too often means, as all railway men are aware, that the project is not consistent with the prerogatives of a particular office, or interferes with certain private views or well-nurtured hobbies, or destroys some long cherished objects of a personal nature. If the man that stands in the way of the contemplated reform is one of those men who, Alison tells us, are so much sought after for their pliant ability (and men of that character enjoy a particularly felicitous life upon our railways), he will perhaps illustrate the apparent absurdity of the contemplated project by a story happily inspired, the effect of which is designed to put off the suggested innovation, and render its instigator absurd or unpopular. For it is true with the railway service, as it is with politics, that those in control have an instinctive aversion to appearing ridiculous, and to give a matter in which they are called upon to act a tinge of absurdity effectually chills their enthusiasm, and is very likely to enlist them in the ranks of its direct enemies.

Notwithstanding all these obstacles, great advances are constantly being made in the science and practical working of our railways; but every

effort to organize the responsibilities of the different departments upon a basis purely impersonal in character, providing alike for the good, the indifferent, and the positively bad, has ever met with the most strenuous opposition, and, when temporarily effected, the battle must ultimately be fought over again, for the destruction of such a system enlists in its support the hearty co-operation of the arbitrary, the inefficient and the designing.

Still, the effort to surround with salutary checks the practical working organization of our railways enlists the hearty sympathy and active support of railway property-owners everywhere, and that it will ultimately be completely successful there can be no reasonable doubt.

CHAPTER II.

THE ORGANIZATION OF OUR RAILWAY COMPANIES.

THE Board of Directors of a railway company possesses supreme authority over its affairs and over the officers and employes entrusted with the management of its property, subject to the provisions of the company's charter and the laws of the country.

The number of directors varies upon different lines.*

The directors are elected annually by the holders of the capital stock of the company.† In some instances bondholders are, for special reasons, entitled to vote the same as the holders of the stock; this privilege, however, is an unusual one.

In several States directors are elected for three years. The period for which they are elected is regulated by law. When they are

* The Nashua & Lowell Railroad has four directors; the Indianapolis, Cincinnati & La Fayette Railroad has nine directors; the New York, Lake Erie & Western Railroad has seventeen directors.

† "The annual meeting of the stockholders and election of directors shall be held on the first Wednesday in June in each year, at the office of the company, in the city of Chicago."—*By-laws Galena & Chicago Union R. R. Co., 1859, p. 5.*

elected for a longer period than one year, the board is classified; thus, if the directors are elected for three years, the term of one-third of its members would expire annually. In a board so organized, it would require three years to make a complete change in its personality. This is the object of the law.

Each share of capital stock of one hundred dollars entitles the holder to one vote at the annual election or at any special meeting of stockholders. But the stock must have been owned by the person seeking to vote it at the time the stock register was closed, which event occurs from fifteen to thirty days prior to the election, according to law or the provisions of the company's charter.

The principal object sought in closing the stock ledger or transfer book in advance of the election, it may be said, is to enable the company to ascertain who the stockholders are, and otherwise fix the identity of those entitled to vote, so that when the stock and proxies are presented at the election no delay or confusion can occur.

The votes of the stockholders are cast directly for the directors, the same as votes are cast at political elections for boards of supervisors. No one not a stockholder is eligible as a director. When the polls are closed, the candidates having the greatest number of votes are de-

clared elected by the tellers or persons legally in charge of the ballots. The process is very simple. It is not different in any material sense from the political elections with which we are all so familiar.

The time that elapses between the regular meetings of the board of directors varies upon different roads. Sometimes the meetings are weekly, sometimes semi-monthly, sometimes monthly.

“The regular meetings of the board shall be held at the office of the company, in the city of Chicago, unless otherwise directed, on the third Wednesday of every month, and a majority of the directors elected shall constitute a quorum for the transaction of business; but a less number than a quorum may adjourn from time to time until a quorum shall be obtained.”*

It is customary with many companies for the directors to appoint permanent committees for various purposes.† Business is greatly facilitated by such a course, and is conducted with less publicity. The business that comes before the board having reference to a branch of the service which a committee has in charge is usually referred to such committee with power to act, or with instructions to report to the board at a subsequent meeting.

* *By-laws Galena & Chicago Union R. R. Co., 1859, p. 9.*

† The old Galena & Chicago Union Railroad Company, a wealthy and well-managed corporation, amalgamated with a rival company in 1864, had an executive committee and an auditing committee. A finance committee is provided for in the by-laws of many companies,

The permanent committees usually possess all the powers of the full board; their acts, however, must ultimately receive the concurrence of the directors.

The authority of a board of directors, including its committees, is usually exercised through the executive officers of a company. They may be said to be the medium or instrument for making known the wishes of the directory. They are as follows:

President,
Vice-President,
Secretary, and
Treasurer.

These officers usually have one or more assistants possessing in their absence all their rights and privileges.*

The executive officers are elected by the board of directors annually, or whenever a vacancy transpires; the election occurs usually at the first meeting of the directors after the annual meeting of stockholders. When this is not the case, temporary officers (officers *pro tem*) are chosen by the directors.

The duties of the executive officers are practically the same upon all roads, so far as such duties relate to the legal perpetuation of a company's organization, including the signing

* The Pennsylvania Railroad Company has three vice-presidents and three "assistants to the President," an Assistant Secretary and an Assistant Treasurer.

of its stock, the issuing of its bonds, and the making of its contracts. Here the similarity between different roads may be said to terminate.

The duties of the executive officers are defined generally at considerable length by the company's by-laws. Special duties are, however, assigned them from time to time, so that the labor they perform and the responsibility they exercise cannot be definitely described here.

The principal operating or 'working officers are a

General Manager,
Division Superintendent,
Chief Engineer,
Solicitor,
General Passenger or Ticket Agent,
General Freight Agent,
Purchasing Agent,
Accounting Officer.

Adopting the English custom, some of our railway companies have also, in addition to the above, a

General Superintendent, and
Traffic Manager. *

* The duties of these officers are not yet as clearly defined upon our American roads as are those of the other officials connected with the railway service. The General Superintendent may be said to perform such of the duties of the General Manager or Division Superintendent as may be assigned him by the former. In the same way the Traffic Manager relieves the respective heads of the freight and passenger departments, over whom he exercises control, of such work as he may be able to do, or as may be specifically assigned to him by the management.

The greatest diversity exists with reference to the duties of the operating officers: the reasons for this are obvious. The circumstances attending the construction and operation and traffic of no two roads exactly coincide. The ability, temperament and experience of the officers operating distinct roads are never precisely alike. The length of an officer's service has frequently much to do with the authority he exercises. The likes and dislikes of the board and its agents are all powerful in the regulation of the duties of officers. While, therefore, the title may not be different, its significance is never the same upon any two lines. The discretion officers are allowed, the rights they arrogate, and the authority they actually exercise, vary with the peculiar circumstances that surround each company. Indeed, the duties of a particular officer rarely remain unchanged for any great length of time, even upon the same road; they ebb and flow like the tide—to-day at the full, to-morrow shrunken and depressed. If the officer possesses aggressiveness and tact, he very likely enlarges the field in which he labors, or he is quickly destroyed by some one stronger than himself; if timid and vacillating, his power is filched by others, and he finds his discretion more and more circumscribed with each succeeding year. Changes are constantly occurring from causes other

than these, the official affected by them, in the generality of cases, neither accelerating nor seriously retarding their force or direction.

Upon a few of our lines the principal operating officers are appointed directly by the directors; but in the majority of cases such appointments are left wholly to the discretion of the President; this power he, in turn, delegates as he thinks proper to the members of his staff, of which the General Manager may be said to be the chief. No arbitrary rule is observed. The character of the officers themselves, and the circumstances that govern the affairs of each company, are all-important in matters of this kind.

Generally, it may be said that the ability and fitness of the older and more experienced officers of our railway companies are very accurately represented by the positions they severally occupy. They are sometimes loth to believe this, but it is nevertheless true.

The officers of a railway are greatly dependent upon each other in everything they do. Inefficiency cannot exist in one department without influencing the efficiency of neighboring departments. This is intensified when the duties of the various officers are not clearly defined.

In attempting, therefore, to fix a system for collecting railway revenue, it will be well, perhaps, to define beforehand the duties and pre-

rogatives of the various officers, so far as we can, consistently with the differences that are known to exist.

This description will possess the considerable merit of enabling us to form something of an estimate of the characteristics which the various officers of a railway company severally and collectively possess, the power they exercise, and the duties they perform outside of the accounts. A full understanding of the subject of accounts is impossible without this knowledge. Some of the officers, it will be found upon examination, have apparently no relation whatever to the immediate duty of collecting the revenue. Each, however, is a positive force in the organization, and his influence is felt in every department of the service. When not directly engaged in the duties appertaining to the receipts of a company he is nevertheless an auxiliary aid, and as such may not be omitted from any description of railway revenue and its collection. A description of the various general officers has this further merit, that from it we may glean many interesting facts in relation to railway revenue and other matters pertaining to railroads that are not accessible in any other way. And in connection with this description I am not prepared to say that the system of accounts I propose attempting to describe further on is the best that can be devised, or that

it is without serious defect; nevertheless I feel fully assured that a poor system well understood and rigidly enforced is preferable to a good system imperfectly understood or clumsily executed.

CHAPTER III.

THE PRESIDENT.

THE Vice-President in the absence of the President possesses usually all the authority of the latter, so that any description of the duties or characteristics of one, applies with equal force to the other.*

“In the absence of the President and Vice-President from any meeting of the board, or, if from sickness, or from any other cause, both of these officers shall be unable to perform the duties of their respective offices, a member of the board may be chosen, who for the time being, shall execute and perform the duties * * imposed upon these officers.”†

The President is elected yearly. It is one of the privileges of his office that he may convene the board of directors whenever he sees fit.

At one period the presidents of our railway companies were rarely if ever active participants in the practical working of the property; always men of wealth and respectable standing, they

* In England the railway officer known by us as President is called the Chairman of the company.

† *By-Laws Galena & Chicago Union Railroad Co., 1859, p. 6.*

were chosen rather with a view to the effect their names would have upon investors and the public at large, than in consequence of the knowledge they possessed of railway polity.

The managers, or superintendents as they were then called, exercised undisturbed the great power that their position of autocrats gave them ; these nominally inferior officers consulted with the President from time to time, and listened with attention to his wishes when expressed, but these expressions of the executive applied, as we may readily suppose, only to general matters of policy or unimportant details.

The responsibility that rested upon the President in the early history of railroads was merely nominal. He performed the dignified but not exacting labors usual to the office he held. It was the privilege of his place to call the Board of Directors to order and preside at their meetings ; as the presiding officer he declared all measures proposed for the action of the board by any of its members, and when such measures were properly seconded, he submitted them to the vote of the directors, and in conclusion stated the result of the vote to the meeting. As President, he constituted a member (though frequently only an *ex officio* member) of all committees appointed by the board through him as its chairman. These are the prescribed duties of all railway presidents. In some cases

the President affixes his signature to the certificates of the company's capital stock, signs its bonds, contracts and leases, besides writing its published reports. More frequently, however, these details are performed by his coadjutor, the Vice-President.*

The duties of the chief executive officer—and among these duties we may include a general supervision over the company's affairs—do not render his presence in the immediate vicinity of the property imperative. On the contrary, the financial interests of a company may and do frequently require that its Chairman should have his residence at the money centre of the country, and that he should be a man well and favorably known to capitalists and to the public. Indeed, all of our great companies now esteem it important that they should have an alert and able representative at one or more of the financial centres. This representative is frequently, however, only a minor officer.

When the property of a railway company is

* In England the Chairman is expected to make a speech to the stockholders whenever they are convened, and they interrogate him in reference to his policy and measures in the same manner that members of the Parliament of Great Britain personally interrogate the representatives of the Government in the House. But it must be remembered, in this connection, that the capital stock of the English roads is owned by English citizens, who attend the meetings of the stockholders with scrupulous regularity. As one utterly unaccustomed to such a state of things, we cannot but believe that it must be a very interesting, if not an instructive, sight to see a great railway Chairman sharply examined, perhaps denounced, before a large body of people by an obscure and friendless holder of a few shares of capital stock,

owned largely by one man, or is under the absolute control of one man, he is usually the person selected for its President unless for personal reasons, of which he is the judge, some one else is appointed. It is rarely, however, that this last named contingency occurs. The dignity, circumstance and power of the office justly confer a high distinction upon its occupant, and for that reason it is much sought after by men fond of affairs.

When the ownership or control of a road is represented by a diversity of interests not easily harmonized except in a practical way, it has become much the custom of late years to make the officer immediately in charge of the property its President. Many cogent reasons for such a course naturally suggest themselves; the jealousy of ownership is allayed by such a course, and the stockholders act with better feeling and in greater harmony; the company derives the benefit of the prestige that attaches to the office in its local operations and in its intercourse with connecting lines; the greatness of the office appeals to the highest aspirations of the person filling it, and in other ways is believed to affect favorably his character and surroundings. Aside from this, many important operations of business are facilitated by the

personal presence of the company's chief executive officer.*

However, a minute and busy interference in all the petty details of local management is thought by many to be inconsistent with the grave responsibilities of the President; it disturbs his mental equilibrium, restricts his vision and renders it difficult if not impossible for him to act dispassionately. The mechanical labor such a course of inquiry involves, the time it occupies, and the disquietude it renders inevitable, do not permit the person so busied the capacity to exercise good judgment and decorum in the higher duties required of him, and herein lies one great objection to the appointment of a man versed in the practical affairs of railways to the chair of the chief executive.

It is a misfortune in many respects to a company to have officers whose zeal in its interests impel them to the accomplishment of the duties of offices impossible to one man. However commendable the sentiment that gives birth to this

* "In some cases, the President of the railway company acts as Superintendent; a method that may answer on short or unimportant railways, but cannot be recommended for other cases. The President should be the organ of the Board of Directors, and so far as he gives attention to the operating department, it should be as the medium of the board, and the general executive head of the institution, in which capacity he would confer with, advise and direct the Superintendent. The two officers should be kept distinct, as admitting a better organization, with salutary checks, and especially as between those general officers appointed by the Board of Directors, and those appointed by the Superintendent, which is important in securing harmony and efficient co-operation."—*"Railway Property,"* by John B. Jervis, C. E., pp. 252, 253, 1861.

towering ambition, it is nevertheless quite as destructive to the usefulness of him who possesses it as idleness on his part would be.

It is possible for a man to become so burdened with details as to destroy the contemplative faculties of his mind.

A railway officer, to be able to perform the highest service of which he is capable, should not permit himself to be burdened with details to an extent that preclude his devoting a considerable portion of time, each day, to a retrospective and prospective view of the company's affairs. A high conception of his duties and responsibilities is impossible otherwise. Nor must he crowd his office desk with work that may be done with greater facility by inferior and less expensive agents. The over zeal that leads an officer to commit such an offense against good sense is attributable to various causes. Sometimes it arises from his anxiety to make himself indispensable,* sometimes from a superabundant energy, a genius for work; sometimes from a sensitive fear lest he be thought idly inclined and neglectful of his duties; and sometimes from an inability to consummate results through the instrumentality of others. Not unfrequently it arises from a misconception of the requirements

* It has always seemed to me that the highest service a railway officer can perform for the company he serves, is to so organize and direct the affairs of his office that no avoidable loss or disturbance will be occasioned by his death or dismissal.

of his office. Some men are born clerks, and their conceptions never rise higher than those of a mechanical order.

The full development of the executive office requires that the President should blend in himself all the happy qualities that we find in the observer, the thinker, and the man of decisive action.

Upon roads the management of which is esteemed able, we find the duties of President and Manager practically consolidated under the former title, the assistants being traffic managers and superintendents; and upon them, it is presumed, devolve the petty details and such active management of the property as the President may see fit to allow them.

The nature of the organization upon a road where the President takes an active part in its daily affairs, and is permitted the discretion that belongs to the office, is characteristic of the man's mind and the habits of his life. If bred a merchant, banker, lawyer, or soldier, or if he is a man of large conception, we rarely find him busying himself with petty details; he is satisfied to exercise a careful, general supervision over its affairs and the officers connected with it, permitting the latter great latitude in their various departments. Conscious of his power and secure in the local strength of his position, he exercises his authority with moderation and discretion.

If, on the contrary, the President be an officer promoted from the ranks, it is possible, though perhaps not probable, that he will absorb at once in his own person every species of power, making his subordinates merely attendants upon his suggestions. Such a course cannot be too severely denounced; it evinces an indifference or an incapacity to understand the requirements of the office; it lowers the purpose and accomplishment of an organization to the level of a single man's conception, for the reason that it destroys the pride, weakens the personality and saps the intellectual power of the officers to whom the affairs of a company are matters of immediate knowledge and concern.

The martinet system of management, it may be said, while admirable in many respects, renders a high grade of ability in subordinate officers impossible, and otherwise destroys, in a noticeable degree, the *esprit de corps* of an organization in which it is practiced.

The knowledge of railway affairs possessed by operating officers does not in many cases extend beyond the limits of the department or branch of the service over which they preside. This seems surprising; yet it is nevertheless true. Many officers do not have the leisure to study; others are too egotistical; still others too indolent; others again too dull. If an officer whose information is restricted to a branch of the ser-

vice be appointed to the office of President, it is quite likely that he will concentrate the whole strength of his new position on the department with which he is most familiar.* The effect of such a course cannot be otherwise than disastrous.

From what we have said in reference to the office of railway president the impossibility of defining the duties of the President with any accuracy of statement is clearly apparent. The office, it may be said, is peculiar, and its opportunities such as to give scope to the largest ability. Its occupant, to be successful, must possess in an important degree all the great elements that when combined constitute true statesmanship.

“The management of an important railway involves arduous and responsible duties, calling for large business experience and qualifications in judging of men and things, and the most competent and upright directors will find ample scope for the exercise of their best faculties. Their first and most important duty is to select from their number a man to preside over their deliberations, and to take the administrative charge of the executive department of the affairs

* I have known financial men appointed to the position of President who, in their new office, still continued to write with their own hands many of the vouchers, and insisted afterwards in many cases upon personally disbursing the money required to pay them. An accountant made President would still be an accountant; a cashier made President would always remain a cashier, a delver in details.

of the institution. Upon this officer the prosperity of the institution will greatly depend; not, however, as is often supposed, by his vigilance and attention to mere details—though on a short and unimportant railway he may consistently give much attention to details, and perhaps save the duty and expense of some other agent; but on what may be termed important railways, his attention should be directed to the general interests of the institution, and especially to see that he has over each department of service men competent and faithful to carry out in the most efficient manner their respective duties. It is in this last duty that he will find the most important field for his care and vigilance; and all his examination of details should be with reference to know how far he has been successful in this feature of his administration. Here lies the foundation of sound railway management. In the varied and numerous matters involved, it is idle for the chief executive officer to attempt much personal knowledge of details, and in devoting himself to these, except on occasion of special examination in reference to the duties of subordinates or as they come incidentally or by complaint to his notice, he will probably neglect his more appropriate and important duties. His first duty will be to present to his board for appointment, as heads of the several departments, men who have education in the

different branches of service to be provided for. His talent as a business man will be amply proved in the discharge of this duty. If he proves himself a discreet man, with an eye single to the prosperity of the institution, having a frank and high-minded sense of duty, he will gather around him a class of men that will produce order, regularity and efficiency through every department of the business of the institution. He may not succeed fully in the outset of his engagement, but he will ultimately produce the most favorable management.*”

Descending for a moment to details we find in the practical working of railways that many of the acts of subordinate officials are secretly inspired by the President; that many orders and appointments that emanate from lesser officers, decided upon apparently by them without the knowledge or prior consent of the President, really originate with him or have his positive concurrence. His personality permeates every act of his subordinates. The indefiniteness as to the real source of authority in any given case, it may be said, constitutes much of the power of minor railway officers, making their influence so considerable that it is rarely if ever questioned by the great army of subordinates that patiently and laboriously transact all the myriad details of a railway company's affairs. And

* Jervis, pp. 330, '1, '2, '3.

in those rare cases where an officer's authority is questioned, the executive hastens to confirm it, lest the precedent should prove detrimental to the service by producing insubordination and consequent demoralization of the company's force. So that it frequently happens that while the information vouchsafed by the subordinate is not for a moment lost sight of, still the destruction of the informer is as certain as if his charges were false and malicious. This fact is well understood by railway men. Hence it is possible that the most pernicious practices may become habits of daily occurrence, known to many without their ever coming to the knowledge of the President or board of directors.

Thus the timidity or conservatism of capital conspires to bring about its own ruin.

It may be said, generally, that our presidents rest secure in the incorruptibility of their motives. They believe heartily in the honest loyalty and sagacious judgment of their agents, and herein lies much of their strength; for it is a noticeable fact that distrustful men nowhere ever rise to great power or long possess authority or friends.

It is noticeable that a railway organization once perfected under a President usually remains substantially unchanged during his continuance in office; general disintegration rarely ever takes place prior to his overthrow. When

the management for any reason becomes lax or unpopular, it may perhaps be found necessary to offer up a prominent official as a propitiation, but necessities of this kind are infrequent or are not recognized if they occur. When they do transpire, however, the elimination of the official, we may believe, is not delayed by anything approaching delicacy or maudlin sentimentality.

Many quaint and kindly things concerning the presidents and vice-presidents of our roads are found floating around amongst the subordinate officers and employes; the peculiarities of many of them have become legendary upon the roads they once controlled, and in the lulls of business the obscure employe, outwardly dull and uninteresting, delights to recount the legends that have come down to him of the great officers of the company who have existed and passed away. The car of the President is like a meteor shooting at infrequent periods through the quiet country, animating the line, and exciting the active curiosity of every employe. The homage he everywhere receives is as sincere as it is marked.

Finally and generally it may be said that the presidents and vice-presidents of our railway companies possess abilities of the very highest order, and their acts are, as a rule, characterized by sagacious foresight, wise discretion and unflinching fidelity to the interests of the companies they represent. They, with the boards

of direction of which they are the head, shape the policy of the companies, and no act of material importance is performed without their concurrence.

Possessed of absolute power over the destinies of the company's servants, their wishes are law. Exercising the prerogatives of the great offices they fill with wisdom and justice; kindly and considerate of the feelings of subordinates; animated by no jealousies; controlled by no cliques, they receive the sturdy, unthinking support of every element of disposition and temperament that enters into the composition of our railway companies. Frequently knowing but little if anything of the details of the practical operations of a railway, rarely seen by its army of operatives, they are yet thought of with awe and are spoken of with profound respect.

The office they fill on one of our extended lines is not inferior in dignity and power to the most exalted position in the land; their duties not unfrequently being of so grave a nature that the material interests of immense districts, sometimes of the whole country, are accelerated or retarded as they may in their eminent discretion decide.

Pursuing the quiet tenor of their way, court-
ing seclusion rather than notoriety, they realize our conception of great rulers, animated by exalted ideas, dignified in their execution, and unsoliciting and upright in their mode of life.

CHAPTER IV.

THE SECRETARY.

THE Secretary is the trusted and confidential clerk of the board of directors. His discretion in all the delicate matters incident to his office is of such impenetrable stuff that it may be said to be impregnable alike to the assaults of time or the wiles of insidious gossip.

It is the duty of the Secretary to be present at the meetings of directors and of the various committees of directors. All documents coming before these bodies are usually read by him. While in attendance he makes such notes and memoranda of the meetings as may be necessary to enable him at a subsequent period to spread a faithful record of each measure that passed, upon the books of his office; the action of the stockholders at their annual or special meetings he also transcribes upon his records.

It is especially the duty of the Secretary to wait upon and, so far as possible, anticipate the wants of the directors, and in every way facilitate a full and correct understanding upon their part of the affairs of the company they represent.

In reference to the innumerable petty incidents that attend the deliberation of the directors and that surround every measure proposed by them or to them, his memoranda and his books are silent. His minutes simply tell us that such and such a measure was passed, and that such and such directors voted for or against it. Here he stops. The light skirmishing and the dalliance that preceded the meeting are unnoticed in his minutes; the secret caucusing held in remote angles of dark and gloomy corridors; the subdued and cautiously guarded discussions carried on in the seclusion of half-concealed windows; the modifications to which the measure was subjected during the sitting, in the informal chat of the directors, he says nothing about; the confidential murmurs that passed between various members during the meeting; the action of that mysterious and formidable man, the President, sitting alone at the head of the room, grim and observant; the sagacious nod of recognition often indulged in by one particular director, and as often answered by the raised eye-brows and protruding lips of a neighbor across the way; the bursts of temper and the hot denunciation of an old and irascible director sitting at the centre of the table; the lazy indifference of another; the attention paid to his necktie and boots by a third; the silence and the look of determined resolve that shone in the

face of a fourth ; the preternatural attentiveness of a fifth ; the sharp, ringing cry, " I second it," of a sixth—about all these delicious details, so much dearer to us than the dry minutiae of business, the discreet Secretary is silent—silent as the old and gloomy books, worn with usage and musty with the dampness of years, over which he spends so much of his time in silent and meditative labor.

While poring over these old tomes, pregnant with so much that interests him, we observe that he is always preoccupied, sometimes abstracted. His thoughts at such times are busy with the directors far away. It is only when cheered by their presence that he is really alive to all the incidents of life. When in their presence the wrinkles in his face unfold one by one, his brow becomes smooth and polished, and his eyes, usually dim and half concealed, shine with an attractive lustre. The fallacies and the paltry obligations of the infinitesimal world that is subordinate to the directors do not interest him, and seldom occupy his attention. This is natural. The courtier who dwells in the presence of the king and amid the splendors that evince his power feels but a feeble interest in the afflictions of those who pursue life in a colder atmosphere. Warmed by the rays that diverge from the throne itself, he thinks but idly of the cold and half-starved fires that glimmer in less favored places.

It is weaknesses such as these that attach us to the Secretary. He is but human, a kindred spirit after all. To him the board of directors is the guiding star—the luminous power that lights up the sombre recesses of his busy life. The cold affability and unconscious absence of manner we notice in him is observable everywhere, in society and in the affairs of business. The patient but scarcely concealed contempt with which the Secretary regards those less favored in position than he is not a characteristic peculiar to him; it permeates all the grades and crevices of railway service, just as it is observable in all the curious ranks and petty divisions of society.

It is singular that it is so, but so it is, that the real grievances of life never give rise to half the disturbances that are occasioned by the purely imaginary distinctions in which man continually seeks to envelop himself in our favored country to the exclusion of his less fortunate fellows. The Secretary, in the unconscious regard which he pays to the power of the directors and to the facilities of his own office, simply evinces a trait of character inherent in man. This may be a very weak trait and utterly unworthy of our regard, nevertheless it is quite as observable in our country as it is in Europe, where different grades are recognized and scrupulously respected.

In England, when railway companies were in their swaddling clothes, the Secretary was a mighty man in their affairs, the most considerable person, in fact, in their service. Various circumstances conspired to bring about such a result. The knowledge he brought to the consideration of railway affairs was definite and conclusive, and herein he differed from his fellows, who acknowledged their ignorance while continuing to contrive, to experiment, to intrigue.

All the details of railway organization, including the laws applicable to the same, were familiar to the courteous and attentive Secretary. The different companies sprung into existence under his immediate eye; he perfected their affairs and gave them direction. No one else fully comprehended the intricacies of method and procedure that attended the inception and working of corporate bodies. This information, in its paramount importance to the directors of railways, gave him a shadowy prestige that was denied his fellows, whose labors were isolated, and for a time remained unnoticed. The power of the Secretary was mighty; his orders were everywhere scrupulously obeyed, and his slightest suggestions listened to with rapt attention. He was thought to possess the secret of wealth. The joint-stock companies that sprung up on every hand, and that enriched all who partici-

pated in them, he alone fully understood. Hence his power.

But the basis of his power was, after all, only a species of knowledge easily acquired; its existence did not, therefore, outlast the superstition that gave it birth. With the increase of joint-stock companies and the publicity that attended the organization and conduct of their business, the knowledge of necessary details, before known only to the Secretary, became general with railway men and capitalists; this diffusion of knowledge was fatal to his power, and from a person of influence and direction he became simply a servitor, glad to earn his bread in obscurity and comparative disgrace.

In reciting the history of the English Secretary, we recount that of his cousin in the United States. The English Secretary, however, still retains a nominal control over the accounts of railways, but in the United States this distinction, if it may be called a distinction, is, except in isolated cases, not allowed him, the control of the accounts, where he possessed it, having been filched from him by the rapacious officers who control the departments in which alone a thorough knowledge of the details of accounting can be acquired or retained.

The duties of Secretary, as we understand them, may be said to relate exclusively to the convenience of the board and to the fulfillment

of the legal obligations necessary to preserve the life and prerogatives of the company he serves.

It is particularly his duty to prepare and cause to be published the notices of meetings of stockholders that the customs of the country and the by-laws of the company require.*

The notice that it is usual to send to directors of the meetings of the board and of the committees in which they are interested have also to be prepared and sent by the Secretary. The elaborate preliminaries that these meetings render necessary devolve wholly upon him. The minutes of the meeting immediately preceding the one to be convened must be ready, at hand for use at the opening of the session ; the records of the preceding meetings must also be available for reference, if desired. He must also bear in remembrance the business left unfinished at the last meeting. The accounts and other data that the meeting is likely to require he must be familiar with and have ready at his hand. The reports of the various committees and officers of the company required to make returns, and all communications addressed to the directors, no matter from what source, he has filed and in

* " Notice of the time and place of the meeting (of stockholders), signed by the President or Secretary, shall be published in two of the daily newspapers of the city of Chicago, and in one of the daily papers published in the city of New York and the cities of Rockford and Galena in the State of Illinois, at least thirty days previous to the day of meeting."—*By-laws Galena & Chicago Union Railroad Company, 1859, p. 5.*

his possession for presentation to the board in the due sequence of business. The resolutions of a formal nature that characterize, to a greater or less extent, all meetings of stockholders or directors, are in his possession, ready to be offered at the opportune moment. He also interests himself in the ballots that are to be cast by the stockholders, especially those that have the official sanction of the existing organization. It is his duty to furnish the tellers or persons in charge of the polls at the meeting of stockholders with a carefully prepared list, duly attested and drawn up in alphabetical order, of the stockholders and bondholders that are entitled to vote.

The records of bonds and stocks are written up under his supervision. The books in which the records are kept of the registered bonds and capital stock transferred are under his charge, and no share of stock or registered bond is permitted by him to be transferred, unless duly and properly authorized by the owner of the same, and in all cases the bond or certificate of stock that is taken up in lieu of the one issued therefor he causes to be duly and properly canceled. It frequently happens that the transfer of stocks and bonds is conducted under the direction of some banking house or other fiscal institution; in such cases the responsible duties of the Secretary are greatly lessened. He has, however,

still to sign the company's bonds and certificates of capital stock preparatory to their delivery in blank form to the agent appointed to make transfers.*

The Secretary is required to keep a list of the names and addresses of all the directors and registered bondholders, and, so far as possible, of the stockholders of the company, so that communication may be had with them when occasion requires. As the period for the annual election of directors approaches, we frequently find him in friendly communication with the various proprietors, requesting the proxies of such as are inclined to favor the party in power.

The Secretary is intrusted with the care of the corporate seal of the company, and his signature, in conjunction with such seal properly affixed, is necessary to give legal form and status to the bonds that may be issued. All coupons attached to these bonds have also to be authenticated by his signature or that of the Treasurer.

All leases, and the more important contracts and agreements, bear his attestation; and in reference to this last rule there should be no exception whatever. The necessity that he should attest all such papers will serve to bring them directly before him. In this way no lease, contract or agreement can escape his

* Where this practice is observed the countersignature of the fiscal agent is requisite to give the stock or bond validity.

notice. This is very important. The records of his office should contain careful transcripts of all such papers, and whenever they have relation, no matter how remotely, to the business of one or more of the departments of the company, it should be his duty to furnish a careful copy or digest of all such papers, without delay, to the various officials interested. He should also be required to do this in reference to any resolution of the board, or any of the committees, so far as they affect officers other than himself.

The extent and variety of the leases, contracts and agreements in force, upon a road of even the second class, is so great that the accurate knowledge which the Secretary possesses in reference to them makes his services more and more valuable each year, until ultimately he becomes a veritable storehouse of knowledge; this knowledge possesses a value to him, and the company he serves as well. But this fact should not permit him to omit duly and systematically to register and index his books of record, so that, in the event of accident or retirement, no avoidable trouble would be encountered by his successor and no unnecessary loss would accrue to the company in consequence of the change.

When these precautions are neglected by the Secretary, great embarrassment, and sometimes considerable losses, arise in consequence.

While the Secretary is the proper custodian of

the documents affecting the company's interests, it should be his especial duty at all times to keep the various officers of the company fully advised of such matters as belong to the various departments over which they have control. He must be careful, in emergencies of business such as these, that his desire to make himself indispensable does not lead him to confuse and mystify the functions of his office. The Secretary, like the tutor of Louis XIV., should strive by the efficiency and the heartiness of his service to make himself *useless* to those he serves. The duration of his service will be greatly prolonged by such a course. Officers of railways cannot learn too early in their lives that no man is really of any great permanent importance to a company. We know that delusions upon this subject are very frequent, and that they oftentimes result very unfortunately to all concerned. There are periods, without doubt, in the life of almost every officer of any prominence when he may be said to be indispensable to his company, but such periods occur at infrequent intervals, have but a momentary existence, and are soon forgotten or ignored. The great expectant throng outside that jostle and crowd each other in their strife for place and power can always be depended upon to furnish a man equal to every emergency. The official who to-day fills every eye will, the week after his retirement, be

scarcely mentioned, and a month, or a year perhaps at farthest, will suffice to consign his memory and the acts of his life to an oblivion from which nothing can ever permanently rescue them. While an officer can by honest and intelligent service over a series of years make himself valuable to the company he serves, he can never hope to become so important a factor in its affairs that his loss will be seriously anticipated or long noticed after it occurs.

CHAPTER V.

THE TREASURER.

UPON this officer devolves the responsible supervision of the company's financial affairs; he is the custodian of its funds, its assets and its collaterals, and it is his duty to watch incessantly over their safety. Upon him devolves the labor of collecting and disbursing the company's revenue. This labor is not relatively the same upon different roads. The work of gathering the revenue is increased or diminished just as the agents are efficient or otherwise.

In reference to the disbursements, the perplexities of the position of Treasurer are greatly lessened when the company is so happily situated as to possess a generous surplus over what is demanded for working the line and for meeting its sinking funds and the interest on its bonds.

A large percentage of the income of every company is not available. It consists of uncollected earnings and earnings in course of collection and transmission to the Treasurer. The amount thus outstanding varies with the extent of the road and the nature of the business trans-

acted. Upon many lines it will amount under the most favorable circumstances to quite four per cent. of the gross earnings. Proper consideration is never given this fact in the actual operations of a company. In the declaration of dividends the total net income is frequently apportioned. The property has earned it, and the owners are entitled to it. There is nothing wrong in the declaration ; it is right and proper. Nevertheless, while the company has consistently earned the dividend it declares, still the money is not in the possession of the Treasurer. It will all come in perhaps, within thirty days ; but while the old vacuum is being filled a new one of equal magnitude is being created, so that the finances are not perceptibly better. This discrepancy between the net income of a company and the cash actually in its vaults is one of the many fruitful sources of irritation to the Treasurer.

In addition to the large amount of outstanding earnings, which the Treasurer never sees except prospectively as we look at an object inversely through a telescope, he is called upon daily and hourly, much to his discomfiture, to make disbursements out of the revenue of the company for purposes foreign to the legitimate expenses of working and maintaining the property as the same is charged to income. Every cent so expended lessens his ability to meet the just obli-

gation that is due to stockholders as it is expressed in the form of dividends. As a rule the money required to purchase material and fuel is borrowed from the net income; this is also frequently the case with the "Miscellaneous Assets;" in this way large amounts are absorbed. There are other channels of expense; new equipment has to be purchased, new buildings are to be erected and supplied with the necessary furniture and fixtures, new and permanent bridges must be bought to take the place of temporary structures, diminutive spurs and additional sidings have to be provided, increased depot facilities must be secured, telegraph lines have to be strung, tunnels have to be bored, viaducts have to be erected, cuts through hills and mountains have to be deepened and widened, and embankments have to be heightened and strengthened. Additions such as these are common upon all roads, and, singularly enough, they are more frequent upon lines just completed than upon lines long in existence. Isolated, no one of the construction items that we have named will, perhaps, require a large sum of money, and the amount it would need might be borrowed, temporarily, from the net income without great inconvenience; but taken as a whole the aggregate annual additions of a permanent character are very great.*

* I assume that a property or construction account is kept by every company separately from its working account. This must be the case unless the pro-

When the construction of new lines, or considerable branches or extensions, is undertaken by a company, the money required to pay for the same is usually provided for at the inception or during the progress of the work; this is also the case with extraordinary improvements of a local nature; but systematic provision is rarely made by a company for the petty additions to its property that are being made from year to year, and the result is that the finances of opulent companies are habitually embarrassed in consequence of this neglect. The remedy lies in the creation of a "Working Fund," never to be disturbed, equal in amount to the uncollected earnings, supplies, assets and unfunded property account. It is noticeable that the more conservative the management the more adverse it is to the procurement of the necessary means to meet improvements and additions by the sale of securities. In some cases it is impossible to make sales without suffering a large discount; it seems justifiable therefore under such circumstances to borrow of the stockholders, as the discounts

prietors desire, for themselves and their successors, to relinquish to the public the right to earn a reasonable dividend on the *actual* cost of their property. The disposition to charge expenditures of a permanent character to income account is more prevalent than would be supposed.

Thus, in its report for 1878, the Illinois Central R. R. Co., says: "The Board has also directed that \$1,000,000 more be deducted on the one side from the surplus account and on the other from the valuation of the property."

This method of financiering is supposed by some to strengthen a company's credit and enhance the value of its securities.

suffered must eventually come out of their pockets.

Contingencies such as we have mentioned are of daily and hourly occurrence, and they tend greatly to increase the burdens of the Treasurer. While the income of a company is frequently limited to the capability of the property to earn money, its expenditures are based on the wants of the property irrespective of its resources. The Treasurer thus finds himself not unfrequently in the position of a debtor, without the means of answering his obligations except by multiplying and extending them.

It seems, superficially, as if the dullest school-boy's sense ought to be superior to the idea of incurring expenditures before provisions had been made for their payment. Nothing is so simple. How trite and well-worn the ancient maxim—"Pay as you go!" Its truth is always apparent to us; so apparent, indeed, that its practical application is never for a moment thought of in the philosophy of railway finance. We go on improving and extending, reluctant to increase annual interest by selling bonds, and afraid of destroying our credit by issuing stock. Notwithstanding the apparent absurdity of such a policy, it is yet consistent with the highest and best interests of a corporation, and in many instances it is the only policy that can safely be pursued. The stockholder of the present is lost

sight of in the stockholder of the future. But such a policy, no matter how imperative or desirable, is none the less a source of embarrassment to the Treasurer in this, that it leaves him without the means of satisfying the just obligations of the company he serves, or rendering to the current stockholder the income that the property has justly earned.

Aside from these extraordinary expenditures, the wants of the operating department may be said to crowd closely upon the resources of a company; they sometimes anticipate the receipts by weeks and months.

The Treasurer has, therefore, to keep himself advised at all times of the probable cash receipts of his company for a considerable period in advance, and must so arrange his payments as to conform thereto.*

The office of Treasurer with a poor company is an exceedingly irksome one. Its necessities compel its incumbent to resort to every admissible subterfuge, and constrain him to accept with cheerfulness all sort of affronts, if, thereby, he may eke out his scanty resources. He early learns this truth, that his position is systemati-

* Directly succeeding the panic of 1873, the Treasurer of one of our prominent roads, the net earnings of which at that time did not exceed \$950,000 per annum, was able, without injury to the credit of his company, to carry a floating debt of some \$5,000,000 for two years, until a readjustment of its affairs could be effected. This incident in the life of a particular company illustrates the value of credit and shows how it may be retained under the most adverse circumstances if skillfully handled.

cally misunderstood by the public. They ascribe his dilatoriness to personal contumacy or absolute neglect of duty. Erroneous impressions such as these cannot be corrected without compromising the credit of his company ; he, consequently, encourages their propagation. Compelled to ask credit in the most trivial cases, he lingers reluctantly over the settlement of every claim. When accounts have run their allotted period, he has frequently to lengthen their life by renewals in a different shape. Thus, a book account, when due, he supplements, if the credit of his company be good, by note or acceptance. This is considered permissible. An open account that is due may be extended without sensible loss of credit. It is, however, different with a note or acceptance. This distinction seems to be very nice—hardly perceptible, even to an expert ; it nevertheless exists and is well understood. The commercial world agree substantially in looking at the renewal of a note or acceptance as an indication of mismanagement or as being the *avant courier* of bankruptcy. For this reason the Treasurer who values his own reputation or the credit of the institution he serves, will never for a moment contemplate the renewal of a note or acceptance. He will, on the contrary, draw the original with such wholesome margin that when due it can be met

and paid without thought or suggestion of extension.

The duties of the Treasurer require that he should make provision for interest as it falls due and for such dividends as may be declared, and upon him also rests the responsibility, while attending immediately to these payments, to surround them with such checks and safeguards as are necessary to protect the company and secure, as well, an accurate and prompt fulfillment of its duties to its creditors.

The sinking funds which the mortgage bonds of the company provide for have also to be looked after by the Treasurer, and as they are frequently made payable in the bonds of the issue for which the sinking fund exists, he must go into the market and make such purchase as he needs in anticipation, and at such favorable figures as he can.

The duties of the Treasurer require him, in conjunction with the board of directors or the President, to negotiate all loans, whether of a temporary or permanent character, that the affairs of the company render necessary. The difficulties surrounding this labor are apparent without elaboration. The sales of its securities and assets are also negotiated by him, and when the accumulation of funds will permit, it is his business to loan the same for short periods or on demand, when he can do so with perfect

safety, and at rates of interest that justify the transaction. The performance of the duties just named are the most delicate that appertain to the office. They require the exercise of an extended knowledge of financial affairs and a sound discretion.

It is, however, in connection with the collection of the revenues of a company, arising from transportation performed and from the sale of supplies and labor, that the most vexatious responsibilities of the Treasurer are to be found. These collections are the subject of his untiring thought; he follows them with the most painstaking pertinacity through all the ramifications of the service until they finally reach the treasury. All the avenues of trust have to be guarded, from the performance of the original contract by the company to the final rendering of the money its agents receive in connection therewith. The performance of this important service necessitates the possession by him of all the sources of information that may be available, however slight they may appear. His representatives must have unimpeded access to the books and accounts of agents and others at all times; and to enable him to possess a full and correct knowledge of the duties of his office, it is thought essential by many that all the accounts should centre immediately in his hands, or be directly contributory to his department.

The prominence and strength of the Treasurer's position, as the financial officer of the road and the nominal custodian of the company's purse-strings, gives him a power and prestige in the organization not possessed by any other officer of equal rank; he is thought, therefore, by many to be in a position to exercise a pressure in behalf of intelligent accounting that cannot be secured uniformly elsewhere. It is apparent that, without the information afforded him by the accounts, his supervision over the receipts and expenditures is merely passive. The accounts are also necessary to enable him to accurately forecast the receipts and disbursements; without them he has no definite assurance that the receipts are not delayed or alienated, or that the payments are *bona fide*. However, this assurance may be possessed by others, and the supervision over the details of collecting and disbursing may be, and is, in fact, upon many lines exercised with intelligence and zeal by officers outside of the treasury department.

The Treasurer is the custodian of the securities deposited by agents and others for the faithful fulfillment of their duties to the company. The vicissitudes of business require that these should be carefully scrutinized by him at short intervals of time, to prevent the retention of those that may have become worthless.

The conduct of affairs in the treasury department is attended with many incidents that try the courage and test the forbearance of the Treasurer. It is the duty of his office, for instance, to pay the coupons on the various classes of bonds as they become due and are presented for redemption. It will sometimes occur that these coupons will be lost by the owners, or representations to that effect will be laid before the Treasurer. In such cases he manifestly cannot pay without adequate protection. Nevertheless, claimants will persist that other security than their word is unnecessary. Stockholders who have, through ignorance or neglect, allowed their certificates of stock to stand upon the register in the name of former owners, will arrogantly claim the proceeds of dividends without feeling it incumbent upon them to establish the authenticity of their statement. Counterfeit interest notes will be presented at his counter for payment, and spurious stocks and bonds will be brought to him by innocent holders to be exchanged for *bona fide* issues.

The Treasurer may be said to dwell amidst constant alarms, and his official existence is shadowed by a never quieted trepidation lest some mishap befall the interests entrusted to his care. The petty vexations that beset him are numerous.

Urgent claims crowd upon his notice for pay-

ment at inopportune times; when engaged in providing the money for paying the force of operatives employed, settlements will be demanded for people killed, for injuries, for losses, for damages, for legal services, for doctors' bills, for coroners' fees, for rebates, for discounts, for taxes, and for other claims of a similar character.

Each department and petty branch of the service, ignorant of the wants of other departments and branches of the service, or esteeming their particular favors more imperative than all others, will resent as discourteous or lacking in coöperative interest any delay that characterizes him in the payment of bills contracted by them.

In his efforts to collect the resources of the company, debtors will artfully prolong the life of accounts by avoidance of his agents; patrons of the line will clamor with a thousand voices for a few days or weeks in which to settle for services rendered.

Creditors will importune him, sometimes justly but frequently without reason, and failing to force a compliance with their wishes, will seek to override the prerogatives of his office through the medium of superior officers; many creditors will seek to have their claims anticipated; others will stick for the minute fulfillment of their contract, while others again will voluntarily grant him such margin as the necessities of his position sometimes require.

His good judgment, and the extended knowledge of forms and customs which he has, will continually be brought into requisition in shaping the form and wording of the receipts he receives in return for the disbursements he makes.

He will be scrupulously careful neither to receive himself, nor to permit others to receive on his account, moneys, without the formal rendering of a receipt in return.

He will continually watch the records and books of his office to see that they are in all respects complete, and that the connection and sense of the entries that are made are so clearly and fully apparent that a dullard may unravel them long after the Treasurer who inspired them has been retired.

It is the Treasurer's experience that the delays in the settlement of claims occasioned by the red-tape and dilatoriness of other departments, in the preparation of such claims, are, as a rule; attributed to him.

His daily life is filled to the full with incidents peculiar to his office. Impecunious operatives waylay him, in the most absurd and out-of-the-way places, for the purpose of extracting from him wages that are yet to be earned, and that probably never will be earned; constables lie in wait to serve notice upon him of the garnishment of the wages of employes; claims already settled in full will, through the inadvert-

ence of others, come before him a second time and their payment be demanded with brazen effrontery ; mendicants will haunt his footsteps, impostors will claim his aid, and the agents of eleemosynary institutions will approach his office just as they would a sacred shrine ; poor, dilapidated boarding-house keepers, shrunk tradesmen, and horny-handed washer-women with piping voices, and frowsy men will importune him, by day and by night, to save them from threatened losses for petty credits unwisely extended to irresponsible employes. More serious than these petty annoyances, unscrupulous and desperate men will seek to blackmail him, or, failing in that, to blast his character. The venal will seek to corrupt him. The extremely politic will seek personal advantage of him through the medium of attentions more or less surreptitious, and he will be persistently importuned to extend favors to one that he does not extend to all. His trusted friends, even, conspire to make life a burden to him. Preternaturally zealous subordinates pour into his weary ear suppositious tales of collusion and theft—present or contingent—manifest on the line ; incidents teeming with darkly suspicious circumstances are thrust upon his attention. Like a prosecuting attorney he is for ever made the custodian of unhappy secrets, of information that disturbs and excites him ; until, in the ful-

ness of time, his nervous system, his digestion and his power to be useful all become things of the past, and he is finally succeeded in his office by a stronger and fresher man to whom the details of such a life are not a burden.

CHAPTER VI.

THE GENERAL MANAGER.

IN the olden time he whom the railway world now recognizes with deferential regard as the General Manager was known among men as the Superintendent; time passes on and we hear of him as General Superintendent; from this he advances by easy and natural stages to the modest title of Manager, and from that to the more sonorous designation of General Manager. Where this progressive state will terminate it is impossible to tell.

The animal life with which our railroads abound may be said to have its centre in the General Manager. To the myriads engaged in the practical details of operation he is the embodiment of fate; the man on horseback; the arbiter of the destinies of many men. His smile animates; his frown destroys. A man of brawn, of toughened fiber, destitute of nerves, inured to strife, accustomed to command, he rides down with merciless severity all obstacles that impede his course.

The General Manager is a man of comprehen-

sive views and rare administrative ability ; quick to analyze, rapid in decision, and as immovable in his opinions, when once they are formed, as the seven hills of Rome.

Like a general in the face of the enemy, he must be incessant in application and resolute in action, distinguishing at a glance the material from the immaterial ; full of expedients, self-possessed and attentive when all others are excited, keeping his forces always well in hand and calmly surveying the whole field of action, but not too much engrossed to give the most minute details thoughtful consideration.

He is the very incarnation of activity and energy.

The men engaged in the practical operation of a road look constantly to him to indicate the general policy to be pursued. Trained to obey, they rarely assume the initiative. In consequence of this he rapidly assumes all power, holding himself but lightly so long as there is one independent officer who stands between him and absolutism.

In thus seeking to centre in himself every species of power, it does not by any means follow that he is animated by any unworthy purpose ; on the contrary, his motives may be and are, undoubtedly, of the most exalted character.

He comprehends more clearly than any one else can that it is only by active co-operation, at

once animated, cordial and united, that great results can be accomplished.

Impressed with this knowledge he does not always stop to consider nicely the necessity or desirability that his office, like the others, should be impartially weighed.

Animated by a lofty ambition, he is impatient of restraint: nevertheless, it is important that he should be weighed in the balance with the others. To permit this it is essential that the operations of the company should be impartially reported. Whether they are so reported or not rests with the Accounting Officer. If this officer is expected to render an impartial statement of the operations of the Manager, it is essential that he should be independent of him: the good of the service does not suggest nor require the subordination of the Accounting Officer; its necessity is purely imaginary.

The support of the Accountant is immaterial to the Manager, and the subordination of the former to the latter is a fatal absurdity. The approval or disapproval of the Accounting Officer is of no possible consequence to the Manager or to the efficiency of the service, so long as the duties are creditably and faithfully performed. It is not likely that the Accounting Officer, if made dependent upon the Manager for his official existence, will at all times be able to proceed with his duties as a faithful histo-

rian with the imperturbable calmness that should always characterize his action. On the contrary he will constantly seek to give every exhibit he makes a fictitious coloring favorable to the person to whom he is indebted for employment; to do otherwise would be to risk his position. This he will not do; hence, instead of being a valuable aid to the direction in enabling it to judge of the efficiency of the management he helps to mislead it.*

If the results of the operations of a road, as recorded by its Accountant, are to be accepted by the board of direction as trustworthy and conclusive, he must be left to exercise the functions of his office without constraint or embarrassment.

In reference to the General Manager, it is no disparagement to the other officers engaged in the practical operation of our railways to say that he is in all respects their superior. The necessities of his position compel him to be a man of the most versatile knowledge and happy intuitions. He must be generally familiar with every department and branch of the service, and

* It may be truthfully said that in those cases where the directors of a company are most likely to make such a division of responsibility between the Manager and the Accounting Officer as I have mentioned, it is the least likely to be required. Indeed, upon many roads, upon the great bulk of them I may truthfully say, the General Manager is so honorable and upright in his character that all the operations of a road, including the accounts, may be safely left to his discretion. In advocating a division of responsibility, I simply advise the adoption of a system of management that provides for all the contingencies to which a company may, with the lapse of time and the change of men, be exposed.

he must be able to shape the policies of the great departments under him, and exercise the responsibilities of minute direction in the innumerable questions that arise daily in every branch of the service.

No company, no matter how favorable its situation, can long enjoy prosperity if its managing officer is lacking either in ability or fidelity to its interests. He must also be experienced and familiar, by long acquaintance, with every phase of its affairs.

A man somewhat noted as a railway manager has remarked, in effect, that an officer of inferior capacity, long in the employ of a railway company, is capable of rendering it much better service than a new officer of far greater ability. This is undoubtedly true, and explains the indisposition of our railway companies to change the *personnel* of their organization when once it has been perfected. Isolated changes are, of course, unavoidable, but they are made as few as possible consistent with the general efficiency of the service.

Possessing, as our managers do, the highest executive ability that finds employment in the service of railway companies, the bulk of the work done by them is performed by other hands. It is only occasionally that we find a Manager possessing an organization so unhappily constituted that it is unable to place the

drudgery of business upon the heads of the various subordinate departments. The Manager's duties are much like those of the President, already described, and his greatest usefulness is in directing and supervising the work of others.

In selecting his subordinates, the Manager is governed by a desire to secure the most efficient assistants possible. Once their selection is perfected, he should allow to each the fullest latitude consistent with the harmonious working of the whole organization. In this way he increases the understanding and heightens the individuality and the self-respect of his staff. Such a policy, consistently pursued, will bring together men of the best type, and secures from them the highest service of which they are capable.

It is noticeable that whenever the supervision of the Manager of a railway descends to a fussy interference with the duties of his subordinates, the effect is to destroy the dignity and the sense of responsibility of the persons over whom this unwise surveillance is exercised. They lack interest in their work, and as a rule are inert and inattentive, except as they are acting under the immediate inspiration of the Manager.

The paternal form of management, although admirably adapted in many respects to railway service, is yet the occasion of many grievous evils. Its head, the Manager, resents, not mali-

ciously, perhaps, but from the mere force of his strong and active temperament, all independent thought or active suggestions upon the part of subordinate officers.' They consequently cease to think for themselves, and fall rapidly into the more comfortable role of automatons. Such a state of affairs is to be regretted, no matter how great the ability or how wide the experience of the chief manager; he can ill afford to dispense with the observation and sense of his staff. They comprise the cream of the service, and are always men of superior intelligence, force and vigor. Naturally aggressive, they are sometimes arrogant and always proud; it is impossible to make puppets of such men without destroying them.

Where the paternal system of management exists, instances are continually arising in the routine of business where the officers of the staff must put off or refuse to consider many interesting and important problems that are presented to them, or they must acknowledge to their inferiors and to the public, whose respect they desire to retain, that they are not permitted the slightest discretion by their chief, the Manager; that they have, in fact, none of the prerogatives that men esteem; that they are simply clerks or messengers for conveying information to the Manager and for delivering his behests. Rather than make so humiliating an acknowl-

edgment of their impotence, they put off or suppress, from time to time, matters of the greatest consequence to their company. Thus public dissatisfaction is engendered, and the prestige of the force lessened. Undoubtedly such a course is wrong and excessively weak upon the part of officers practicing it; but it is a characteristic noticeable in all able, high-spirited men, and only that class of men is fitted to control interests so important as those centered in our railways.

The high qualities of manhood that carry men forward and upward to positions of such prominence and responsibility as that occupied by the managers of our railroads cannot brook restraint. In many cases the men occupying the office find it impossible to share with others, even with their subordinates, any species of power. Absolutism is with them one of the concomitants of their existence; when denied them, their usefulness is impaired by the incessant strife and intrigue that they submit themselves to in order to obtain it. Hence everything pertaining to the active physical life of our railroads should be left absolutely to the discretion of the Manager, be he President or otherwise. While the directors may not cease to make active inquiries in reference to their property and its management, they should not interfere actively in the operations of the road,

except through the Manager. The authority of the Manager being fixed and unquestioned, he is much more likely to use his power with discretion than if it is liable to be called in question at any moment.

As a rule, men occupying positions analogous to our railway officers are unjust and brutal only when struggling for recognition and place. Generally when these are attained they exercise the prerogatives of their office with mildness and good judgment.

No position in life that occurs to us requires greater application or the exercise of a nicer discretion than that of the Manager of a great railway. His duties are of the most diverse character, and their highest fulfillment requires him to possess the grace of manner that characterizes a gentleman as well as the discernment of a good business man. We cannot attempt to follow the Manager in the round of his duties, nor fitly describe their number or performance. There is no perceptible interlude between the performance of one duty and the commencement of another. His mind is trained to address itself to the present, to the entire exclusion of that which has already been accomplished. His method is progressive in its character. He advances like a locomotive, without haste or interlude, but requires, seemingly, no propelling power to give force or continuity

to his work. One moment we find him busied with the introduction or perfection of some enterprise or improvement that he considers valuable; turning abruptly from this, we discover him patiently and impartially acting as judge in some matter of difference between the servants of the company, or between the company and the public.

Ever in search of more perfect appliances, he studies with unvarying interest all the new methods or machinery that are offered for conducting or carrying on the business of railroads. While he sometimes submits the so-called improvements that are laid before him to the most exhaustive tests, yet generally he may be said to decide impromptu for or against them. As Carlyle has said that mankind are in the main fools, so the majority of the so-called discoveries in railway appliances possess no value whatever.

Many of our railway managers possess so acute a sense of their responsibility that they are not satisfied unless they personally inspect, at short intervals, the condition of the company's property. They must know from observation, as well as from the returns that reach their office, the condition of the various shops and the state of the work in progress. They are to be seen each day at the principal depots of the company looking personally to their condition and wants.

The excellence and adequacy of the rolling stock possessed by a company is at all times of the liveliest concern to its Manager. It is not too much to say that a company's equipment never approaches that state of high perfection that he desires it should reach.

A matter of equal, or, perhaps, greater importance to him is the condition of the road-bed and track. He understands better than any one else how important it is to the preservation of the rolling stock that the track upon which it moves should be kept in good condition. Above all, he delights to exhibit to the directors and stockholders a road kept in the highest state of efficiency. He is immensely gratified if he can excite the envy of contemporary managers, and he knows he accomplishes this when he exhibits an exceptionally fine piece of track, or displays equipment more elegant than is usual with rival companies.

After the Manager has visited the shops of his company, and noted the condition of the outgoing trains,* we find him closeted with his secretary deeply engaged in examining and replying to the letters requiring his attention that have come in by the night's mail. It would be curious as well as interesting if the extent and character of these communications could be accurately

* Upon our great roads the multitude of duties to be performed renders this daily inspection exceedingly difficult, if not impossible in many cases.

portrayed. Their variety would both astonish and amuse the world. Let us examine a few, picked up at random, the product of one day.

In the first that we take up we at once discover the writer securely perched upon a lofty and inaccessible height, from which he discovers, with the prescience of a statesman and the facility of a school-teacher, the present or future wants of railway companies in general and this company in particular. These wants he unfolds at great length, his taste running in that way and his time not being a matter of consequence to him. He has no request to make. He is a humanitarian, a philosopher and observer. The Manager draws a sigh of relief when the letter closes; he expected a request for a small loan, a pass at least.

Another writer, the third in a family of seven who have distinguished themselves in mathematics, as he tells us, desires to call the attention of the Manager to a new brace which he has patented, and which is destined to prevent the wear and tear of machinery and greatly reduce the consumption of fuel. This brace he describes at considerable length, and gives, roughly, in pencil, numerous practical illustrations of it from different points of view. He desires its immediate introduction, and hints darkly at a project he has for its capitalization that will enrich all whom he favors.

The third letter we pick up merely asks for a permit to ship, free of charge, certain household goods, live stock and farm appliances, in consequence of the grief and distress caused the owner by the death of his third wife.

Another asks for a special rate, basing it upon the fact that his uncle was at one time an active and patriotic member of the State Legislature, and that he, the writer, hopes some time, with the assistance of his friends, to attain a like eminence.

Another writer—a lady—reports at great length the reprehensible conduct of an employe, who stared at her with unvarying pertinacity during a ride of twenty-three miles, occupying exactly an hour and twenty minutes. The offending eye of the employe in question was, happily for her, as the Manager afterward facetiously explained, made of glass; it was, moreover, an eye bought for him by the company to replace one that he had lost in its service; the stare, therefore, was a corporate, not an individual, offence.

The sixth letter we glance over claims an annual pass—not that the writer, as he explains, is at present engaged in any way that warrants him in soliciting such a favor, but it has been extended to him in previous years, and he consequently desires its continuance.

Another writer encloses a few worn and

battered postage stamps in a letter humid with self-abasement and the fumes of tobacco. He desires to make reparation for the crime of stealing a ride upon the company's cars, at a particular date, which he mentions with scrupulous precision, but upon which day, according to an old calendar, no trains were run. The stamps he beseeches the Manager to receive; he expects no recognition of his honesty; his conscience tells him he should make restitution; he does so, and in the performance of his duty rests content. Still, he is poor and the father of a large family in destitute circumstances; he would therefore feel humbly grateful, very grateful, if the company could consistently give him something to do—the position of agent or conductor, perhaps. While he does not feel quite certain that he could manipulate a freight train, he feels quite assured that he would have no difficulty in handling an ordinary passenger train; if it is not possible for the company to favor him with a position at once, he would feel grateful if they could furnish him meanwhile with a car-load of fuel to keep his family from freezing to death.

Still another communication solicits a liberal subscription from the Manager on behalf of an infant charity that the writer has in charge, namely: The Association of Foundlings and Half-Orphans. Its merits appeal alike to all classes, ages and sects, and the great corpora-

tions of the country, by rendering such worthy enterprises the timely assistance that they require, will, as the author explains, forever endear themselves to the masses of the people, on whom they are so entirely dependent.

Communications such as these, although prolific in number and avoirdupois, constitute only the froth that floats into the Manager's office with the night mail; the bulk of the letters that reach him affect directly the welfare of the property he represents. These letters have to be critically analyzed and carefully considered before they are answered. And in the answers returned the most painstaking care must be observed, lest some ambiguous or abrupt sentence should creep in that would mislead or offend the recipient. The letters emanating from the General Manager may be said to possess the brevity of business communications, combined with the cautious construction that marks the correspondence of a diplomatist.

The duties of the General Manager vary with each succeeding day, but each day is filled to the full with its attendant incidents. At ten o'clock we find him personally receiving those who seek his presence. The idle or frivolous he dismisses with a *brusque* courtesy that sometimes offends, but is never intended to be rude. Except in rare instances, each comer receives the exact consideration which his position or the

nature of his case warrants. These interviews terminated, we find the Manager in private consultation with his superintendents and train-masters, regulating the time-tables of the company and disposing of the numerous questions that his assistants bring to him for advice or direction. Afterwards the heads of departments claim his attention in the adjustment of rates and divisions, and in the disposal of the new matter or phases of business that have come up since their last interview, and about which they are in doubt. The interview of these department officers with the Manager is generally succeeded by the calls of the petty officials and employes of the company, who somehow or other find occasion and excuse for seeking his presence.

It may be said, in passing, that the life of the average railway official would be dull and uninteresting, indeed, were it not that it is now and then warmed and encouraged by contact with the General Manager.

In his intercourse with his subordinates, the Manager has upon his side much to say to such as present themselves before him. It is his business to keep them accurately posted, from day to day, and from hour to hour, in reference to the policy of the company, whether secret or otherwise, so far as it affects the several departments and branches of the service over which they preside. In no other way can hearty coöpera-

tion be secured, and no wise officer will knowingly hide from his assistants anything that may affect the interests of the service they have directly in charge.

While the office work of the Manager is arduous in the extreme, his duties along the line of his road are not less so. Compelled to travel with the utmost expedition, he yet manages to observe everywhere the condition and wants of the property, and the industry and bearing of the company's servants. All the innumerable questions that have been held in abeyance awaiting his presence are carefully classified and arranged by the zealous operatives along the line in anticipation of his visit. At every stopping place he finds these questions awaiting his decision. They are laid before him with great particularity. Generally they appear in the shape of interrogatories. Not one of them can be avoided or ignored, and upon the wisdom and experience that directs his decision rests his reputation as Manager with the obscure and practical employes of the company. For, while the subordinate obeys the directions of the officer over him with blind obedience, yet he nevertheless passes judgment upon every act of his superior. This judgment is not the less effective that it finds no audible expression.

Aside from the local duties performed by the Manager, he must be able, in all the multitud-

inous questions that arise between his company and its connections, to advise, and, if necessary, direct the officers of the departments interested. The company looks to him to see that these officers are not overreached in consequence of the craft or superior ability of men inimical to its interest. This duty involves a range of knowledge upon his part that no cramming process can ever enable him successfully to attain. He must, in fact, be a practical railway man, an officer to the manor born.

The responsibilities of the Manager require him to attend in person, with his department officers, all the important meetings or conventions of the different companies with which his line comes in contact, or that in any way affect its interests. The success that he meets with in such conventions will depend largely upon his ability and experience. While his assistants will afford him, at such times, much valuable aid, yet he must himself be able to discover and thwart the purposes of rival organizations, when such purposes are not founded upon the broad ground of justice and equity.

Rising a plane in the character of his office, the Manager must be able to keep the board of direction at all times advised of the present and prospective wants of the company it represents. It is his duty to discover in advance the probable requirements of business, the aims of rival

companies, and the means of defeating them. The direction also depends largely upon him to report upon the improvements and additions required, classifying and arranging them in the order of their importance, distinguishing between those that are imperative and those that are less urgent.

The painstaking investigation and careful thought required of a Manager to enable him to compass effectually the results we have imperfectly described cannot be estimated. They can only be appreciated by those schooled in such matters by the associations of a life-time. A contemplation of them, however, enables us to understand more fully the supreme importance of the office and the necessity of a happy conjunction of ability, experience, temperament, and vigorous mental and physical health in the person selected to fill it.

CHAPTER VII.

DIVISION SUPERINTENDENT.

THE office of Division Superintendent upon a line presupposes the existence of a property so extended as to preclude its immediate control by the Manager or his deputy. When the entire supervision of a company's affairs is not too great for one man to compass, then the duties of the Division Superintendent are performed by the Manager or his assistant.

The Division Superintendent occupies the same relation to the Manager that a corps commander does to the general of an army. His policy is directed from head-quarters, and all his acts are subject to revision.

The Superintendent arranges the schedules by which trains are moved. When accidents occur on the line, or business can be expedited, the time-table is superseded by the telegraph. To the discharge of the delicate duty of moving trains by telegraphic orders he brings a clear head, attentive memory and a perfect knowledge of the geography of his road, including the extent of its grades, the location of its telegraph

offices, and the capacity of its sidings; the character, number and exact position of the trains in motion have accurately to be kept in mind; the quality of the engines hauling them; the state of the weather; the direction of the wind and the peculiar capacity of the enginemen and conductors engaged.

The Division Superintendent generally has entire charge of the men engaged upon the track, and the force employed at stations in conducting the business of the road.

Agents at stations, however, are subject to direction by all the officers of the company in their respective departments, but the Manager and Division Superintendent as a rule alone have the right to appoint or dismiss them. As suggested elsewhere herein, the prompt retirement of an agent from the service should be coincident with the discovery of any criminal neglect in office. This, however, is not always the case; managers and superintendents are occasionally to be found so tenacious of the prerogatives of their office that they covertly resent any effort to disturb those subordinate to them.

The men engaged in the manipulation of trains are directly subordinate to the Division Superintendent and are necessarily governed with great strictness, any neglect of duty or inefficiency being punished usually with dismissal from the service or reduction in rank and pay,

The engineers and firemen and the operatives employed about the shops are usually under the direction of the master mechanics, but the master mechanics are themselves, as a rule, either wholly or partly under the domination of the division superintendents.

The duties of the Division Superintendent compel him to keep himself always informed as to the whereabouts of his rolling stock; he must know just how many available cars he possesses and where they are most needed; he must know the number and location of the empty cars; he must know how many loaded cars are awaiting to be moved and the number of such cars in transit; he must from day to day watch the volume of business, carefully noting its source and direction so that he can exercise a wise supervision over the men he employs, promptly cutting down the force when trade diminishes and answering with reluctance any demand for its increase. He must keep himself constantly advised of the requirements of his division, distinguishing between those wants which are imperative and those which are the creatures of sentiment. He will find—as the general management find—that each department and branch of the service, overestimating its relative importance, will require expenditures out of all proportion to its legitimate wants or the net receipts of the road; he will find a constant

disposition to increase the number and wages of men, and he will find a constant indisposition to decrease either.

The duties of the Division Superintendent are such as to school him to command men with wisdom and sobriety, and the most effective superintendents or managers to be found anywhere are those who have served faithfully as superintendents of divisions. Men from any other position when called to the management rarely ever succeed in comprehending the whole wants of a company, and the consequence is their energies are wasted upon some minor department of the service.

Many of the most lamentable failures upon our railways are appointments of departmental officers to positions of active management. They rarely, if ever, succeed in comprehending the whole wants of the property, but remain, practically, the head of the department from whence they were promoted, while the other departments and branches of the service remain a *terra incognita* to them to the end. The spasmodic efforts they make from time to time to learn the duties of their office, so that they may lead instead of being led, result in failure, and their appreciation of this fact ultimately impresses itself upon them; and so, little by little, their activity is restricted until ultimately it is confined to a florid display of authority upon infini-

tesimal occasions, that would be charming to the looker on if it were not so melancholy in its results.

It is noticeable that the men who fill the office of Division Superintendent are usually content, when they reach the general management, to let the officers in charge of the various departments perform the functions that appertain to their several offices; or, if they meddle, it is only infrequently and upon immaterial questions.

Many pernicious practices creep into existence upon our railroads in consequence of the shallow pride which man experiences in the exhibition of his authority. There is in every community a large class of people who pride themselves upon their tact—upon knowing how everything should be approached, how to secure the object they seek. When one of these preternaturally bright people have business with some particular department of a railroad, they do not go to the head of that department (only dull people do that); on the contrary, they directly seek the Manager, or some executive officer, to whom they humbly represent their case. This attention tickles the vanity of the officer addressed, if his capacity is not above the average; his egotism is warmed into life by it, and it swells him to unnatural proportions, as if he were filled with hot air. His dignity is such that it will not suffer him politely to refer the officious

petitioner to the officer whose business it properly is to decide the question. No, his importance will be magnified by publicly ignoring his subordinate. This is accordingly done, and as may naturally be supposed, in many cases at the expense of the railway company and the introduction of an unfortunate precedent.

We have described what may be termed the personal or direct system of management; its intention is fair and it is designed presumably to be efficient. It carefully selects for officers, as in those cases where the management is wiser, men skilled in a technical knowledge of the various departments over which they are called to preside; but, instead of permitting these scientifically instructed men to conduct the work intrusted to them, it continually interrupts their labors and otherwise embarrasses them with the introduction of hastily considered orders, and other acts of interference based upon caprice or upon incompletely formed conclusions. This interference does not arise so much from a want of respect for the ability of the officer disregarded as an utter contempt for his rights. It arises from a natural incapacity to understand that the influence of such practices is more far-reaching than the acts themselves; that they, in fact, destroy the *esprit de corps* of any organization where they are permitted.

The great railway manager is he who has no

special *penchant* for any particular branch of the service, but watches impartially over all, never interfering needlessly with the routine of business and scrupulously respecting every officer in his place, endeavoring in every possible way to make him feel that his discretion is highly esteemed and not to be interfered with hastily or upon small occasion.

CHAPTER VIII.

THE CHIEF ENGINEER.

THE Chief Engineer deservedly ranks as one of the highest officers of a company, and the ability required in the position that he fills and the thorough mental training that the one who occupies it must possess justify him in aspiring to the most exalted office in the gift of the directors.

The Chief Engineer is usually a man of fine temperament and well cultivated mind ; personally incorruptible ; mild and reticent in his manner ; modest about asserting himself, loving his profession above everything and caring little for aught else. Too fine strung as a rule to cope with his neighbor the Superintendent, and lacking the prestige that the palpable evidence of power gives the latter, he eventually succumbs, like the rest, and his office not infrequently becomes a sinecure and his duties those of a spasmodic adviser, his suggestions disregarded and his estimates prejudiced, or damned with faint praise.*

* " For some reason which it is not necessary to discuss, they (the superintendents) seem to have an aversion to civil engineers, and usually contrive to get

The functions of the Engineer relate usually to the new works in progress upon a road ; this is his congenial and proper field, and he controls it, generally, without interference or suggestion from any one. The Chief Engineer is peculiarly fitted to exercise a general supervision over the track and permanent structures of the company. His duties, however, as a rule are rather advisory than otherwise ; but the definite knowledge which he brings to the discharge of these duties is indispensable, and makes his presence necessary upon every well managed railroad of any considerable importance.

Like all professional men animated by a high ideal, the Engineer, we may say in passing, possesses an instinctive aversion to accounts, coupled with a chronic incapacity to understand or manipulate them. He is thus happily relieved of a vexatious burden.

The Engineer upon many lines is entrusted with the immediate supervision of all works in progress of a permanent character, such as the construction of new lines, extensions and branches ; also all buildings, bridges, culverts, sidings and

them off the railway, or restrict their authority to a very limited field. They seem willing to see them employed in hunting up maps and examining doubtful questions on right of way—occasionally to set levels, stake out work and compute contracts—all of which are their proper duties ; but further than this they will not tolerate. Thus, under these circumstances, the engineer cannot enter on the main and more important field of duties which his profession should enable him to fill more effectually and beneficially than any other person.”

—*Jervis, page 244.*

similar structures. In such case his advice is constantly sought by the Manager in reference to the track and roadway, and in many instances the road-masters are made subject to his orders concurrently with those of the Division Superintendent. The details and completed maps, charts and profiles of the company's property are kept in his office, and, in the absence of a land agent, he is usually the custodian of the company's deeds and its evidences of right of way.

The civil engineer is a man of esthetic taste. His ideas are peculiar, professional. He delights in parallelograms and in the art of the draughtsman; in tastefully executed maps and charts; in the profuse use of drawing paper and fine muslin; in expensive and permanent inks and silver-plated ruling pens. Above all, he cherishes the implements peculiar to his profession. These implements must be of superb quality and polish, richly mounted. While he delights to fathom the most extended and subtle calculations, it is only in the field that he can display the high abilities he possesses to the best advantage. In the open country, in the presence of his beloved instruments and surrounded by his companions, he revels to the full in the glorious possibilities of his profession. Neither rude fare, nor storm, nor obstacle disturbs the equanimity of his temper. Everything eventually yields to his skill.

The absorbing aim of a railway engineer is a well ballasted, adequately protected and well drained road-bed. All things are with him subordinate to this, and in the accomplishment of it other objects of equal or greater importance are sometimes lost sight of. Thus, unless he be a man of comprehensive mind he rapidly acquires a prejudice against heavy locomotives; they are especially destructive of what he has labored so hard to build up; he would therefore employ only light engines, lest the track that he loves so well be shattered or destroyed by the jar of moving trains.

Mr. John B. Jervis, a scientifically educated civil engineer of many years practical experience and observation—an engineer greatly distinguished in his time, for the extent and value of his services, has been at the trouble in his work on “Railway Property” to define the duties and characteristics of civil engineers, in connection with the construction and management of railroads. We cannot do better here, than to repeat his words.*

He says: “It is the engineer’s business to study thoroughly the wants of the railway, in regard to the track and its appurtenances—the effect of the action of the machinery upon it—the kind of machinery that will produce the most economical transportation—and the

* Pages 240-250

most favorable arrangement for the stations, station-buildings and shop accommodations. He should be the authorized adviser of the master-machinist and track-master, and superintend all contract work for renewals of bridges, culverts, buildings and machinery. By his connection with the track and machinery he will be able to judge of the effect of one on the other, and by general observation and carefully conducted experiments, will come to a more thorough understanding of the interests of the railway, than will be likely to be reached in any other way. These views may fairly be urged on general principles; as a man who is educated to a particular business, whose time is devoted to a full understanding of its requirements, and who is stimulated by the consideration of professional reputation, is more likely to conduct affairs advantageously than one who picks up his ideas at random, and, though doing some things very well, will probably often fail in respect to others. Certainly, the important matter of maintaining the track and machinery of a railway should be committed to the most competent hands. I have known some very intelligent and excellent machinists, who have contributed largely to improvement in the arrangement and workmanship in this department (the machinery), to whom the public and the railway interest are greatly

indebted. At the same time, I have rarely noticed in them any special concern as to the effect of their machines on the track. It has been the general practice to commit the care of machinery to the master machinist, and this is proper in all that relates to manipulation, and, to a large extent, to the plans of work; but, as before observed, this class of men rarely give much attention to the influence of their machinery on the track; nor can this be expected, as they have no supervision of the track. They regard the power of their machinery as the best and proper indication of their ability as machinists, and consider that the track should be able to bear it; and if it does not actually break down under the service of the train, the machinery is regarded as all right—draws large trains and runs at high speed. The machinist has no care and takes no note of those every-day expenses that are required to keep the track in adjustment. Then the track-master has no charge of the machinery, and rarely realizes that it involves any question in relation to his duties, but goes on as best he may to make his track capable of sustaining the service. Thus, nothing can be more clear than that the track and machinery should be under the general supervision of the same man, who should be capable of comprehending not only the adaptation of one to the other, but the service of each in effecting the most econo-

mical transportation of the traffic to be provided for. To merely run trains is a thing that may be done with small experience. To run trains and manage the track and machinery so as to effect the most economical transport, is a very different thing, and as yet very imperfectly studied. I am well aware that a large proportion of railway superintendents will not concur in the views here advanced. In the duty of selecting an engineer for the responsible charge here recommended, it is necessary to exercise the same scrutiny, the same practical sagacity, that is called for in other departments of business. Men may, and often do, bear the professional title of civil engineer, as well as of lawyer and physician, with very slender qualifications. It is not the mere scientific engineer, who may bewilder with hair-spun and useless calculations, nor the practical engineer, who may be able to collect statistics, run levels, set pegs and stakes, copy drawings and make out estimates for contractors, if these be the end of his accomplishments, that is needed. For the object here proposed, the engineer should be familiar with mechanical principles—understand well the strength, durability and adaptation of materials, by experience, observation and study, should have a fund of practical information at command that may be available as occasion or emergency may require. It is, moreover, necessary for

him to be a good business man, familiar with the varied interests of a railway, in which he will find ample scope for sound practical sense and experience in his dealings with both men and things. Not a man that is punctilious of his dignity, and unwilling to profit by a good hint from the most humble workman, but ready to rest his standing on his good sense—his frankness and uprightness in intercourse with others. Such a man will never have occasion to complain of a want of respect in his business intercourse. An engineer should be so completely content with his salary that his mind would be wholly devoted to the work placed under his charge, and his own happiness as much concerned as that of the proprietors in obtaining a favorable result for the enterprise. Not less than for a lawyer, physician or merchant, an engineer, to succeed well, must enjoy his profession, and find his chief recreation in the cares, duties and results of his labors. Having been mostly occupied in works of construction, engineers have not generally had time and opportunity for that close attention that is necessary to render them as useful as they should be in the maintenance of railways. Notwithstanding this deficiency must be admitted as of general application, it does not change the position of this question; for when they are placed in their proper position in the management, they are,

from their professional training, experience and habits of careful study, more likely to succeed in perfecting this branch of service than men who are not especially fitted by professional acquirement. Though there are exceptions, it is a general truth, that it is expensive to learn a new occupation in maturer manhood; and consequently, the railway companies that commit their business to unskilled or uneducated men must be at the expense of educating them during their supervision of business, and while they are learning its arts and duties, meanwhile depending on advice, trusting to the guide of others as they may chance to find out matters beyond their own powers of criticism."

Much that is said in reference to the civil engineer, applies with equal force to railway officers generally; indeed, I have found it quite impossible to explain the duties and characteristics of a particular officer or class without describing many peculiarities that such officer or class possesses in common with those connected with other branches of the service.

A disposition has been evinced upon many lines to make the civil engineer separate from and independent of the control of the General Manager. The effort has, however, only been nominally successful; but it has had the effect to excite the active hostility of the Manager, and herein lies the real explanation of the slight

respect that is paid to the profession of civil engineer upon many otherwise well managed lines. With a better understanding of the necessity of concentrating the power of active management under one general head, the office of civil engineer upon our railroads will regain the consideration that should everywhere attach to it.

CHAPTER IX.

THE SOLICITOR.

THE Solicitor is but little known to the great mass of men occupied in connection with our railways. His duties are those of an adviser to the directors and managers of the property.

He with the other chief officers of a company has charge of its legislative interests. His abilities and research must be of that comprehensive order that he can at a moment's notice pass judgment upon matters that require the most extensive research and involve the most momentous consequences.

He must be able to lay the foundation broad and deep upon which to rear safely the great structure of vested rights as they are found centered in our railway companies; he must be able to draft with perspicuous clearness and precision contracts of the most elaborate nature, involving in their train affairs of the most complicated and delicate character.

He must be familiar with the customs and precedents of the courts of law, from that of the highest jurisdiction down through the interme-

diate grades to that of the humble country squire who, at the call of justice, leaves his potato patch with portentous stride to inflict damages upon the offending company to the very uttermost limit known to the law.

He must be able to argue with dignity great questions of constitutional right when the interests of his company are involved, and he must also be able with equal grace humbly to answer summons and plead the cause of the impecunious operatives whose pay has been garnished by their irate creditors; he must be able to perform all sorts of duties without preparation or interlude. One moment engaged in earnest consultation with the direction, the next we find him patiently investigating some petty claim, fraudulent perhaps in its character, but none the less inviting his earnest attention.

He must in all his acts take cognizance of that unwritten law of the land that leads the juryman to cast his verdict for his neighbor wherever a conflict occurs between him and a railway company.

He must not only be a great lawyer and a smart lawyer, but he must also be a man of affairs, possessing much general information; he must be able to discuss intelligently with the honest farmer the price of pigs, of horses, of yearling heifers and milch cows. His desk will be found encumbered with affidavits, setting

forth the fabulous value and rare excellence of whole hecatombs of live stock slaughtered on his company's right of way, every claim exaggerated and many of them the creation of a too vivid imagination. His files will be found to bear abundant evidence that vast hordes of men are constantly going about the country without any visible means of support, destitute and unfriended, with an unmistakably disreputable air clinging about them, who are constantly losing baggage of the greatest possible variety and value through the carelessness or neglect of railway officials. Claims for personal injuries overwhelm him with their extent and variety, from the aged gentleman who could not hear the whistle of the engine or the roar of the train, down to the ragged urchin who was crushed while trying to steal a ride.

Claims for personal injuries like those for property lost or destroyed are generally illegitimate in their nature; nevertheless, to refute them the aid of skillful devices is necessary. In any case evidence must be collected, experts interrogated, witnesses called, in fact, all the machinery known to the law actively put in motion.

Upon all of our extended lines, or upon those performing a large amount of business, an officer is employed who has entire charge of the settlement of claims for injuries sustained by passengers and others, and for all damages done by

the company, or for which it is responsible. When such an agent is employed, the duties of the Solicitor in the premises are merely those of a legal adviser ; or, in other words, he sustains the same relation to the department of claims that he does to other departments of the company.

A railway company is embodied capital. It is timid to a degree that would surprise and amaze the ignorant people whom we hear from day to day prate of the arrogance and palpable injustice of its policies and measures. The most contemptible knave or demagogue in the land, if he occupies position under government, either national, or otherwise, is listened to with obsequious deference, and his commands promptly obeyed. His acts of petty tyranny are accepted with patience and humility. So anxious are the railway companies to propitiate public sentiment that they are constantly submitting without a protest to acts of the greatest injustice. The underlying principle that governs them is the great first law of nature, self-preservation. So long as the vital spark of life is not jeopardized, a railway company will hesitate and temporize, will greatly inconvenience itself and endure from public officials many unnecessary and burdensome expenses. However, once let it feel that its life is endangered, its productiveness threatened, or any of its important functions menaced, then,

from that instant it no longer temporizes but fights, not with calmness and dignity, but with the deadly hatred of the brute that possesses neither conscience nor soul.

All these things enter more or less into the experience of the railway lawyer. His life may be said to be a constant struggle against overwhelming odds; a heroic effort for justice, too often in the face of a pernicious public sentiment that lightly esteems the sacred character of vested rights and ignores in actual practice the perfect equality of the corporation and the peasant in the eyes of the law.

CHAPTER X.

THE GENERAL TICKET AND PASSENGER AGENT*

The General Ticket Agent is entrusted with the delicate duty of compiling and publishing the tariff of passenger rates, and it is he that arranges—either at the general conventions that meet from time to time, or in private conference—with connecting lines the proportion each company shall receive on the through traffic it carries.

His discretion in reference to all things connected with his department is ample; and, if pernicious practices creep into vogue or perpetuate themselves, it is not improper to impute their continuance to his lack of zeal in the duty of removing them.

While his control over the local passenger agents is merely nominal, he has entire charge of the foreign employes of the company connected with the passenger business, and he arranges the commissions and salaries they shall receive for their services, including the sale of tickets, and no payments are made, or should be made, on account of the foreign passenger traffic

* It is impossible to describe separately the duties of these two officers.

that are not vouched for as correct by him. In this way he is kept advised of the aggregate outlay as well as the income of his department from competitive and foreign business.

It was at one time the current belief of all good, practical railway men that the General Ticket or Passenger Agent should be a jovial, rollicking dog of rotund paunch with fat capons lined; with Falstaffian capacity for absorbing sack and kindred liquors, and possessing withal a preternatural love for grog-shops and late dinners; a man able to absorb into his capacious maw both the innocent and the ungodly; a man who kept a wary eye out for business, and worked it up in a style that was congenial to his tastes, entrapping the unwary with the magnetism of his manner, and working upon the adepts in the profession in a way that was irresistibly enticing to them.

Gradually, however, and almost imperceptibly, it diffused itself through the minds of the officials in charge that the steady, plodding application of a sober life was perhaps quite as well fitted to cope with the difficulties of transportation and the strife of competition as a mind ablaze with rum or depressed with its effects.

Hence the noticeable change that has occurred in the past twenty years in the character of the men in charge of the ticket department.

In the conduct of business the name of the

General Ticket Agent, with its legendary title, is affixed to all the tickets issued by the company employing him. Thus every passenger who purchases a bit of pasteboard entitling him to a seat reads the name of the Ticket Agent at the bottom of it. What are the thoughts of the traveling public, the average passenger, relative to this officer, who has to them no existence save upon the tickets that they crowd into their vest pockets? To the great bulk of them he is a purely mythical character, and his personality in the flesh is as problematical as the milestones on the Dover road.*

The intricacies of the passenger department and the delicate machinery it necessitates can only be appreciated after a careful examination of the appliances that have been introduced for meeting its ever changing wants; machinery so nicely arranged and balanced that the dull and heavy-witted emigrant wending his way over countless lines to his far-off destination, speaking a foreign language, inadequately provided with means, ignorant of the country, destitute of friends, beset by sharpers, pursues his course

* "Many people suppose the General Ticket Agent to be simply a ticket-seller at a union office—the agent for a number of lines—from which circumstance the "general" nature of his duties is inferred. Some railroad companies even seem not to have been quite clear on this point. The writer once called on the General Ticket Agent of a prominent road in the East, and found him measuring wood for the company, and so engrossed in the mysteries of the fuel account as to be quite foggy on through routes, rates, divisions, or any of the various topics supposed to be of particular interest to passenger men".—*Mr. S. F. Pierson, on the General Ticket Agent.*

uninterruptedly, unconscious of the dangers that surround him, his every want attended to and his property protected with scrupulous fidelity.

The wants of the countless suburban towns that dot the lines of our metropolitan companies are manifold, and merit a volume by themselves; these must be looked after by the Ticket Agent, and tickets must be supplied for their use for every emergency, from the amiable gentleman who occupies his villa and buys his ticket for a good round year, down through all the gradations of society to his envious neighbor with lean and hungry purse, who wants a discount out of all proportion to the amount he pays.

All these and more occupy the time and try the patience of the busy ticket agent.

All classes and degrees of people crave audience of him—the rich and the poor, the young and the old, the worthy and the unworthy, the blind, the lame and the halt—each with a demand, each with a favor to ask.

The habits of the General Ticket Agent are exceedingly versatile. He combines the functions of the wholesale merchant with the petty instincts of the small tradesman. No one must be turned away from his door unanswered; no one must be neglected. To each he must give the exact consideration that his or her particular case demands. For each separate provision must be made. The cases that present them-

selves to him are peculiar ; their name legion. They comprise the excursionist, the Sunday school picnic, the patriotic citizen, the humble politician, the subdued and sombre dominie, with large family and small means, the jovial circus man, the theatrical character, the autocrat, the patrician, the first-class passenger, the emigrant, the colonist, Lo, the poor Indian, the real estate man, the employe, the funeral man, the demure youth of fifteen travelling as a lad of ten, the man who is content to occupy the second-class carriage, the young miss going to the adjoining town to school, the ferocious drover, the friendly drummer, the man who won't buy a ticket, the man who wants a pass, the mendicant, and, more vexatious than all, the impostor. These people fill the office and consume the time of the polite ticket agent. An adequate performance of the duties they involve require him to be a man of extended knowledge in his business, a man of the world, a thoughtful student of human nature, and an adept in the art of reading character.

His duties are multifarious. The routine business of his office requires another kind of ability than that we have described. All tickets used in connection with the passenger department are printed under his direction. He must therefore be something of an artist, a tolerably good judge of engraving, and possess withal a

fondness for the dry forms peculiar to railway accounts. All of the many people we have enumerated require tickets peculiar to each; these tickets are all more or less elaborate, and must be constructed so as to economize space and defy counterfeiting.

The General Passenger Agent is an insatiable printer, and must, per consequence, be something of an author. He possesses a noticeably fine eye for spectacular effects. It is he that has charge of his company's advertising, and in the conduct of this he acquires a fame and style peculiar to his office. In the composition and arrangement of his bulletins he is at once animated and sententious. Now rising with easy flight to the height of five gigantic exclamation points, he descends with gentle and graceful gradations to the finest print. Nothing could be more appropriate to the business. In everything he does in connection with his advertising—in arranging for the double-leaded newspaper advertisement, or in planning the shame-faced poster that hangs like a beggar's shirt upon the dingy walls, down to the modest hand bill that adorns the gutter edge—he is striving with indefatigable zeal to overcome every obstacle and distance every rival.*

* "That popularity of a route, with ticket sellers and with the public, which makes the work effective and easy, is not attained without a certain amount of politic study. The cargoes of waste railroad bills, of all sorts and sizes, plastered in saloons, pasted high under the eaves of railroad depots, beyond the reach of any eye without an opera glass, the perfect surfeit of every sort of color and type which floods the hotels and places of resort, are sufficient to suggest that railway advertising furnishes scope for the exercise of a little judicious thought."—*S. F. Pierson on the General Ticket Agent.*

The General Ticket Agent is an observer. Where'er he be his eye eagerly scans the prospect. Is it because he possesses a love of the beautiful? No. His purposes are purely practical. He is in search of inviting walls, in quest of exposed surfaces, conspicuous promontories, places adapted to the advantageous display of posters.

An attentive perusal of his circular reveals the fact that in the composition of the transitory matter they contain he at all times displays the utmost care and tact. Macaulay, in his most luminous pages, his most sonorous sentences, labored not over their creation with greater pride or enthusiasm. It is impossible to feel otherwise than melancholy when we realize, as we must, how many delightful features of travel these circulars of the Passenger Agent describe which no one ever sees except the envious and prying agents of rival lines.

It is as a geographer, however, that the Passenger Agent shines resplendent. His efforts in this line have long excited the astonishment and riveted the attention of an observant world.

Nothing known to ancient or modern times, from the days of Herodotus down, equals or even approaches him in ability to obliterate space and annihilate time. He attacks the highest mountains, causing them to appear as undulating knolls; he makes great cities skip long

distances upon his maps ; with a stroke of his pen he severs continents, blots out rivers, destroys whole States and causes the sands of the hour-glass to stand still while he fastens indelible disgrace upon some hated rival. Whatever he wills, it may be said, he does.

The luggage of the passenger as well as the passenger himself is provided for by the General Ticket Agent. However, his duties in this direction are rather auxiliary than direct. A proper care for the baggage of passengers, and the necessity of the utmost precision being observed to insure its safe and prompt transmission, long ago led to the creation of a semi-distinct department, and to this department is entrusted the immediate supervision of the wants of this branch of the service ; it sees to the supplying and safe custody of the baggage checks of the company ; it surrounds the transmission of baggage with such salutary regulations as are likely to prevent any unnecessary injury ; it provides for the interchecking of baggage with other companies and establishes the rules regulating the complications incident thereto.

The care and custody of baggage is thus conducted in a manner independently of the ticket department ; nevertheless its services are associated so closely with the passenger traffic of the road that the interest and duty of the General Ticket Agent make it incumbent upon him to

advise and counsel with the baggage agent at all times and render him such information and assistance as lie in his power.

It is customary to entrust the care of the tickets prepared for use to the General Ticket Agent. Reports from agents and conductors are usually transmitted to his office, and when this is done the accounts are made up under his direction. He ascertains the amounts due from agents and conductors on account of ticket sales, also the proportion due to other companies for tickets sold on their account, and sends them detailed reports of the same, exacting similar reports in return. He transmits monthly to the Accounting Officer a statement of the exact balance due to and from each railroad company, agent and conductor.

All tickets collected by conductors and others are transmitted directly to the Ticket Auditor, an officer appointed by and responsible to the Accounting Officer. The possession of the tickets enables the Ticket Auditor, with the aid of the reports in the office of the General Ticket Agent, to secure a complete and trustworthy check upon the issue of tickets and the accounting therefor.

It is not unusual to find a General Ticket Agent performing duties very remarkable in the relation they bear to each other. He is frequently entrusted with the duty of printing the

tickets, and has the custody of them when printed. He issues them wherever, in his judgment, the interests of his company demand, and the returns of agents are made to him. Finally, he completes the round of his duties by auditing his own accounts. This may be termed the primitive system and carries us back to the days of boyhood, when the circus, making its annual rounds, spread its tent upon the village green, and the door-tender not only gave the people entrance but collected their money. But the circus manager has become more circumspect, and the ticket agent and the door-tender are no longer one. Is the circus manager's caution the effect of undue suspicion, or is it the application simply of a little common sense and discernment?

The peculiarities which we observe in our general passenger and ticket agents are not noticeably different upon different roads. While the requirements of the office filled by them are sometimes extremely complicated, they are at all times exacting in their nature. The occupant of the office is required to be especially alert in discovering the fluctuations of travel, and his astuteness in making the public contribute something to the aggrandizement of his company (for which he returns a *quid pro quo*), is at once the test and measure of his capacity. Mingling much with the world, he is thoroughly

cosmopolitan in his habits and tastes; compelled to cultivate with assiduity the art of pleasing, he disguises, under an outward exterior of great frankness and cordiality, an alert, subtle and comprehensive understanding.

CHAPTER XI.

THE GENERAL FREIGHT AGENT.

THE intricacy of the business of the department over which this officer presides almost surpasses belief. With apparently nothing to do but to arrange and print his tariffs, he is really compelled to watch with unceasing vigilance the fluctuations of commerce as it ebbs and flows over an always wide extent of country, not unfrequently populated by millions of people.

His official duties bring him into personal contact with the men who control the destinies of the people who crowd our passenger cars and fill with their products the freight trains that we see winding across the country; men far-seeing, crafty and oftentimes unscrupulous, animated by but one purpose in their business life, gain; knowing exactly what they want, and wavering not an instant in their strife to attain it. These people crowd the ante-chambers of the General Freight Agent, each man esteeming his particular business imperative and impatiently chafing at any delay. And when he finally reaches the

man he seeks, he is surprised and perhaps secretly enraged to find him quietly trimming his nails, or softly smoking a cigar, seemingly animated by no higher object in life.

The General Freight Agent is, however, courteous, thoughtful and observing. In every comer he recognizes a person likely to demand some concession inconsistent with the interests of his company; unfair in its relation to the pursuits of other patrons of the road; absurd in its inception and brazen in its application. His countenance, however, gives no indication of his thoughts; it is his duty to be considerate and respectful. This considerate treatment is frequently misunderstood, and the claimant, becoming more and more animated as he seems to see the fruition of long cherished hopes, plies the passive Agent with every species of argument: with pretenses the most specious, flattery the most insidious, and cajolery the most seductive; these failing, threats the most dire and dreadful are poured into his attentive ear; the awful consequences to the company of his, the patron's, displeasure are made apparent; this displeasure may comprise any or all of the things a railroad is supposed most to fear—legislative interference, unpopularity, alienated friends, loss of trade, stagnation, death! While these dreadful things beset the short-sighted company a competing line with restricted facilities, yet hap-

pily governed by wiser policies, flourishes and grows fat upon the vast accumulation of business that roars and surges around its gates, seeking an outlet over its lines. Such is the story.

The correspondence of the general freight office greatly exceeds that of any other department of the road in its extent and variety. The correspondence with the agents of the company is immense, while inquiries in reference to rates and accommodations pour in from all sorts of places and from all kinds of people—from the flourishing inland city that esteems itself metropolitan to the isolated hamlet that is happy in the belief that it will one day become the county seat; from the opulent merchant, who annually disburses many thousands of dollars for freights, down to the despised pack peddler who cries his wares from town to town.

The most protracted and wearisome correspondence is carried on in reference to claims for overcharges, and for goods lost or damaged in transit. If the claim is for local traffic its adjustment is comparatively simple and expeditious, but if it is on account of business that has passed over several lines, it is of course necessary that the loss or damage should be fixed upon the company in fault. It is in the discharge of this duty that the office secretary especially delights: each claim is to him a mine of riches, not to be exhausted with undue haste

or surreptitious labor, but to be worked up in a professional way, the advances to it being easy and gradual and cumulative in their character. He approaches the consideration of the subject in the firm belief that his company is entirely blameless in the matter; that the loss or damage occurred upon some other line he is fully convinced, and in the substantiating of this belief he is prepared if necessary to devote reams of paper and years of patient investigation. In all his communications with brother officials in regard to it he manifests the most contentious spirit; indulges in the most exasperating insinuations; denies all mere assertions; requires exact dates, names of responsible parties, the production of the original papers, the affidavits of conductors and agents and countless other things. And, finally, when every demand is satisfied, every question answered, every statement substantiated, he is still consumed with suspicions and very likely paralyzes the mental faculties of his opponent by boldly asserting the most startling things about officials of long experience and approved fidelity who are mixed up in the matter, or he devotes great quantities of paper and hours of intense application to a careful elaboration of certain obtuse theories that he is satisfied afford the only real clue to the matter.

The claims against railway companies for

goods reported lost or damaged are so great and so difficult to treat justly, that upon many lines they are of sufficient importance to warrant the creation of a distinct department with an efficient officer in charge, possessing no other duty than patiently and impartially to investigate their merits and promptly settle those that are found to be just.

In England our General Freight Agent would be called a "goods manager." The term "goods" is used in that country instead of "freight," the latter being employed there only in connection with the cargoes of vessels. In this way, no doubt, originated the custom we have formed here of speaking of "shipping" freight by rail.

The great bulk of the revenue that flows without cessation into the coffers of our railway companies is derived from the transportation of freight, and by freight is meant everything carried by freight trains, including express matter and excess baggage carried by passenger trains.

The processes under which the freight business is carried on are, compared with the passenger traffic, rude and inexpensive. The risks also are much less; indeed, upon a well-managed line possessing a good track and adequate equipment, the risk may be said to be merely nominal. With the passenger traffic, on the contrary, the danger attending the movement of

fast trains is infinitely greater, and the loss when a calamity occurs is frequently overwhelming.

The General Freight Agent has his titled aids, his chief clerks and assistants, all of them men of superior capacity. These officials partake, in a measure, of his habits of manner and thought. He, in fact, gives the tone and color to everything that pertains to his department.

The duties of the Freight Agent require for their creditable performance that he should understand the technicalities as well as the philosophy of the transportation service. A proper provision for conducting the affairs of the department is dependent upon an intimate personal acquaintance with all the multitudinous concerns incident to the freighting business. He must be familiar with the handling of merchandise at the warehouse doors; the loading and unloading of freight and its proper arrangement on the cars. To enable him to compass the difficulties of arranging an equitable tariff and a model classification, he must know what it costs to do business, and he must possess something more than a superficial knowledge of the various classes of freight that seek transportation over his lines. This knowledge, it may be said, will refer more especially to the weight of freight, its extent, bulk and value and its liability to damage while in possession of the company.

The information he possesses in reference to

these matters he has acquired by years of observation and practical association, by years of laborious work in subordinate offices. All his theories and his generalizations, it will be noticed, are based upon a shrewd understanding and a detailed technical knowledge of the freight business. He understands better than any one else the possibilities and the impossibilities of the goods traffic, wherein it can be determined by fixed tariff and arbitrary rules and wherein it must be left subject to the fluctuations of business and the special wants of isolated offerings.

The proper conduct of the business of the department over which the General Freight Agent presides requires that he should understand the topography of his company's lines and the nature and extent of their productions. The strife for business at competing points will necessitate his keeping himself advised of the resources of rival companies and the districts affected by the competition. To protect his company from the baleful effects that would follow this strife if left undisturbed, he finds it necessary to meet the officers of the competing companies from time to time, and with them come to such agreement as he is able in reference to a division of the business of the disputed territory. It is in the performance of this difficult duty that he will be able to display his ability, if he possesses it, to the greatest advantage.

The important duties of the General Freight Agent in connection with the transportation of the freight traffic of a road are too absorbing in their nature to afford him any leisure in which to study the dry details of freight accounts or examine into and direct their manipulation, and besides the possession of such authority is inconsistent with any proper system of supervision over him as an officer of the company.

The freight accounts should be entrusted to an independent department. If the road is a large one, the office of Freight Auditor should be created to work in subordination to the Accounting Officer; and the important duty of carrying out the rates of the General Freight Agent, examining the freight accounts of agents and others, agreeing upon balances with connecting lines, and similar duties, should be entrusted to him. All claims for overcharges and rebates should also be authenticated by the Freight Auditor as well as by the chief of the freight department.

In connection with the accounts, the General Freight Agent, like his brother officer the General Ticket Agent, is not averse to the active exercise of the most incongruous duties. Not that he actively courts the discharge of functions that are inconsistent with each other, yet he passively acquiesces in what he finds always to have been considered the prerogatives of his

position ; and so it is that we frequently discover him exercising the functions of a creative, executive, and judicial officer. Exercising discretionary power in the making of rates ; attending solely to their execution ; authorizing the payment of money without the intervention of any associate officer ; and, all these labors performed to his satisfaction, gravely proceeding to pass upon and audit his own accounts, filing away the product with great circumspection and care—in his own office.

Happily, however, absurdities of this character are becoming of more rare occurrence.

To sum up the characteristics of the officials we discover occupying the office of General Freight Agent, we find them to be men of rare and comprehensive ability, painstaking and laborious in their habits, sagacious in the council of the road, wary in their intercourse with their competitors and the public, and uniformly courteous and obliging in their official intercourse.

CHAPTER XII.

THE PURCHASING AGENT.

THIS office requires the most incorruptible honesty, and he who does not possess it in its highest sense is unfit to perform its duties. Entrusted with the purchase of the supplies required by his company, involving a large percentage of its total disbursements, his fidelity to its interests should be paramount to every consideration of a personal character. His actions always liable to be misconstrued and his language misinterpreted, he is compelled to exercise infinite tact in all he does.

He must not only *be* honest but he must *seem* to be honest.

Every quality of strength or weakness inherited by man will each in turn be played upon to seduce him from the direct line of honest dealing; his cupidity; his vanity; his love of social recognition; his desire to be esteemed; his gratitude; his most trusted friendships; his very family relations will be made to contribute to his downfall if he does not possess the inherent strength of character to resist every temptation.

It is not enough, however, that the Purchasing Agent should be honest; he must possess the genuine instincts for trade peculiar to people actively engaged in mercantile pursuits. His duties compel him to the greatest activity; he must be personally familiar with the country and people where he buys his fuel, ties and timber. He must visit the shops and storehouses of those possessing the wares he seeks. It is only by continual intercourse with dealers and the most painstaking investigations that he can hope to fit himself to purchase for his company the greatest quantity for the least money, or in other words, to buy where he can buy the cheapest.

Charged with the duty of supplying the material required in active operations, he is compelled to keep himself advised in advance of the probable wants of the service.

The most careful estimates have to be made, far in advance, usually, of the probable quantity of ties required by his company, and when wood is used in its locomotives, the supply on hand must, for obvious reasons, always be greatly in excess of its daily wants.

In inviting bids for these supplies and others of a similar nature, the greatest possible publicity and frankness are required, and in awarding the contracts the Purchasing Agent is governed entirely by the specifications, provided the ability

of the person or persons making the bids seems to be worthy of credence, of which he should not, perhaps, be the sole judge.

A careful Purchasing Agent will invite the bids of merchants for almost every class of articles he is called upon to procure. In this way the extent of his purchases and the desirability of his trade, coupled with the desire of the merchants to sell, all conspire to afford him the best possible market in which to make his purchases.

It will be seen, then, that his duties necessitate common honesty, untiring energy and great native sagacity.

It is not too much to say that, as a rule, the duties of the Purchasing Agent should terminate with the purchase of the supplies; a proper appreciation of the eternal fitness of things would seem to indicate that the auditing of his accounts should be entrusted to an independent department, that the material purchased should be received and examined by an officer in no way identified with its purchase or responsible for its character. The efficiency of the most upright Purchasing Agent cannot but be best secured and prolonged by such a course.

In connection with this matter, the custom observed in the United States army is interesting.

At all military posts of the Government, the rules require a board of officers to examine and

receive all supplies purchased by quarter-masters. No military purchasing officer, no matter how great his rank, is permitted to receive the stores he buys. This seems somewhat surprising when we remember the high character of the men. No class is deservedly held in more honorable esteem than the officers of the United States army. Yet, notwithstanding this fact, the Government wisely surrounds each officer with such salutary checks as the most ordinary precaution would suggest. These safeguards, instead of being covertly evaded by the officers, are rigidly insisted upon by them, as they place the weakest officer above temptation and save all from imposition or unjust suspicion.

CHAPTER XIII.

THE ACCOUNTING OFFICER.

THE English usually speak of an accountant as a clerk; pronounced "clark." This broad pronunciation greatly aggravates the offense to American ears.

The office of Accountant, we observe, is never sought from choice by active or aggressive young men in our country; indeed, our accountants may be said to be the least aggressive people in the world. Upon our railways the position is dull and uninteresting compared with its neighbors. No entrancing glamour surrounds the place; no indefinite possibilities are associated with it. The office is without honor or emoluments, and an energetic and effective discharge of its duties frequently entails myriads of enemies, few supporters and no friends.

In a modified sense, a railway accountant discharges the duties of a supervisor; a frank performance of these duties however frequently invites misrepresentation and every species of harassment that the arrogance of power can suggest. As it is impossible for him to resent

affronts that are put upon him, he early learns to avoid them by personal subserviency and concessions.

Upon the Accounting Officers of our railway companies devolves the extremely difficult task of surrounding the receipts and disbursements with such sure safeguards as will prevent their alienation. To accomplish this important service requires the introduction of a method of accounting so easily understood as to come within the scope of ordinary comprehension, but so full and accurate in its observances as to accomplish the object sought. It should be such as not to sap the resources of the company it professes to serve, and yet must be such as to afford an intelligent account of the business transacted and so ample in its operations as to guard against all the common mishaps that are attendant upon the conduct of an extended business carried on wholly by hired agents. It must be so simple as to fulfill the requirements of a business hardly remunerative and economically conducted, as well as the wants of an extended and opulent company. It must, in fact, be organized with a view of attaining practical results in a simple, straightforward manner, carefully eschewing everything that is merely ornamental, or that has for its object, or as an incident in its workings, the accomplishment of purely theoretical ideas, either in the details of

administration or in the results to be exhibited.

An Accounting Officer has to keep this, to him, disagreeable truth constantly in mind, that every cent locked up in books of accounts, in blank forms and stationery, or expended for clerk hire, beyond what is absolutely necessary to secure a reasonable knowledge of the affairs of a company, is just so much money sunk in a bottomless pit, to the detriment of the income account and of the *morale* of the road.

In the formation of a method for securing accurate knowledge of the collections and disbursements of a company, it is desirable, whenever practicable, so to organize the department of accounts that the evidence upon which the Accounting Officer depends shall be of a concurrent nature. This may be said to be the key to or principle underlying railway accounts, and the skill displayed by an accountant in carrying it out is the test of his fitness. Each report or return should be verified by a corresponding exhibit from another and an entirely independent source. In this way omissions and inaccuracies are easily discovered. Thus an important check upon the freight traffic is the report of conductors, who stand intermediate between the agent who forwards the business and the agent who receives it and, as a rule, collects the charges; or, failing in the conductor's return, the accountant will carefully compare the exhibits as

made by the two terminal agents. Following out this idea of requiring concurrent evidence as to the fulness of each and every transaction, the Accounting Officer is not intrusted with the preparation or custody of passage tickets. All tickets taken up, however, are canceled and returned to him by the conductors or collectors. These tickets he carefully compares with the returns made to him of the tickets sold; in this way a check is secured upon the publisher and custodian of the tickets and upon the agent who sells them. Sometimes the safeguards thrown around the business are supplemented—in conjunction with other matters—by requiring a person to go aboard the trains and collect the tickets, independently of the conductor, in the possession of the passengers.

Everything incident to the operations of the Accounting Department, from the appointment of its chief down to the returns made by petty subordinates, should be arranged with a view of securing concurrent evidence of an independent character of every transaction. Thus, the Accounting Officer whose duty it is to record the acts of the local managers should not be a creature of these officials, if trustworthy evidence of their acts is expected or desired. In the same way, the transactions of the Treasurer or Cashier should be passed upon by an official whom he does not appoint and over whom he

has no control. In this way it is possible to secure in the majority of cases authentic returns.

The authority of the Accounting Officer should be absolute as regards the form and manner of keeping the accounts; and to secure in him the peaceful and efficient performance of his duties, he should possess the power of appointing and removing the heads of the various branches of the accounting department. No petty satrap or obstructionist should be allowed to impede his course or harass his administration.

The Accountant should also possess unquestioned right to enforce, whenever in his judgment it seems right, the retirement of any employe who wilfully disobeys the instructions of the company governing its revenue. The right to hire agents and others engaged in the performance of station and train duties is not necessary to the faithful and efficient collection of the earnings of the company, and it may, therefore, be left to the discretion of the local management.*

In connection with many companies, perhaps the majority of them, there has grown up a department the duties of which relate solely to ac-

* The Pennsylvania Railroad Company seems to possess a more carefully matured judgment of the necessity of an independent and efficient accounting department than any other railway company in the United States, so far as the writer has any knowledge. The intelligence and care it has expended in organizing its accounting department is so marked as to be noticeable.

counts. The head of this department is usually termed an Auditor, though in some cases he is designated as Comptroller. All returns are transmitted to him, or to his subordinates, to be examined and entered upon the company's books. The details are, consequently, known to no other officer. In such case the Auditor is really the Treasurer of the company, except in the actual possession of the cash. It is his duty to see that the receipts all reach the treasury, and that nothing is paid out improperly. When all knowledge of the receipts and expenditures is denied to the custodian of the revenue, his duties are merely automatic. He is, therefore, no longer a Treasurer, because that implies something besides a depository.

In the cases we have mentioned, where the accounts are subject to the control of an Auditor or Comptroller, his position should be further cemented and strengthened by giving him possession of the cash. This is all he needs to make him equal in prestige and power to the officers who surround him. The position of Accounting Officer, when restricted wholly to the narrow limits of the department of accounts, does not possess the strength nor the facilities that are required to secure, under all circumstances, the coöperation that is necessary. The position lacks all the outward evidences of power that appeal to men's sensibilities. No *eclat* ever at

taches to the person of an accountant. Nevertheless, we find men occupying the isolated office of Auditor who possess such great ability and courage that they are able to enforce proper respect for their position, notwithstanding the disadvantages under which they labor. When less competent men occupy the office, however, we find that the appliances that are necessary to a trustworthy and complete examination of the accounts, in the delicate relation they sustain to the owners of the property as faithful records of what occur, are frequently denied them, being suspended, or their functions diverted, the object being accomplished by indirection when other and simpler means fail. It seems impossible for an accounting officer, and nothing more, to cope effectually with the strong, active, aggressive officers who control the business of our railroads, distribute their patronage, and disburse their money.

The Accounting Officer is the auditor of the local management. The position, therefore, needs all the strengthening it can get. It should, in fact, be directly subordinate to those high executive officers who represent the directors and stockholders. The subordination of the Accounting Officer to the local manager is not contemplated or permitted upon any well-organized road in this country or in any other. These facts are well understood by the veteran

and conservative men who represent the owners of our railway lines.

The office of Auditor is much misunderstood by the general public, and many railway men understand its duties but imperfectly. It is currently believed that no bills are paid until they are duly approved by him. The explanation of this mistake is very simple: Webster tells us an Auditor is "a person appointed and authorized to audit or examine an account or accounts, compare the charges with the vouchers, examine the parties and witnesses, allow or reject charges, and state the balance."

The performance of these duties would indicate him to be an officer of large power, of infinite finesse, schooled in the laws of evidence, gravely and impartially collecting testimony, and weighing the same with judicial calmness—a very watch dog of the treasury, scanning with distrustful glance all vouchers by which it was sought to draw money.

On the contrary, he is frequently, though not always, an affable, mild-spoken gentleman, who might possibly hunt up a witness, but would never send for one. Instead of exhaustively examining the parties and otherwise proceeding with great circumstantiality, he is mainly exercised to know that all vouchers presented to him are certified by some authorized officer; such being the case, they are slowly and laboriously spread upon

the journals. This duty performed, the bills proceed on their course to the executive or Manager, by whom all accounts against our railway companies are usually audited. After approval the bill is returned to the Auditor; the fact that it is approved is methodically recorded, when it is turned over to the treasury for payment. The Accounting Officer's responsibility, in the majority of cases, is merely nominal. This is wrong: his duties in the premises should be definite and intelligent; to be the latter they must be free and unconstrained.

The prominent idea in separating the accounts from the treasury department, where it has been done, has been to secure a more perfect check on the officer in charge of the latter. It is, however, quite easy to secure this object without any such separation. When the Treasurer is the accounting officer, the official whose duty it is to examine and verify his accounts should go personally into his office and examine each and every voucher that constitutes his file. In tracing the receipts of the company to see that they are accounted for by the Treasurer, he should take as a basis the returns required from agents. Their collections and remittances he may trace through the various forms of accounting until they finally reach their appropriate place on the ledger. The balances that the agents admit as being due from

them are concurrent evidence of the authenticity of the accounts. Thus from the securing of the business to the final accounting of the money in the Treasury, every dollar may be accurately followed up to the Treasurer, who should be able to show the cash or authorized vouchers in lieu thereof. To enable the examining officer to verify the disbursements of the treasury department, it will be necessary for him to inspect the vouchers and compare them, item by item, with the entries on the cash book, the accuracy of which latter, in every respect, he will carefully verify.

The duty of examining and verifying the accounts of the Treasurer may be performed by any independent and skillful agent of the company.

When the accounts are centred in the treasury department, the labor of examining the same is increased only slightly, as its affairs should, in any event, be passed upon from time to time by independent officers, so that their correctness may be demonstrated. If the cash centres in one department and the accounts in another department distinct from it, a check upon the Treasurer is more easy, for the reason that the number of returns centering in his office is not so great. The verification, however, of the honesty of the Treasurer is one of the least difficult problems in railway service; his office is

accessible, and complete possession of it may be taken at any moment for the purpose of demonstrating the accuracy of his reports.

The great value of accounts to the owners of railways lies in their ability to register accurately the earnings and enforce their collection, and afterwards faithfully to record the purpose for which money is for any reason disbursed.

To accomplish this labor, a strong organization is required, and it has seemed to the writer as if this strength was more perfectly secured by consolidating the offices of Accountant and Treasurer. By thus concentrating the accounts in a department that cannot be ignored or avoided, and that possesses inherent elements of strength that command recognition and respect, it seems possible to secure the frankness of statement in connection with the receipts and disbursements that is so essential to enable the owners of a property to judge intelligently of the wisdom and economy that animate its management.

In reference to the necessity or desirability of the accounts of railways being audited by an independent department, the system of accounts as finally adopted by the United States and other governments is interesting. We find, upon examining the United States system, that each department of the Government under its chief keeps its own regular set of accounts, and re-

turns of one kind or another are required of all subordinates or agents; these agents are also required to forward at the same time a copy of each of their returns or reports to one of the *Auditors of the Treasury*.

The object of such a system is two-fold: all the departments of the Government except the Treasury deal with a certain set of affairs necessary to the proper carrying on of the government. The expenditure of money of each of these departments is only an incident in its workings. There then arises the necessity for a department whose sole business shall be the collection and care of the revenue and the issue of the money collected to the other departments when required by them. Hence the organization of the Treasury Department. But after it has collected the money and issued it to the other departments, its duty is only half done. Every dollar must be traced down to the time when it is finally paid out and ceases to belong to the Government. This is done by requiring every official and agent of each of the great departments of the Government to forward accounts or reports to one of the Accountants of the Treasury Department called an Auditor. Thus the Treasury books show not only how every dollar was collected, but how, by whom and for what it was finally disbursed, and what

property, labor or service the Government has received for its money.*

And from this universal knowledge springs the second function of the Treasury, that of a check on the other departments in all matters of disbursements. The Secretary of the Treasury, discovering either on the reports and accounts rendered, or in any other way, irregularity or any illegality in the disbursements of an officer of any of the departments, requires the loss to be made good, and the offender punished.

It is obvious that no single function of the Treasury Department could be properly performed if its accountants were withdrawn from its control, nor could it be relied upon for the execution of its second and very onerous duty of safeguard or check, were it not entirely independent of outside control.

The system of accounting just described, devised by Alexander Hamilton for the United States Government, has been found to work smoothly and secure perfect responsibility. Why did not Hamilton create for the Government an abstract or book-keeping department, pure and simple, such as can be found upon many of our railroads? Is it not because he had the genius to see that such a department, with its purely abstract duties and clerical habits, could never

* These disbursements of the Government correspond to the Operating Expenses of a railway.

make its authority respected; and instead of securing and enforcing correct accounting upon the part of its powerful neighbors, it would only have excited their contempt and indifference? What is true of the Government service is equally true of our railway service. The custody of the cash should by all means be added to the other duties of the accountant.

The Accounting Officer should have charge of the general books, accounts and statistics of the company. It should be his duty to prescribe the manner in which the accounts of the business and local finances of the company shall be kept, and he should have the general supervision and control over the same.

It should further be his duty to cause to be made, once in each month, a balance sheet and such other statements and reports as may be necessary to show the transactions of the company for the preceding month, and the financial condition at the close of such month; and it should in addition be his duty to furnish such other statements and reports as are required.

In the organization of his department he will subdivide the labor so as to bring the work of the various branches of accounts under appropriate heads. His staff will consist primarily of a

General Bookkeeper;

Ticket Accountant;

Ticket Auditor ;
Freight Auditor ;
Auditor of Disbursements ; and
Traveling Auditor.

To these should be added, in those cases where the accounting department embraces the financial office of the company, a

Paymaster ; and
Cashier.

Each of these officers will have an assistant competent to perform the duties of his superior in the event of his absence or disability.

With the active aid of the important officials named, the Accounting Officer should be able to enforce an adequate system of accounting through all the various branches and grades of the service. It is extremely doubtful whether it can be done without their hearty co-operation, and such co-operation can only be secured by their subordination to the head of the department.

Upon small roads several of the offices filled by the subordinate officials named could, of course, be consolidated. In any event, however, the incumbents would perform certain prescribed duties, of a more or less mechanical nature, in connection with the routine work of the respective branches of business entrusted to them, thus entailing the least possible expense for clerical services.

The office of Ticket Auditor is not generally known in railway affairs; its introduction is intended to obviate the necessity of removing entirely the details of the ticket business (the accounts) from the General Ticket Agent's office. To allow the latter entire charge of the accounts is inconsistent with his responsibility as a custodian of the tickets themselves; yet the possession of the accounts is in some respects important, though not absolutely essential, to enable him to keep himself constantly advised in reference to the progress and wants of his department.*

Just so the details of the freight accounts must be inseparably associated in intimate relation with the general freight office, yet an efficient use of the details the accounts convey does not necessitate that they should actually be present in the office of the General Freight Agent. The machinery for the conduct of the business of the ticket and freight departments is wholly dissimilar; the machinery for conduct-

* "There is, perhaps, nothing which does more to make an officer careful and efficient than the habit of facing his own figures. The General Ticket Agent should be familiar with all the figures which affect or which *should* affect his management. The custom of some companies, whereby the whole matter of accounts is shrouded among the mysteries of the audit, is *bad*. An officer of a prominent line assured me that he had no means of knowing from his own books whether the receipts from any particular agency were enough to warrant the expense or, indeed, where any particular class of his business mostly came from or went to. He was quite in the dark as to results, and had simply to 'trust in God and keep shooting,' with little means of knowing whether he hit anything."—*S. F. Pierson, on the Duties of the General Ticket Agent.*

ing the freight traffic, at the headquarters of the company, being extremely simple, while the passenger department requires appliances (tickets) of the most complicated and delicate order, necessitating in their trust and execution both fidelity and long experience.

In watching over the revenue that passes through the hands of its station agents, the Accounting Officer acts to a considerable extent, though not wholly, through the medium of inspectors or traveling auditors, belonging to his department and varying in number with the extent and wants of the road.

Upon a few loosely organized lines these traveling auditors are found acting independently. This is wrong. The tremendous pressure that must sometimes be made to secure the removal of unfit men or the obedience of good men, they are powerless to exercise, and their obscurity and lack of power make them, in spite of themselves, the easy prey of others, and they pass rapidly, like all small independent officials, from comparative inefficiency to positive worthlessness. Invaluable in their sphere, they require the strength and invigorating influence of a strong department officer, skilled in accounts of every kind and indomitable in their application, to sustain them and keep them up to that high standard of efficiency so necessary in all matters relating to the collecting of a railway company's revenue.

Further on much space will be found devoted to instructions to traveling auditors in reference to the collection of the revenue and the accounts of agents. The instructions include such directions as it is not improper to embrace in a work of this kind. They are, doubtless, imperfect in construction and incomplete in many important particulars, but, so far as they go, it is safe to say they must be substantially carried out wherever efficiency is expected to characterize under all circumstances the collection and prompt transmission of railway receipts.

It is undoubtedly true that upon different roads the technical names given to specific blanks and books will not coincide, or the time for making returns always agree; the accounts upon one road will be complicated, upon another simple and inexpensive. Other differences of an apparently radical nature may exist; nevertheless, the appliances to be used and the checks to be enforced must ever remain substantially the same, no matter what the system or by whom enforced.

CHAPTER XIV.

NECESSITY OF DEFINING THE DUTIES AND RESPONSIBILITIES OF THE ACCOUNTING OFFICER ; THE COST OF ACCOUNTS, ETC.

No man has ever yet been able to say with truth that he had fathomed the intricacies of railway management so that he had nothing further to learn. Railway management is a science, each of its branches possessing problems peculiar to itself, requiring for their elucidation years of thoughtful study and practical acquaintance ; and much of this knowledge when acquired at the expense of so much time and patience cannot be taught or explained. Like the idioms peculiar to certain languages, it permeates the intelligence of the persevering student, but can only be made partly intelligible to those who seek for information through him.

The working organization of a great many of our railroads is exceedingly crude and ill-digested in regard to the relations that the several departments bear towards each other, as every railway officer is aware. All power flows with the irresistible law of gravitation into the

hands of that department that possesses arbitrary authority over the greatest number; and it is the tendency of the power so formed to destroy or weaken, though without direct intention, it may be, many salutary and necessary checks and safeguards.

It is a realization of the survival, not of the fittest, for all are alike necessary to a healthy and robust organization, but of the strongest.

To insure efficiency it is absolutely necessary that the checks and balances between the several branches of the service should be arranged with the utmost nicety and preserved, under all circumstances, without reference to men, with the most unyielding firmness. Whether this is true or not, let the weak and voiceless part borne by the accounting department in many of our railways bear witness. What railway man is not conversant with acts of grave abuse that have had their origin in the neglect of salutary and proper checks; in the omission to define clearly and unmistakably the duties and prerogatives of minor officials; in the disposition of some aggressive, dominant faction to treat with contemptuous indifference the officers who do not declare themselves henchmen and faithful servitors by prompt and respectful protestations of subserviency to such faction or coterie?

How many accountants are there who, in the discharge of their duty of looking after the rev-

enue of the company they represent have not had their efficiency seriously crippled by the interference of persons practically irresponsible?

How many accounting officers are there, of experience and character, who have not, from motives of common self-respect, been constrained to keep aloof and remain silent in consequence of the gross rudeness and marked disregard paid to their official suggestions in reference to matters coming properly within the province of their office?

How many companies are there that have not suffered unnecessary losses in consequence of the stolid interference or inaction of officials who, at best, can only be held to a general responsibility for the faithful collection of the revenue, but who arbitrarily dictate who shall be retained and who shall not be retained in the service?

How much have our railway companies lost from their neglect to fix the responsibility for the collection of receipts, and the *details* connected with the disbursement thereof, definitely and finally in the Accounting Officer, with power sufficient to enable him to secure respect and enforce the general rule common to all lines, against the misappropriation of funds?

A careful examination of the accounts of our railway companies would develop many surprising things. We should find, for instance, in

many cases that there was no recognized head, that each department or petty chief was permitted to introduce any special system or blank that pleased and to disregard any that displeased him; we should find each department striving to make its accounting independent of all others; we should find unnecessary elaboration of accounts in many of the departments; we should find that this elaboration proceeded, sometimes from ignorance, and sometimes from a disposition to show complete results, independently of the real Accounting Officer; we should find the details transcribed and retranscribed upon the books of several departments, when once should suffice; we should find systems without continuity or coherency; we should find men having the entire charge and control over the accounts of great departments who knew nothing whatever about accounts; we should find men gravely assuming responsibility for the efficiency and economy of accounts, who owed their situation to the fact that they were good engineers, or efficient masters of transportation, or had the knack of buying cheaply. We should find that a division of authority destroyed responsibility, in accounts as in everything else; we should find, as a rule, whenever any great defalcation or mishap occurred, through the neglect, misconstruction or ignorance of these officers, that they escaped even the semblance of

blame from the inability of anybody to locate the responsibility, or in the occasional instances when it was definitely traced home to them, that they lightly escaped on the ground that they were too busy to look after the accounts, or that they left the disposition of them mainly to subordinates, or that really they neither knew nor professed to know anything about them; we should find that these same men, who, in time of danger, broadly disavowed any fixed responsibility in reference to the accounts, were always covertly intriguing to retain the arbitrary disposition of the accounts related to their several departments; we should find in the few instances where we discovered a compact organization, with a competent and responsible officer at the head, that, as a rule, he was harassed incessantly by the innumerable petty chiefs who looked upon themselves as despoiled by him; we should find them exaggerating the cost of any system he introduced, disputing its efficiency, and making its chief the subject of petty slurs and innuendoes; we should find, in fact, that in the very field where the interests of our railway companies required great intelligence and fixedness of purpose, they possessed neither.

The cost of keeping the accounts is increased by dividing the responsibility amongst several departments and petty chiefs not thoroughly conversant with such matters, and in attempting

to estimate its extent we must keep in mind that upon every railway line there are many stations where the labor devolving upon the force employed so nearly corresponds with the ability of that force when taxed to its utmost limit, that the slightest increase in the extent or number of returns required is sufficient to necessitate the employment of additional assistance with a corresponding increase of the pay-roll.

The number of complicated and expensive blanks and books introduced from year to year upon many of our railways, only to be subsequently modified or wholly abandoned as impracticable or worthless, attests to the wayfaring man the limited information and restricted intelligence of their authors. Possessing in an aggravating sense the peculiar temperament and characteristics of people who stubbornly refuse to acquire information except as it comes to them in the local and contracted sphere in which they are personally employed, they involve the company employing them in much unnecessary expense and conduct its affairs with so little system and efficiency that their dismissal for incompetence would follow as a matter of course were it not that the technical nature of the work performed by them deters the proprietors from investigating the relative merits of the system they support.

CHAPTER XV.

NECESSITY OF ORGANIZING THE ACCOUNTS UNDER THE DIRECTION OF A COMPETENT AND RESPONSIBLE HEAD.

UPON every railway a large percentage of the most intelligent and enterprising portion of the force are engaged, more or less, upon duties of a purely clerical nature. In the country at large there are probably a hundred thousand men identified with the department of railway accounts. We find them at every station, in each ticket office, at all the shops, upon every train, in each department office, and at the headquarters of the road. In these places we discover hordes of men actively employed in connection with the accounts; many of them engaged wholly with such duties, while a large number are so engaged for a considerable portion of their time.

The simplest and purest system of accounts that can possibly be devised is, to a certain extent, elaborate and complicated.

As a rule, every company may be said to possess a system of accounts in many respects pe-

cular to itself; not that there is any reason, inherent or otherwise, why it should be so. The system in force is in many cases a mere patchwork, dependent upon verbal instructions, poorly educated intelligence and the traditions of the company for the efficiency it possesses. In such cases no settled and clearly defined plans are anywhere accessible to the young and ambitious novice, and the comparatively experienced official frequently hunts in vain for any clue to guide him in matters that are new to him. The result of this confusion is, that no positive advance is made towards perfection, and the spirit governing the force, instead of being animated and alert, is depressed and without ambition.

It is undoubtedly true that there exists, in some cases, a fixed purpose to mystify the processes by which certain results are arrived at. It does not, however, by any means follow that, because of this confusion, there is anything wrong to be covered up. It arises in many cases from a fear upon the part of the accountant that a perfectly full and clear exposition of his system of accounts would render his services less valuable to his company. Little men dread competition. Under a method of accounting such as we have described competition is impossible; the key to the labyrinth is known only to one person, and in the impenetrable gloom that surrounds him that person dwells secure.

More frequently, however, the system of accounts which we find in vogue, as we investigate the subject more fully, is what we may term a conglomerate mass of makeshifts, possessing no continuity or coherence, the result of spasmodic effort, exercised at infrequent intervals, by different individuals or isolated department officers, without mature reflection or general consultation.

The instances are very rare, indeed, where one experienced, clear-headed and progressive man has had such undisputed control and direction of the accounts of a railroad as to be able to mould them to his satisfaction, making them thoroughly homogeneous in their nature and effective in their application as a safeguard and a protection to the company whose affairs they record.

Our accountants should, and will, doubtless, in the course of time, possess accessible sources of information in reference to all classes of railway accounts, perfectly definite and conclusive in character. This means of learning within the reach of all, we shall soon possess a corps of intelligent, clear-headed men, systematicall educated to perform the duties required of them. The result will be precision in the work done, while much less time will be occupied in accomplishing it, as the labor of supervision and verbal explanation (the schooling process) will

be unnecessary. Results such as these would reduce the expense of accounting upon our roads, by greatly lessening the force required, while increased efficiency would be secured in every branch of the service.

Systematic education of our railway accountants will improve the class and character of the men employed; the incompetent will give place to the skillful, and we may ultimately expect to attract to the performance of the duties of the office a class of men of high aspirations and lofty intelligence, who carefully avoid professions where the appliances are rude and indefinite, or where success, when achieved, is unacknowledged.

The duties that devolve upon the department of accounts in connection with our railway service is, in the highest sense, important and honorable. The faithful collection and disbursement of the fabulous sums of money that pass through the coffers of our railway companies invite men of the highest ability, most resolute purpose, and incorruptible honesty; and when the vital importance of the subject is once clearly comprehended and the foundation of accounting is made to rest upon some well-defined and substantial basis of intelligence, we may hope to see men of that character identify themselves permanently with the department.

No man not schooled in all the ramifications

of a railway can comprehend the importance to every company that it should possess a rigid system of accounting, with clearly-defined and well-established rules and regulations. The enforcement of its system should be under the direction and control of an officer familiar with all the technicalities and subterfuges of railway accounts, possessing well-defined power, with the fixed responsibility and duty of looking after the receipts and disbursements.

It may be said, in reply, that the systems generally in force, although perhaps cumbersome and unskillfully regulated, nevertheless serve the purpose of making the results apparent. This is, no doubt, true in many cases, but the colossal losses and petty acts of infidelity that blot the books of many railway companies are a sufficient answer to this oft-repeated and mischievous assertion. The large sums that some of our railway companies lose annually from misappropriation of their funds by petty local agents are to be charged to the defective system of accounts they countenance; to the intermeddling of high officers in matters that should be left to be arbitrarily disposed of by the really responsible officer; to the division of responsibility amongst several departments instead of fixing it definitely upon one; to an indisposition to adopt certain rules to be rigidly and universally applied where irregularities oc-

cur in the manipulation of the company's funds, and finally to an indisposition to enforce salutary rules when they are finally adopted, except in extreme cases.

CHAPTER XVI.

UNAVOIDABLE ANTAGONISM BETWEEN THE MANAGER AND THE ACCOUNTING OFFICER; THE FORMER POSITIVE, THE LATTER NEGATIVE; NECESSITY OF SUSTAINING THE LATTER IN THE JUST PREROGATIVES OF HIS OFFICE; THE FORMER ABLE TO SUSTAIN HIMSELF.

EXCEPT when the working organization of a railway is based upon purely scientific principles, the Manager and the Accounting Officer are antagonistic. Their characteristics are wholly dissimilar, and their duties the very opposite of each other. One is positive, the other negative; one is aggressive, the other passive; while the Manager is energetically engaged in the performance of acts that leave an impress, that constitute railway history, in fact, and affect the material prosperity of the company in many ways, the Accountant, personally unconcerned as to the result, records with painstaking care all the acts and idiosyncracies of his more powerful neighbor for the information of the direction.

That these officers should be independent of

each other seems perfectly apparent to us; nevertheless we must not forget the relative strength and influence naturally possessed by each. The Manager is all-powerful; he is sought after and caressed everywhere. In reference to the other, let us imagine an obscure and despised scribe, with hesitating and deferential air, sitting down in the presence of the commander-in-chief of an army, with his brilliant staff gathered about him, calmly and dispassionately to write the history of a battle or a campaign, while yet the smoke of the conflict hung above the field. The position of the average railway Accounting Officer is that of the miserable scribe. Wedded to an humble and obscure occupation, generally under-paid, patronized by men of consequence, dazzled with the glare and splendor of the immense power that is apparent round about him, he munches his official crust with unaffected contentment, happy if he receive occasional recognition, and while he distrusts the future, yet is he grateful from day to day that he is permitted a little longer official life.

While no particular officer can, with justice, be said to serve more zealously than his fellow, yet each officer, in the particular field he occupies, may be presumed to be more familiar with the requirements of the service, and as a matter of pride, more unswervingly interested in seeing them carried out, than a brother officer

whose attention and ambition are occupied with other matters. To the Accounting Officer it is of vital consequence that the receipts of the company should reach the treasury even to the utmost farthing. His personal self-respect and recognition as an efficient officer are interested; a worthless balance standing against an agent is a slur and a reproach to him. If he is a worthy officer, he is necessarily conservative in his action and impulses; he desires to see the receipts of the company expeditiously collected and remitted, and when he discovers a man obstructing it, he wants that man removed without reference to his sponsors, or to any skill, real or fictitious, which he may be reputed to possess in some other branch of the service.

The Manager, on the contrary, is absorbed in his efforts to secure a good and cheap track, adequate equipment of a creditable character, the rapid and easy movement of trains, in the retention of agents capable of controlling men, or adepts in disposing of freight, or skillful in the handling of cars, or trustworthy in the manipulation of trains. The responsible and arduous nature of the duties he performs through his subordinates in the physical conduct of the business of the road renders him impatient of any attempt to change or disturb the machinery with which he conducts the affairs of the company, and upon the efficacy of which depends

his standing with the public at large. Being a man of action, he is comparatively indifferent to all the mere details of the business. Whether his agents know anything about accounts or not is a minor consideration. He, of course, esteems certain general principles to be important in connection with the collecting and remitting of the company's funds; but the literal and exact fulfillment of definite rules, a disregard of which would involve dismissal without reference to his, the Manager's, feelings or wishes in the premises, is another matter entirely, and one that his habits of life, his convenience, comfort, and the natural antagonism of his character all protest against.

Like other men similarly situated the Manager, as a rule, protests against the introduction or the enforcement of any rule that may, at any moment, propel him forward without any reference whatever to his wishes in the premises, and the bare contemplation of such an element in his official life disturbs and alarms him.

The enforcement of a rule so purely impersonal as that we have mentioned would, without a doubt, at times temporarily disturb the mechanism of the line and for a moment destroy an integral though not essential part of the organization so laboriously erected. It would also temporarily increase the Manager's burdens by necessitating the installation of new men

and the rearrangement of old men, for the reason that every new force injected into the life of a road has to be scrutinized until its utility and its general fitness are accurately ascertained. This labor involves much discomfort to the Manager, and accounts, without doubt, for his great reluctance, frequently, to dismiss men unreliable as fiduciary agents but especially important to him in the evolutions of the physical life that occupies so much of his time and thoughts.

However, if the managers of our railway companies expect the simple duty of collecting and disbursing the receipts of the road, *i. e.*, the mere handling of the money, to be performed creditably, they must designate some particular official and make him responsible. This official should be clothed with power requisite to make his position respected by subordinates everywhere. All of our roads possess such officers, in name, but as a rule they are practically the creatures of some local magnate in this, that, by his right to interfere he destroys their usefulness and engenders in them a feeling of personal irresponsibility, arising from the belief upon their part that neither effective duty nor common fidelity can, in the nature of things, be maintained so long as the power of making their orders respected is denied them. In the operations of a company no officer should, alone, be

able to stand as a shield between the Accounting Officer and an unfaithful agent ; and if upon any road the Manager exercises such a discretion, it is because he has usurped a power that does not rightfully belong to him, and that cannot with safety be intrusted to any one man. And it is no exaggeration to say that a man governed by so many contending considerations as a railway Manager, although an able, courageous and upright officer, is not equal to the exercise of so delicate and responsible a duty. Its abuse will follow as a matter of course, and instead of infrequent and isolated instances of unfaithfulness, the whole working force engaged in the collection of the receipts will be permeated with a feeling of irresponsibility. This feeling will find utterance in expressions and acts of contemptuous indifference to the wishes of the Accounting Officer and the officials subordinate to him ; in inattention to any rigid plan of collecting the revenue ; in a disregard of the rules governing remittances ; in a retention of the company's funds, and in acts of infidelity disgraceful in the extreme, the panorama of lawlessness finding a temporary conclusion from time to time in the offering up of some subordinate and comparatively inoffensive official as a vicarious sacrifice.

BOOK II.

CHAPTER I.

THE EXTENT AND OBJECT OF RAILWAY ACCOUNTS.

THE most economical system of accounts that can possibly be devised is the best, provided it enforces proper responsibility and secures just and prompt returns for moneys collected or disbursed.

The problem that appeals to every railway officer in any manner responsible for the accounts is, how to reduce the details to the minimum consistent with efficiency and increase the skill of the laborer to the maximum.

Certain simple and fundamental accounts are required from agents and others, from which to compile the receipts and disbursements of the road at the general accounting offices of the company.

A nice discrimination is required to be exercised, as already intimated, between those checks

or safeguards that are at once simple and efficacious and plainly necessary, and those that require elaborate and expensive machinery, or are, in the end, dependent for their efficiency upon the honesty of the very officials it is desired to check.

In illustration of this idea, the elaborate machinery in use for the purpose of ascertaining if the tickets returned by a conductor harmonize with the tickets sold for such conductor's train has cost many hundreds of thousands of dollars for blanks, books, and men to manipulate them, and is in the end comparatively valueless as a check, for the reason that it is in the main based on the assumption that certain officials over whom the supervision is sought to be extended will do certain things or refrain from doing certain things.

It does not require a multitude of useless blanks, books and reports, with the horde of attendant clerks, to detect the presence of unfaithful practices.

The clue is obtainable in other and simpler ways, and once found, the delicate and subtle machinery employed by men skilled in such matters affords a sure, swift and economical means of shattering any league between employes formed for objectionable purposes.

A well selected and carefully drilled force, understanding thoroughly the arts and appliances

of railway accounts, can, without serious difficulty, unravel the mysteries of the most carefully formed combination.

It is not desired to criticise herein any established plan or system of accounts or any railway company, or any particular officer or agent, or any particular class of officers or agents: "He that is without sin among you, let him first cast a stone." The only object I have is to point out defects that are well understood among railway men, with a view of correcting them, if possible.

The reference above to the particular method of checking tickets is cited merely as a "frightful example"—the dead fruit that sometimes follows too attenuated thought, too much elaboration of accounts, on roads otherwise managed with great wisdom and economy.

However, it is not often that we can be accused of too much elaboration. "Whatever is, is right," may be said to be the governing rule in reference to accounts on the great bulk of our roads. Various causes conspire to produce such a conclusion. Sometimes it arises from the fact that the Accounting Officer is not selected with the care that he should be.

Docility in an officer is sometimes more desirable than efficiency. When such is the case it is of course expected that the incumbent will be lacking in energy and administrative ability. For obvious reasons such men will always be much sought after for positions of trust,

It may be accepted as true, generally, that any organization or system, involving complicated affairs and large amounts of money, that presupposes the fidelity of officials and agents, under all circumstances, or that does not make the concurrence of at least two independent and co-ordinate officers necessary to the consummation of any important trust, is incomplete and untrustworthy, and speculation, with its thousand collateral abuses, constantly menaces the affairs of an organization so unfortunately conducted.

Accounts intended to record the affairs of business conducted upon an extended scale and to provide an adequate check must, if effective, be organized and conducted generally, upon the theory that every man may become unfaithful to his trust. A comprehensive system of this character steadies and encourages the well disposed and prevents the weak from succumbing to temptation.

Under these circumstances, no trustworthy and honorable man will object to any necessary or proper check, but will, on the contrary, cheerfully invite such surveillance as may be needed to compel a faithful discharge of duty from all.

To make the check adequate, however, with large corporations, involves in its broadest sense what the ignorant, the shallow and the vicious term, in common, "red tape."

Every officer, or person representing an officer, should not only serve his company personally in good faith, but should at all times labor sturdily and zealously to prevent the introduction of any questionable customs or precedents, sought to be introduced through ignorance or design, that may be distorted or made use of by designing men, to the detriment of the company he represents.

So far as the rude framework of railway accounts is concerned, no one can, of course, claim to have originated it. It has existed, practically, since the first road was opened. It is in reference to the manner of execution, and in the niceties of detail, that this book is intended to treat; and in this connection the writer desires to acknowledge the valuable aid and information afforded by those immediately connected with him, for which it is impossible to give more explicit credit.

In reference to the blank forms embraced in the Appendix, many of them originated with the writer; where and when or by whom the others were first introduced is unknown to him; none of the blanks possesses any special merit further than that they are simple and inexpensive.

It is believed that the plan of accounting sketched herein is as simple and free from un-

necessary elaboration as an effective system can possibly be made; whether it is the best plan that can be devised, it is not necessary here to discuss; whatever the system may be, as already explained, it does not affect materially either the subjects discussed herein or the manner of treating them. With a few technical exceptions, the rules governing one system of accounts are applicable to all, the general principles remaining the same and the inherent weaknesses of each, as a system, not being noticeably different.

The system provided for herein contemplates the auditing of all the accounts of the company monthly. Upon many roads the revenue accounts are examined and audited four times each month. Now, unless the auditing of the revenue or agents' accounts weekly is essential to the protection of the company's interests, then clearly the plan of monthly adjustments must be preferable. While the cost of auditing the accounts weekly is not perhaps four times as great as the cost of performing the work monthly, nevertheless, the difference is very great.

The cost of blanks, books and stationery consumed in the conduct of the business of a railway is a very important item in the operating expenses. The expense can be greatly lessened by eliminating all unimportant blanks and books, and by simplifying and con-

solidating those that remain. The expenses for blanks, books and stationery can further be greatly decreased by putting off the date of making returns as long as it is possible to do so consistently with a careful supervision over the financial affairs of the company and the exact standing and condition of each of its agents. It is also manifest in the operations of a railway that the greater the number of reports required, the greater the clerical force that must be employed on the line and at the headquarters of the company. As the disbursements for labor of this character contribute nothing to the betterment of the property of the company or the increase of its earnings, it follows that the expense for clerk hire should be cut down to the lowest possible figure consistent with the discharge of business and the protection of the company's interests.

The plan of adjusting the accounts monthly has never failed to give satisfaction where it has had an intelligent trial.

If the success of a system demonstrates its value, then the system as shadowed forth herein may be said to answer, substantially, that test. Many of the rules and regulations here laid down have long been in practical operation, having been introduced by the writer, from time to time, as actual experience seemed to demonstrate their necessity; and during the last ten

years he has, with their aid, been able to collect many millions of dollars through the hands of a large number of constantly changing agents, without the loss of a single dollar.

In the accomplishment of this result, much has been due to the efficiency and skill of his subordinates in executing his orders, and to associate officers in heartily seconding his efforts.

In the preparation of the instructions to traveling auditors contained herein, the writer fell naturally enough into the habit of addressing them directly, as if he and they were acting together in their official capacity. He has elsewhere written as if referring to some particular company. This plan has the merit of directness and simplicity, perhaps, but possesses other defects for which he craves indulgence.

In the instructions to traveling auditors, the vicious element in railway life assumes, at times, a prominence that is not pleasant and that is apt to mislead those who are not personally familiar with the high and responsible character of railway agents. The bad element in railway life comprises but an infinitesimal fragment of the great whole; but to guard against the depredations of the few, the many are unavoidably subjected to what would otherwise be harsh and unjust rules and regulations.

It may be said generally, and with truth, that our railway officials and agents and operatives

are as trustworthy a body of men as can be found anywhere. They are, as a class, honest, industrious and faithful men; men of great discretion and native sagacity, who, in their several ways, watch over the interests of their employers and the safety and convenience of the public with unremitting patience and assiduity.*

* In this connection it may be well to remark (lest I be misconstrued), that the references made by me to the delinquencies of railway agents apply only to the local station agents of a company, in the discharge by them of the simple and mechanical duty of accounting for the revenue collected by them. If delinquencies occur in connection with any other class of officials, of which I have no knowledge, they do not come within the scope of this book.—M. M. K.

CHAPTER II.

GENERAL DESCRIPTION OF THE MANNER OF COLLECTING THE REVENUE.

THE earnings of the railways in the United States, for the Year 1877,* were :

From passengers,	-	\$125,205,322
From freight and other sources,	- - -	348,312,142
		<hr/>
Total,	- - -	\$473,517,464

These figures happily illustrate the magnitude of RAILWAY REVENUE. † It is of its collection that we desire practically to treat.

But before entering into a technical description of the duties attendant upon such collection it will be well, perhaps, to describe in a few words the general course of business from which earnings accrue.

The revenue of a railway may be said to be derived from the following sources ;

From *Freight* traffic.

From *Passenger* traffic.

* Poor's Manual for 1878, pp. iii., iv.

† The gross earnings of the railways of Great Britain and Ireland, for the same year, were \$314,866,640.—*Government Returns*, p. xix.

From *Express* business.

From *Mails*.

From *Car Hire*.*

And, finally, from *Miscellaneous* sources.

The business of the freight department is decidedly the most complicated, and a proper control over it requires the most minute and constant watchfulness. The supervision must be incessant from the moment the freight passes into the hands of the company up to the time of its delivery at its destination.

An analysis of the freight traffic discloses the almost infinite variety of the articles transported.

The expenses that attend the transportation of the different classes or grades of freight vary greatly. The transportation of general merchandise requires much more delicate and expensive appliances than the conduct of business of a coarser grade, such as lumber, coal and similar freights. The transportation of a hat-rack weighing five pounds costs as much as, or more than, a car-load of live-stock, so far as clerical work, blanks, books and accounts are concerned.

The minutiae that must be observed in handling merchandise are very great: arriving at the

* Upon many lines this account is included with the *Miscellaneous Earnings*. It can be entered separately, however, and afterwards merged, by transfer entry, with the *Miscellaneous*, when desired.

warehouse door it is received by a *quasi* accountant—the check clerk—and a receipt given. If the freight is in bad order, its condition must be carefully noted. Each class of freight must be weighed and grouped together, and entered upon the blotter or check book. When loaded for shipment, it is methodically checked into the car, and as it goes forward to its destination it must be accompanied by a way-bill or manifest, giving every particular of description, such as, where billed from, where billed to, number of way-bill, date, number of car, an exact description of the articles, the weight of the freight, the local charges or earnings, also the advances, if any, that have been made upon it. An impression or written copy of this way-bill must be kept, and a duplicate of it forwarded to the general office. The bill must be transcribed upon the station books, and at the close of the month the agent is required to report its date, footings and destination separately, grouping it in its proper place with other bills to the same station made during the month.

The conductor of the train that takes the freight must also take the way-bill. He should make a record of its salient features, for transmission to the general office. Upon arrival at its destination the freight is checked from the car, item by item, and any shortages, or evidence of its being in bad order, carefully noted

upon the bill; upon its delivery the charges are collected and the receipt of the consignee taken.

Upon many classes of freight the company is not held responsible for the condition or quantity.

The agent that receives the freight at its destination must make the same records and reports that are required from the forwarding agent as already described. In place of returning a duplicate of the way-bill, he returns the original bill with his reports at the close of the month.

The earnings from freight should be entered up on the books in the month in which it is billed, without reference to the date of its arrival at destination, or the time of the collection of the charges.

The quantity of freight forwarded is sometimes not known until after its arrival at destination. This is frequently the case with grain in bulk, ore, coal, and similar heavy freights. In such cases, if the quantity is not ascertained on or before some particular day early in the succeeding month — say the 5th — then such freights should be carried forward into the returns for the succeeding month.

The expense of conducting the passenger business is not nearly so great as that of the freight,

so far as clerical labor and accounts are concerned, and the work at stations is much simpler. When a ticket is called for, it is taken from the case and stamped, and upon the payment of the proper amount it is delivered to the passenger. The tickets provided for sale to the different points are printed and arranged in numerical order. The difference between the commencing number (of which a record is kept) and the closing number is, of course, the number sold. Multiplying the number sold by the rate gives the amount received for tickets sold to the point printed on the ticket; these amounts drawn off upon the books, and then upon the blank reports, afford a complete *résumé* of the business of the station. Only a small variety of tickets is usually found upon sale at the average ticket office. They may be said to consist of first-class tickets and half-fare tickets. At the more important stations it is customary to provide tickets to the principal points upon other lines; these are called coupon tickets, a coupon being attached for each line over which the passenger travels. At the central offices of the company, all the different classes of tickets required for an extended business are usually for sale. The extent and variety of these tickets we have only hinted at elsewhere herein, in our description of the General Ticket Agent. To describe these tickets in detail and the special records

that must be kept of them, and the reports that are required for those that are sold, would require more space than we can give the subject here.

The amount of passenger receipts collected by agents and conductors should be credited to Passenger Earnings in the month in which the said fares are collected. Foreign coupon tickets (tickets sold by other companies) should be credited to earnings in the month in which such tickets are collected. For this purpose an account may be opened, say, with "Foreign Coupon Ticket Collections;" this account should be charged with the tickets collected, in the month in which they are collected; upon the receipt of the report of the company selling the tickets, such company should be charged and "Foreign Coupon Ticket Collections" should be credited.

In the first edition of this book we thought we had discovered, in the appliances of an officer of many years' practical experience in the passenger department,* a simple and economical remedy for the difficulties that have so long perplexed railway officials in connection with the collection and return of passenger fares; but the remedy, upon practical application, proved to be fallacious. The device, therefore, that will ensure to a railway company a full and correct return of all passengers carried, without the aid

* Mr. Thrall.

of enclosed depots and ticket gates and attendant collectors, has yet to be discovered.

The safeguards that are esteemed necessary in connection with the cash collections for fares upon our trains have long occupied the earnest attention of railway officials, more especially, perhaps, those immediately connected with the passenger department.

Many suggestions have been made and many ingenious forms of tickets designed ; all sorts of devices have been introduced, but they each and all seemed to involve machinery of a character so elaborate or so expensive as to preclude their general acceptance or introduction, and not likely to be systematically and effectively carried out in the event they were introduced. Assistant conductors or collectors have been employed upon many roads ; the police have been called in ; hosts of men acting as conductors have been discharged, many of them, without doubt, unjustly ; yet the evil sought to be overcome remains practically undisturbed.

The great desideratum has always been some simple yet efficacious device that would make every passenger who pays his fare to a conductor the unconscious auditor of that conductor's accounts : some system that did not depend for its efficiency upon the willingness or uprightness of the employé ; some device whereby the railway company by proper surveillance could

determine beyond question whether the fares collected were duly reported ; some system that only required that the *number* of fares collected by the conductor should be counted by the observer, the *amount* collected being unalterably recorded ; a system, in fact, that did not depend upon the oath or the peculiar appliances of the detective.

The difficulty of enforcing an adequate check upon the passenger traffic is very happily set forth by Mr. Jervis in his valuable work, from which I have already had occasion to quote. He says :*

“There has not been found any means of checking him (the conductor) for the collection he makes in the coaches, except so far as it has and may be done by espionage. In consequence of this difficulty, most railway companies offer inducements to passengers to procure tickets at the offices by allowing a discount of 5 to 10 cents on a ticket. This induces a largely increased purchase of the ticket agents ; but there is a considerable amount still collected in the coaches by the conductor, which is consequently dependent on the integrity of his return. I know of no means to wholly remove the difficulty arising from this want of a check on the conductors. On English railways most of the stations are inclosed, and the passengers on

* Pages 210-218.

leaving and usually on entering the station must in the former case give up, and in the latter show, their tickets; but there is nothing to prevent the ticket collector from taking the fare, and if the passenger has no ticket, the integrity of the collector must be relied on to account for the money. In large towns a different course is pursued: about one mile from the station a ticket collector gets on the train and collects the tickets, the train being delayed time enough for this purpose. Here the collector occasionally finds a passenger without a ticket, and I have seen a collector in such a case collect the fare for the distance given by the passenger without remark, and have concluded it not to be a rare occurrence. Of course the return of such a collector can have no more check than that of a conductor. The English are very watchful of the entry of passengers into the coaches, but in the large towns I have seen no great difficulty in a passenger getting into the coach of a making-up train, the passage from the ticket office to the coach shed being open and often without a doorkeeper, affording no impediment to his entering the coach, and if asked when in the coach if he had a ticket, was seldom required to show it, the man engaged in seating the passengers usually being content with the word of the passenger. I have known instances in which passengers had no tickets, but paid fare

to the collector at the large town stations. Though the English system does not appear to be complete, I think a much greater proportion of fare is paid at the offices than on our railways. If the English system required, in the case of a passenger not having a ticket, that he should go to the ticket office and obtain one before he could pass the gate either out or in, and not allow either gate-keeper or collector to take fare in any case, it would seem to render the check complete. This would require the same practice at the terminal and other large stations as at the smaller ones. I have supposed the practice of sending a collector before entering the large towns was introduced to avoid delay to the passengers, who take carriages in the station yard, and so long as it prevails, the system of checks must be imperfect. If the English system was carried out as above suggested, it would not allow a fare paid, except to a ticket agent, and the collector would be merely a collector of tickets. Some effort has been made in this country to pass the entering passengers through a gate or door, and there requiring them to show their tickets before they pass into the station, and I have often gone on a train directly from such a station, and seen the conductor quite busy in receiving fare from those who had no tickets. The fact is, it often happens that a crowd is collected around the

doorkeeper, and passengers have some delay in finding their tickets, and with sundry items of hand baggage, and sometimes (often) infants, and children but little more advanced, causes delay and impatience, offering inducements and opportunity for others to crowd the passage, and more or less pass without showing and without even having tickets to show. I see no effective mode of forming a check on the passenger receipts, without complete inclosures, so arranged that no person can go into the carshed or yard of the station ground without passing a door or gate arranged with one or more openings, and a tender at each, so that no greater number need pass any tender than he could examine and see that they had tickets; for most stations one passage would be sufficient, and the arrangement would require to be extended to all stations where passengers were received. There would still be one source of evasion, namely, a passenger may procure a ticket for the next station, and continue on to a more distant station. The conductor would, of course, detect him; but how is the fare to be collected beyond the station ticketed? If the conductor collect, as is the present custom, then the check on his fare is lost. To carry out the system, the passenger should be treated as one that refused to pay his fare, when he extended his passage beyond the station ticketed,

and be put off the train, unless he could satisfactorily explain to the conductor the fact of not possessing a ticket and would agree to procure a ticket at the next station. But who is to control the conductor in such a case, if he choose, to take the fare, and allow the passenger to proceed on the train? As the conductor is the only man of authority on the train, from the beginning to the end of his route, no direct check can be had on his proceedings with a passenger on the way, although there would be an indirect check in the fact becoming generally known that the conductor was not in any case allowed to receive fare. The fact of receiving it would thus be likely to attract the notice of passengers, and hazard a report that would bring the conductor to an account. This might not, in all cases, be a protection, but it would be a salutary check. If, upon any plan, the exit gate be used, as in England, to insure the full collection of fare, the tender should not be allowed to take fare from any delinquent passenger: his business should be confined to the collection of checks on tickets, and, if that is wanting, the passenger should be required to procure it at the ticket office. The exit gate is objectionable at large stations, and hence the English railways only adopt it at the secondary stations, and depend on a collector at the large stations, as before explained; and on the collec-

tor there is no check, any more than on a conductor. It must be conceded that the crowd and hurry that occur at important stations, in making up trains, and more especially at the breaking up of the train at terminal stations, involve a difficulty in any system that can be relied on as a perfect check. The entrance gate is the most easily guarded, and if this part were well arranged, there would be but a small exposure to loss. It involves the necessity of receiving the baggage at or near the ticket office, in order to save the passengers from delay and confusion, in attending to both ticket and baggage checks. It is often the practice to allow friends to pass the gate with passengers, with a view to see them seated in the coaches; this is obviously an error, and should not be allowed, on account of its liability to abuse. With proper arrangements of inclosure and gates, very nearly all the fare will be collected at the ticket offices; and if the conductor and all collectors of tickets were prohibited, in all cases, from taking fare, making it the duty of the former to require any delinquent passenger to go to the office of the next station and procure his ticket, or, failing to satisfy him that he had a fair excuse for his delinquency, to put him off the train, as is now done if payment is refused, would leave but a small deficiency in checking the passenger receipts. No system can be safe from collusion;

but this is a far more difficult practice under a plan like this proposed, and, with proper care in the selection of agents, no great or material delinquency will be likely to occur. In all business involving trusts, the importance of a system of complete checks on reports and accounts is very obvious; to both parties it is beneficial, securing to the principal full accounts of his dues, and to the honest agent the means of showing the fidelity of his proceedings. By the existing practice, the faithful conductor has no power to prove his fidelity, nor the railway managers any exact means to prove the truth of any suspicions they may entertain, except by espionage, which is not desirable if it can be avoided—a state of things often very embarrassing to both parties; and action, when taken, is usually based on conjecture, and in many cases no certainty can be arrived at. The reports of conductors may appear fair, but as there can be no proper check to verify their accuracy, they afford no conclusive evidence in the case either way, and the unfaithfulness that may be supposed to exist, generally rests in suspicion, arising from general indications, as habits of dissipation and expenditure, or the reputation of acquiring property faster than is compatible with the salary received; and these facts may or may not be known, according to the prudence of the agents in keeping them out of the sight of those

who are interested to know them. It must be the desire of all honest conductors that their business should be placed on a system of the most perfect checks; and the railway company, in order to protect themselves against such as may be unfaithful, and be able to know those that are trusty, should adopt the most efficient system practicable, for securing the fidelity of their passenger as well as their freight receipts. There is, no doubt, a difficulty in attaining this end, and it will involve considerable, though not serious, expense to prepare the stations properly, so as to meet the requirements of any efficient system. With faithful men for conductors, no great evil will arise from a partial collection in the coaches; but, as before observed, it is a difficult, if not an impracticable, thing to discriminate between those that are and those that are not faithful; and therefore the temptation, as much as possible, should be removed."

No perceptible advance has been made in the eighteen years that have elapsed since the foregoing was written. An adequate system of ticket gates and collectors is still impracticable, and promises to remain so, except upon our more prosperous lines, for many years to come. Indeed, if the English companies with their great wealth and the dense population through which their lines run cannot provide adequate facilities for the control of their passenger traffic, then

there seems little likelihood that our comparatively poor companies with their attenuated lines and thinly settled districts will soon attain them.

The express business upon our roads is now quite generally conducted by a company organized for that particular purpose.

Very frequently the agent of the railway company acts in a similar capacity for the express company ; but the business of the latter and the responsibility attendant upon it are entirely separated from that of the former. The express company requires reports from its agents of the business of the different stations.

The amount which the express company pays to the railway company for the use of its offices and cars, the transportation of its messengers and other valuable considerations, is usually based on the extent of the business done, and the amount should be charged to the express company monthly and credited to earnings, without reference to the time of payment.

It is not usual for the railway company to require detailed reports from the express company's agents, for the purpose of arriving at the rental it should pay. This expense is obviated by requiring weekly statements from the express company. For the purpose of proving the trust-

worthiness and accuracy of these returns, the railway company should at all times have the privilege of examining the books and accounts of the express company. It should also have the right to require sworn statements of the business done by the express company.*

It will be seen from the foregoing that the collection of the revenue derived from the express business is comparatively simple.

The collection of the earnings for the transportation of the mails is equally simple. The amount to be paid by the Government being fixed, settlements are made quarterly. The amount due from the Government should, however, be charged up in equal amounts monthly and credited to Mail earnings. The railway company, as a rule, is required to collect the balances due from such postmasters along its line as the Post-Office Department sees fit to designate; having made these collections the particulars are reported to the Auditor of the Treasury for the Post-Office Department. After verifying the correctness of the report, the Auditor for the Post-Office Department deducts

* The revenue from express matter and from extra baggage and from freights carried by passenger trains, etc., etc., is so considerable and is surrounded by so many circumstances not known in connection with the receipts from other sources that it has been treated of separately by the writer hereof in a book designated "Baggage Car Traffic."

the amount the railway company has collected as described above, from the total amount due to it for carrying the mails. The balance is paid by draft on the Treasury of the Government.

Car-Hire Earnings represent the amount due a company by other companies for the use of cars; the amount is credited to earnings and charged to the companies using the cars upon receipt of their reports, reports being rendered monthly. The amount due other companies for the use of their cars should be charged to Operating Expenses,* and credited to the companies interested in the month in which the cars are used; the amount due from other companies for cars used by them should be credited to earnings, as already stated, in the month in which the reports of the service are received; this should not be later than the month succeeding the one in which the service was performed.

The Miscellaneous Earnings consist principally of rents, dockage, storage, demurrage, switching charges, charges for extra baggage,*

* This is not the practice with many companies; it being the practice, generally, to bulk the receipts and payments on account of car-hire, and if the remainder exhibits a *credit* balance it is included with the earnings; if a debit, it is embraced with the operating expenses.

and receipts from similar petty and irregular sources.

As indicated by the list of items, the miscellaneous earnings are collected partly through the hands of the agents of the company and partly from the office of the Treasurer.

As a rule, miscellaneous earnings are credited in the month in which they are collected.

Collections for dockage, storage, switching, etc., are credited to earnings in the month in which they are reported by the agents.

Rents received are credited in the month in which the bills are entered upon the general books.

These rules, however, are of no particular consequence, and can be changed as desired.

As soon as the ticket, freight and other accounts have been examined and corrected by the different sub-departments having charge of such accounts, the results must be formally certified to the Accounting Officer, to be by him credited to earnings.

An account should be kept by the Accounting Officer with each agent, conductor and railway company.

* As the earnings from Extra Baggage are treated by many companies as a part of the passenger traffic, it would be well, perhaps, to open a special account on the books with *Extra Baggage Earnings*.

Balance sheets are transmitted to the Accounting Officer by agents at the close of each month. These balance sheets are compared with the returns received from the different sub-departments, as specified above, and, if necessary, altered to conform to such returns, notification of any alterations being sent to the agents.

All the cash collected by agents and others on account of earnings is kept together and daily remitted in bulk as directed by the Treasurer. The exact amount of the different classes of earnings is determined by the Accounting Officer from the returns received from the different sub-departments, and not from the remittances of agents. There is, therefore, no necessity for attempting to make separate remittances of the cash collected from the different sources, and no other statement in regard to it is required than the assurance that it comprises the total collections.

From the foregoing general explanation, it will be seen that the earnings from the transportation of express and mail matter are paid directly into the Treasury, and the process of collection is consequently simple and direct. The technical instructions contained in this book, therefore, treat almost exclusively of the collection of and accounting for the earnings of the company from freight, passenger and miscellaneous sources.

Under the system contemplated herein, the books are closed and the accounts balanced monthly as already explained.

The freight accounts are examined and audited by an accountant called the Auditor of Freight Accounts. All freight reports or returns are made to him.

The passenger or ticket accounts are examined and audited in the general ticket department by the Ticket Accountant.

The tickets, when collected by conductors, are, however, transmitted to an agent of the Accounting Officer, called the Auditor of Ticket Accounts. This agent exercises a discretionary supervision over the ticket accounts, examining into and verifying the correctness of all returns made to the Accounting Officer from the general ticket office.*

As already explained, the officer to whom certain returns are made and by whom accounts are audited is frequently different upon different roads; this fact being understood, the clue to the instructions contained herein will be easily found upon roads where the accounts are arranged differently.

* The relation that the General Ticket Agent and the Ticket Auditor sustain to the ticket accounts is elaborated at considerable length in the chapter devoted to a description of the duties of the Ticket Auditor.

CHAPTER III.

CASH COLLECTIONS—REMITTANCES OF AGENTS.

THE faithful transmission into the Treasury of all moneys belonging to a company in the hands of its agents is of paramount importance to it.

This fidelity will be best secured by requiring promptness and thoroughness in all matters affecting the cash receipts in the hands of such agents.

Carelessness, even neglect, may without great danger be overlooked in many other departments of the service; but tolerance of such practices in connection with a company's revenue cannot result otherwise than disastrously.

The remittances of agents and conductors should, in fact, coincide exactly with their receipts from day to day. When this is the case, there is less incentive for withholding collections, and they are thus the more readily schooled in the *habit* (for the honest discharge of a trust is very much a matter of habit) of making prompt and full returns of all moneys coming into their hands.

An effective system for the government of agents, so far as relates to a company's revenue, has been found, so far as the writer's experience is concerned, in the enforcement of the accompanying rules and regulations :

In the first place, agents and conductors should be required to remit daily the gross amount collected by them.

Under no circumstance should an agent be permitted to withhold from his daily remittance any part of his cash collections, no matter how small the sum may be.

If the remitting of the exact sum collected by him would exhaust the small change on hand necessary to do the business of the station, his remittance may be for even dollars, but never in any case to fall short of the total amount collected, for instance :

If the daily collection or cash balance amounts to, say \$16.43, he may remit \$17.00, carrying the over-remittance forward on his cash book, and repaying himself for such over-remittance out of the collections for the succeeding day. But under all ordinary circumstances, and especially on the last day of the month, it is expected and required that agents will remit, each day, the exact amount collected ; the working fund with which they are provided being sufficient to keep them in small change and enable them to remit the specific sum collected.

The last remittance of the month's business must be made on the evening of the last day of the month, if there is a train by which such remittance can be made.

When a remittance cannot be made on the evening of the last day of the month, the agent will make up his cash at the close of the day's business, and remit by the first train on the following morning.

When a remittance, or any portion of one, is reported short, agents will not make a special remittance to cover such shortage, but will add to their next regular remittance enough to make good the deficiency.

They will in all cases take credit in their accounts for the actual amount of each remittance, as reported received by the Treasurer.

They will be particular to see that they get from the Treasurer an acknowledgment for every remittance made by them.

When not promptly received they should write for it.

They will take credit on their balance sheets for each remittance on the date that it is reported as credited by the Treasurer.

Remittances made during the last days of each month that are not credited by the Treasurer until the fore part of the succeeding month they will enter on their balance sheets (giving date when sent and amount of each) under the head

of "Balance to my debit carried to next month's balance sheet," omitting them in the list of remittances received by the Treasurer during the month.

In their balance sheet for the next month they will take up these remittances, and enter them in detail in list of cash remitted during the month, on the days they are reported as received by the Treasurer.

Remittances are credited to agents on the day they appear as received on the books of the Treasurer; therefore remittances made in one month and credited in the month succeeding must form an item in the account on the agent's balance sheet referred to above, under the head of "Balance to my debit carried forward to next month."

Agents should enclose each remittance in a sealed envelope, properly addressed, and send it forward by express without delay, taking the receipt of the express company's agent in all cases.

Agents are required to send a remittance slip* or statement with each remittance of money. This statement must be signed by the agent personally, and the form used must be the one provided, in which it is explicitly stated that the said amount remitted "is the total net cash receipts of the station, not previously remitted

* Form 1. Appendix.

(except the authorized working fund), for and on account of the company."

These slips are stamped and returned to the agent on the date the money is credited by the Treasurer. When thus stamped, they serve the agent as a receipt for the money.

Agents must see that these slips are carefully preserved and filed away.

In making up cash remittances, a memorandum of the number of currency bills of each denomination and the amount of coin enclosed in the package must be entered on the back of the remittance slip. For example :

2—\$10=	\$20 00
2— 5=	10 00
3— 2=	6 00
2— 1=	2 00
Gold	10 00
Silver	35
	35
Total	\$48 35

By following this system there will be less liability to make mistakes, and the treasury department will be able to examine remittances more critically in case of differences or the enclosure of counterfeit money.

When the remittances are made directly at the treasury and counted in the presence of the depositor, it will not, of course, be necessary to classify the money as provided for above.

Remittances must be counted by the sender at least twice, immediately before they are enclosed and sealed, and too much care cannot be exercised to prevent the occurrence of mistakes.

For the purpose of saving unnecessary expense for transmission, storage, accounting, etc., and to relieve the treasury as much as possible, agents should use silver as far as they can in making change and in paying bills, discharge cards, vouchers, etc.

They should not allow silver to be forced upon them in an illegal manner. They will refuse to accept any coin that is not a legal tender, or that is offered in sums in excess of the legal tender limit, except when such refusal would occasion loss or diversion of business from the company's lines.

The enforcement of the foregoing rule will prevent, in a measure, the treasury being burdened with silver, and save it from the losses that must ensue whenever it becomes so burdened.

The silver that agents cannot dispose of they should remit daily, as in other cases. They must not, however, remit paper currency in bags with coin, but must make separate remittances for coin (except when special deposit bags with partitions for paper and coin are provided), and paper, sending a notice slip with each remittance.

If, in the discharge of business, agents are compelled to accept other than legal tender money, or fractional silver or minor coins in excess of the legal tender limit, the current rate of discount should be allowed them.

And in remitting money received by them at a discount, the amount of the discount must be noted on the remittance slip and deducted from the gross sum stated thereon.

Except as specified below, all checks or drafts received by agents must be drawn to the order of the agent of the railway company who receives them, as, say ;

“ Pay to order of John Doe, Agent Blank Railway Company.”

The checks of the Treasurer, Paymaster, and other financial officers of the company will be accepted by agents in payment of sums due the company ; such checks must, however, in all cases, be legally endorsed by the person or persons in whose names they are drawn.

All checks or drafts received by agents, including those issued by the company, as specified in the preceding paragraph, must be endorsed by them to the bank to which they remit (when remittances are made directly to a bank), in form, say, as follows :

“ Pay Blank National Bank or order.
“ Richard Roe, Agent.”

If remittances are made directly to the Treasurer, then the endorsement should read payable to him.

Unless otherwise ordered, agents should not accept checks or drafts unless made payable at the place where the bank or Treasurer to whom they are sent is located, otherwise the company may be compelled to pay a fee for collecting such checks or drafts.

Notes should not be received in payment of balances due the company, except by special advice of the Treasurer.*

Unless specifically ordered to the contrary by the Treasurer, all cash collected should be remitted to that officer.

* And it should be the duty of that officer to prescribe the form of the note to be used, the time it is to run, the date of payment, etc., etc.

CHAPTER IV.

THE REVENUE BLANKS OF THE COMPANY USED AT STATIONS AND ELSEWHERE ON THE ROAD, WITH A DESCRIPTION OF EACH.—FREIGHT BLANKS.

THE principal blanks used at stations and upon trains, in connection with the freight business, are as follows :

CHECK TALLY BOOK OR BLOTTER.

(Form 11, Appendix.)

The particulars of each consignment of freight received for shipment should be entered in this blotter, as the same is received at the warehouse or car door, the shipping ticket being carefully filed away. This book thus forms a rough record of all the traffic forwarded from each station, and is frequently valuable for reference long after the transactions it recites have been forgotten.

FREIGHT WAY-BILL—ORIGINAL.

(Form 12, Appendix.)

This blank is intended to furnish a full history

of each consignment of freight; it accompanies the traffic it describes to its destination, and informs the receiving agent what freight was shipped, its condition, owner and the charges that should be collected.

The columns of a way-bill represent the accounts peculiar to the freight business, viz. :

Date and number of way-bill.

Whose car.

Number car.

Consignor.

Consignee.

Description of articles.

Weight.

Rate.

Local unpaid (earnings) charges.

Prepaid (earnings) charges.

Advanced charges.

These columns are repeated substantially, in all freight books and accounts.

In making a way-bill, the material part of it is copied from the tally book or blotter previously described.

All way-bills or manifests are required to be filled up in copying ink exactly as the blank prescribes; the several columns should be footed.

Way-bills must be numbered consecutively, commencing with number one, on the first of each month.

A separate way-bill must always be sent with each loaded car.

In way-billing freight through to points on other lines, the through charges should be entered on the way-bill in the column headed "local charges;" the proportion of such through charges that properly belong to the respective lines over which the freight passes being determined and agreed upon by the auditing officers of the different lines.

Agents using unauthorized special rates will be held responsible for any undercharge occasioned thereby, and the amount of such undercharge will be charged to them as prepaid freight, provided the error is not discovered in time for collection before the delivery of the freight.

With the exception of freight way-billed at unauthorized special rates, the receiving agent is held responsible for the correctness of all way-bills received by him: great care should therefore be used by him in examining the classification and rates used, as well as the extensions, that all errors may be corrected before the delivery of freight.

All errors in local freight charges on way-bills must be corrected by agents and the proper offices notified at once.

The quantity and weight of freight, whether for the use of the company or otherwise, must always be specified on the way-bill.

The weight and charges columns for grain in

bulk should be left blank, to be filled up by the receiving agent, unless the exact weight is known.

Agents will be particular to note on the original way-bills the authority by which any deviation is made from the tariff rates.

All way-bills received during the month must be folded, with the filing outside. They must be arranged in station and numerical order; they must be securely enclosed in a strong wrapper, and must be sent to the Freight Auditor on the same train with the monthly freight report and abstracts.

Bills received after the report and abstracts have been sent in must be sent forward without delay, with a statement, to the Freight Auditor.

Freight must not be received into a train, or transported, unless accompanied by a way-bill.

The rates specified in the tariff and in the special letters of advice issued from time to time must be rigidly adhered to unless otherwise advised by competent authority.

In billing, agents must be particular to insert the initials of the cars.

When mistakes occur, a correction sheet must be sent to the other agent interested, and to the Freight Auditor.

The articles of freight received must be compared with the classification and tariff, and errors corrected before delivery of freight.

Where freight possesses any peculiar or distinguishable marks, such marks should be accurately described upon the bill as well as upon the receipt given to the shipper.

In weighing freight and in entering the same upon the blotter, the articles must be arranged in the order in which they are named on the classification, so far as possible, so that the general arrangement of the items as entered upon the way-bill will indicate the class and the rate applicable to it.*

When billing freight received at junctions from connecting lines, the point of departure should be noted on the bill, a record of the connecting company's way-bill and car being kept for future reference.

Great care should be exercised in designating essential particulars, such as quantity or number of articles, route, destination, etc.

The amount entered in the advanced charges column must never be changed without advice from the forwarding agent.

When an agent at the point of destination of goods receives an order to alter the amount of the advanced charges and is unable to do so, he

* The classification (by which merchandise is billed) indicates the class to be charged, as 1st, 2d, 3d, 4th, or special: if the article to be forwarded is designated in the classification as 3d class matter, then it should be way-billed at the rate provided for 3d class freight, and so on; for those kinds of freight that are usually shipped in car-loads, such as live stock, lumber, shingles, lath, coal, ore, grain, flour, etc., etc., it is customary to make a rate per ton, or per thousand, or per car, as the case requires.

must in all cases advise the agent from whom the notice was received.

Agents when shipping perishable property should note "perishable freight" on the outside of the way-bill.

Charges on perishable property must be prepaid or guaranteed, and must be so marked on the way-bill.

The use of memorandum way-bills is prohibited, under any and all circumstances, no matter how pressing the circumstances may be.

Every way-bill should be a regular way-bill.

The terms "owner's risk" and "released" mean substantially the same thing. Agents must not therefore bill freight at owner's risk until they have obtained a written release from consignor.

Agents must be careful to obtain a written release for all shipments which are provided for on classification at "owner's risk" or "released."

FREIGHT WAY-BILL—DUPLICATE.

The duplicate way-bill is required to be all that the name signifies, viz.: an exact copy of the original bill.

At stations sufficiently large to warrant the use of a copying press, an impression of all original way-bills is required to be taken in a large tissue copy book. The duplicate is se-

cured by inserting a loose slip of tissue paper, thus taking two impressions, the loose one being used as a duplicate.*

At the small stations a blank is provided, upon which the agent makes a written copy of the original.

The duplicate way-bills are required to be sent to the freight auditor by the first passenger train after the originals have been made, except for bulk grain way-bills.

Duplicates of bulk grain way-bills are not sent in until the extensions are received from the receiving agent and inserted in the duplicate bill.

Duplicates of bulk grain *and similar way-bills* (*i. e.*, way-bills for which the forwarding agent is unable to insert the correct weight until freight is weighed at the receiving station and reported back to the forwarding agent), when carried forward into the accounts for the succeeding month, must be redated (in pencil) before being sent in. These bills should be dated on the day the extensions are returned by the receiving agent.

Agents using copying presses must be particular to see that the duplicate is a good, legible impression.

Bills must be copied in numerical order, and the tissue duplicates must be so arranged before being sent forward.

* Triplicates are required upon some roads.

Tissue duplicates must not be cut or mutilated: *i. e.*, the tissue sheets must not be cut or torn.

LIVE STOCK WAY-BILL.

(Form 13, Appendix.)

This blank is used only in billing to live stock centres.

The blank is the same, in all respects, as a regular form of way-bill, except that there is a stub attached, giving the same information, in the most concise form, that the bill proper does; this stub is detached at destination and goes with the stock to the yard, and is there used in collecting charges, etc.

The object of this particular blank is to avoid the delay, at the final destination, of making the customary expense bill; the stub takes the place of the latter.

Under these circumstances, the forwarding agent is held strictly responsible for any error or omission in billing live stock.

FREIGHT TRANSFER WAY-BILL.

(Form 20, Appendix.)

This blank should be used at the junctions with other roads.

It provides for the massing of a multitude of way-bills and cars on one bill, for economy and

dispatch in transferring and adjusting accounts between the agents of the respective lines.

TRAIN REPORT OF FREIGHT CARRIED.

(Form 57, Appendix.)

This report must be made by the conductors of freight trains.

It embraces a concise statement of the freight hauled in the train.

It gives the date of the way-bill, its number, number of car, point from, point to, and amount of local charges. In the column for remarks the conductor is required to note any peculiar features the freight may possess.

The report must be filled up in full, but it need not be footed.

It must be sent to the freight auditor immediately upon the arrival of conductors at their destination.

Every possible precaution must be observed by conductors to prevent the occurrence of errors or omissions in this report.

When the way-bill is for dead-head freight, note in the local charges column "D. H.," giving in the column headed "Remarks" the name of consignee and quantity of freight.

When the way-bill is for company's freight, note in the local charges column "C. F."

When the way-bill is for grain in bulk or for

any other description of freight, the weight and local charges of which cannot be ascertained until the car has reached its destination, describe in the briefest way possible the kind of freight in car. The initials "B. G." will stand for bulk grain, etc., etc.

Conductors are required to keep a supply of these blanks constantly on hand.

The use of this blank completes the check on the freight traffic reported as forwarded and received by the various agents.

FREIGHT FORWARDED BOOK.

(Form 16, Appendix.)

This book is intended to embrace a full description of every consignment of freight forwarded from each station.

At stations where a copying press is not used agents are required to enter an exact copy of every way-bill made by them in this book.

When a tissue copy-book is used at stations for taking an impression of the way-bills made, such tissue copy will take the place of this book.

The total footings should be entered in pencil at the bottom of each page of the book as fast as the page is filled, carrying the amounts forward from page to page, so that the last page will show the aggregate amounts for the month, and they must agree exactly with the abstract book and with the monthly report of freight forwarded.

The prepaid and advanced charges columns should also agree with the corresponding columns in the cash book.

At the end of the month the book must be ruled, and agents will substitute ink figures for those previously entered in pencil, except in those cases where a tissue copy-book is used.

FREIGHT FORWARDED BOOK—TISSUE COPY-BOOK.

As already explained above, this book takes the place of the regular form of freight forwarded book at stations where a copying press is used.

Care must be exercised to secure plain, legible copies.

Good ink must be used.

In making way-bills the ink should never be blotted, but should be allowed to dry. When this is done a good impression can always be secured.

In copying way-bills no blank spaces should be left in the book ; way-bills for different dates should be copied on the same leaf when there is sufficient room.

FREIGHT RECEIVED AND RECEIPT BOOK.

(Form 17, Appendix.)

This is a companion volume to the freight forwarded book, except that it recites the particulars

of freight *received* from other stations. It also embraces the final receipt of the consignee for the articles delivered. It thus becomes of the greatest consequence that it should be fully and methodically kept, as a failure to record a delivery, with the receipt of the owner, might involve a future claim for the total cost of the property omitted from the records.

The particulars of every way-bill received and all notations thereon are required to be carefully and fully copied into this book as soon as the freight has been checked from the car and the way-bill properly examined.

It is both a record book of freight received and a receipt for its delivery, and, as such, is, as already intimated, of special importance and value to the company.

The headings for the different columns indicate exactly how the book should be written up, and it must be kept accordingly, viz. :

Date of the receipt of freight.

Columns for folios, etc.

The columns peculiar to a way-bill. Also columns for :

Total of consignment charges, payable at station.

Check with cash book (tally mark).

Local prepaid charges.

Total local unpaid charges of way-bill.

Total advanced charges of way-bill.

Date of delivery of freight.

Signature of consignee, or party authorized by his order to receive the freight.

The printed heading at the top of the right-hand page, upon which the signature of consignee is entered, viz.: "We, the undersigned, hereby acknowledge to have received, in good order, the articles described below opposite our names respectively," must not be altered, or erased, or interlined.

The book must be ruled and footed exactly as directed for the freight forwarded book, and the total footings must exactly harmonize at the end of the month with the abstract book and monthly freight report,

At the very large way stations the freight receipt book (upon which consignees receipt) must be separated from the freight received book, in which latter the information contained in the way-bill is spread upon the book in bulk, *i. e.*, the whole way-bill is copied upon the freight received book upon its arrival, without reference to the time of delivery.

The form of book used at the junctions is especially adapted for use at junctions, having columns for "transfer," etc., as described elsewhere herein under the head of "junction accounts."

Charges on property should, in all cases, be collected before its delivery, and where a consignment is delivered in driblets, the whole charges should be collected before making the first delivery.

Property must not be delivered until the receipt of the consignee is taken, specifying its condition at the time of the delivery.

It is important that the receipt taken for the delivery of property by the company should be as full in its specifications as the receipt given by the company to the consignor at the point where goods were received. A neglect of this rule may, at any moment, occasion severe loss to a company.

Receipts for property must, in all cases, be taken in ink.

When parties claiming freight are not known, they must be properly identified before delivery of property to them.

Property must not be delivered except to the consignee or upon his written order. When an order is received it must be carefully filed away for future reference.

Agents should not, under any circumstances, allow the freight receipt book to be inspected by the patrons of the road in order to see what other people receive or pay; care must be taken to cover the page of the book with a blotter or otherwise, if necessary, when freight is being receipted for, so that the party giving the receipt can only see the details of his own consignment.

FREIGHT EXPENSE BILL—RECEIPT FOR
CHARGES PAID BY CONSIGNEE.

(Form 19, Appendix.)

This is the receipt of the agent acknowledging the payment of the company's charges at point of destination, including any advances that have been made on the property described. It is a protection to the payor and to the railway company as well.

It gives the exact particulars of the consignment as shown by the way-bill, omitting any reference to the condition of the freight as over, short, bad order, etc.; it must otherwise be filled out in full.

It must be signed in ink by the agent or his authorized deputy, and afterwards stamped; it must in all cases be delivered to the consignee upon payment of the charges due the company.

The blank should be filled up on the arrival of the freight, after the way-bill has been examined and, if necessary, corrected.

The expense bill must never be receipted or stamped until charges are actually paid.

All claims against the company for overcharges and loss and damage must be accompanied by the receipted expense bill.

If a duplicate of an expense bill is required, be particular to mark it "duplicate."

At the large stations blanks may be es-

pecially printed for such stations, when economy can best be subserved thereby.*

FREIGHT ABSTRACT BOOK, FORWARDED
AND RECEIVED.

(Form 21, Appendix.)

In this book agents are required to open an account with each station to which they forward or from which they receive freight, leaving space enough for each station to last for one month; each month's business is thus presented in a compact form, convenient and easy for reference.

Under the proper headings the way-bill date, number and column footings must be severally entered as the same are from day to day found to be correct.

At the close of the month the footings must be entered in ink and properly ruled.

At very large stations separate books may be kept, one for freight forwarded and one for freight received; this permits greater celerity in writing up the accounts.

At such stations an account should be opened in the book with every other station, leaving sufficient room for each to last while the book is in use.

Where separate abstract books are kept the

* This rule can very properly be followed in reference to other blanks and books, used at very large stations, when it is desirable.

books themselves may be sent to the Freight Auditor, with his permission, to be examined and checked in lieu of the regular freight abstracts, thus obviating much labor in making copies.

When this plan is observed, two books of each kind should be used, the books being written up in alternate months.

FREIGHT FORWARDED ABSTRACT, MONTHLY.

(Form 22, Appendix.)

This form is intended for the use of the Accounting Officer, to enable him to sum up the freight traffic of the various stations during the month, or for such period as the return is made. Thus the statement of freight forwarded from *A* to *B* should correspond with the returns made by *B* of traffic received from *A*.

It gives the date, number and total footings of every way-bill forwarded from the station for which it is made.

It must be enclosed with the monthly freight report to the Freight Auditor's office, and must be forwarded on the night of the fifth or morning of the sixth day after the close of the month, unless it is necessary to forward it earlier, to insure its arrival by the night of the sixth or morning of the seventh.

It must contain a correct statement, as per the headings of the several columns, of all the way-

bills for freight forwarded during the month, excepting way-bills for dead-head freight.

Way-bills must be entered in numerical order.

The name of the station to which freight is forwarded must be entered directly over the amounts, keeping the business of each station separately.

The stations must be arranged in the order named on the monthly freight report, and, whenever necessary, the reverse side of the abstract must be used.

The date and number of all bulk grain and similar way-bills, for which no returns have been received, must be entered in their proper places, leaving the weight and charges blank, to be filled in at the Freight Auditor's office.

At stations (except the largest) where a copying press is used, an impression should be taken (without blurring) of the abstract when completed; at stations where this is done the abstract book may be dispensed with. If the sheet is blurred in copying a new one should be made.

Upon receipt of this abstract by the Freight Auditor, it should be footed and should then be compared and made to agree with the abstracts from other stations of freight received; following this, the totals should be checked with the monthly report; the items may also be compared with the duplicate bills on file.

When freight is billed through to points on

other lines, a special abstract of such freight should be made promptly on the first of each month by station agents; this abstract should be sent by agents to the Freight Auditor of the connecting road: in this way the freight auditors of the respective roads will be able to examine the joint accounts and agree upon the balance early in each month.

FREIGHT RECEIVED ABSTRACT, MONTHLY.

(Form 23, Appendix.)

This abstract is similar in all respects to the form just described, except that it recites the particulars of way-bills received during the period specified instead of the way-bills forwarded.

It is a recapitulation of every way-bill received at the different stations; it gives the date, number and footings of each column, as shown on each way-bill.

It must not, under any circumstances, be retained by the agent after the morning of the sixth of the following month, and in all cases it must be sent with the monthly freight report, so as to reach the office of the Freight Auditor not later than the night of the sixth or the morning of the seventh.

Should agents for any reason be unable to make returns of the weight and freight charges for any bills for bulk grain or similar freights forwarded during the previous month, such bills

should be carried forward into the next month's business, unless otherwise directed.

No way-bills will be carried forward into the succeeding month's account excepting bills for which no returns have been received.

Every exertion must be made by both the forwarding and the receiving agents to procure returns for bulk grain and other unextended bills in time to include them in the account for the month in which they are dated.

All way-bills omitted by agents, with the above exception, should be added to their reports by the Freight Auditor and notice thereof sent them.

When stations (except the largest) are supplied with a copying press, an impression copy should be taken of the abstract when completed.

Care must be taken not to blur the abstract, otherwise a new one must be made.

At stations where an impression is taken of the abstract, the abstract book may be dispensed with.

This blank must contain details as per the headings of the several columns of all way-bills received, dated in the month for which it is made, excepting way-bills for freight carried free, which should not be included unless charges have been advanced on same.

The names of stations from which way-bills are received must be written directly over the

amounts, keeping all the way-bills from each station together and in numerical order.

The abstract must be made up entirely from the original way-bills, and the totals of each account made to agree with the totals of the abstract book.

Stations must be arranged in the order in which they appear on the monthly freight report, and, whenever necessary, the reverse side of this form must be used.

Way-bills must be taken into account in the month in which they are dated, whether received subsequent to the close of the month or not.

Way-bills received after the monthly reports have been forwarded must, immediately after being entered on the station books, be enclosed, with a letter of advice, to the Freight Auditor's office, to be added to the accounts.

In examining the abstract it would be well, perhaps, to compare it with the original way-bills, before it is footed.

It should afterwards be compared and made to agree with the reports of freight forwarded from other stations; the footings should then be compared with the monthly freight report, and the latter altered to correspond when any differences exist.

A comparison of the items making up the abstract with the intermediate reports, by conductors, of way-bills of cars hauled, verifies and completes the check.

A further check may be secured by comparison with the records of cars in the office of the Car Accountant.

FREIGHT REPORT FORWARDED AND RECEIVED MONTHLY.

(Form 24, Appendix).

This report is a recapitulation of the freight abstracts.

The names of the stations are printed in regular order down the centre of the blank.

The amount of freight forwarded to the different stations is entered on the right-hand side, opposite the names of the several stations.

The freight received is entered in the same manner on the left-hand side of the report.

The usual freight traffic columns are provided for entering the aggregate amounts, viz.: weight, unpaid local charges, advanced charges, and pre-paid charges.

It must be footed, and the aggregate amount of the several columns must be carefully compared and made to agree with the freight books and accounts kept at the station.

It must be enclosed with the monthly abstracts and forwarded to the Freight Auditor's office so as to arrive not later than the night of the sixth or morning of the seventh of the month succeeding that for which it is made.

It must contain, as per the headings, the totals

of freight forwarded to and received from each station, and, being compiled from the monthly abstracts, must be carefully checked back therewith, so as to prevent errors or omissions in copying.

When stations are reached by different routes, the freight transported by each route must be entered herein separately, specifying in each instance, opposite the station, the route it traveled.

Freight forwarded to or received from stations not printed on this report must be entered in the blank lines after the printed stations, keeping the stations on each division together, in station order, and entering the stations on foreign lines last; a blank line being left after the last station of each division, and also after the stations of each foreign line.

Station order should be considered the order in which the stations appear on the official list of stations and agents.

The same care should be exercised by agents, to secure correctness in their report of the weight and unpaid local charges for freight forwarded and the weight and prepaid charges for freight received, which is observed by them to prevent errors occurring in accounts affecting the balance to their debit or credit.

This report is examined and checked with the utmost nicety in the office of the Freight Auditor, and is then footed and the total amounts

certified to the Accounting Officer, to be by him charged or credited to the agent.

Afterwards a recapitulation should be made by the freight accountant of the aggregate footings of the monthly freight reports for the different stations. This recapitulation should be footed. The total amount of freight forwarded from all stations should agree exactly with the total amount of freight received at all stations, allowance being made for the joint business done with connecting lines.

This plan proves the correctness of the footings of the reports upon which the charges against agents are based, and also proves the correctness of the check against the specific items making up the said footings.

FREIGHT EARNINGS REPORT, DAILY—STATISTICAL.

(Form 25, Appendix.)

This return is statistical in its nature. It is used for the purpose of arriving at an approximate statement of the daily freight earnings.

It must be sent to the Freight Auditor's office by the first passenger train after the close of the business of each day.

The aggregate amount of local charges or earnings should be given for all freight billed to local points.

The amount collected for milk tickets sold should be included in this aggregate.

For freight forwarded to points on other lines the total freight charges to each point to which freight is billed should be given.

The division of this joint business is figured by the Freight Auditor.

Agents must make a close estimate of the local charges of way-bills forwarded with grain in bulk, also for other freights when the extensions are unknown; this estimate should be included in the daily report, carrying the difference into a subsequent report by adding to or deducting from the amount of the subsequent report, as the estimate may have been short or over when compared with the actual amount returned by the station to which the freight was way-billed; no correction should, however, be made in the reports of any month for errors occurring in the reports for the preceding month.

Particular care should be observed at all times to avoid errors or omissions.

The amount of the daily reports should agree with the amount of the monthly report, with the exception of the differences that may be occasioned by the correction of estimates, or unavoidable errors, after the report for the last day of the month has been sent in.

In all cases, agents must telegraph the amount of earnings, when it is impossible, from the delay of trains or other causes, to forward this report so that it will reach its destination on the day after it is made.

The value of this report is dependent upon its prompt return to the freight accountant. Special envelopes should be provided, so that the reports may be readily distinguished from less urgent matter.

FREIGHT OVERCHARGE BOOK.

(Form 26, Appendix.)

Immediately upon the discovery of an error in way-billing freight, a correction is made, and the agent forwarding or receiving the way-bill is notified, unless the accounts for the month have been closed and audited.

If the correction lessens the charges as indicated on the way-bill, and the original amount has already been collected of the consignee, then an overcharge has occurred for which the receiving agent is responsible, and which he must refund.

Overcharges not claimed by consignee cannot be considered as a perquisite accruing to the benefit of the agent.

There are no perquisites.

As soon as an overcharge occurs for which the agent is responsible, as described, he must immediately enter the particulars of the said overcharge on this book.

He is required to charge himself with the aggregate amount of overcharges remaining unrefunded at the end of the month, on his monthly balance sheet.

Overcharges claimed to have been refunded will not be allowed unless the date of payment and the receipt of the party overcharged are attached opposite the entry on this book.

An agent must not take credit on his cash book for overcharges until he has refunded them to the party overcharged and has taken his receipt in proper manner on the overcharge book.

Overcharges, like other accounts, must never be paid through irresponsible agents.

They must be paid directly to the party overcharged, as his acknowledgment only can release the company from its liability.

No notice must be taken on this book of overcharge claims against the company proper, *i. e.*, where the amount collected by the agent was the same as the amount charged to him in the accounts: such overcharges are refunded directly by the company by voucher. This book is intended to cover only those cases where the amount charged to an agent by the company is less than the amount collected by him.

OVERCHARGES: LOSSES: DAMAGES.

All claims against the company for overcharges, if presented after the accounts are closed for the month in which the overcharge occurred, should be sent through the agent with the receipted expense bill to the Freight Auditor,

to be by him examined, and the amount refunded by voucher.

Claims for loss or damage to property should be sent to the claim agent, or proper officer, for investigation and adjustment.

FREIGHT OVERCHARGE STATEMENT— QUARTERLY.

(Form 27, Appendix.)

On the first day of each quarter, viz., on the 1st of January, April, July and October, respectively, all overcharges which agents are unable from any reason to refund, and for which they are responsible, and which have remained on the overcharge book three months, must be reported to the Freight Auditor to be by him charged up against them on the books of the company.

The company instead of the agent then becomes responsible for the ultimate refunding of the overcharge to the party overcharged.

Until charged up, as indicated, by the Freight Auditor, the amount will be reported back on the correction statement from the Accounting Officer, and agents must continue to report the amounts on the debit side of their monthly balance sheet.

• FREIGHT RECEIPT FOR CHARGES ADVANCED.

(Form 9, Appendix.)

When charges are advanced on goods received for shipment, a receipt must always be taken by the agent making such advance: it must be dated, and must be signed by the party to whom money is paid.

Receipts should be consecutively numbered, commencing with No. 1 on the first of each month, and they must be carefully filed away in the order in which they are numbered, so that they can be readily verified with the cash book and other accounts.

In all cases state in the body of the receipt for what purpose charges were paid, and on what kind of freight.

Agents are required accurately to inform themselves of and carefully to observe all rules and regulations governing the advancement of money on freight received for shipment.

This receipt is intended to protect the agent making the advance in case such advance is called in question: it also has, manifestly, a tendency to prevent the insertion of "advances" upon a way-bill, except in *bona fide* cases.

FREIGHT TRACING SHEET.

(Form 28, Appendix.)

When freight billed from any station is re-

ported short, the forwarding agent is required to send what is termed a "tracer."

All agents receiving such tracer are required to fill it up as indicated by the headings, and send it forward without delay.

In this way property is traced from point to point until discovered and forwarded to its proper destination.

FREIGHT REPORT FOR "SHORT" FREIGHT.

(Form 29, Appendix.)

Whenever freight billed to a station fails to arrive, agents must fill up two copies of this report, one for the claim agent; and one for the agent at the station from which the freight was billed, enclosing both copies to such agent for his notations.

The forwarding agent thus advised forthwith commences the search for the property, as already described.

FREIGHT REPORT FOR "SHORT" FREIGHT RECEIVED.

(Form 30, Appendix.)

This is a notice to the claim agent of the receipt of freight previously reported "short," and must be sent forward without delay.

FREIGHT REPORT FOR "OVER" FREIGHT.

(Form 31, Appendix.)

When freight is received at a station without

a way-bill, agents are required to fill up two copies of this report, one for the claim agent, and one for the agent at the station from which the freight was received, enclosing both copies to such agent, who on receipt of the same gives his explanations and instructions on each as to whether the discrepancy arises from an error in billing, or in not billing. He should also direct what disposition is to be made of the excess freight.

FREIGHT REPORT FOR "OVER" FREIGHT ACCOUNTED FOR.

(Form 32, Appendix.)

This report must be sent by agents whenever freight, previously reported over, has been properly accounted for.

FREIGHT REPORT OF "OVER," "UNCLAIMED" AND "REFUSED" FREIGHT, MONTHLY.

(Form 33, Appendix.)

This report is required to be sent to the claim agent monthly; it is, as far as possible, a complete description of the freight on hand which is over, unclaimed or refused.

On the first day of each month agents are required to make a return to the claim agent, on this blank, of all goods in their possession that remain over, unclaimed or are refused. This report must embrace a statement of the estimated

value of each consignment, and its condition, and of any other circumstances in connection with it that may be necessary to enable the claim agent to decide what disposition should be made of it.

It must also embrace a report of the disposition made of goods previously reported as over, refused or unclaimed.

If parties to whom freight is consigned are unknown, or if they refuse for any reason to receive it, the forwarding agent should forthwith be notified. Immediately upon the receipt of such notice he should confer with the consignors, and ascertain what disposition should be made of the property.

When there is no over, unclaimed or refused freight on hand, a blank form must nevertheless be filled up, and forwarded to the claim agent monthly, as directed.

Agents must not consider all uncalled-for freight as coming under the head of unclaimed.

When freight has recently arrived at a station, or when consignees are known and may reasonably be expected to call for freight, it should not be reported as unclaimed.

FREIGHT REPORT FOR BAD ORDER FREIGHT.

(Form 34, Appendix.)

Upon receipt of freight in bad order, agents should fill up two copies of this return, one for the claim agent, and one for the agent at the sta-

tion from which the freight was billed; both copies should, however, be sent to the latter agent for his report or endorsement.

At the bottom of this sheet the weights of the freight, as billed and as received, should be inserted, whenever the circumstances of the case necessitate it, if practicable.

FREIGHT RECEIVED NOTICE.

(Form 18, Appendix.)

For the convenience of the public and the rapid discharge of business, agents are usually required by the company employing them promptly to notify consignees on the arrival of freight.

As a rule, however, the railway company sending the notice is particular to insert in it a notice to the consignee that in notifying him of the arrival of his property it does so only for the purpose of insuring greater dispatch in the delivery of merchandise, and not that it is under any legal obligation to notify consignees of the arrival of freight.

When storage is charged by a company it would be well, perhaps, if the notice to the consignee of the arrival of the freight mentioned the fact.

There should be attached to the notice an order, which the consignee can sign, making the delivery of the goods "to bearer," or otherwise as he may desire.

Agents should note on the freight received book the date the notice is sent.

When the notice is sent at the expense of the consignee, the cost of the postage stamp used in mailing must be added to the expense bill, but must not be included in the amount entered on the cash book or in the list of uncollected freight at the end of the month. A special or private notation should perhaps be made on the expense bill of the amount of the postage. All postage stamps, for which the consignee is to pay, should be purchased directly by the agent.

The form embraced in the appendix hereto, printed on a common postal card, seems as simple and inexpensive as any that can be devised.

FREIGHT CORRECTION SHEET FOR WAY-BILLS FORWARDED AND RECEIVED.

(Form 14, Appendix.)

Immediately upon the discovery of an error in a way-bill, the way-bill must be changed (in red ink), and the agent discovering the same is required to forward forthwith a correction sheet (notification of the error), stating how the way-bill did read and how it should read, to the other agent interested.

A copy of the correction sheet must also be sent to the Freight Auditor by the agent discovering the error.

The original correction must be forwarded to

the Freight Auditor as soon as the agent to whom it was sent has corrected his books.

The Freight Auditor in turn forwards to him the copy, thus insuring the receipt of the correction by the parties interested, and the proper entry on the books.

FREIGHT AUDITOR'S CORRECTION SHEETS.

(Form 15, Appendix.)

The duplicate way-bills returned to the Freight Auditor are carefully examined by that officer, and all errors in classification, rates, extensions and footings are righted, and a correction sheet forwarded forthwith in each case to the forwarding agent and another to the receiving agent.

Upon receipt of the correction sheet, the forwarding agent must alter his books to correspond, and enclose the notice to the receiving agent, who examines and signs it and returns it to the Freight Auditor.

The same course is pursued in reference to the correction sheet sent to the receiving agent by the Freight Auditor, thus ensuring the receipt of the notice by both agents.

An agent should carefully examine all correction sheets received by him, and should accept and sign only such as he believes to be in accordance with the classification, tariffs and rules of billing, except when special authority from

the general freight office is claimed by the party who makes the correction.

In case the agent believes the correction received to be wrong, he should note his objection thereon, and refer the same to the Freight Auditor, and await further instructions before changing his books.

MILK TICKETS.

(Form 35, Appendix.)

The impossibility of handling the milk traffic in the manner that ordinary freight is treated led to the introduction of the system of providing tickets to be attached to the cans and to be paid for in advance. This plan obviates the delay of billing at the forwarding point, and prevents any imposition being practiced upon the railway company.

Tickets should be provided for the different denominations (sizes) of cans in use, no reduction being made for partly filled cans.

These tickets should be on sale at all points from which milk is shipped.

Tickets should be sold singly or in quantities, as desired, but they should be sold in numerical order, and the date when sold should be plainly stamped on each ticket.

Conductors should be forbidden to receive a milk can into their train unless a ticket is attached to the same.

The ticket has an eyelet hole and is attached to the can with a string.

The ticket is cancelled by the mutilation of the eyelet hole, and must in all cases be torn off by the conductor and returned to the Ticket Auditor.

Conductors and agents should be cautious to see that the capacity of the can is not greater than is represented by the ticket attached.

Seasonable notice should always be given when tickets are required.

MILK TICKET REPORT, MONTHLY.

(Form 36, Appendix.)

This return is intended to embrace all milk tickets sold during the time for which it is made. It is arranged so as to give the daily commencing and closing numbers of tickets sold for the different sizes of cans ; also the number sold, rate and amount ; the total footings of the several columns for amounts being recapitulated at the bottom and the grand total given.

There being a line for each day in the month, the daily sales of tickets should be entered in the proper place in this report at the close of the day's business, and at the end of the month the original report so made should be retained by the agent and carefully placed on file, and a copy sent to the Freight Auditor by the first passenger train.

The total amount received each day from the sale of milk tickets must be included in the daily report of freight earnings as already directed.

The total amount of collections for the month must be entered on the monthly balance sheet as prepaid freight.

The milk tickets collected by conductors being returned to the Ticket Auditor, a comparison of such tickets with the tickets sold from month to month, as shown by the report, proves the correctness of the latter, and also prevents the issue of fraudulent and duplicate tickets.

RECORD OF WAY-BILLS ACCOMPANYING GRAIN
IN BULK, OR OTHER FREIGHT THE QUAN-
TITY OF WHICH IS UNKNOWN TO THE FOR-
WARDING AGENT.

(Form 37, Appendix.)

Agents at stations to which grain in bulk, or similar freight, is consigned are required to report back to the forwarding agent the correct weight and charges on each bill, as soon as the quantity contained in each car is ascertained.

The returns must be sent to the forwarding agent by the first passenger train after they are received from the warehouse or elsewhere.

It is important that the returns for all bills should be received by agents before they close their monthly freight accounts.

When returns cannot be obtained in time to do this, the bills will be carried into the succeeding month, and notice to that effect should be given to the forwarding agent.

The above blank is used in making the returns to the forwarding agent, being arranged with columns for way-bill and car numbers, in addition to the other columns peculiar to a way-bill, so that a number of cars can be reported on one sheet.

It is frequently the case that the forwarding agent has no means of ascertaining the quantity or weight of other classes of freight besides grain; in such cases the same plan or system should be pursued that is directed for bulk grain.

RECORD OF BULK GRAIN DELIVERED ELEVATORS.

(Form 38, Appendix.)

This is a book of reference in which the particulars of all cars containing bulk grain sent to elevators or warehouses are entered.

Its correctness may at any time be verified by reference to the freight received book and abstracts, and then by comparing it with the accounts at the elevator.

CHAPTER V.

THE REVENUE BLANKS OF THE COMPANY CONTINUED—PASSENGER BLANKS.

THE principal blanks used at stations and upon trains in connection with the ticket or passenger business are as follows :

CONDUCTORS' DAILY REPORT OF CASH COLLECTIONS MADE BY THEM.

(Form 5, Appendix.)

Conductors are required to send a report of this description to the General Ticket Agent for all cash fares collected by them.

It gives the number of train, name of point from which fare was collected, destination, number of fares, rate and amount.

When a trip occurs in separate months, two reports are required to be made for such trip, so that the accounts for the two months may be distinct ; *i. e.*, the outward trip will be reported in one month and the return trip in the next month ; separate remittances must also be made.

The names of the stations from and to which fares are collected must be written in full, and

special care must be exercised to prevent omissions of any kind in the return.

When regular tariff rates are not charged, an explanation should be given under the head of "Remarks."

In the event no fares are collected by a conductor, he should note the fact across the face of the blank and forward the return as in other cases.

Return is required to be made at the end of each round trip for such round trip.

The tickets, passes, etc., collected by conductors should be securely enclosed, in the regular order directed, and sent to the Ticket Auditor.

STOP-OVER TICKET TO BE ISSUED BY CONDUCTORS.

(Form 7, Appendix.)

The service upon our railways has long awaited the introduction of a form of stop-over ticket or check to be issued by conductors to passengers who desire to stop *en route*, in place of the ticket held by them, which ticket should be taken up and cancelled.

The great *desideratum* has been a form of stop-over ticket so simple in construction, yet so comprehensive in its character, as to meet the wants of the most extended line—a ticket (it would perhaps be more proper to call it a check)

that could be used in common and without any change whatever upon the different divisions, branches or lines of a railroad—a check that did not necessitate any writing upon the part of the conductor or occupy his time unnecessarily in issuing it—a check so arranged that the department office could keep itself advised of the number and character of such stop-over checks outstanding, and, as far as possible, the basis upon which they were issued.

A check that seems to answer all these requirements has just been perfected by Mr. W. A. Thrall.* This check is not patented, and may be used by such companies as are disposed.

It provides for inserting the date it is issued, the number of station from which issued, and the number of station to which issued.

A road possessing nine hundred and ninety-nine stations need use but one form.

A stub is attached giving substantially the same information as the check.

This stub is detached when the check is issued. It is enclosed to the general office in a separate envelope with the regular passage ticket in exchange for and on account of which the stop-over check was issued.

The following embraces the substance of the

* Mr. Thrall's accomplishments are well known to railway officers, and his investigations have contributed much to the simplification and uniformity of the elaborate machinery that is inseparably connected with the passenger business, and he deservedly ranks as one of the ablest, as he is one of the most studious and modest, of our railway officers.

directions to conductors issued by Mr. Thrall to illustrate the workings of the stop-over ticket devised by him :

All tickets upon which stop-over checks are issued should be taken up at the time such tickets are presented for stop-over privileges. It is, therefore, of the first importance that conductors should exercise the greatest care in making their cancellations on checks, and, to this end, the following minute explanations and instructions are given :

In the portions of the check marked "from" and "to" there are three columns of figures, which may be designated, commencing with the right-hand column, as *units*, *tens* and *hundreds* columns. In the space devoted to dates are also two columns of figures. Each column is headed by a *cipher*, the use of which will be explained farther on.

From the cipher each column is provided with a set of numerals, from 1 to 9 inclusive, from which a combination can be made to give, by cancellation, in either the "from" or "to" columns, any station's number on a company's lines.

For the proper use of these checks conductors are provided with a list of numbers for each station, which not only includes the numbers of stations on their route, but also the numbers for all the other routes or divisions of the company's

lines that they run in connection with, and for which it is supposed they may be required to issue stop-over checks from time to time.

A *fac simile* of the stop-over check is given (Form 7, Appendix). This check has been cancelled (●) to represent a stop-over check given to a passenger stopping at Dixon on a Council Bluffs ticket reading from a point east of Dixon. In the "from" columns the cipher in the *hundreds* column is cancelled to protect the remaining figures in that column from further use; then the figure 4 in *tens* column and the figure 8 in *units* column are cancelled to represent Dixon's number (48). In the "to" columns the figures 1, 4 and 3 are cancelled to represent Council Bluff's number (143). The cancellations for date of issue have been made to represent Feb. 1, and here it will be noticed that the cipher in *tens* column is cancelled for the protection of the remaining figures in that column.

Under this method every complete stop-over check, when first issued, will require nine (9) cancellations for whole tickets, and ten (10) cancellations for half tickets (the number $\frac{1}{2}$ being cancelled in case of half tickets); any more than three (3) cancellations in each of the "from," "to" or "date" columns should be regarded as evidence of attempted fraud, and such checks must be refused and referred to the proper officer.

The "stubs" attached to these checks must

be cancelled to show from what point the stop-over ticket is given, and the number of the stub must be indorsed on the back of the ticket upon which the check is issued; and such tickets and stubs for each trip must be inclosed in an envelope (Form 8, Appendix), provided for that purpose, and then inclosed with the regular collections to the Ticket Auditor.

Stop-over checks when issued in conformity with the foregoing instructions, should be treated by conductors as valid passage tickets, and should be subjected to the same rules concerning "trip cancellations" that govern ordinary tickets; such cancellations, however, must be made in that portion of the check designated by stars (**), and, of course, these cancellations will be regarded as additional to those already mentioned.

Stop-over checks should be issued only upon regular first-class tickets, as holders of second-class, commutation, excursion, and round-trip tickets are not entitled to stop-over privileges unless specially provided.

In no case can the same check be used for more than one stop. When one of these checks is presented for additional stop-over privileges, it must be taken up and treated as a regular ticket.

When a ticket having more than one coupon for the same line is presented, and the stop over requested lies within the destination of the first coupon, conductors will take up only the first

coupon, and make the check issued read to the destination of the coupon taken up. If the stop lies within the destination of the *second* coupon, the conductor honoring that coupon will issue the check.

As tickets upon which checks are issued are to be taken up, instances may arise where passengers will assert that the conductor issuing the stop-over check did not cancel the proper destination of the ticket surrendered; in all such cases conductors should at once telegraph the Ticket Auditor, giving the number of the check held by the passenger; and if they do not receive instructions in time to meet such complaint, they should inform the passenger that the general ticket department will investigate the grievance and furnish a satisfactory adjustment.

As the checks are limited as to time, conductors must call the attention of passengers to this fact when they furnish the checks, and, in all cases, they must exact a strict compliance with the terms under which these checks are issued.

When checks are presented for passage, conductors must carefully scrutinize them to see that the time limitation has not expired. In computing *time, exclude* the day of issue, and if a check is presented within the last moments of its time limitation, it must be accepted for passage to its destination even if the latter part of the passenger's trip does not come within the time specified.

Checks must bear the conductor's signature in ink, in the place provided on the back, and they must be issued in numerical order commencing with the lowest number. Any checks spoiled in issuing must be returned in the stop-over check envelope described in the Appendix.

CONDUCTORS' ACCOUNTS.

It does not seem necessary that conductors should be required to make a monthly balance sheet or account current, and for the following reasons :

1st. On economical grounds.

2d. The collections are not diversified like those of agents, but are confined exclusively to passenger fares collected.

3d. As each remittance corresponds exactly with the report of the amount collected each trip, as described in the report of the same elsewhere herein, an account current is unnecessary except in the special instances when the aggregate remittances for the month do not agree exactly with the amount charged ; in such cases the remittances can be compared in detail with the record or with the train reports.

To enable this comparison to be made, the ticket department should transmit to the Accounting Officer, each month, the record book in which the conductors' reports of cash collections

are entered. When this is impracticable, a statement of the same should be furnished.

Notice should forthwith be sent conductors of any errors in their accounts.

Conductors leaving the service of the company should not be paid or furnished with discharge cards until their accounts have been settled in full.

The exact state of their accounts can generally be determined, with a little labor and care, at any time in the month.

CONDUCTORS' TICKET PUNCHES.

Each conductor should be supplied with a different form of ticket punch, which form should in all cases be used by him. In this way it is possible to determine from the cancellation of the ticket the name of the conductor making it, although the transaction may have occurred years before.

A record of the form of punch in use by each conductor should be kept in the office of the Supply Agent and Ticket Auditor.

Conductors should not use a punch of a different pattern from that designated by the proper officer, lest duplicates should be used.

When for any reason a conductor no longer requires the punch assigned for his use, it should be returned to the Supply Agent.

Applications for punches should be approved by the division superintendent; they should consequently be made through that officer.

In the event a punch is lost, a written report of the fact must be made to the Ticket Auditor. When a punch is broken, it should be sent to the Supply Agent with the requisition for a new one.

CONDUCTORS—GENERAL INSTRUCTIONS.

Conductors are required to remit, as directed, the exact amount of cash fares collected in each round trip, the remittances to be sent forward immediately upon their arrival at their destination.

Tariff rates must be charged by conductors when not otherwise ordered by competent authority.

Conductors' reports of collections to the general ticket office should, of course, correspond exactly with the amount remitted.

When a conductor's outward bound trip is in one month and the return trip in another month, a separate remittance must be made for each trip, as already described.

When corrections are sent conductors relative to discrepancies in their accounts, from whatever cause, a special remittance must at once be made; the remittance being sufficient in amount to cover the discrepancy exactly.

Whenever counterfeits are returned to agents or conductors, or their remittances are for any other reason shown to be short, the amount of same must immediately be made good to the company.

When a remittance is for a greater amount than the sum due from the conductor, then the excess should be deducted by him from his next remittance.

TICKET REQUISITIONS.

(Form 39, Appendix.)

All local, coupon and other classes of passenger* tickets are furnished by the General Ticket Agent; he also furnishes the milk tickets previously described.

In ordering tickets the regular blank must be used, specifying :

The form of tickets wanted ;

Destination ;

Closing or highest number of such tickets on hand ;

Number of tickets required.

The rules in reference to the supply of tickets are generally as follows :

“ It being of the utmost importance that passengers should be ticketed as fully as possible,

* For partial forms of tickets see Appendix : Form 40, Local Ticket ; Form 41, Round-Trip Ticket ; Form 42, Book Ticket ; Form 43, Inter-Division Ticket ; Form 44, Excursion Ticket,

ticket agents will keep a supply of tickets on hand sufficient to cover all demands.

“Agents must make requisition at close of month for all tickets needed for ensuing month, making a separate requisition for local and coupon tickets, and, so far as possible, but one requisition per month for each, being particular to give the correct closing or highest number on hand of the tickets ordered.

“If, during the month, it is found that the stock of any sort is getting low, agents should order what is required immediately.

“By comparing the closing number of sales with the highest number on hand, agents will be able to send a full requisition on the first of the month with their monthly report.

“Ample time from date of sending requisition should be calculated, as tickets have frequently to be printed after the requisition has been received from the station.”*

TICKET BOOK, LOCAL.

(Form 45, Appendix.)

This book combines a daily record of the closing numbers of local tickets on hand and a monthly statement of local tickets on hand; also a statement of the number sold.

*The originator of the foregoing rules is not known to me. Elsewhere throughout this book the quotation marks will indicate the matter that is borrowed; in such cases, when the name of the original writer is omitted (as it is in connection with various ticket returns), it is because he is unknown.

The columns are in order as follows and for the purposes named, viz.:

Highest number on hand.

Names of stations for which tickets are furnished.

Rate.

Commencing number on the first of the month.

Closing number at the end of the month.

A column for each day in the month for entering the lowest number on hand daily.

Total number sold during the month.

Number of half-tickets sold.

Rate.

Number of excursion tickets sold.

Rate.

Two blank columns, one for rate and one for amount.

Total amount.

At the bottom a place is provided for entering the commencing number of book, half-fare, excursion and round-trip tickets.

The amount of cash collected from local ticket sales is computed daily from this book, and at the close of the month it must be made to show a summary of the month's local ticket business, embracing all the particulars shown by the monthly local ticket report submitted to the General Ticket Agent.

“Agents should fill in the highest number of

tickets on hand on the first of the month in the column printed for that purpose, and whenever a new supply of tickets is received during the month, they should make the necessary alterations, and then, by carefully watching the closing number of sales and the highest number on hand, they can easily see when they are running short of tickets.

“ Agents should write in the names of stations to which they have sold card tickets, in the order in which the stations are printed on the local ticket reports, and enter rates in the column provided for that purpose, the same as given on the last tariff.

“ They should copy from the ticket case daily the closing numbers to each station entered on the book, whether sales have been made or not.

“ Immediately before closing the cash account for the day, they should close the book by copying from the tickets in the case all the closing numbers for the day, and the difference between the numbers so taken off and the closing numbers for the day previous will be the total number sold to each station for that day, and the difference between the commencing numbers of the first and the closing numbers of the last day of the month will be the total number sold during the month.

“ The columns headed ‘ half-tickets,’ ‘ excursion tickets,’ and the one left blank must not be used until the close of the month.

“Book tickets must be reported under the head of regular tickets, writing the letter ‘B’ opposite each destination sold to. Agents should write in only those stations to which such tickets have been sold, entering the number sold to each station each day in daily column, and at the close of the month carrying out the total number sold to each station during the month in column headed ‘total number sold during the month.’ The closing number of book, half and excursion tickets must be entered daily in the proper place at the bottom of the page.

“Half-fare tickets must be reported at the close of the month in column headed ‘half-tickets,’ opposite each destination sold to, without reference to their consecutive numbers; the number sold each day should also be entered in daily column opposite destination sold to.

“Excursion tickets must be reported at the close of the month in the column headed ‘excursion tickets,’ opposite each destination sold to, without reference to their consecutive numbers. The number sold each day should be entered in daily column opposite destination sold to.

“In the column headed ‘amounts’ the total amount of sales to each destination should be given, including regular, book, half, excursion and special tickets carried out in one item.

“This book must be balanced each month before making out the monthly report. The

monthly report should be made up from this book, and both should be made to agree in every case, so that if a duplicate report is called for it can be made with very little trouble.

“ This book is intended to be kept as a permanent record of the whole local ticket business in detail.”

TICKET BOOK, COUPON.

(From 46, Appendix.)

The columns of this book furnish a complete and simple record of coupon tickets (*i. e.*, tickets for points on other roads), *viz.* :

Those on hand at the commencement and close of each year.

The number received each month during the year.

The number of tickets sold or returned to the General Ticket Agent each month during the year.

The instructions are as follows :

“ On the first of January each year agents will enter, in numerical order, in this book, all forms of coupon tickets on hand, first and second class being kept separate as 1, and S. 1., etc.

“ All tickets received thereafter during the year must be entered in the columns headed tickets received, on the same line with corresponding form, writing dates of receipt in columns headed ‘ month.’

“ Agents should enter tickets sold each month in their proper place in like manner.

“ They should enter tickets returned in the same line with tickets sold, interlining, if necessary, and prefixing the letter ‘R.’

“ At the close of each year the number of tickets on hand January 1 should be added to the total number of tickets received during the year, and the amount placed in the column headed ‘total number received.’

“ The number of tickets sold and returned should be deducted from the total number received, and the balance must agree with the difference shown between the commencing and closing numbers in the right-hand column.

“ A careful observance of these rules will enable agents to notice, on entering their monthly sales, whether or not those sales are being made in consecutive order, and if not, to make necessary corrections, without being notified from the general offices.

“ It is expected that all agents will see that their annual statements are properly balanced before forwarding to the general offices.”

TICKET REPORT, LOCAL, DAILY (STATISTICAL).

(From 47, Appendix.)

The information contained in this report is utilized in making the approximate statement of daily passenger earnings. It is wholly statistical in its uses.

The aggregate amount of earnings from all classes of tickets, except coupon and milk tickets, being all the local tickets sold, is given, also the number of first-class coupon, second-class coupon and emigrant coupon tickets sold, the number of the form for each being given in numerical order.

The earnings of the company from the coupon tickets described are computed in the general ticket office.

The aggregate amount of local ticket sales reported daily must agree exactly with the monthly local ticket report.

“The report must be sent to the general ticket department by the first passenger train after the close of each day, but when it is impossible from the delay of trains or other causes to forward it so that it will reach its destination the day after it is made, then the amount of local earnings must be sent by telegraph, and the report forwarded at the first opportunity.”

TICKET REPORT, LOCAL, WEEKLY.

(Form 48, Appendix.)

This report of the number of local tickets sold to each point each week is to be sent to the Ticket Auditor, to be by that officer examined and checked with the tickets actually returned by conductors, thus ensuring the accounting for tickets collected, and preventing the sale of duplicate or fraudulent tickets.

The monthly coupon ticket report is checked by the Ticket Auditor in the same way.

The instructions in reference to the weekly local ticket report are substantially the same as those governing the monthly report, described further on; they are as follows:

“ Weekly reports of sales must be made and forwarded to the Ticket Auditor on the first day after the close of each week.

“ Commencing numbers of all tickets must be shown in reports and closing numbers where sale has been made. Where no sale has been made, the commencing number should not be repeated in the closing number column.

“ The sales of book, round-trip book, half-fare, excursion and all other tickets reading from station to blank must be reported in the proper column opposite each destination (sold to) in reports, and the sales to each station reported without reference to the numbers; but the commencing and closing numbers and number of total sales must always be entered in the proper place, below report of miscellaneous tickets. In reporting sales of book tickets, agents should write the letter ‘ B ’ in commencing number column headed ‘ regular tickets,’ opposite each destination sold to; and for sales of round-trip book tickets, they should write the letters ‘ R. T.’ in commencing number column headed ‘ round-trip tickets ’ opposite each destination sold to.

“ The destination on all blank tickets must be filled in plainly with ink, on both ticket and stub, also on the ‘ Auditor’s check,’ when attached. If the wrong destination is filled in on a ticket, agents must not change or alter it, but should use another ticket, and if an opportunity offers to sell the one filled in wrong during the same week, they should do so ; if not, they must cancel and return all such tickets in an envelope, with the report for fourth week, reporting them at the bottom of report as ‘ spoiled tickets,’ giving the number and kind of each ticket returned.

“ Reports must include the entire sales of all tickets dated in the week for which the report is made. Care must be taken that the dates in stamps are changed at the time of taking off closing numbers for reports.

“ In the report for the fourth week, agents must report the total number of ‘ book,’ ‘ round-trip book,’ ‘ half-fare,’ ‘ excursion ’ and ‘ miscellaneous ’ tickets sold to each destination during the whole month, instead of reporting only the number sold during that week.

“ The number of tickets sold, as per the four weekly reports, must agree with the number accounted for in the monthly report, any errors occurring in the first three weekly reports being corrected in the report for the fourth week.”

The form of this report is the same as that of

the monthly ticket report next described, except that the columns for "Rate" and "Amount" are omitted.

TICKET REPORT, LOCAL, MONTHLY.

(Form 49, Appendix.)

This report is intended to embrace a return of all local tickets sold by the agent by whom it is made.

The several columns of the report cover the particulars of the local passenger traffic common to the company, viz:

Names of stations.

Commencing number (on 1st of month) of regular tickets.

Closing number (at end of month) of regular tickets.

Number of regular tickets sold.

Rate.

Also the same columns for round-trip tickets.

Number of half-fare tickets sold.

Rate.

Number of excursion tickets sold.

Rate.

Columns for special tickets.

Amount (for all the classes enumerated).

Where no column is provided for the commencing and closing number, as shown above, special provision is made for such numbers at the bottom,

“ A monthly statement must be made and forwarded to the general ticket office on the first day after the close of each month.

“ All tickets being consecutively numbered, and accounts kept with reference thereto, they must be sold in regular order, commencing with the lowest number.

“ Commencing numbers of sales of each and every kind of tickets must be given in this statement. Where sales were made, the closing number must be given; but where no sales were made, the commencing number should not be repeated in closing number column of sales.

“ The difference between the commencing number and the closing number of tickets represents the number of tickets sold.

“ The sales of ‘book,’ ‘round-trip book,’ ‘half-fare,’ ‘excursion,’ and all other tickets reading from station to blank must be reported in the proper column opposite each destination (sold to) in reports, and the sales to each station reported without reference to the numbers; but the commencing and closing numbers, number of total sales, and highest number on hand must always be entered in the proper place below report of miscellaneous tickets. In reporting sales of book tickets, write the letter ‘B’ in commencing column, headed ‘regular tickets,’ opposite each destination sold to; and for sales of round-trip book tickets, write the letters ‘R. T.’

in commencing number column, headed 'round-trip tickets,' opposite each destination sold to.

"The destination on all blank tickets must be filled in plainly with ink, on both ticket and stub, also on the 'Auditor's check' when attached. If the wrong destination is filled in on a ticket, it must not be changed or altered; but another ticket must be used, and if opportunity occurs to sell the one filled in wrong during the same week, agents should do so; if not, all such tickets must be returned, with the report for the fourth week reporting them at the bottom of the monthly report as 'spoiled tickets,' giving the number and kind of each returned.

"Agents having '500 mile tickets' will report sales of same on first page under head of 'miscellaneous' tickets, in the same manner that regular tickets are reported; but the highest number on hand must be given in the proper column.

"Reports must include the entire sales of all tickets dated in the month for which the report is made; and care must be taken that the dates in stamps are changed at the time of taking off closing numbers for reports.

"The aggregate of the daily reports should agree with the amount of the monthly reports.

"The number of tickets sold, as per the four weekly reports, must agree with the number accounted for in the monthly report, any errors oc-

curing in the first three weekly reports being corrected in the report for the fourth week.

“In footing this report, the columns giving the number of each class of tickets sold must be footed as well as the columns giving the amount.

“Special orders of all kinds, for the sale of any description of local tickets at less than regular tariff rates, must be returned with the monthly reports.

“Agents will be very particular to forward their reports promptly, in order to prevent delays in making up the accounts in the general ticket office.”

The commencing numbers of tickets on this report are checked by the Ticket Auditor and the General Ticket Agent with the closing numbers for the preceding month.

The closing numbers are compared by the Ticket Auditor, and made to agree with the closing numbers on the report for the fourth week, which report is checked with the tickets actually collected; the extensions are then minutely examined and the report carefully footed, etc.

TICKET REPORT, COUPON, MONTHLY.

(Form 50, Appendix.)

This report must embrace a correct description of all tickets sold, including the amount

of those destined to points on other lines during the month for which it is made.

The report must be footed.

The columns of the blank provide for inserting the

Destination of the ticket.

Number of the ticket form.

Commencing number of each form of ticket sold.

Closing number of each form of ticket sold.

Number of first-class tickets sold.

Number of second-class tickets sold.

Also, particulars of any other kind or form of foreign tickets sold.

Rate.

Amount.

This report must be sent to the general ticket office on the first day after the close of each month, and must include all local coupon tickets sold and dated within the month.

“ Great care must at all times be observed to avoid errors or omissions in entering the commencing and closing numbers of tickets, and the rates and extensions must be ascertained to be correct.

“ Agents should retain duplicates for reference.

“ Reports must be made up in the order of forms, from the lower form numbers upwards.

“ In selling tickets, agents must be careful to sell in numerical order.

“ Reports to foreign roads being made up from reports received from stations, it is absolutely necessary that all tickets should be reported in the month for which they are dated, being careful to give the correct numbers, as foreign companies check the reports with their collections, and any ticket not reported in accordance with date and number is returned to the general ticket department responsible for it for examination and adjustment; hence, to avoid this return, the above requirement must be rigidly observed.

“ In case agents sell from two lots of numbers in the same month, they should report them in two items and give the commencing and closing number of each separately (or in two items), and the number sold in one item, with rate on the same line.

“ For illustration :

“ If they have numbers 224 to 229 and from 410 to 419 (of the same form), and sell all the first lot and part of the second, they should report them separately.

“ Should they sell a ticket out of regular order, they should carefully note the fact on their first report, and note it again in the month when it should have been sold.”

After the report reaches the general ticket office, the amount received from each form of ticket sold is apportioned off on the coupon

book, in accordance with agreed divisions, to the several lines over which the tickets pass.

These several proportions added together agree exactly with the total amount of the agent's report, thus proving the correctness of the said footings and the extensions, as well.

In the event any ticket is omitted by an agent, the coupon returned by the conductor, or the notice from the connecting lines to be allowed their proportion calls immediate attention to its omission.

MISCELLANEOUS INSTRUCTIONS TO AGENTS IN REFERENCE TO THE CARE AND SALE OF TICKETS, ETC., ETC.

The following general rules and regulations are in the main as issued by Mr. W. A. Thrall, for the government of the servants of the railway company employing him. Their pertinency is not, however, confined to any particular company :

“ Agents are required to furnish all necessary facilities to passengers for the purchase of tickets.

“ If, through mistake, tickets are sold out of regular order, agents must change the lowest numbers on hand to those of the tickets thus sold, and put them in the places of the latter, giving notice to the General Ticket Agent and

Ticket Auditor of the numbers sold out of order, and reporting the numbers changed.

“The destination of book and other special tickets must be plainly inserted in ink and stamped.

“The limitation of excursion tickets must be plainly filled in with ink.

“Regular tariff rates must be adhered to unless otherwise ordered by competent authority.*

“Agents failing to furnish proper written authority for each departure from established rates and rules for the sale of tickets will be charged the highest tariff rates on tickets so issued.

“It is improper to use any kind of local tickets for any other purpose than that for which they were originally intended. Regular local, book or excursion tickets must not be changed to half-tickets, nor can half, local or book tickets be changed to excursion tickets.

“Every ticket and every attached coupon sold must be plainly stamped on the back with date of sale.

“Ticket agents must have a regular time in the day for changing the date of their stamps.

“If, from any cause, a ticket is not taken after it has been stamped, and it is necessary to sell it over again, it must be restamped on the day on which it is resold.

* This rule applies to all classes of traffic, freight, passenger, express, parcel, extra baggage, etc., etc.

“When the ribbon of the dating machine does not ink readily, or has been run through, agents should change the surfaces so as to bring the under side above ; and when it becomes useless, they should order another ribbon from the Purchasing Agent, returning the old one when the new is received.

“If the stamp in use is battered or does not make a good, legible impression, agents should order a new one and return the one on hand.

“Agents must make requisition at the close of the month, if possible, for all tickets needed for the ensuing month.

“Agents must make a separate requisition for local and coupon tickets, and endeavor to have but one requisition per month for each, being particular to give the correct closing or highest number on hand of the tickets ordered.

“Tickets must be examined, counted and compared with invoice as soon as received, taking care not to disturb the order of numbers, ascertaining that the numbers run consecutively, and that none are missing, as agents will be held strictly accountable for all tickets receipted for.

“Missing numbers should be noted on the receipt, and duplicate numbers (if any) returned at once to the general ticket office.

“The proper way to have tickets arranged for selling and reporting, and for agents' convenience, is to have the tickets in the order in which

the stations are printed on the local ticket reports, and to avoid labor in going over the whole of the tickets and examining every ticket each day, have the lowest ticket of every station drawn out sufficiently to see the number. Agents should do this before they commence selling tickets. When they sell a ticket they should not draw the next one unless to sell it, but leave it out of sight; when making report they can then at a glance see where tickets have been sold by none being drawn out. They will then partly draw out the ticket at every station, take down the numbers in the closing number column on their report for that day, leaving every number exposed as they pass along; they will then have the closing numbers for that day. By having their tickets thus arranged, and observing where no tickets are drawn out, they can, with very little trouble, arrive at the number sold, and their ticket case will at all times be ready to commence sales for the next day.

“When agents are ordered to return tickets, they must always send an invoice giving the form, destination, commencing number, closing number, and number returned of each. They must be particularly careful to see that every ticket is in regular order, and that none are missing. If any are missing, they will make note of same, giving numbers missing.

“Agents must be very particular to put the

tickets up securely, tying up every package separately, so that there will be no danger of the package getting in bad order, and always forward by express.

“ Any tickets collected that are not reported in the month for which they are stamped will be charged in the monthly report corresponding with date of such tickets.

“ In selling coupons agents must be particular to see that their station is printed, stamped or written on the first coupon, *i. e.*, the coupon first to be detached.

“ Half coupon tickets may be made by stamping or writing plainly the words ‘half-fare’ across the face of the contract and each coupon.

“ Second-class coupon tickets may be made of any regular first-class coupon ticket (to points where agents have second-class rates) by stamping or writing plainly the words ‘second-class’ across the face of the contract and each coupon; these tickets should be reported by themselves in a separate item, next to regular tickets of the same form, giving number of tickets so changed.

“ If agents should stamp a coupon ticket half-fare or second-class, and it should not be taken, they must return it to the Ticket Auditor with their next report, noting same on report at bottom of sales, giving form, destination and number of each one returned.

“ When agents are ordered to discontinue the

sale of any coupon form, they will take said form out of their case and put it in their safe and keep it there until further orders.

“In case the rate to any coupon point should change during the month, or if agents sell a ticket of any form at two or more rates, or a special rate, during the month, they will report them in as many separate items as they have sold at different rates.”

CHAPTER VI.

THE REVENUE BLANKS OF THE COMPANY CONTINUED—MISCELLANEOUS BLANKS.

SOME of the principal blanks used at stations and upon trains for general and miscellaneous purposes, other than for freight and passenger business, are as follows :

AGENT'S BALANCE SHEET AND LIST OF UNCOLLECTED BILLS, MONTHLY.

(Form 52, Appendix.)

The agent's monthly balance sheet gives the aggregate debits for the month for and on account of the ticket, freight, baggage and other departments and accounts of the road ; also the credits to which he is entitled for cash remitted, and for other accounts.

It is in fact a *resumé* of the operations of the agency making it for the month. It is a classified account current, the aggregates it contains being verified by the detailed returns made to the various accountants.

It must be forwarded to the Accounting Officer after all the monthly reports and abstracts required from agents by the different depart-

ments as set forth and summarized in it have been sent forward.

It should, however, be sent so as to reach the Accounting Officer not later than the 9th of the month.

The debit and credit sides of the balance sheet should agree exactly, and in the event they do not so agree, agents must check until they discover the discrepancy; unless this is done they cannot tell how many nearly balancing errors there may be in the different aggregates reported by them.

An account current out of balance but a few cents may represent errors to the extent of thousands of dollars.

There should not be any "jumping" or "forcing" of balances.

The difference, if any, should be explained in detail after all other items are entered.

LIST OF UNCOLLECTED FREIGHT BILLS.

* (Form 54, Appendix.)

This list forms a part of the agent's balance sheet. It is a detailed statement of the amount he claims to be due him on account of freight bills which he has been unable to collect. The information it contains is very valuable in any attempt to discover the exact state of affairs at the agency making the return.

It must be filled out in full as provided by the several columns, viz.:

Date of receipt of the way-bill.

Date of way-bill.

Number of way-bill.

Station from which freight was billed.

Local charges.

Advanced charges.

Total charges.

From whom due.

Description of goods on hand.

Goods worth amount of bill.

Why not collected.

(The information in italics may be omitted when the freight is received at the station after the close of the month in which the way-bill is dated.)

The statement of the uncollected bills on hand at close of month must be made up by agents from the unpaid expense bills, and must be compared with the freight which remains in the company's possession undelivered.

STATEMENT OF CASH REMITTED BY AGENTS.

(Form 53, Appendix.)

This return forms a part of the account current of the agent, already described.

In that account the agent should take credit for the cash remitted by him which the Treas-

urer reports that he has received during the month. This return embraces an itemized list of such remittances, so that in the event the aggregate amount reported remitted by the agent does not correspond with the sum credited by the Treasurer, then the account may be examined in detail and the difference located.

REPORT OF DRAFTS DRAWN ON THE TREASURER BY AGENTS.

(Form 2, Appendix.)

This is an abstract of the drafts drawn on the Treasurer by agents at the junctions and elsewhere, for charges advanced on goods, or for any other purpose.

At the very large stations, where the cash accounts for freight received are kept separately from the accounts for freight forwarded, all advances made on goods received for shipment should be made by drafts on the Treasurer.

Drafts should be drawn to the order of the consignor, thus becoming an additional receipt to the company issuing them.

The report provides for the date, number and amount of each draft.

The amount of the report is charged up each month by the Accounting Officer to the agent issuing the drafts.

A corresponding liability is thus created on the other side of the books.

This liability is known as "Drafts on the Treasurer outstanding."

When these drafts are presented and paid, they are charged up on the Treasurer's general cash book to the same account.

It was formerly the practice with some companies to charge the drafts to the person drawing them on the date of payment by the Treasurer. The objections to this system were three-fold; *a*, no standard record appeared upon the general books of the outstanding drafts; *b*, the agent's account remained uncharged, although the proceeds of the draft had passed into his account; *c*, and finally the agent and not the company employing him received the benefit, if a draft for any reason was never presented for payment.

CASH BOOK FOR STATIONS.

(Form 3, Appendix.)

This book affords a minute record of the cash transactions of the agent; the cash he receives is entered upon the debit page; the cash he remits or disburses on account of the company appears on the credit side.

On the Debit side of the book agents are required to enter the collections in order, as follows:

Date of freight way-bill.

Folio of freight received book.

Number of way-bill.

Where from.

Name of consignee.

Amount unpaid freight and advanced charges on same.

Amount prepaid charges on freight forwarded.

The amount collected for tickets. This item must embrace the total sales for the day, a column being provided for ticket collections.

Collections and charges against agents of a special nature should be entered in the miscellaneous column.

Upon the Credit side of the cash book, agents should carry into the appropriate column all cash disbursed by them, in order as follows, viz. :

Charges advanced on freight forwarded.

Cash remitted.

Vouchers, etc., remitted as cash.

Miscellaneous payments.

At the close of the day, they should foot and rule the cash book in red ink, carrying the aggregate on each side into the total columns.

In writing up this book, no entry must either be anticipated or postponed. Each cash transaction must be recorded as it occurs and when it occurs.

On the last day of the month, when the trial balance is made, if the amount shown to be due by the cash book differs from the amount shown to be due the company by the balance sheet, the

cash book must be checked with the various accounts which are summarized on the balance sheet until the cause of difference is located, when it must be properly corrected on the cash book, in the various reports, overcharge book or elsewhere, as the case may require.

The cash book is, in many respects, the most serviceable and important of all station books and accounts.

If written up promptly and closely, *i. e.*, at the time the money is received or disbursed, its balance indicates at any moment the amount of cash on hand less the working fund, and any variation, no matter how small, between the balance and the cash on hand, should at once be located and corrected by the agent.

At large stations where the business is sufficient to occupy the attention of two cashiers, one for outgoing freight and one for incoming freight, two cash books should be used.

For such cases special forms may be printed.

CASH REMITTANCE SLIP OF AGENTS.

(Form 1, Appendix.)

With every remittance made by agents they are required to enclose a slip or statement giving the name of station, date, amount remitted and name of agent. It must always be signed by the agent personally, and the particular form prescribed must be used.

It will be noticed that the wording of this return commits the agent definitely to the statement that the remittance embraces the total net cash receipts not previously remitted for and on account of the company. Each return thus becomes an acknowledgment, back of which the agent cannot go.

CASH REMITTANCE SLIP OF CONDUCTORS.

(Form 4, Appendix.)

The remittance slip used by conductors gives the same general information that the statement used by agents, referred to above, does.

CURRENCY REQUISITION.

(Form 6, Appendix.)

This blank specifies the exact kind of small change the agent is in need of, and must be filled up, signed and sent to the Treasurer by express with the money required to procure the change.

It should be forwarded several days in advance of the wants of the station, the difficulty of getting the change at times and the delay incident to transmission preventing prompt returns.

EXPRESS BOOK RECEIPT FOR PACKAGES. FORWARDED.

All remittances by agents and conductors are

required to be in packages, sealed in accordance with the express company's rules, and must be sent by express, and the receipt of the express agent taken at the time.

The express receipt book must be carefully preserved, and must not be used for any other than the company's business.

EXTRA BAGGAGE.

The extra baggage business, including the express or parcel traffic, charges for excess luggage, lost checks, cloak-room fees, rules governing the carriage of baggage, and men in charge of same, with all the forms required in the baggage department of a railroad are described at length by the writer, as already stated, in a separate volume, devoted entirely to "*Baggage-car Traffic.*"

OTHER INSTRUCTIONS.

As already intimated, the daily and weekly reports required by the ticket and freight departments are not spread upon the books of the company, but are used in compiling the approximate daily earnings, and for the purpose of supervising the details of business.

In railway accounts weeks are understood to close on the 7th, 14th, 21st, and last day of the month.

All books and blanks must be ordered from the stationery supply store, on the usual form of requisition.

All reports and accounts must be signed by the agent personally.

All blanks, books and accounts of the company must be written up in ink.

A full understanding of the duties of agents and others engaged along the line of a road requires that they should carefully study the chapters addressed to traveling auditors, contained elsewhere herein.

CHAPTER VII.

MISCELLANEOUS RECEIPTS—SPECIAL CLAIMS DUE TO RAILROAD COMPANIES—(“VARIOUS PERSONS’ OR DEBTOR ACCOUNTS.”)

It will continually occur that a railroad company will have claims against parties for other than transportation services. In such cases special provision must be made; and that the account or claim may readily be traced and found at any subsequent period, if desired, a bill is made against the person in debt. Thus a charge occurs on the books; when the money is paid it is placed to the credit of the person charged, and the debit thus disappears.

Collections on these accounts should be remitted directly to the Treasurer, and should be accompanied by a copy of the bill required to be made in the premises. The bill itself should be forwarded to the officer designated to receive it.

In explanation of the Various Persons’ bill, it may be said that it should be used when there is no other manner provided for bringing a transaction before the proper officers for entry upon the books of the company.

The most of the receipts are entered from

the regular returns of agents and conductors, as explained elsewhere herein, and are charged in their order from month to month.

But there are necessarily many isolated collections made by officers and employes of the company with whom no account is kept and from whom no regular returns are received. For all such a special bill should be made for each collection made by them. In other words, when such persons make collections, no matter on what account, they should report them upon the "Various Persons," or debtors' bill.

When it is impossible or impracticable to give the name of the person or persons from whom money is collected, then the bill should be made against the person remitting it.

There should be inserted in each "Various Persons" bill, in the place provided, the name of the account or accounts to which it should be credited. For instance, if the collection is on account of the earnings of the road, then the particular kind of earnings to be credited should be inserted, as "Miscellaneous Earnings." If the bill is for old material sold, then the amount should be credited on the bill to the account to which the said old material was originally charged; if for labor, then the labor account originally charged should receive the credit; if for rents, then that account should be credited, and so on.

After the original bill reaches the Accounting Officer, it should in all cases be entered upon one of the registers, preparatory to its being posted upon an appropriate ledger in the accounting department.

Each "Various Persons" bill must embrace a full and comprehensive statement of the transaction, such as the name of the party, address, date, detailed description of the facts in the case, who authorized the transaction, also the amount and such other information as may be necessary to form a complete and permanent history.

At shops and storehouses, where accounts more or less numerous will occur, a bill need not be made in each case for labor performed and material sold various persons, but an itemized account of the same should be sent to the proper officer at the close of each month; it will be the duty of this officer to make bills against the parties interested.

Shop clerks should, however, enclose, with remittances made by them, a copy of the "Various Persons" account as specified above, so that the money may be rightly credited.

The miscellaneous receipts that may be said to appear under the head of "Various Persons' Accounts," as described in this chapter, comprise collections for rents; for the property or material of a company that may be sold; for labor performed by its operatives for individuals and corporations; for the sale of property dam-

aged by it, and sold by it, etc., etc. In cases such as these, specific bills are made against the parties indebted to the company.

It is the practice with some companies to enter these collections upon the cash book directly to the credit, not of the person in debt to the company, but to the particular account affected; thus money received for the rent of a building would be entered on the cash book to the credit of "Rents."

This plan is very simple and obviates the necessity of making a bill against the party for the amount of the rent. Without entering into a discussion as to the relative merits of the two plans, it may be said that the practice of making a bill against the person (the plan contemplated herein) insures a permanent record of the transaction, as the account is posted upon the ledger and indexed, and thus becomes a part of the permanent records and can be found at a moment's notice. Under the other method it is frequently necessary to analyze a whole account, involving, perhaps, several pages, to ascertain whether a particular item has been paid, and, if so, whether it has been accounted for by the Treasurer.

Under the latter plan the cost of making a bill against each party that may be indebted to a company is saved, but it seems to be saved at the expense of a thorough and responsible system of accounting.

CHAPTER VIII.

INSTRUCTIONS TO TRAVELING AUDITORS ; THEIR DUTIES ; THE REPORTS REQUIRED FROM THEM FOR EACH AGENT EXAMINED ; THE TREATMENT OF DELINQUENT AGENTS ; SUPERVISION OF THE MONTHLY ACCOUNTS CURRENT ; THE NECESSITY OF THE PROMPT COLLECTION OF CHARGES ON FREIGHT, ETC., ETC.

THE revenue of the company, as stated somewhat in detail elsewhere, is derived from the transportation of passengers, freight, express matter, mails, and from car hire and miscellaneous sources.

The revenue from passengers, freight and miscellaneous sources is collected almost wholly by agents and others on the line of the road. It is in connection with these that you* (as traveling auditors) are called upon to act.

The first and greatest duty you have to perform is to watch after the funds of the company collected by or passing through the hands of its station agents: it is for this purpose, primarily, that you are appointed, and all other duties are to be held subordinate to it.

* As stated elsewhere herein I have, for convenience and for facility of statement, used the second person instead of the third in the chapters addressed to traveling auditors.

It is also one of the most important of your duties to exercise a constant and intelligent supervision over the manner of keeping the accounts at stations, carefully instructing the agents whenever they are wrong or in fault.

To render a thorough examination of the affairs of the agents possible, the accounts at the stations and elsewhere must be kept in conformity with the general system in force upon the whole road, as provided by the instructions.

The delicate and responsible nature of the duties performed by you renders it important that, while your intercourse with agents and others should at all times be characterized by perfect frankness, it should also be governed by the utmost courtesy and tact.

While you are required to exact implicit obedience to the rules prescribed for keeping the accounts, you are also required to do so in as courteous a manner as possible.

In your reports concerning agents, you must be impartial and just; and you must hold your judgment unbiased by either courtesies or want of deference shown you, in your personal or official intercourse with agents.

You must at all times be especially careful not to allow personal resentments to govern your actions or color your statements.

A regular report of all examinations made by you of station agents' accounts must be made to

the Accounting Officer upon the blank provided for that purpose, and must embrace the following information :

1st. What is the name of the agent ?

2d. What is the date of his appointment as agent ?

3d. What was his business and where did he reside previous to his appointment as agent ?

4th. Does he do the telegraphing ?

5th. Has he a clerk ?

6th. Is he systematic and neat in keeping his accounts ?

7th. In examining his accounts, were charges made for telegraph, accident insurance, post-office, expressage, sleeping-car, and other foreign collections ?

8th. Also, was investigation made to ascertain if there were any collections for extra baggage, for loading, unloading, storage, switching, or from any other special sources of revenue the company may have at that station ?

9th. Were such collections duly entered on the cash book* and accounted for ?

10th. State whether the cash book is kept in accordance with the prescribed form ?

11th. Are all receipts and disbursements of cash entered upon the cash book at the time ?

12th. Was the cash book checked with the freight received and receipt book† by you ?

* Form 3, Appendix.

† Form 17, Appendix.

13th. Did the agent claim any unusual or unauthorized credits, and if so, what were they?

14th. Did his cash book balance and did he have on hand on your arrival the amount of cash required to balance his account?

15th. Did the books show that the amount of cash on hand and necessary to balance the account had all been collected since the last remittance?

16th. If the cash did not balance, state the amount and nature of the difference.

17th. Does the agent remit each day the total amount of cash collected?

18th. State the amount of uncollected freight bills on hand.

19th. Was a careful personal examination made, to ascertain if the freight was actually on hand?

20th. Was as thorough an investigation as possible made, to see if the amount claimed as uncollected was so in fact?

21st. Is the agent energetic in his efforts to keep the amount of uncollected freight bills as small as possible?

22d. Does he, to facilitate collections, notify consignees of the arrival of freight?

23d. Is he in the habit of delivering freight without collecting charges; and if so, why, and what instructions were given him?

24th. Does agent make a true balance sheet,* as regards his list of uncollected freight bills?†

25th. Did he have on file receipts‡ for all advanced charges paid out?

26th. Did you forward to the Freight Auditor for examination a statement of the advanced charges that the agent claimed to have paid on freight received for shipment?

27th. Was the agent cautioned about paying advanced charges on freight received for shipment?

28th. Freight Received and Receipt Book.§— Is every way-bill copied into this book immediately upon its receipt?

29th. Freight Received and Receipt Book.— Does the agent require the consignee, or the party holding the order of the consignee, to receipt in proper form for each consignment of freight, at the time of its delivery?

30th. Does the agent foot the freight received and receipt book, and see, at the end of each month, that it agrees with the freight report?||

31st. Does the agent make a thorough examination of way-bills immediately upon receipt of same?

32d. Does he check his freight with way-bills,

* Form 52, Appendix.

† Form 54, Appendix.

‡ Form 9, Appendix.

§ Form 17, Appendix.

|| Form 24, Appendix.

immediately upon their receipt, to ascertain shortage, bad order, etc.?

33d. Abstract Book.*—Is this book kept written up weekly or monthly?

34th. Was a careful examination of all tickets made, to see that none had been used?

35th. Were all the tickets on hand counted by you?

36th. Were the tickets compared with the list furnished by the ticket department?

37th. Does the agent keep a complete record of tickets received, sold, and on hand?

38th. Did you instruct him to count and inventory his tickets at least once every two months?

39th. Does he make the necessary alterations on his books immediately upon receipt of correction sheets?

40th. Are overcharges properly accounted for on the overcharge book† and balance sheet?

41st. Upon receipt of correction sheet‡ from the Accounting Officer, are errors located and adjusted properly, on all the books?

42d. Are all of the books and accounts kept in proper form?

43d. Does the agent make a trial balance to ascertain the exact state of the station accounts before closing his final remittance for the month?

* Form 21, Appendix.

† Form 26, Appendix.

‡ Form 75, Appendix.

44th. State if all errors were located by you, so as to balance accurately the agent's account.

45th. Did you preserve your abstract of charges on freight received and freight forwarded, in order to enable the Freight Auditor to detect suppression of way-bills, if any?

46th. State if any unauthorized or irregular practices are indulged in by the agent.

47th. Was the agent given full and minute instructions in every case wherein he was found negligent or in fault?

48th. Are circulars, letters of instruction and tariffs properly filed and preserved in the book provided for that purpose?

49th. Are all the sureties on the agent's bond * still living?

50th. State if the sureties are perfectly responsible.

51st. Give list of remittances claimed by agent in addition to those obtained from the Treasurer's cash book.

52d. Enter here a general report of the station.

In this report you will state all facts exactly as the inquiries demand. In your general account of the station you will give such facts as you may judge to be necessary to a full and complete knowledge of the agent's character and record, and such observations as may be use-

* Form 55, Appendix.

ful for reference, as a guide to future examinations.

The report of the examination of agents should be entered up in detail, each week, for future reference, in the "Record Book of the Examination of Agents' Accounts," in the office of the Accounting Officer.

On the first day of each month you will make a report to the Accounting Officer of the names of stations, alphabetically arranged, examined during the preceding month, and the dates on which they were examined.

You will take an impression copy of all written communications and statements made by you, and for purposes of record, your communications should, as a rule, be in writing.

You should be careful to eliminate from your correspondence all harsh or discourteous language. Study to express yourself tersely, and without unnecessary offence.

A special written report must be made promptly to the Accounting Officer, by you, in the following cases, viz.:

- 1st. Of defaulting agents.
- 2d. Of agents known to have been defaulters previous to their employment by the company.
- 3d. Of agents found to be using the company's funds, through ignorance, misapprehension, or otherwise.

4th. Of agents guilty of any dishonest practices in connection with their duties as agents of the company.

5th. Of agents who refuse, or persistently neglect, to keep their cash and other accounts in accordance with the instructions.

6th. You will also report any agents, cashiers or other employes or officials who handle the company's funds who are known to gamble or to have any vice disreputable in character, or of a nature likely to lead them to disregard the faithful obligation they owe to the company.

Immediately upon the discovery of a defalcation you will report the facts, in cipher, to the Accounting Officer by telegraph.

Upon its discovery, every possible effort must instantly be put forth to secure a return of the stolen money. Failing in this, the delinquent agent's bondsmen must forthwith be visited, and every effort must be made to induce them to make good the shortage, without the delay incident to a recourse to the law.

In a case of defalcation the company can never consent to withdraw or compromise its claim upon the bondsmen. Their guarantee of the good standing and honesty of the agent induced his employment—it secured his retention: there-

fore, while the company especially deprecates recourse to the law, nevertheless, every means that its boundless resources places within its control will, if necessary, be used in enforcing its just claim. Good sense and common fairness would, therefore, seem to dictate a speedy and peaceable settlement upon the part of the bondsmen, and you should express the substance of the foregoing to them.

In the event of a delinquent agent's failing to make good the amount of the shortage in his cash account, and the bondsmen do not at once make good the amount, it is your duty, in the absence of special instructions to the contrary, to have him arrested and held to bail, employing an attorney when necessary, and looking carefully to the adequacy of the bail.

In making up the account or balance sheet for such an agent, the amount of the shortage should show as a separate item, as "Deficit in Cash Account." You will secure the signature of the agent to this account or balance sheet. Such an acknowledgment by him is a proof of the nature and accuracy of the account. The signature is not absolutely necessary, but it proves without further demonstration what the company is justly entitled to prove.

In adjusting the account of a delinquent agent, allow him in his account, if necessary, for the total amount of wages due him, notifying the

Division Superintendent and Paymaster of the amount allowed, and requesting the latter to turn the same over to the Treasurer on the agent's account.

It is not politic, it may be said in passing, to discuss the dismissal of a delinquent agent in his presence, pending a complete settlement with him; nor is it always well to notify him of his discharge until every effort has been made to prevail upon him to make up the deficiency; for the reason that the prospect of continuing in the service of the company will act as an incentive to induce the delinquent to put forth every energy to make up the deficiency in his account.

All extenuating facts in favor of an agent who is short in his accounts, and has made the same good, should be made known by you to the Accounting Officer, so that he may be able to act intelligently and without injustice to the agent or neglect of the company's best interests.

You will constantly bear in mind that, in case of a defalcation, you are expected to see that the shortage is made good before you leave the station, and in the accomplishment of that result you are expected to apply every resource of your mind and to exhaust every energy of your body. *The amount must be collected.*

Whenever in the discharge of your duties it is necessary to secure the services of an attorney,

other than those in the employ of the company, avoid the embryo statesman, or the lawyer who is seeking political preferment, or is acting as a "striker" for some one who is. Remember that in the generality of cases the sympathy of the community will be with the agent, right or wrong, as against the railway company. Keeping that fact in mind, you will, in selecting an attorney, try to secure an energetic business lawyer; one devoted to his profession, who will put forth every proper effort to win his case; who will not let it drag or go by default, or withdraw it under the specious plea that it is impolitic. However, as the prosecution is instituted for the sole purpose of securing a return of the funds abstracted, it should at once and forever be allowed to drop when that object is attained.

You will take charge of the cash affairs of any station where an agent is found to be a defaulter, remaining in charge until a new agent is appointed, or until you receive instructions how to act.

When the delay in the appointment of some one to supersede the agent is likely to be great, you may, if there is a responsible and trustworthy person connected with the station, delegate such person to take charge of the station cash accounts until relieved by order of the Division Superintendent.

You will remain at the station no longer than is imperatively necessary.

When defalcations occur so as to become marked on the road, or on any division of the road, it may be accepted as true, either that you are unfitted for your place, or that the management does not appreciate the necessity of employing only honest men, or is loth to dismiss the dishonest ones that have crept into the service.

Delinquent agents are notably crafty and full of obtuse explanations; and the management is liable to be diverted by these explanations, or, more likely, perhaps, by an unwillingness to believe any ill of a trusted subordinate; nevertheless the exact facts as they occur, and as you understand them, must be fully and carefully spread upon the records, for reference, and for the future protection of the good name of the department from any charge of neglect or carelessness. This record is also necessary for the purpose of fixing the responsibility where it properly belongs should any mishap subsequently occur.

Reputed losses from the destruction of offices by fire, or the breaking open of money drawers, ticket cases, etc., etc., must be examined into by you with the utmost care. All claims for relief

of such a character should be viewed with the utmost caution, until their trustworthiness is abundantly established.

No relief will in any event be afforded an agent if it be found that the loss occurred through carelessness or neglect to follow the established rules of the company.

You will bear in mind that one of your principal duties is that of instructor, as it is to be expected that many agents will be appointed who lack experience, and who will need thorough and repeated instruction.

You must watch carefully over the progress of such agents, and note discriminately the delinquencies arising from inexperience, in contradistinction to those which are occasioned by carelessness, indifference, dishonesty, or from any other cause.

Whenever you become convinced that an agent cannot, or will not, arrive at such a degree of efficiency as the necessities of the station may require, a comprehensive report of the case must be made to the Accounting Officer for reference to the proper officer.

The general rule governing the remitting of money must be enforced literally, and no one is

authorized at any time, or under any circumstances, to cancel, modify or restrict the said rule.

On or about the tenth of each month, you should carefully look over the agents' balance sheets* of the preceding month, on file in the Accounting Officer's office. The examination should be general, but particular attention should be paid to the amount of uncollected freight on hand at the close of the month, and the amount of the remittances at the close of month as compared with the rest of the month.

When the list of uncollected freight is disproportionately large, or when the closing remittances for the month are out of proportion with those for the rest of the month, the accounts of the agent should be investigated, as these are, generally, among the first indications of an irregularity.

In looking over the balance sheets, notice whether the remittances of any agent are generally for even amounts; in the event that they are, it proves conclusively that such agent is not faithfully observing the rules governing remittances, *i. e.*, to remit the exact amount collected.

You will examine to see if the last remittances on account of the month's business, claimed by

* Form 52, Appendix.

the agent, are promptly received by the Treasurer. Any unusual delay in their receipt would seem to indicate that they were not sent forward on the day claimed by the agent, and an investigation may elicit the fact that the business of the succeeding month was made to contribute the money required to balance the account current.

In your examination, notice the amount of working fund at each agency, and see that it is no greater than is absolutely necessary to keep the station supplied with the small change needed in the sale of tickets, etc., etc.

No agent is allowed to increase his working fund unless permission be first granted him.

The object of the working fund is to furnish the agent the small change he requires to do the business of the station, so as to render it unnecessary that he should retain in his hands any portion of the daily cash collections.

Continuing your examination of the balance sheet, if the list of uncollected freight on hand at the end of the month embraces such items as lumber, shingles, coal or other large bills evidently not received at or very near the end of the month, write the agent calling attention to the same, and the necessity for being as expeditious as possible in making collections, etc., etc., and asking for an explanation of the facts in the particular case under consideration,

Examine to see if the report of freight re-

ceived after the close of the month corresponds with the amount of credit taken for such freight.

You should also scrutinize, as closely as possible, the list of freight purporting to have been received after the close of the month. The credit for freight received after the close of the month (way-billed in the preceding month) is made separately on the balance sheet from the uncollected on hand at close of month, to enable you to ascertain whether the agent is energetic in his efforts to keep his list of uncollected freight bills as small as possible.

If necessary, you will compare the dates of the uncollected bills with the dates of the duplicates on file in the Freight Auditor's office.

All foreign notations or forced entries on the balance sheet must be fully explained thereon, and you should write to agents when they do not comply with this rule, and ask them for a statement explaining why such notations are necessary, and you should make it your business to see that such letters are satisfactorily answered.

Indeed, in all cases where it is necessary to give instructions, you should keep the matter in mind, with a view of ultimately ascertaining if they have been carried out. The issuing of instructions without careful reference afterwards to see if they have been obeyed cannot but have a demoralizing effect.

On or about the twenty-fifth of each month, or when the several items making up the general balance sheet have been passed upon by the department heads, you should again examine the balance sheets for the purpose of arriving at a general idea of each agent's manner of doing business, and to see how the corrected balance sheet compares with the original.

Observe if corrections indicate that the balance was "forced" by the agent; if so, write him and otherwise note the fact.

Foot the list of uncollected freight* on hand accompanying the account, and compare it with the face of the balance sheet.

You are expected to be ever on the alert to detect any irregularities or wrong-doing on the part of station agents by which the company's interests may suffer.

You must carefully guard against any relaxation in vigilance; through the confidence which you may have in the character of the agent whose accounts you are examining.

You are expected to pass over the road with the utmost expedition, using freight trains and traveling nights, when time can be gained thereby.

You should always be ready to sacrifice your

* Form 54, Appendix.

personal comfort to the exigencies of the service; working at other than usual hours whenever necessary to do so in order to secure favorable train connections.

You must also divest yourself as much as possible of family cares and private business.

Before going out on the road you will leave a memorandum with the Accounting Officer of your probable address from day to day, so that you can be communicated with readily.

In reference to the collection of charges, bear in mind that freight bills are universally recognized as cash, and all charges for freight should be collected on delivery of the same.

The payment of charges upon the delivery of freight is an established rule with all companies, and one not to be deviated from, except for good and substantial reasons, say to meet the practices of competing lines.

It is, of course, of paramount importance that the business of the company be made as great as possible, and at competing points agents are expected to use great discretion and tact in securing and holding business; nevertheless, an agent will be held to a strict account for any and all losses which may arise from his having parted with freight before having secured payment of charges on the same, as he is expected

to become acquainted with the patrons of the road at his station, and to take no risk with those whose financial standing is at all questionable, without direct *written* orders from some authorized general officer of the company.

Notwithstanding the arbitrary rule of the company rigidly enforced, requiring the prompt payment of charges on delivery of freight, and within a specified time of its receipt at the station, the balance remaining to the debit of agents, on the general books, for local and advanced charges, is, at all times, fully four per cent. of the annual gross receipts.

These figures show the enormous amount of unproductive capital required to transact the business of a company under the most expeditious and effective rules for collecting freights, and are, at all times, a sufficient answer to demands for "credit."

In explaining the minutiae of accounts, both general and technical, to agents, it is of the utmost importance that perfect accord should exist between the several traveling auditors, where more than one is employed; otherwise the instructions given by one auditor may be countermanded and rendered of no avail by his associate. You must, therefore, agree together in reference to every possible contingency.

CHAPTER IX.

INSTRUCTIONS TO TRAVELING AUDITORS CONTINUED. THE SPECIAL INSTRUCTIONS TO BE IMPARTED BY THEM TO AGENTS, IN REFERENCE TO THE ACCOUNTS; THE MANNER OF CHECKING THE SAME WHEN OUT OF BALANCE; THE RESPONSIBILITY OF AGENTS IN CONNECTION WITH THE RECEIPTS OF THE COMPANY, AND THE SPECIAL DUTIES REQUIRED OF THEM.*

The following instructions to be given station agents embrace some of the points which it is necessary to insist upon in order that the station accounts may be kept intelligently, and show an accurate and complete record of the cash business, and be reliable for reference in settling claims which may be held against the company.

Freight must be checked with way-bills† when unloaded from cars.

The number of packages checked out should be shown by the tally marks on the way-bill.

* A detailed description of the blanks and books referred to in this and the three succeeding chapters has already been given—Chapters IV., V., VI.; see, also, the forms as given in the Appendix.

† Form 12, Appendix.

Notations regarding the condition of freight, as "over," "short," etc., should be made on the way-bill, and must be copied on the "freight received and receipt book."* This book is usually called the freight received book.

Agents must correct all errors of classification, extension, or rates used, and then enter the way-bill at once on the freight received and receipt book.

In this book the amount of each consignment should be carried separately into the consignment column, so that the cash book† may readily be checked with the freight received book in case of a discrepancy existing in the freight accounts.

Agents must carry into the total of the way-bill columns the total footings of the way-bills as they appear; this must be done for the purpose of readily checking the freight received book with the monthly abstracts of way-bills received.‡

They must also see that the total of the way-bill columns agrees with the total of the consignment column, and at the close of the month see that the total of the freight received book agrees with the total of the monthly freight report,§ which shows the aggregate amount of

* Form 17, Appendix.

† Form 3, Appendix.

‡ Form 23, Appendix.

§ Form 24, Appendix.

freight received from each station, and the total of the whole.

Way-bills received after the close of the month must be entered in the account of the month in which they are billed and dated.

Way-bills (except bulk grain bills and others of that character, where it is impossible to get the quantities until the accounts for the month have been closed) are never carried forward to the subsequent month.

When commencing a new month's account, agents must leave as many pages blank on the freight received book as may be necessary for the entry of the bills, dated in previous month, yet to arrive.

It is of especial importance that the freight received and receipt book should, in all cases, show the date of delivery of freight and also the signature of consignees, or their authorized agents, acknowledging the receipt of freight.

Agents are required to notify consignees immediately upon the arrival of freight, and in the event the freight bills are not at once paid and the goods taken away, agents are expected to use such personal solicitation as would seem most likely to accomplish the object, if possible, without offending the patrons of the company.

Agents must not accept or remit checks, drafts or notes, in payment of the amounts due to the company, unless especially authorized to do so by the Treasurer.

All checks or drafts received must be drawn to the order of the agent, and must be properly endorsed by him before being remitted.

All notes received must be drawn to the order of the company, and must, in all cases, be endorsed by two good and responsible parties.

Notice of the arrival of freight:—Unless directed to the contrary by an authorized officer of the company, the cost of the postage stamp (if the notice is sent through the post office) must, in all cases, be added to the expense bill and collected of the consignee.

At stations where notices are to be sent at the company's expense, printed postal cards* will be used, and will be furnished upon requisitions addressed to the stationery supply clerk.

The use of postage stamps furnished by the company must be restricted to the very fewest stations possible, and at such stations the stamps must be used only for certain specified purposes. No adequate check can, in the nature of things, be placed upon the disposition of the stamps by the party receiving them, and their general use

* Form 18, Appendix.

on the line of a railway would, it is manifest, involve a large and ever increasing expense to the company interested.

Instruct agents as follows in reference to freight expense bills.*

Immediately after entering way-bills on the freight received book, make expense bills (to be signed when consignee pays charges) for the same directly from the way-bill, and compare the amount of each expense bill with amount of consignment shown on the freight received book, as a check against errors of omission or otherwise.

Notations regarding the condition of freight, as "over," "short," etc., should be made, as previously explained, on the freight received book, but not on the expense bill.

The unpaid expense bills should be carefully guarded. Agents should sign and enter them on the cash book, invariably, at time of payment.

Expense bills must be made to show exactly the amount called for by the way-bill.

The plan sometimes followed of "simplifying" matters by arbitrarily adding enough to a consignment or expense bill to make the charges to be collected some even amount should be care-

* Form 19, Appendix,

fully avoided, as it is by all properly instructed agents. Although primarily done for the purpose of making change readily, it in time becomes peculiarly disreputable and disgraceful to all parties who practice or permit it. Above all, it destroys a useful and necessary check upon the accuracy of the accounts.

Expense bills and other receipts must be signed with pen and ink; they must not be stamped.

In examining way-bills for freight received at stations, in the event of doubt as to what the correct amount should be, the greater sum should be entered for collection on the expense bill, and a correction sheet sent in accordance with the instructions; afterwards, in the event an overcharge is found to have been made (and the way-bill has been altered), the amount should be duly entered upon the overcharge book.*

If the accounts for the month in which the overcharge occurred have been reported to the Freight Auditor when the claim is presented to the agent, then, and in that case, the overcharge cannot be refunded by the agent, but must be referred to the Freight Auditor for adjustment by voucher.

* Form 26, Appendix.

Cash Book*.—The cash book gives in detail the total receipts and disbursements of the company at the station.

It must be balanced daily and the balance due the company remitted by express as directed.

It must be footed and closed each day, precisely as if the station were going to be abandoned.

In this way agents keep advised from day to day, and know their accounts to be exactly right.

Agents are required to enter in the proper columns of the cash book all receipts and disbursements of cash at the time of the transaction.

All entries on the cash book should show clearly the character of the entry and why made.

As a check upon errors in footing the cash book, and also to aid in checking the account at the close of the month, agents must carry forward from folio to folio, in red ink, the footings of the several columns on the cash book, from the beginning to the close of the month; or, in other words, they must carry forward the footings from day to day, as though the total business of the month were to be accounted for in one remittance at the close of the month.

They should compare and see that the amount

* Form 3, Appendix.

of the several columns added together agrees exactly with the footings of the total columns on the cash book.

A trial balance sheet should be made by agents on the last day of each month, so that any error or omission may be discovered and rectified before the last remittance for the month is sent in, thus securing a perfect general balance sheet for transmission to the Accounting Officer, when the accounts for the month are closed at stations.

Errors that may be discovered after the trial balance is made, and before the monthly account current is sent forward, must be noted in the said monthly account in detail, giving, say, the number of way-bill and amount, or, generally, such information as may be necessary to a clear understanding of the case at the general office. The amount of errors of this character will be reported back on the Accounting Officer's correction sheet,* to be carried forward and adjusted by the agent in the succeeding month's account.

No work should be deferred by agents until the end of the month that can possibly be done earlier.

In making the trial balance, if the amount of cash to be remitted, as shown by the cash book, does not balance the account as shown by the

* Form 75, Appendix.

balance sheet, agents should check the account as follows :

Compare the total footings of the prepaid, ticket, and advanced charges columns with the reports for each.

Carefully analyze the miscellaneous columns of the cash book, and compare them, item by item, with the trial balance sheet.

Compare the total amount of the remittance columns of the cash book, added to the amount of the remittances brought forward from the preceding month, and entered in the short column of the previous month's balance sheet, with the amount as entered on the trial balance.

In case the amount of remittances as shown by the balance sheet does not agree with the amount shown by the cash book, check the remittance items on the balance sheet with the cash book, item by item, until the difference is found ; then refer to the remittance slip, as credited up by the Treasurer, to ascertain which amount is right, and if the remittance entered on the cash book differs from the amount credited, make the necessary correction.

See that the entries on the overcharge book have been properly made, and that no credit has been taken on the cash book for overcharges not yet refunded, and see that all overcharges that have been refunded are credited on cash book.

By thus analyzing the account, much time may be saved, as it demonstrates in a few minutes what portion of the account it is necessary to check in detail.

If there is still a discrepancy, see if the items which made up the debit balance from last month's account are properly accounted for in the remittances or other credits of the present month, and that the errors of the preceding month are properly adjusted on the overcharge book or cash book, as the case may require.

The balance may also be affected by some petty disbursement on account of the station, made by the agent during the month and carried as cash, awaiting the approval and payment of vouchers covering the same.

Now check the cash book with the freight received book, and see that the items not checked as appearing on the cash book are to be found on the list of uncollected freight bills on hand.*

In checking the list of uncollected bills, some peculiar form of check mark should be used on the freight receipt book which plainly differs in appearance from the cash check mark.

Carefully check the list of uncollected and additional uncollected from previous month, and the freight received book account of current month, to see that every item is accounted for as either paid or uncollected, and also look care-

* Form 54, Appendix.

fully through the cash book to see that nothing remains unchecked.

If an item remains unchecked on the cash book, see if it is not a duplicate entry, and, if it is, make proper adjustment for same in the miscellaneous column.

The account ought now to be in balance, as the several parts of the account in which errors are likely to occur have been proved.

If the account is not in balance, carefully re-examine the footings of the cash book; the uncollected freight of the present month; the columns on the balance sheet; or the uncollected freight of last month.

The balance of errors as shown on the correction sheet from the Accounting Officer* should not be entered in a lump on the cash book, but the items of which it is made up should be carefully examined, and proper adjustment of each should be made on the overcharge book, or cash book, or elsewhere, as the merits of each case may especially require.

You will understand that the monthly correction sheet from the Accounting Officer, referred to above, is an official notice to the agent of the final result (as it affects his balance sheet) of the examination and audit of his accounts by the

* Form 75, Appendix.

several departments. This sheet gives (for such items as are incorrect) the amount originally entered by the agent to his debit or credit and the amount as corrected; also the balance to be carried forward to the succeeding month's account.

Whenever a correction is made by the head of a department, which is not clearly understood, or cannot be located, the agent must obtain a statement of the same from the department interested, for entry on the proper books and in the proper manner.

Instruct agents as follows in reference to—

Overcharges:—The correct keeping of this account is of the utmost importance. When a correction is made in the freight accounts after delivery of freight, by which an overcharge is occasioned, enter the particulars of said overcharge on the overcharge book.*

When the overcharge is refunded, obtain receipt on the overcharge book from the party to whom the overcharge is due.

Take no credit on the cash book for an overcharge until the same has been refunded.

The practice of paying overcharges through draymen, and taking their receipt therefor, is improper.

* Form 26, Appendix.

Enter as a debit item on the balance sheet,* "Amount overcharges unrefunded as per overcharge book," the total amount of all overcharges that were unpaid at the close of the month; remembering, however, that corrections made on way-bills received after the close of the month do not affect the overcharge account of the month in which they were billed for the reason that the overcharge was not remitted during the month in which the bill was dated.

Agents must submit to the Freight Auditor at the end of each quarter, viz.; on the 1st of January, April, July, and October, respectively, a statement of such overcharges† as have not been and are not likely to be called for, or have remained unrefunded for more than ninety days.

Blank statements for this purpose should be kept on hand at all stations.

The amount of such statement will be charged to the agent, in the freight account, by the Freight Auditor.

The amount thus reported must be entered as a separate item from the "Unrefunded overcharges" proper, by the agent, on the balance sheet, and when it is charged up by the Freight Auditor the amount will not be credited back on the Accounting Officer's correction sheet.

* Form 52, Appendix.

† Form 27, Appendix.

If the overcharges so reported in balance sheet as "unrefunded" are for any reason credited back in balance of errors on the Accounting Officer's correction sheet, then they must again be taken up by the agent, and charged in exactly the same way on the balance sheet for the following month; that is, if they still remain unrefunded at the close of such month.

You should instruct agents as follows, in regard to the payment and disposition of

Advanced Charges:—No charges should be advanced, except such as are incidental to the transportation of the freight that the said charges are advanced upon.

Drayage charges, freight charges, cooperage, etc., accruing on connecting lines only, can be advanced.

No part of the cost of the articles shipped can properly be advanced by a railroad company, as the law gives no lien on the freight for such advances.

An exception is sometimes made under the following conditions, in favor of dealers in agricultural implements who receive their freight by car-loads, pay the freight upon the same, and then distribute the machines in small lots to various points.

Such parties are allowed to pro-rate the total freight paid among the several machines which made up the original car-load, and receive back as advanced charges such pro-rated amount, when the machines are actually delivered at depots for reshipment.

This courtesy should be extended only when the forwarder is a responsible party of good business reputation, and under a written guarantee, drawn under the advice of the Solicitor, that the charges so advanced shall be paid at destination, within a reasonable time.

This courtesy cannot under any circumstances be demanded as a right by shippers, as the law gives the company no lien for back charges on freight which, having once passed out of its hands, again comes into its possession.

Agents will therefore use great discretion in granting this privilege, and will guard against paying any sum greater than such *pro-rata*, duly guaranteed.

It is a general rule that no advances shall be made on any perishable property. And further, if property be of doubtful value, agents should require of the shipper or of the connecting line a guarantee of local and advanced charges.

It is a general rule that in no case should more than one-third the value of property be advanced.

Agents should take receipts upon the blanks

provided by the company for all advances paid, and preserve them carefully.*

In settling advanced charges and other balances with connecting lines, where freight is rebilled at junctions, agents will draw on the Treasurer for such balances, except when they have sufficient currency on hand. In making drafts agents should use the usual form of blank draft addressed to the Treasurer. In other words, agents will settle with the connecting company, at the close of each week, for the amount due such line in excess of the amount due from it.

When the balance is against the connecting company, agents must, if possible, secure a settlement in currency so as to save cost of collection fees.

At the junctions, where the business is great and running largely against either company, settlements must be made daily or oftener.

Agents are required to send the Accounting Officer, at the close of each month, a report of the drafts drawn by them during the month.†

The seeming improbability of detection sometimes (though infrequently) leads vicious and unstable agents, if any such there happen to be in the employment of the company, into such petty and disreputable practices as the adding

* Form 9, Appendix.

† Form 2, Appendix.

of fictitious advanced charges for small amounts to consignments of freight received for shipment.

Of course detection is only a question of time; constant watchfulness should, however, be exercised by you, promptly to discover and correct practices so pernicious.

Whenever way-bills which have never been received by an agent, and for which the freight has not come to hand, are charged to him by the Freight Auditor, and reported in the balance of errors from the Accounting Officer's office, the agent will obtain a copy of the way-bill from the forwarding agent, and make "short" sheets for the same, carrying, meantime, this short freight, with proper explanation, in the list of uncollected freight on hand, until an adjustment is made.

In reference to the ticket accounts, the amount of the daily local and coupon ticket sales must be entered separately on the cash book.

The amount of the daily local ticket sales is computed by entering on the local ticket book* the closing numbers of all local tickets, includ-

* Form 45, Appendix.

ing "book," and all kinds of miscellaneous tickets, and then subtracting the closing numbers of tickets as shown by the previous day's record: this will give the number of tickets sold; the proper extensions should then be made and the total entered at the bottom of the page.

The daily coupon sales must be made up from the "stubs," which must be carefully compared with the rates.

At the end of each month the extensions in the local ticket book must be completed, as indicated by the headings of columns to be used for that purpose, and agents should see that the amount agrees with the local ticket report.*

See that agents at coupon stations write up their coupon ticket register † promptly at the close of each month.

All coupon tickets received by agents should be entered in the register, in numerical order, at the time: the register, as explained elsewhere, should embrace a complete list of all coupon tickets received and sold.

Agents at stations where milk tickets are for sale must keep a daily record of the closing numbers of such tickets, as provided by the blank.

* Form 49, Appendix.

† Form 46, Appendix.

They should make use of the "prepaid" column of the cash book in which to enter the amount of the cash collections for milk tickets.

When the arrangement with the telegraph company requires the railway company to take charge of the receipts of the former, telegraph operators must pay over to the railway agents, each day, the total amount collected by them; agents will enter the amount on the debit side of their cash book and include it in their regular daily remittance, charging themselves in their monthly account current with the gross amount of such telegraph receipts.

When specific accounts against individuals or corporations are forwarded to agents to collect, such sums must not be spread upon the agents' books or accounts, or taken up on their balance sheets, but the money, when collected, must be remitted by express directly to the officer directing the collection, with the proper explanations.

Any collections made by agents, in the discharge of their duties, from irregular or special sources—say for storage, dockage, demurrage, switching, loading, unloading, cooperage, lost baggage checks, hides, pelts, old railroad ties,

grass and other similar collections for which no specific provision is made in the accounts—must be promptly remitted with the regular receipts of the station. Agents are required to charge themselves with these collections on their monthly balance sheets, itemizing those for which no provision is made in the balance sheet, giving name of person from whom the money was collected, date collected, what for, and the amount.

When the space provided on the balance sheet is not sufficient to enable them to give these details, they will charge themselves with the aggregate; as, "Sundry collections as per statement attached," and pin to the account a detailed report of such miscellaneous collections; accounts made in this way can be intelligently examined and charged up against agents.

As already explained, all miscellaneous and irregular collections made by agents must be entered in detail on the monthly balance sheet; and from this record the facts will be transcribed upon the general books of the company; the amount collected by agents from the sources named should be remitted by them, as directed above, in common with the regular business of the station.

Post-Office Collections.—The following instructions to agents from the Treasurer should accompany all orders of the Post-Office Department on postmasters, sent by express by the Treasurer for collection :

1st. Herewith find for collection a post-office order on the postmaster at your place, and also a form to be filled up and transmitted with the funds, giving the name of office, postmaster, amount, etc.

2d. The instructions upon the back of the post-office order, as furnished by the Government, will afford you all the information necessary for a correct performance of your duty. You will please examine and be governed by them.

3d. You are instructed to present the order, promptly, for payment, and, if necessary, allow a reasonable time—not to exceed five days—for the payment, and then transmit either the money or the post-office order, with the proper notations.

4th. I can make no report to the Post-Office Department until all the orders have been heard from. It thus becomes necessary for every agent to be prompt, or the action of all other agents is embarrassed and the company put to delay and expense in its settlement with the Post-Office Department.

5th. In all cases send by express to the address indicated either the funds or the post-office

order, properly endorsed, with our own form properly filled.

The post-office collections remitted by agents should not be taken up on their balance sheets or in their accounts.

You will explain to agents that in the sale of tickets, and in transacting other business at their stations, it is expected and required that they will at all times be prepared to make the exact change.

To enable them to do this, the Treasurer will furnish them with such small change as they may require, upon their remitting to him by express the amount necessary to procure the same.*

To be minute, you will instruct the agents to close their cash accounts and balance the cash book within one hour prior to the departure of the latest train of the day by which it is practicable to send remittances.

You will examine the express messenger's receipt book, to see that remittances actually go forward on the day indicated on the station cash book.

You should see that agents enter on the cash

* See Form 6, Appendix.

book all cash receipts at the time of payment ; impress upon those who neglect this that they must not wait until the close of the day's business and then enter up this cash from memoranda, or by posting from the freight received book, way-bills or other sources.

The funds of the company ought always to be kept distinct and separate from all other moneys.

You will caution agents against leaving their working fund or other moneys unprotected in their cash drawers, when leaving their offices. The numerous cases of burglary and petty loss to agents which occur daily throughout the country through their carelessness in this respect teach a valuable lesson.

Ordinary locks afford no adequate protection against the professional burglars who frequently visit the country stations.

See that all safes are provided with combination locks ; otherwise there is danger in the changes of men that duplicate keys may be secured and kept for subsequent use by operatives going out of the employ of the company.

You should be particular to impress upon the minds of agents the necessity of reading with minute carefulness all the instructions printed on the various blanks and books furnished them,

and of carefully preserving for reference all circulars, orders and correspondence which they may receive from heads of departments and others.

Many agents of good repute overlook and entirely ignore the instructions printed on the blanks, thus rendering futile all efforts to increase the efficiency of the service.

All forms of books must be kept in exact accordance with the headings and marginal notes.

It is your duty to see that the agents are not wasteful in the use of stationery; to see that the pages of the books are written up in full without waste, and that the books are, in all cases, used up before new ones are opened.

In reference to the payment of bills, vouchers, time tickets, etc., etc., it should be distinctly understood, and you will give your instructions accordingly, that no agent is authorized to make any such disbursement, except under established rules, or when specifically directed to do so by the Treasurer. It is or should be a well-established rule of the company, that no disbursement of its funds shall be made except through or under the direction of the Treasurer, on vouchers duly audited and passed by the proper approving officer.

When money is paid in an irregular way, in imperative cases, a receipt must be taken by the agent; this receipt must be technically legal in its construction; it must be stamped with the station stamp and must forthwith be remitted to the Treasurer as cash. Payments of the character named must, like all others, be directed by the financial officer.

No looseness or unauthorized assumption of power in respect to the payment of accounts will be tolerated for a moment; no weak precedents must be established; every bill against the company must follow the channel marked out for it, from the incurring of the obligation to its final liquidation.

When purchases or liabilities of any name or nature are incurred, the creditor must be made to understand that he must await the passage of his account through the regular and approved channels, preparatory to its being paid by the Treasurer.

In reference to the payment of time tickets (discharge cards), you will bear in mind that only such agents as are especially authorized by the Treasurer will cash the time tickets of discharged men.

One of the reasons, and the only one necessary to give here, for restricting the payment of

time tickets and approved vouchers, except under the direction of the Treasurer, is to prevent such accounts from passing into the hands of agents at stations, where the receipts for a single day might not be sufficient to pay them, rendering it necessary that the agent should stop remitting until he could accumulate a fund equal in amount to the voucher or time ticket awaiting payment.

All vouchers should be receipted, and all time tickets endorsed by the payee, when paid, and must forthwith be stamped with the station stamp, and remitted on the same day to the Treasurer, thus preserving an unbroken chain of daily remittances, and rendering it possible to preserve something approaching an intelligent and connected supervision over the cash receipts of the road.

Agents at stations where gas is consumed should pay for the same on presentation of the bill, thus saving the discount. The receipted gas bill should be vouched for by the agent, stamped with the station stamp, and remitted to the Treasurer as cash.

Agents will notify the superintendents of their respective divisions by letter, monthly, of the number of feet of gas consumed and the amount of the bill paid by them.

Agents will not advance charges to connecting lines on material consigned to the company except under instructions from the Treasurer.

Such agents as advance charges on material consigned to the company will, at the end of each month, send the receipted expense bills for the same to the Purchasing Agent, who will cause vouchers to be made in their favor for the amounts advanced by them.

Agents and other employes are not allowed to discount the wages of employes, or buy, traffic in, or discount passenger tickets, time tickets or orders on the Paymaster.

It is a rule of the company that the agents must not buy, sell, exchange or deal in any tickets not authorized by the General Ticket Agent.

In case of the destruction of a station by fire or otherwise, copies of all way-bills received and forwarded since the monthly accounts were last rendered, if destroyed, should at once be procured from the stations forwarding and receiving such bills.

These bills should be regularly reported in the monthly account, unless the freight has been destroyed, in which case permission should be

secured from the Freight Auditor to omit the way-bills for such freight from the accounts.

In the event there are any advanced charges on such way-bills, such charges must necessarily be taken up in the accounts, but notice of the facts should be forwarded by the agent to the General Claim Agent for a reclamation voucher for such charges, also for any and all other claims for redress.

In the event any tickets are burned, lost or stolen, a complete list of those not destroyed should at once be forwarded to the General Ticket Agent and the Ticket Auditor.

All other departments should be similarly notified, as they may be severally interested, in the event of any misfortune happening to an agency.

When an agent is absent, the clerk or person acting for him is required to sign his (the agent's) name to all statements and accounts, and it should be distinctly understood and agreed, in writing, that the agent is responsible personally, and under his bond, for the acts of such representative. In such cases no transfer of accounts should, of course, be made.

When the absence of the agent is prolonged, or when he refuses to be responsible for the acts of the person acting in his stead, then the ac-

counts should be regularly transferred to the new man as "acting agent," and such acting agent should be required to file a bond for the usual amount required for the station he is in charge of.

It would be well if each of the principal divisions of the road employed a special bonded agent who could be transferred at pleasure from point to point, as the exigencies of the service necessitated, and you will if possible arrange to this effect with the various superintendents.

An agent is responsible, under his bond, for all the official acts of his subordinates, and any refusal upon the part of the agent to assume such responsibility, should at once be certified to the Accounting Officer. It then becomes the duty of the latter to require the agent formally to acknowledge in writing his responsibility for the acts of those subordinate to him; or, in the event of his refusal, to require the retirement of the agent, or of the subordinate or subordinates he objects to.

CHAPTER X.

DIRECTIONS TO TRAVELING AUDITORS IN REFERENCE TO THE EXAMINATION OF STATION ACCOUNTS.—GENERAL RULES TO BE OBSERVED BY AGENTS IN CONNECTION WITH THE VARIOUS DEPARTMENTS, ETC.

THE following refers more particularly to your immediate duties as examiners of the cash accounts of agents, and such other matters as are intimately associated therewith.

In examining or transferring a station, the accounts of such station must be written up from the close of the last month which has been regularly audited and entered up in the office of the Accounting Officer. For instance: If the examination or transfer is made, say on the 15th of June, it would be necessary to examine the affairs of the station from the 1st of May, as April would be the last month regularly audited, the accounts for the month of May being still incomplete, or, in other words, not fully and

finally passed upon and audited by the several departments.

The monthly accounts are usually examined and audited in all the department offices by the twentieth of the subsequent month.

Whenever two months' accounts are to be examined or transferred as explained above, "the previous month" is intended herein to mean the last month regularly audited and charged on the station agents' ledger in the office of the Accounting Officer.

Before leaving the general office you will decide what stations it is desirable to examine.

It is apparent that an agent whose accounts are to be examined should remain in ignorance of the fact until your arrival.

By using the sleeping cars, stations long distances apart can be examined in succession without loss of time.

You will report any telegraph operator or employe who gives notice of your movements.

When you desire to examine an agent in your immediate neighborhood, and there is no train to be had without much loss of time, you can hire a conveyance, if it can be done cheaply, or, if the distance is short, you can walk.

A hand car must never be called into requisition by you, except by permission of the Division Superintendent.

When visiting stations for the purpose of transfer or examination, you should go provided with the following data, and such other as you need, in order to make the examination as accurate and expeditious as possible.

1st. A statement showing the commencing numbers of local tickets at the commencement of the current month; also the highest numbers of tickets on hand at the time of the examination or transfer, as the case may be.

2d. In case the station is to be transferred, take a statement from the general ticket office of the coupon tickets, if coupon tickets are on sale at the station to be transferred.

3d. Also the amount of the balance brought forward on the agent's account current from the "previous month," with the list of the items which go to make up such balance.

4th. If any corrections have been made by department officers in "previous month's" account, obtain, if necessary, from the department interested a full explanation of the same, so that you may see that the proper entries have been intelligently spread upon the station books.

5th. Take with you an itemized statement of every remittance that has been credited to the agent during the period of time to be examined, or for which transfer is to be made.

6th. Take with you, except in case of transfer, a list of the uncollected freight on hand as

shown by the last balance sheet, so that you may personally see that the said list was in every respect correct and truthful.

7th. In your examination you will otherwise verify the last balance sheet returned by agent, as far as possible.

8th. When the accounts for two months are to be examined, and the way-bills chargeable to the agent for the first month of such examination have been transmitted to the Freight Auditor, you will procure from the Freight Auditor an abstract of such way-bills, for the purpose of comparing the same with the balance sheet rendered by the agent.

In checking station accounts you will aim to interrupt business as little as possible. It should be necessary to suspend business but for a few minutes.

The suspension of business should be at the commencement of the checking.

During the temporary suspension of business you should first count the cash on hand, inquiring particularly for the exact amount of all cash belonging to the company, in safe, money drawer or elsewhere.

The amount called for by the cash book, added to the amount of the current day's ticket sales, should agree exactly with the amount of

cash found to be on hand, after making exact allowance for any foreign collections there may have been.

If the cash on hand exceeds such amount, you will make a careful investigation for the purpose of ascertaining how the surplus occurs and the reason for it.

When it is practicable, you should count the cash immediately upon your arrival at the station and go forward with your examination at that time.

The balance of the cash book, properly written up and containing only the current day's business, should agree exactly with the cash on hand, less the working fund, and the amount of cash on hand should, in turn, be the precise amount required to balance the agent's account. Any other result is inconsistent and invites careful inquiry.

Proceeding with your examination, you will take off on your ticket blank the closing numbers from the tickets in the local ticket case; use these numbers in making up the amount of the current day's ticket sales.

Take account of the uncollected bills on hand, and compare the same with the freight receipt book to see that the said bills are made for the same amount as called for by the way-bills. Afterwards see that the freight receipt book does not show delivery of the freight.

You should indicate on the freight receipt book, by some appropriate mark, the bills which are accounted for as uncollected.

Then note the last way-bill made for freight forwarded, and see if the check book indicates any prepaid or advanced charges for which way-bills have not yet been made.

Then note on the cash book the last item entered which is taken into the account as cash.

Then note the last way-bill entered on the freight receipt book.

You will now allow business to be resumed, and at once proceed to compare the uncollected freight bills with the freight on hand.

Examine with careful attention all credit items claimed.

In your examination of the uncollected charges for goods on hand, be particular to see that the address and marks on the freight compare with those shown on the bill; and, in all other ways possible, you will strive to accurately identify the freight.

In case the freight has been delivered, and charges are claimed to be outstanding uncollected, you will as a general rule have the bills presented for collection in your presence; and you should observe if they are accepted and paid without question by the consignee.

In performing this service the utmost tact must be exercised by you. The consignee must not, under any circumstances, discover any special meaning in your actions; he must not, of course, suspect that you are observing the agent or are actuated by a want of confidence in him.

So far as the public are concerned, the standing and character of every agent and employe of the company must be treated with the most scrupulous consideration. All examinations are instituted for the information and protection of the company, and for no other purpose.

You are necessarily compelled to be perfectly impartial in all your examinations; but you must, nevertheless, remember that the utmost thoroughness is not inconsistent with the most delicate consideration for the feelings of the agent. You will remember that our agents are, as a class, unusually honest, upright, honorable men, and, holding their office during good behavior, have every possible incentive to remain so; and it is only in extremely rare and isolated cases that the most searching examination will elicit anything wrong or irregular.

Continuing your examination, make up the account of tickets sold during the period for

which examination is being made, and compare the amount with that shown by the footing of the ticket column on the cash book added to the amount of cash credited on account of tickets sold in the current day's business.

Then make up the account of prepaid freight and advanced charges on freight forwarded, and compare as before with the cash book.

This comparison with the footings of the cash book should always be made, as a check against any errors in your own work, or in that of the agent.

All differences should be located and should be adjusted as soon as found.

Now abstract the way-bills on hand for freight received (or, if they are abstracted, check the abstract with the way-bills to see that the work is correctly done), and see that the amount of way-bills, as abstracted, agrees with the footing of the freight received book.

You should do this as a proof that all corrections made on the freight received book have also been made on the way-bills, and, also as a check against errors in abstracting or in writing up the freight received book.

You will now add to the list of remittances obtained from the cash book in the Treasurer's office those remittances on the station cash book

which have been forwarded since the last one which appears on the list brought by you.

The remittances from the station cash book must be compared and checked with the express messenger's receipt book, as a proof that all have gone forward to the Treasurer, as claimed by the agent. You will also return a statement of them in your report to the Treasurer for comparison with the cash book in his office.

To the amount of remittances as shown by the monthly footing of the station cash book, add the amount of remittances carried forward from the previous month's account (*i. e.*, the preceding month's remittances that failed to reach the Treasurer in time to be credited in such month), and see that the amount thus obtained agrees with the amount of remittances as previously made up.

Then ascertain from the overcharge book the amount of the unrefunded overcharges to be charged on the balance sheet, being assured that each overcharge is properly computed, and that no overcharges have been credited on the cash book which have not actually been refunded and receipted for on the overcharge book.

Then ascertain from the extra baggage book the amount of extra baggage collections to be charged, and see that the same have been entered on the cash book,

Afterwards ascertain from the cash book if any storage or other miscellaneous charges have been collected, and, if so, charge the same on the balance sheet which you have made in accordance with the foregoing directions.

You will next enter on the balance sheet the balance for last month's account as shown on the monthly correction sheet from the Accounting Officer.

See that the errors in last month's account, as shown on the correction sheet, have been properly adjusted on the cash book, overcharge book and elsewhere in the books and accounts as each particular case may require.

In examining or transferring the accounts of an agent, examine in detail every way-bill received, for the purpose of ascertaining the exact amount collected for loading, dockage, demurrage or other purposes incidental to the transportation of freight.

In way-billing freight with charges of the foregoing character attached, it is necessary to insert the amount of such charges in the body of the bill (*i. e.*, not carrying the same into any of the columns), otherwise, in dividing with other roads or leased lines, they would get a proportion of such charges, etc., etc.

To render your examination complete, it will be necessary that you should ascertain the exact amount collected by the agent on account of "Insurance Companies," "Post Office Department," "Various Persons," "Express Companies," "Sleeping-Car Companies," or for other purposes foreign to his accounts as agent of the railroad company proper.

Having followed the foregoing instructions you are now ready to strike a balance.

If the account now proves not to be in exact adjustment, or, in other words, if the balance due the company, as shown by the cash book, differs from the amount shown to be due by the balance sheet, you will have to continue your examination; and preliminary to that, you should check the uncollected bills and other items which make up the "balance brought forward from last month's business" on the monthly balance sheet, to see that the said items and accounts are properly accounted for in the remittances or other credits of the current month.

If there is still a discrepancy not located, check the freight received book with the cash book, the other portion of the account having been previously examined.

In your examination you should carefully inspect and analyze all entries which appear in the miscellaneous column of the cash book to see that they are right and proper.

As the agents are required to keep a cash account which shall be complete and truthful in every respect, and as they are forbidden to make forced entries on such cash book to balance their accounts, you should never under any circumstance leave a station until every discrepancy has been located and properly adjusted.

To do so would excuse like negligence on the part of the agent, and would declare your inability to perform the duties belonging to your office.

By patient and systematic checking, all errors can be located.

The instruction imparted to agents, and the discipline enforced by such thorough checking, form a very important consideration; just as any looseness or negligence upon your part cannot but prove demoralizing to agents.

Agents are held responsible for all errors occurring at stations, including tickets lost and stolen; and when a mistake occurs in the accounts involving money, the amount must forthwith be made good to the company, the proper entries being made on the cash book at once.

Afterwards, if agents are in doubt as to their responsibility in the premises, they can correspond with the proper department officer in reference to the matter, and such officer should see that no injustice is done them.

Whenever practicable, the examination of way-bills and the making of corrections generally should be entrusted to one particular person at each station; this plan secures responsibility and consequently, as a rule, fidelity.

It is particularly desirable that all errors should be discovered and corrected before the monthly accounts are rendered.

If the last remittance has gone forward for the month, and it is therefore impossible to make the necessary adjustment in the month in which a mistake occurred, then the nature of the error should be noted on the face of the balance sheet as directed elsewhere.

During the course of your checking, all the local tickets on hand should be counted and carefully compared with the statement from the General Ticket Agent, with which you should be provided, as already directed, before attempting to check a station.

You should see that the numbers run in consecutive order, and should look at the destination of each ticket to see that tickets of a low

rate of fare are not substituted for tickets of a higher rate.

The proper time for counting the tickets will depend somewhat on the time of departure of the next train for which tickets are sold.

In your investigations you will ascertain if there are any tickets on hand, either in the case or elsewhere, that have been stamped or otherwise bear evidence of having once been sold; finding such tickets you will investigate their possession by the agent.

Every possible device should be exercised by you to enable you to discover any arrangement contemplating the return of passage tickets to the person selling them so that they may be sold a second time.

In the event of a well-grounded belief upon your part that such an understanding exists, you will make a confidential report of the case to the General Ticket Agent, detailing the facts leading to such belief.

Collusions of the character suggested, so destructive to the company upon which they are practiced, although unlikely, may occur at any moment: too much vigilance cannot, therefore, be exercised to detect the evil in its inception.

In your investigations you will ever observe with particular attention all employes with

grievances, especially those who think they are not properly appreciated or rewarded. Such feelings often instigate, or are the excuse for, many things that are improper and weak.

Consider attentively those who fill confidential and responsible positions with men whose personal relations to them are of such a nature that they cannot reasonably be expected to remain faithful to the company when the interests of their chief are at stake. Men of good ability and fair intention are rarely found surrounded with such instruments.

Continuing your examination you should be particular to see that the local ticket book* and the coupon register † are properly and promptly written up and completed at the close of each month's business.

All invoices of tickets received by agents must be entered at once on the local ticket book and coupon register, and sales of same must also be entered thereon and duly closed up and completed at the end of each month.

In checking stations the coupon register should be checked with the tickets in the case, and the tickets should be counted at the same time to see that all the missing tickets are ac-

* Form 45, Appendix.

† Form 46, Appendix.

counted for, either on the register or in the report of current month's business.

You should count the coupon tickets as soon as possible after the account of the current day's cash business has been taken, and before any further sales are made.

When this is impracticable, you should keep the ticket case in sight, and note the sales of such tickets as may be called for, taking a memorandum of all forms and numbers sold, etc.

You should not rely on any one's statement of sales intervening between the counting of the cash and the counting of the tickets, but should know from personal observation that all tickets missing from the case have been accounted for in the cash account.

Before commencing the checking of the coupon case you should see that no form has been checked by any interested party or parties.

Keep the coupon register constantly in your possession until the counting of the tickets is completed.

You should give no opportunity to any person to take a form from the case without your knowledge, or to copy your check mark to same on the register.

When the counting of the tickets is completed, you should look carefully to see that all the forms on the register have been checked by yourself, and should then enclose, seal and direct

the register to the General Ticket Agent to be checked with his records.

The General Ticket Agent should be requested to observe that all packages reach him with your seal unbroken.

To make your investigation as complete as possible, you will demand of all agents receipts from the shippers, acknowledging the payment of charges advanced on freight for which they claim credit.

In this connection, you should send a list to the Freight Auditor of all advanced charges that you may have credited in the account, notifying the Freight Auditor and asking him to examine the account and advise you.

This list must embrace way-bill numbers, consignee and destination.

Treat with particular attention any way-bill or way-bills for freight forwarded with advanced charges attached, made near the time of your examination.

You will carefully preserve the abstract of freight received made by you in examining a station, noting on same the number of the last train by which bills could have arrived prior to

your investigation. After the accounts have been passed upon by the Freight Auditor, compare the abstract in your possession with the audited abstracts for the same period. If you have any reason to suspect that a way-bill was omitted or suppressed during your investigation, examine the Car Accountant's books and ascertain the date the car and way-bill reached the station examined.

In writing up prepaid freight forwarded, it would be well, perhaps, to notice if the way-bill numbers run consecutively. This plan will prevent any imposition being practiced upon you by suppressing or the tearing out of a leaf, or a number of leaves, that would otherwise show prepaid freight forwarded.

You should, in connection with your examination of the freight received book, look the cash book over carefully as far back as may be practicable, to see that all overcharges credited on the cash book as having been paid appear also on the overcharge book, and are properly receipted by the payee.

If they do not so appear, charge the agent with the same on his cash book and make proper entries on the overcharge book.

When credit is claimed for charges on freight reported not received, you must see that the goods were properly reported as missing, and that they were reported at the proper time.

See that agents keep a copy of all "short" sheets,* tracers† sent out and other similar statements and reports.

Where a station is supplied with a copying press, a tissue letter book should be kept for the purpose of making these and other copies.

Agents are forbidden to apply any funds collected by them to the payment of wages or un-audited accounts due by the company, except for time tickets issued in accordance with the rules provided; and you will be particular to arrange to visit, just before the date of payment of monthly wages, any agent suspected of disregarding this rule.

As it is a rule that no car containing freight shall be admitted into a train without a way-bill, so all freight way-bills should be regularly and consecutively numbered, and must be entered in regular order in the freight forwarded book, or the impression book, to be duly abstracted and reported to the Freight Auditor.

* Forms 29 and 30, Appendix.

† Form 28, Appendix.

Freight received for shipment should be first entered, according to classification, in the blotter or check book, and from thence the earnings on it may without difficulty be traced on to the books of the company to the debit of the agent who finally delivers the freight to the consignee.

It is your duty, as you think proper, and as your time at a station permits, to test the method of treating freight received for shipment, and to notice whether it is always methodically accounted for, as noticed in the preceding paragraph.

Instruct agents fully in reference to the prompt examination of all way-bills received by them, to see that the classification, tariff rates, extensions, footings, rules of billing, etc., are right, and in the event that they are not to forward corrections promptly.

In connection with the claim department, you will look carefully through the freight house to see that no "over" or "unclaimed" freight is held without being properly reported to the General Claim Agent.

You should also interrogate agents to see that they understand their duties as regards the reporting and tracing of "short" and "over" freight, etc.; also the checking of freight with way-bills.

When an agent of the company also acts as agent for the express company, it will be necessary, in order to prove the entire trustworthiness of the railway balances, that you should partly verify his express accounts.

To do this, carefully check the express company's collection book.

When the cash or collections are not on hand, agents should be able to show proper receipts for such collections from the express messenger.

Examine each collection envelope, to satisfy yourself by the collection being in the envelope that it has not been paid.

At non-reporting offices the collection book is the only important book to be checked, as non-reporting offices pay their freight bills daily to the express messenger.

If the agent is a reporting agent, call for a copy of his last statement; see that the cash then on hand is properly accounted for; charge him with the amount of freight on hand as shown by the statement; also for all way-bills received subsequently, and for all prepaid freight forwarded as well.

Now credit him with uncollected charges for goods on hand and for charges advanced by him on freight forwarded.

The difference between these debits and credits must be represented by cash; credits, are, however, sometimes proper and admissible for sal-

ary or commissions due him by the express company.

In your investigations examine into collections accompanying freight and ascertain if all collections on goods delivered billed "C. O. D." have been accounted for and receipted for by the express messenger.

A joint agent should, upon your calling for his cash, deliver up to be counted the exact amount shown to be due the railway company, and he should also produce the exact amount of express receipts, stating specifically that they are the receipts of the express company.

If the system of accounting enforced by the express companies is not in harmony with the foregoing directions, you will, in your examination, adopt such a course as may be necessary to enable you to ascertain definitely that no part of the express company's receipts are used to cover up any deficiency that may exist in the accounts of the railway company's agent under examination.

At stations where the telegraph receipts are required to be turned over to agents, or where the agent handles in any manner the receipts of the telegraph company, it is necessary that you should carefully check the telegraph accounts, for the purpose of discovering whether the re-

ceipts from that source have been fully and properly accounted for by the agent.

In reference to the revenue of the company from extra baggage, you will see that the instructions of the company relating thereto are understood and carried out by agents and station baggagemen.

In connection with the Car Accountant's office, you will see that agents understand the instructions in regard to car reports, and see that they make these reports promptly and fully.

The foregoing rule, as often reiterated herein, applies generally to all the departments of the road; and to enable you to carry it out it is necessary that you should make yourselves familiar with the instructions to agents emanating from all departments, as shown in the various instructions, circulars and tariffs in force.

You should at all times be able and ready to refer agents who seek or who lack information to exactly that portion of the published tariffs, rules or circulars which embodies the instruction they require.

In connection with your investigations along the line you will be particular to observe whether

the rules and regulations in reference to the supply and custody of tickets are understood and carried out by the parties interested.

Tickets must under all circumstances be paid for at the time they are sold.

All tickets and passes, including stop-over tickets, collected by conductors, are to be returned to the Ticket Auditor.

The local ticket report which you have made up in connection with your examination of the agent's accounts must be transmitted to the Ticket Auditor by the first passenger train.

You will note on this report, in red ink, in the column headed "Number sold," the number of tickets sold to each station for the trains (one train in each direction) that passed the station last before your arrival.

Note on the back of the report the number and date of such trains.

Upon receipt of this report the Ticket Auditor should compare the tickets returned by conductors (that is, the conductors of the trains mentioned in the return) with the tickets sold for their trains. In this way a simple and inexpensive comparison of the tickets sold for a particular train or period of time with the tickets returned by conductor is rendered possible.

CHAPTER XI.

INSTRUCTIONS TO TRAVELING AUDITORS IN REFERENCE TO THE INSTALLATION OF NEW AGENTS AND THE TRANSFER OF THE ACCOUNTS FROM THE AGENTS LEAVING THE SERVICE OF THE COMPANY—THE CHARACTER OF THE BOND REQUIRED FROM AGENTS, THE RULES GOVERNING THE SAME, ETC.

To properly adjust and balance the accounts of an outgoing agent, without subsequent loss accruing to the company therefrom, is a duty of the utmost nicety and requires that especial vigilance should be exercised in auditing the affairs of such agents.

Hence, for the protection of the company, and for the protection of the parties interested as well, including the bondsmen, and for the purpose of preserving an intelligent record of the accounts, you are in all cases required to attend personally to the transfer of station accounts from one agent to another.

In visiting a station for the purpose of installing a new agent, you will take with you the data referred to previously herein as necessary whenever an examination or transfer of agents' accounts is to take place.

When station agencies are transferred it is your duty to see that the accounts of outgoing agents are accurately and methodically adjusted, and that the incoming agents are properly instructed so far as practicable in reference to their multifarious duties.

As all traffic accounts are charged monthly to station agents, and as the whole month's business is necessarily charged together, the incoming agent is compelled to assume the business done by his predecessor during the current month, and the preceding month too, if the accounts of the preceding month have not yet been audited at the general office.

The incoming agent is usually inexperienced and unskilled in the examination of station accounts, and is therefore, in the main, dependent upon your skill to have the accounts adjusted not only correctly, but in such a manner that he may be able to render a full and complete account of the whole month's business, without confusion, or loss to himself, at the end of the month.

All the checks to secure accuracy which have already been mentioned herein should be made use of to guard against any omissions of debits from the transfer balance sheet.

A station or agent's balance sheet,* embracing all and separately the items to the debit and

* Form 52, Appendix.

credit of each agent, with the amount of the balance due from such agent, has to be made and filed in the Accounting Officer's office by each agent for every calendar month.

Transfer balance sheets are made up the same as monthly balance sheets, with this exception: the debits and credits are entered on a transfer balance sheet for the whole time transferred, whether it be a whole month, or more, or less.

The difference between the total debits transferred and the total credits transferred is called the *adjusting transfer balance*; it is necessary that this amount should be shown on the transfer balance sheet for future reference.

The particular form of transfer balance sheet to be used is appended hereto.*

In computing the balance, bear in mind that although the balance from the "previous month" appears in its usual place, it must not be included in the debits transferred, neither must the remittances be included as a part of the credits transferred.

The amount of the final remittance due the company from the outgoing agent must never be determined exclusively by the balance sheet alone, but the result, as shown by the balance

* See Transfer Balance Sheet, Form 51, Appendix.

sheet, must be corroborated by the station cash book.

If the remittance made up to balance the cash book does not bring the balance sheet to an exact balance, the account must be checked in detail until the cause of the difference between the balance sheet and the cash book is discovered and corrected.

The daily ticket record must be written up and the amount of the day's sales up to the actual time of transfer must be entered on the cash book, in the account of the outgoing agent.

The final remittance of the outgoing agent, embracing all the cash required to balance his account, must be entered on the cash book to close his last day's cash account.

All collections and sales made afterwards by the incoming agent must be counted as belonging to the following day's business.

No cash except the working fund should be turned over by the outgoing to the incoming agent.

The cash book must be written up and closed with the completion of the transactions of the outgoing agent.

You should file in the Accounting Officer's office for future reference, and for the protection of the company and the parties interested, de-

tailed statements showing exactly what makes up each item entered on the transfer balance sheet.

To save the filing of needless bulk with this transfer voucher, as much of the information as possible should be shown on the outside of the transfer balance sheet.

Ordinarily, by interlining, room will be found for a ticket report, list of uncollected bills, abstracts of freight received and forwarded, statement of remittances and other necessary information.

It is important that the transfer account should be clear and explicit and easy of explanation; and if the instructions are fully observed, the account can subsequently be checked if necessary and the work and responsibility of each agent can readily be determined.

It is not enough that you should know that all the freight turned over as uncollected is actually on hand. The incoming agent should personally view it, and acknowledge the receipt of the same over his signature at the close of the list of uncollected on the outside of the transfer balance sheet.

The incoming agent must also count all tickets turned over to him, by the retiring agent, and must check them with the statement of tickets on hand furnished by the General Ticket Agent,

and must also receipt for them at the bottom of the transfer ticket report.

No bill should be turned over in transfer unless the freight representing the same is on hand in the company's possession.

All outstanding bills must be collected and included in the last remittance of the outgoing agent.

Any claims for special relief held by the outgoing agent, such as relief from charges on missing freight, cannot, of course, be thoroughly investigated by you.

Such items should, therefore, be allowed to remain as technical shortages in the account of the retiring agent until they can be investigated by the claim agent, or other officer within whose province they may come.

You should, however, take memoranda of such claims, and a statement of facts signed by the outgoing agent, and bring them to the notice of the officer from whom relief should be obtained, and you should endeavor to have such claims passed upon before the outgoing agent has drawn the last month's pay due him.

In case any claim is disallowed, you will notify the Paymaster to withhold so much pay as may be necessary to make good the station account.

You must make it your business to see that

vouchers passed for such relief are made in the name and credited to the account of the retiring agent, and you should see that such vouchers are not sent to the stations to be paid in cash, nor credited to the account of the succeeding agent.

Such vouchers should be marked in red ink on the back, under the filing, "To be credited in account."

You should also, as soon as practicable, see that the remittances claimed as being in transit at the time of the transfer are received and credited on the books of the company, as entered on the transfer balance sheet.

In case the accounts belonging to two months are transferred to the incoming agent, after the balance sheet has been forwarded by the ex-agent for the first month's business, then you will make up a new balance sheet for such first month, and obtain the signature of the incoming agent and send it to the Accounting Officer to be attached to the balance sheet previously sent by the retiring agent. This balance sheet should be made to cover only the business of the first month transferred.

On this balance sheet no balance from previous month's business will be taken up, as the previous month's business concerns only the out-

going agent, and will have been adjusted on the transfer balance sheet.

The nature of a transfer of station account, say, from John Doe to Richard Roe, as it affects the books of the general offices, may be more readily comprehended if you will bear in mind that the accounts on the station agent's ledger are kept as individual accounts with agents, and not as accounts with stations, and that the ticket and freight reports submitted monthly by agents are charged up on the books of the company subsequent to the close of the month, say about the 20th.

In this suppositional case* the reports mentioned would be charged to Richard Roe, while the remittances for the same period, have been credited daily, as received, in the account of John Doe, whose account will show no corresponding debits, until the adjusting entry is made from the transfer balance sheet.

This adjusting transfer entry as it appears on the transfer balance sheet, and as it is entered on the station agent's ledger, is the difference between the debits assumed by Richard Roe and the amount of credits turned over to him by John Doe.

*See form of transfer balance sheet, Form 51, Appendix.

Bear in mind, however, that remittances are never included in these credits.

Whenever one month and a part of another month are transferred, as previously explained, you must ascertain just how much of the adjusting transfer entry belongs to the first month transferred, and just how much belongs to the second or current month transferred, and must advise the incoming agent of this latter amount, so that when he comes to make up his balance sheet at the close of the month he will take credit for it "on account of transfer."

The adjusting transfer entry, to be entered by the incoming agent on the new balance sheet which he makes for the first month transferred to him, may be found by deducting from the amount of the remittances and other credits remitted by John Doe, during the month, the net balance brought forward from previous month's account (*i.e.*, the last account that has been audited) as per the correction sheet from the Accounting Officer.

The adjusting transfer entry to be taken up on the station balance sheet of the second month transferred will be the amount of remittances sent forward by John Doe after the close of the first month transferred added to any special

credits to be credited to his account during same period.

These two entries must equal the amount of the transfer entry as it appears on transfer balance sheet.

The transfer balance sheet, as already explained, must be signed by both the retiring and the incoming agent.

You will leave with the incoming agent a blank balance sheet showing the adjusting transfer entry as it should appear on the station balance sheet.

Notations should also be made on this balance sheet instructing the new agent to charge up all ticket, freight and other reports and collections for the whole month's business (*i. e.*, the last month, when more than one month is transferred), but not to enter in his account the remittances which were made by the retiring agent.

Instruct him to carefully preserve the sheet for reference, as a guide in making up his first balance sheet.

In further explanation, when a transfer of agents affects only one month—*i. e.*, the current

month—the first balance sheet submitted by the incoming agent (at the time the usual returns are made for the month) should not embrace any balance as carried forward from the preceding month, neither should it give the remittances of the retiring agent: only the transfer credit should be included.

When the transfer concerns the accounts for two months, the balance sheet that is submitted by the incoming agent for the first month transferred should include no balance brought forward from the preceding month, nor should it give the remittances of the outgoing agent; it should, however, give the proper transfer entry. But the balance sheet submitted for the whole of the second month transferred—*i. e.*, for the current month—should give the balance brought forward from the previous month—*i. e.*, the first month transferred—properly belonging to the account of the incoming agent. This balance will as a rule consist of only the uncollected bills on hand at the close of the month, the bills which are received after the close of the month, and the working fund. The remittances of the outgoing agent will not appear, but the proper transfer credit should be inserted.

In addition to giving the newly appointed agent such instructions in regard to his duties as

may be needed, you must revisit him within a reasonable period, to see that the instructions are understood and obeyed.

To protect the company from loss, and for other good and sufficient reasons, it requires without distinction that every agent in its employ shall file a good and sufficient bond,* of the form and style prescribed, for such an amount as the Accounting Officer may direct.

Whenever practicable, such persons as it is designed to appoint as agents should be required to have their bond executed so that the same can be handed to you when they are installed as agents.

If the execution of the bond is left until after their appointment, there is necessarily some little delay, the new duties requiring their time giving them little if any leisure to solicit the endorsement of their friends.

Agents should be allowed to engage as sureties only such guarantee companies as the Treasurer formally approves. When a trustworthy guarantee company is accepted as surety, a rebate of 25 per cent. in the amount of the bond may be safely accepted as compared with private suretyship; for the reason that, ordinarily, the

*See form of bond, Form 55, Appendix.

responsibility is more definite, and, in case of necessity, the bond more promptly and easily collected.

Immediately upon the installation of a new agent, you will furnish him with a blank bond, if a bond has not already been filed by him as suggested above, with instructions to have the same executed and filed with the Accounting Officer without delay, and it is your business to see that this is done, or forthwith report the neglect in writing to the Accounting Officer.

You will promptly notify the Division Superintendent of any delay upon the part of an agent to file a good and sufficient bond.

If private suretyship is given, the bond must be signed by not less than two good, responsible men.

The signatures to the bond need not be witnessed.

Each one of the sureties must swear before a notary, or other authorized officer, as provided by the blank on the back of the bond, that he is worth the amount of the bond in real estate free from all incumbrances: no exceptions will be made.

The sureties must all reside in the same town or county, *i. e.*, within the jurisdiction of the same court.

For obvious reasons it is desirable that they should reside at or near the station for which the

agent gives bond (but this is not an arbitrary rule); and for reasons equally obvious, they should not be men engaged in any kind of business likely to require any special favor from the agent.

No officer or employe of the company should be accepted as a surety.

No inducement must be offered sureties to go on the bond of an agent; the officials of the company should neither solicit nor advise nor suggest such a thing.

Insert in the bond the date and amount, when you deliver up the blank to be executed.

You will explain in detail that the first name of the sureties must be given in full; also that the name of each of the parties to the instrument must be duly entered before signing in proper order, in the blank places provided for their names.

Instruct the agent to be very particular to see that the technical requirements of the blank are complied with in every respect; otherwise it will have to be rejected.

You will make diligent inquiry in regard to the financial standing of bondsmen, and it is your duty to detect and expose any effort to impose worthless or insufficient sureties on the company.

In case of failure, embarrassment, removal or decease of any bondsman, you will require the agent to file a new bond.

You will carefully examine the bonds on hand from time to time, and a new bond must be exacted when the one on file has been in force to exceed four years (except when the securities are known to be still good), or when from any information in your possession you may judge it to be inadequate.

The company do not guarantee to release bondsmen, however, at the end of four years, nor at any other particular time; the foregoing rule is for the protection of the company, and the time may be extended or shortened at its pleasure.

The examination of the character of the sureties on the agents' bonds should be looked after with increased vigilance in all times of panic or general depression of business.

Bondsmen cannot be permitted to withdraw from an agent's bond until after it has been ascertained that the accounts of such agent, up to the time the demand was made by the bondsman, are correct and settled in full.

Bonds will not be cancelled or returned to the maker, until at least one year after the retirement of the agent from the service of the company, or his vacation of the office of agent.

Claims for overcharges, losses, etc., for which the agents of the company are responsible, are frequently not presented for adjustment, by the patrons of the road, for a year or more after the

overcharges or losses occur; hence the impossibility of relieving bondsmen at an earlier date.

Upon receipt of a bond, apparently all right, you will refer it, by letter, to the General Solicitor for final examination and approval as to its technical correctness.

When agents in the employ of the company execute new bonds, the accounts must be examined at the time of the execution of such new bonds, so that, in the event of subsequent loss, the company may be able to prove conclusively that the loss legitimately falls upon the securities, or, in other words, that it did not occur before they became bondsmen.

When an agent leaves the service of the company, a portion of the pay due him should be withheld until his accounts for the period since they were last audited have been examined and passed upon by the several departments.

This would defer payment of the amount withheld until about the 25th of the following month.

It is possible that way-bills may have been received and collected which were omitted in the transfer, or that other amounts to the agent's debit were overlooked in making the transfer balance sheet.

Ordinarily, if you have no reason to question the accounts of the retiring agent, the withholding of say from twenty-five to forty dollars ought, except at the largest stations, to be sufficient to protect the company from loss.

You should explain to the agent that as soon as his accounts are audited and found to be correct, a draft will be mailed to him by the Paymaster, for the amount of his salary. For this purpose he should leave his address with the Paymaster.

A time ticket for all wages due for the current month, in excess of amount withheld, should be given to the agent by the Division Superintendent.

Notify the Superintendent of the amount of wages to be withheld for which no time ticket is to be issued.

Also notify the Paymaster, that he may keep himself advised by reference to the books, so that when the account of the agent is finally audited he may receive his pay without delay.

You will notify the various officers interested of the retirement of agents and the installation of their successors.

It is also your duty to see that agents understand and comply with the rules and regulations, so far as they are affected by them, gov-

erning the disbursements of the company. Their duties in this connection may be briefly summarized as follows, viz.: To keep accurate record of the time and wages of station employes, and make proper returns of same; to keep correct accounts, in the manner and form prescribed, of all fuel received and disbursed; to make true reports and inventories of fuel on hand, and, when required, of wood sawed at the station; to make adequate provision for the protection of the company's fuel and supplies and other property; to be particular in the payment of bills, vouchers, discharge cards, etc.; to secure in each instance a technically legal receipt accurately describing the purposes of the payment; and in all other respects to observe the rules and regulations governing the disbursements of the company.

CHAPTER XII.

INSTRUCTIONS TO TRAVELING AUDITORS IN REFERENCE TO THE ACCOUNTS AT THE JUNCTIONS WITH OTHER ROADS, AND THE SPECIAL DUTIES REQUIRED OF AGENTS AT SUCH POINTS.

The accounts of the company as kept at the junctions with other roads are peculiar in many respects, and should therefore receive special attention.

When freight is billed through, to or from a point on some connecting line, the way-bills are not transcribed on the books at the junctions ; it is, consequently, only with freight rebilled that you have to do at the junctions.

You must familiarize yourself with the system of accounts adopted by each of the other railroad lines with which this company makes junction connections, at which a joint agency is established.

You must do this so that, in case of examination or transfer of agencies at such points, you may be able, in the absence of the travelling auditor of such connecting line, to adjust the accounts of both companies properly, so as to protect the companies against loss.

The keeping of the accounts at junctions where

freight is rebilled between the connecting lines demands special attention, as a much greater liability to confusion and loss exists at such stations than elsewhere, when one agent acts for both roads.

It is of mutual advantage to all parties interested that the same system of bookkeeping and accounting at junctions should be used for both roads, and that that system should be such as provides a check against omission of advanced charges in rebilling, and the ready location of other errors. The following system of keeping transfer accounts has been found to work well:

The transfer account is kept in the usual form of freight received book, except that an additional column is inserted in the book, into which is carried the total amount of charges on freight to be transferred.

The local business at the junctions must be kept distinct, and this result is accomplished by carrying the amount of charges into the local columns provided for such purpose.

All way-bills received are entered in this book.

The pages of this freight received book are footed and balanced daily.

The total of the two consignment columns agree in amount with the total of way-bill columns.

The entries in the transfer column of this company's freight received book correspond

with the charges billed out as advanced on the connecting line's way-bills, and the entries in the local consignment column with the debit entries on the cash book of this company.

Settlement of the transfer account is made as often as once a week, and is made upon the footing of the transfer columns of the freight received books.

The footings of pages of each freight received book are recapitulated at the end of the week in the freight received book, and the recapitulation is footed and balanced.

The way-bills received are abstracted at the close of the week, and the total of way-bills, as abstracted, is compared with the footing of the freight received book.

The total of the transfer column on this company's freight received book, added to the charges advanced on local business as shown by the connecting road's cash book, equals the total of advanced charges as shown by that road's report of freight forwarded.

The same check is applied to freight received by the connecting line and billed out on this road.

Should the result of this checking by footings be satisfactory, no itemized checking of this portion of the account is required.

At the end of the week, when settlement is made, the total amount of charges due this com-

pany on freight turned over to the connecting line, as shown by the transfer column of this company's freight received book, is entered in one amount in the freight column on the debit side of this company's cash book as "amount collected of connecting line."

The same amount is entered in the advanced charge column, credit side, of the connecting road's cash book as "amount of charges advanced this company."

The amount owing to the connecting road for charges on freight received from that road, and billed out over this company's line, is entered in the advanced charge column, on the credit side of this company's cash book, and in the freight column, on the debit side of the connecting road's cash book.

This amount is the footing of the transfer column of the connecting company's freight received book.

If the amount received from the connecting road is greater than that delivered that road, a draft is drawn on the Treasurer of this company for the difference in favor of the connecting company, or the balance is paid in currency.

This draft (or balance) is entered on the debit side of this company's cash book in the miscellaneous column.

The transfer charges entered in the freight column, with draft added, balance the amount en-

tered to credit in the advanced charge column of the cash book.

On the connecting company's cash book this draft must be entered as a remittance to balance the cash book, for the reason that the amount charged in the freight column as "amount of freight charges collected of this company" is that much greater than the amount entered to credit in the advanced charges column as charges advanced.

If the amount delivered the connecting road is greater than that received from that line, the draft is drawn on the financial officer of the connecting company, and is remitted as cash to the Treasurer of this company, or the balance is paid in currency.

In this case, charge the draft (*i. e.*, the balance) on the connecting company's cash book in miscellaneous column, and enter it as a remittance on this company's cash book.

The advantages secured by this system of keeping transfer accounts are :

1st. Errors and omissions in billing advanced charges are readily discovered before loss occurs.

2d. The time otherwise employed in copying transfer expense bills into transfer books is wholly saved.

3d. The expense for books in which to keep the record of transfer accounts is saved, as the junction form of freight received book is no more expensive than the ordinary form of freight received book.

4th. Should there be any shortage in the cash account, the several portions of the account can be readily proved by the footings, and only that portion of the account which is shown to contain errors need be checked.

5th. No more time is required to write up the junction form of freight received book than is needed to keep the ordinary form of freight received book.

At rebilling junction stations, petty overcharges should not be adjusted by correcting advanced charges already billed forward, but should be entered on the overcharge book, and accounted for in the station account.

If claimed by the consignee, overcharges may be sent by express, enclosing a receipt for the amount, which should be returned signed.

In settling the account of the first week in the month, an account must be taken of the previous month's way-bills which have arrived af-

ter the close of the month, as shown in "additional account" on the freight received book.

In balancing the charges on transfer consignments received on one road with the advanced charges billed out on the other road, account must be taken of the overcharges on transfer consignments which have accrued during the period for which settlement is being made.

The amount of these overcharges must not be figured in the settlement, but in proving the accounts it should be added to the total of the transfer column of the freight received book.

It is a general rule that agents shall not receive freight from connecting lines (to be re-billed) the charges upon which have been prepaid from point of shipment to destination, unless the money to prepay to destination is tendered with the property.

Instruct new agents at junctions specifically as follows :

1st. That drafts drawn on the Treasurer in settlement of joint account at junction stations must be drawn on the blank provided for that purpose.

2d. That these blanks, bound in book form, will be furnished on application to the company's stationery supply clerk.

3d. That only such agents as are specially in-

structed by the Treasurer will draw drafts on him.

4th. That they will pay balances due to connecting lines in cash, as already intimated, whenever they can do so without holding the cash receipts of the station; and they will arrange, if possible, with the officers or agents of connecting lines to have the balances due in return paid in cash, so as to save the charge for collecting. In the event of the refusal of a connecting company to pay its balances in currency or by exchange on the city where the Treasurer is located, then the agent at the junction will accept draft on the Treasurer or other officer of the connecting line.

5th. That a monthly report of all drafts drawn by agents must be made to the Accounting Officer on the blank form provided.*

In the event you discover a shortage in the accounts of a joint agent, it is your business first to look after and protect the interests of the company employing you; afterwards it is proper that you should endeavor to save the connecting company from loss.

* Form 2, Appendix.

In the foregoing chapters, some of the principal things to be considered by traveling auditors in the examination of accounts have been briefly sketched; a practical acquaintance, however, with their duties, will suggest to their minds many ingenious ways, not proper or possible to mention here, by which they will be able to make their investigations more valuable and instructive.

The position held by them is one of honor and trust. A *vigorous* discharge of its duties is not discretionary with them. They are expected, at all times, to make use of all the possibilities of their position, for the protection of the interests of the company they represent.

For the purpose of reference, and to render the instructions and explanations already given complete, the revenue returns are specifically enumerated and briefly explained in their place; these must be carefully studied by them.

BOOK III.

CHAPTER I.

GENERAL OFFICE ACCOUNTS AND HOW THEY ARE GROUPED; THE DIVERSITY THAT EXISTS; SUMMARY OF THE SYSTEM CONTEMPLATED HEREIN.

IN the preceding chapters and in the volumes on "RAILWAY DISBURSEMENTS" and "BAGGAGE-CAR TRAFFIC," attention is especially directed to the keeping of the preparatory or abstract accounts by the agents and accountants along the line of a road.

Reference is occasionally made, in an incidental way, to the disposition of the abstract accounts after they reach the general or department offices of the company; but no consecutive or detailed statement is anywhere attempted of the *modus operandi* of spreading the returns upon the general books after they pass from the hands of the subordinates at the stations, shops and elsewhere on the road.

This important information, necessarily known in a practical way to so few, would, it is believed, prove both interesting and instructive to

many, and especially to the immense number of young men engaged in office duties upon our railways.

These young men are as a rule ambitious in the highest and best sense of the word, and their ambition leads them to desire to comprehend thoroughly every detail of their profession. In no other way can they hope to fit themselves so that, no matter to what department the vicissitudes of the service may call them, they will be prepared to discharge their duties creditably and efficiently.

The competition for preferment upon our railways is so active that only those who strive intelligently as well as indefatigably can be at all confident of ultimate success.

To the ignorant and unthinking, the various sub-divisions of railway service have apparently little or no relation to each other, but a short practical acquaintance with the general operations of a road is sufficient to demonstrate that nothing of importance can be learned in any department that sooner or later will not be found essential to a full and clear understanding of some other branch of the service.

This is especially true in reference to general railway accounts. The accountant should possess an intimate knowledge of the minutiae of the different classes of accounts through all their various stages, from their inception up to the

time the essence of each is spread upon the general ledger.

Unless the accountant possesses this general information, he lacks in an important respect the intelligence necessary to make him really valuable to his employer; the knowledge which he possesses of his duties being cramped and confined, he lacks elasticity and comprehensiveness, and must not demur if others with greater tact outstrip him in the race of life.

As the exact duties performed by the different departments in connection with the accounts are rarely, if ever, exactly the same with any two companies, it follows that the details to be observed in arranging the accounts preparatory to their being spread upon the general ledger varies upon different roads. The results finally arrived at are, of course, approximately, the same under all systems, but all companies do not exercise the same degree of efficiency or economy.

It is possible to exercise the greatest economy without for a moment losing sight of the necessity of preserving a permanent record of all the details that constitute the accounts of each agent and, in the aggregate, of the whole road. Practices differ upon different lines. Upon some roads the details are preserved upon loose pieces of paper, ill-arranged blotters, or are not preserved at all: upon other roads an elaborate system of book-keeping is entered into in the different de-

partments for the purpose of accurately fixing the accounts in the various stages of transition, from the time they leave the hands of the agent up to the period when the product is finally spread upon the general ledger.

Investigation would probably elicit the fact that the accountant who preserved the records of his company upon loose papers and irregular and incomplete records was bred to some other and less methodical business than that of an accountant.

In the other case, it would doubtless be found that the accountant was a practical book-keeper of exact and rigid cast, delighting in the mechanical manipulation of accounts, but harassed incessantly with doubts lest some trifling detail should escape being caught and entered upon one of his ponderous books of record.

Upon no two roads are the accounts kept in exactly the same way, or arranged, as a whole, under the same officer. Upon some lines the bulk of the accounts will be found concentrated in one department, under one head; upon other roads we will find all of the accounts in one office, except, perhaps, the general books; upon still other roads we will find the passenger and freight accounts and the general books kept in one office; upon another road we will find exactly the same state of affairs, except that a portion of the general books will be kept in some

other office; upon other roads the passenger and freight accounts will be supplemented, under the charge of some officer, by the bulk of disbursement accounts; then again we shall find the general books and disbursement accounts in conjunction, the traffic accounts being kept elsewhere; upon other roads two complete sets of books will be kept, one in New York or London, perhaps, and another set at the home office of the road; then again we shall find that two sets of books are kept, except that neither are complete; some companies will be found not to keep any books at all, practically; upon still other lines we shall find the accounts in all sorts of places kept by all sorts of people, the custody of the general ledger constituting perhaps the sole charge of the chief accounting officer. Upon the last mentioned road we shall very likely discover the Cashier acting as an accountant, charging out the payments on the general cash book to the various operating and current accounts at the time the vouchers are paid.* Upon some roads the freight accountant has charge of the car accounts; upon others this duty will perhaps be performed in the office of the Superintendent; elsewhere, a distinct department will be found to exist, with an Auditor of Car Accounts looking after the whereabouts of the company's

* This system is of course impossible with the companies which charge up their liabilities from month to month as they accrue without reference to the time of payment.

cars, compiling the accounts and agreeing upon the balances with other lines.

It will be seen from the foregoing illustrations that the relation the several branches of accounts occupy toward each other is rarely if ever the same upon any two different roads. The combinations are sometimes very odd, and a volume might be filled without exhausting the infinite variety that exists. Only the more common differences have been noticed, and those merely for the purpose of illustration.

If we should succeed in finding the same conjunction of accounts, so far as outward appearances were concerned, upon two different roads, we should, without doubt, upon a more close inspection find very marked radical differences to exist. For instance, in one department we should discover an intelligent adjustment of checks and balances; in an adjoining department, details, petty in themselves, but necessary to the completeness of the whole, we should find entirely ignored or rendered of no avail by incongruous association.

We should find upon one road that the person having charge of freight accounts does not have the custody of the original freight way-bills, or the examination of them will be entrusted to another officer, or, more likely, no examination whatever will be made of them except by the agent at the station to which the freight is consigned.

Upon one road special rates will be annulled annually, upon another road semi-annually, upon another road no definite time ever comes for a thorough and comprehensive overhauling of each and every special arrangement in force.

One road will require duplicates of all freight way-bills, these duplicates being examined daily in the office of the freight accountant, or perhaps of the General Freight Agent, and the agents promptly notified of any error in the rates, extensions or footings; upon other roads no duplicates are required, a pretence perhaps being made of examining the original bills at the close of the week or month, any undercharge that may be discovered being, in theory, charged up to the agent in fault; upon one road the examination of overcharges, rebates and kindred claims will be intrusted to the person having charge of the freight accounts; upon other roads the General Freight Agents perform this duty; elsewhere we will find an officer especially delegated to perform this delicate service. Upon many of our roads, all claims for injuries to persons and for loss and damage to goods and property are adjusted under the immediate direction of the Solicitor; upon other roads we will find a division of the labor; we will find a department in existence, with a well-drilled corps of experts; possessing a skillful surgeon and all the appliances for conducting busi-

ness upon approved scientific principles, and having no other duty to perform than to examine and pass upon claims for injuries to persons and for goods lost or damaged.

The adjustment of claims for stock killed or injured by trains we shall find to be the duty of the road-masters upon one road ; upon a neighboring line we shall find the duty intrusted entirely to the Division Superintendent, upon the theory that that officer possesses the appliances and the intelligence to ascertain more promptly and accurately the extent and nature of the damage sustained than any other officer of the company.

Upon one road we will find that the officer authorized to purchase the supplies of the company attends exclusively to the receiving of them after they are purchased, and vouches for the accounts upon which payment is made ; upon another line independent agents will perhaps receive and inspect certain classes of the material purchased, but the payment will very likely be made on the sole certificate of the party making the purchase, thus rendering the inspection nugatory.

Upon no two roads then may we expect to find the accounts audited under exactly the same circumstances.

It is not necessary for our purpose to attempt to explain or classify the elements at work in

each organization that bring about such a proximity of systems. Let us accept the facts as we find them, and so far as the peculiarity of the accounts are concerned or the relation the different departments bear to each other, accept for our present purpose the arrangement as the same is already described herein at length and in the books already referred to at the commencement of this chapter.

While the system of accounts these books describe may not perhaps be the best, nevertheless it is impersonal and the rules governing it are complete and clearly defined. The system is consequently open to investigation as a whole, and can be carefully analyzed, and its defects pointed out and corrected.

The system they describe, it may be said, is arranged without any attempt whatever to secure *theoretical* perfection.

No attempt is made to secure perfection of detail in petty matters when the cost of the same would seem, from practical acquaintance, to be greater than the results would warrant. Yet the necessity of enforcing every proper check is never for a moment lost sight of.

The returns from agents and others are, so far as practicable, allowed to reach the general accounting officer through the hands of the department officers and division superintendents of the company,

This plan enables the officers to acquaint themselves generally with the details of their several branches of business without requiring special reports.

The rules are especially arranged with the direct view of utilizing to the utmost the labor of every person through whose hands the accounts naturally pass. Whatever work is performed by each is made to contribute something to the grand whole, thus greatly lessening the force required in the office of the chief accounting officer. In his office the details are examined, but only the aggregates are transcribed on the general books.

The following may be said to be the distinguishing features of the system referred to in the books in question, more particularly perhaps as regards the arrangement of the accounts at the headquarters of the company.

1st. Traffic and expense accounts are examined, audited and balanced monthly.

2d. The total cash collections of agents are remitted daily in bulk without reference to the source from which derived.

3d. The accounts are under the general supervision of an Accounting Officer. When the Treasurer of a company is its accounting officer, it is essential that an officer should be appointed whose duty it is to examine from time to time the affairs of the treasury department and audit

its accounts. This officer may be called an *Auditor* or *Registrar*. It is assumed in Section 7, succeeding this, that the accounts are kept in the treasury department, and the duties assigned to the Auditor as described, and the books kept by him are such as tend to facilitate his examination of the Treasurer's accounts with the least possible expense, the books he keeps being made to contribute to the general result. *When the accounts are not kept in the treasury department, then the duties assigned in Section 7 to the Auditor would properly belong to the Accounting Officer, or to such officer as he might designate.*

4th. The passage tickets of the company are under the charge and direction of the General Ticket Agent. The reports of the passenger traffic accounts of agents and conductors are transmitted to the General Ticket Agent. The passenger accounts are examined and audited in the general ticket office. At the end of the month, or as early as the 19th of the succeeding month, the General Ticket Agent reports to the accounting officer the amount due from each agent and conductor. All tickets collected by conductors are forthwith transmitted to the Ticket Auditor. The Ticket Auditor, acting under the instructions of the Accounting Officer, exercises a general supervision over the accounts kept in the general ticket office. The keeping of the ticket accounts by the Ticket Auditor in-

stead of the General Ticket Agent is suggested and in some cases recommended.

5th. The freight traffic reports are transmitted directly to the Freight Auditor, an officer at the head of one branch of the accounting department. The Freight Auditor examines the returns from agents and ascertains the amount due from each. He ascertains the balances due to or from each connecting line on account of joint traffic. At the close of each month, or before the 20th of the succeeding month, the Freight Auditor reports to the Accounting Officer the amount due from each agent, also the amount due to or from each freight line. Duplicate way-bills or manifests are transmitted by agents daily to the Freight Auditor for examination and correction. The Freight Auditor examines and passes upon all claims for overcharge and rebate, the details in his office permitting him to ascertain readily if an overcharge occurred, and if so that it has not already been refunded.

6th. The car-service accounts are kept in the office of the Auditor of Car Accounts. At the end of each month he reports to the Accounting Officer the amount due to other companies for the use of their cars; he also reports the amounts due from other companies for the use of his company's cars. He reports to each company the amount due to it and receives in return a report of the amount due from it.

7th. The Auditor proper, as just stated, is the Registrar of the company. As regards the accounts, the records of the Auditor's office are peculiar and his duties are anomalous. He keeps three books or registers. In the first, termed "Audited Vouchers,"* he enters the total amount of *all bills due by his company*; in the second, or "Railway Register," he enters *all bills due from other railway companies*; in the third, termed "Various Persons' Bills,"† he enters *all bills due from corporations and individuals excepting railroads*. (The last two registers may be consolidated upon small lines where only one ledger is required for keeping "railroad" and "various persons'" accounts.) All bills, after being entered by the Auditor and approved for payment by the proper officer, are transmitted to the treasury. When the accounts for the month are closed, the results, as spread upon the registers, are certified to the Accounting Officer by the Auditor, for entry on the general books. It is not, as already intimated, essential that the bills should be entered in the office of the Auditor; the recording of them, however, affords him information that it is important he should have from some source, to enable him to perform the important and responsible duty of auditing the affairs of the Treasurer. The re-

* Form 69, Appendix.

† Form 70, Appendix.

ording of bills by the Auditor enables him intelligently to take cognizance of every bill in the treasury, countersign all checks drawn by the Treasurer, and it otherwise facilitates his, the Auditor's, labors in examining the accounts of the treasury department. In the interest of economy, and for that reason only, the work of entering the bills in the office of the Auditor is further utilized by making his registers a *quasi* clearing-house for distributing such accounts as he enters upon his registers where they naturally belong. A description of these duties will, however, be found elsewhere, with a description of the registers or journals enumerated above, which he keeps.

8th. All reports connected with disbursements are transmitted directly to the Accounting Officer, a chief clerk or Auditor of Disbursement Accounts, who constitutes a part of the immediate force of the Accounting Officer. The auditing of the expenditures of material and labor upon a road is one of the most important of the duties devolving upon the Accounting Officer. A proper performance of this duty requires that he should have general and special supervision over all the accounts of the company and the records pertaining thereto. The reports required in connection with the expenditures of a company are fully described, as already stated in the book on Railway Disburse-

ments. In addition to the returns made by the Auditor, as described above, the reports required by the Accounting Officer are as follows: *a.* The pay-rolls of the company's force, each roll being accompanied by a statement specifying the accounts upon which the labor was expended and to which it should be charged. *b.* The statements or distribution books of material and fuel received and expended by the Purchasing Agent, and by storekeepers, shop clerks and others; these books give *in detail* the material and fuel received and expended during the month.

9th. A book account is opened in the office of the Purchasing Agent* with each individual, firm or corporation from whom purchases are made; for this purpose, a common blotter or record book is used. After reciting the name, it further specifies the date of delivery of goods, the articles, rate and amount.

All vouchers for material and supplies of all kinds, manufactured or otherwise, no matter by whom purchased, should be entered in this record book, so as to concentrate the material accounts as much as possible, and thus prevent the duplication of bills and the consequent payment of the same account twice.

In entering invoices and bills in the record

* Or it may be kept in any other office that the Accounting Officer may elect.

book careful reference should be made to the preceding entries to prevent the possibility of duplicating an account.*

At the end of each month, or upon the receipt of statements of account from merchants and others having claims against the company,† the said statements should be compared and made to agree with the details spread upon the record book already entered from the invoices, as explained.

The account is then ready to be audited for payment.

A book specifying the distribution of the material purchased and delivered each month, under the immediate direction of the Purchasing Agent, is filed by him, as already explained, with the Accounting Officer as soon as the accounts are closed.

* A similar record account should be kept by each department, of the claims against the company passed upon in such department.

† The form of voucher used by the railway company should be used by merchants and others in making this statement.

CHAPTER II.

THE REMARKABLE UTILITY OF THE LEDGER— ITS SUPERIORITY OVER ALL OTHER BOOKS OF ACCOUNT—THE GENERAL LEDGER AND ITS SATELLITES THE SUBSIDIARY LEDGERS.

The number of ledgers required to be kept in the office of the Accounting Officer will vary with different companies in accordance with the length of the road operated and the extent of business done.

Upon the smallest of our roads all the accounts can, without difficulty, be kept upon the general ledger. When this can be done, the book-keeping is very much simplified.

Upon the great roads of the country the book-keeping becomes more elaborate. The immensity of the details to be examined and arranged and the great number of accounts, permanent and otherwise, that demand incessant attention, require an additional number of accountants.

The necessity for the increase in the number of book-keepers involves an increase in the number of books.

The quantity of matter to be spread upon the records is not, however, sensibly increased by multiplying the books.

The increase in the number of books is rendered necessary to enable each clerk to pursue his duties at all times without interrupting or obstructing the work of his associates.

It will thus be seen that a judicious multiplication of the books of a company is consistent with the greatest possible economy; that a proper and expeditious discharge of the business of the general accounting department also demands such an increase.

The necessity for a general ledger* is recognized upon every road. The side or auxiliary ledger is, however, held in little esteem by quite a large class whom we find prominently identified with the accounts of many railways.

It is perhaps not too much to say that any company is unfortunate in possessing an accountant unable to recognize the pre-eminent fitness of the ledger wherever permanency and clearness of accounts are desired.

Upon its pages every conceivable transaction involving dollars and cents finds a natural resting-place.

It is a veritable burying-ground, and upon its monumental pages may be traced, generations afterwards, the deeds of wisdom and of folly practiced by the men whose acts it records.

No other account book possesses the elasticity, comprehensiveness and permanency of the

ledger, and all efforts to supersede it with *quasi* record books and other make-shifts are mistakes.

With its attendant journals, the ledger pure and simple is the only fit receptacle for the general and special accounts of a railway company.

The complete elucidation of the accounts spread upon a ledger requires no special key.

The ledger possesses the happy faculty of bringing together at one common center in consecutive order all the incidents of a most complicated transaction.

With the final accomplishment of a transaction, it disappears from the balance-sheet, but the record remains upon the ledger, the account being balanced and closed.

The legend that heads each page of the ledger affords a clue to the circumstantial history that follows.

The index that forms a part of every ledger makes each account accessible at a moment's notice years after its name and the traditions concerning it have been forgotten.

Every experienced accountant understands tolerably well the mysteries of a ledger, consequently everything that it contains is susceptible of explanation if we will but give it time and patience.

It is this comparative simplicity and univer-

sality of the ledger that makes it so desirable, and an Accounting Officer should hesitate long before replacing it, even in the minor branches of the service, with some apparently cheaper and better substitute of his own.

In instituting a plan for recording the affairs of a corporation, care and discrimination should also be exercised to select a method that, being generally understood, will be a protection to the company after the person who transcribed the accounts has passed away.

Such a record may also be necessary at any moment to protect the good name of some agent of the company.

The ledger meets all of these varied requirements, and no other book or plan does or can.

The general ledger of a large railway should be little more than a record of the general accounts of the company.

A reference to the accounts coming within the scope of a general balance-sheet, as they are described in a succeeding chapter, will afford a very clear idea of the number and character of the general ledger accounts. However, many general ledger accounts are necessarily and properly consolidated in preparing a balance-sheet of such a description.

As already mentioned, the number of current accounts required is much greater than the general ledger will hold.

It thus becomes necessary to provide side ledgers to accommodate the business.

Each side ledger should be arranged to record the accounts of some particular branch of the service.

A ledger account should be opened with agents, conductors and other employes who receive or disburse the company's funds; a ledger account should also be opened with all individuals who are in debt to the company or have mixed dealings with it.

The opening of a ledger account in the cases mentioned will prevent confusion as well as preserve a continuous and authentic record.

The prompt entry of such accounts upon the books at the time the transaction occurs will prevent the loss that must inevitably accrue from any neglect to do so.

The delay that occurs in collecting many accounts is sometimes very great. This delay is occasioned by dispute in reference to the correctness of the account, from the inability or indisposition of persons to pay, and from various other causes.

In all such cases it is obvious that the account is very likely to be lost, over-looked or forgotten, if it has no other abiding-place than a pigeon hole in the treasury.

The extent of the business of a railway requires that a ledger account should be kept for each debit account,

The volume and rush of the business of to-day obliterates all recollection of the affairs of yesterday. The virtue then of a ledger account is, that so long as it remains unbalanced, it stands a perpetual spur and reminder to the Accounting Officer or Treasurer.

Without this reminder, one or both of these officers, occupied with current matters, overlook the unpaid account, and end by forgetting it.

A ledger account has this further merit that it makes apparent all the minutiae of a transaction extended over a long period of time.

The debtor pays in dribblets as he can, and the complete payment of the account is not perhaps consummated for years; nevertheless every little installment has its appropriate place in the compact line, and nothing can be overlooked or forgotten.

As many subsidiary ledgers of each class can be used as may be necessary, the ledgers being arranged so that each embraces a given number of letters in the alphabet.

It would seem to be quite unnecessary to devote so much space to a matter about which there could apparently be no difference of opinion; nevertheless, it is true that the system of book-keeping in vogue is exceedingly imperfect.

The defects arise from a false idea of economy; from a belief that blotters and slips of paper are good and sufficient substitutes for com-

mon books of record ; from an honest though mistaken attempt to simplify matters, and, finally, from a nervous dread lest some person may say that the system is expensive and complicated.

A further and very conclusive reason why a ledger account should be opened in each instance may be mentioned: the Treasurer should, so far as it is possible, be prepared in an instant to particularize his collections ; he should be prepared to show how much he has collected from particular persons, with such other information as may be necessary to impress an intelligent person with the conviction that he is clear and upright in the discharge of his trust.

In reference to the accounts that are wholly against the company, it is perhaps unnecessary for the Accounting Officer to open a ledger account with each person.

Information in reference to the amount the company owes on such accounts is easily obtainable in a less cumbersome and expensive way. And besides in the event such an account is overlooked or forgotten, or for any reason remains unpaid, the company does not suffer a loss as it does when an account due to it is allowed to lapse ; on the contrary, the omission enures to its benefit.

It is customary with railway companies to make a voucher in favor of every person, firm or corporation to whom they may be indebted.

A ledger account should, in all cases, be opened with the creditor in the department of the road where the debt is incurred and the bill vouched for.

When paid, the receipt of the payee is attached to the voucher itself.

In this way it is impossible to pay too much, and, what is very desirable in a voucher, it possesses immediate and palpable evidence of authenticity that a ledger account of course does not.

In reference to the use of side ledgers, a description of one is practically a description of all.

Upon the general ledger, an account will be opened with, say "*Station Agents and Conductors.*"

The *aggregates* only are charged and credited to this account on the *general ledger*, the balances on the latter being brought down monthly.

Upon a *side ledger* an account is opened with each agent and conductor.

All the details are represented with considerable perspicuity upon this ledger. Each agent and conductor is severally charged and credited with the various amounts that belong to him; the balance standing to the debit or credit of each agent and conductor is ascertained monthly; the difference between the total footings of the balance sheet, as drawn from the station agents'

and conductors' ledger should agree exactly with the balance standing on the general ledger under the general head of *Station Agents and Conductors* as already explained. If it does agree it demonstrates generally the accuracy of both the ledgers.

To sum up, the side ledger gives the individual accounts; the general ledger gives the aggregate of these accounts.

The number of subordinate ledgers required will, of course, vary with the extent of the matter that must find a place of lodgment. Upon some roads, the details of the accounts with "station agents and conductors" can be embraced in the same ledger with "railway companies' and foreign ticket agents'" accounts, or with "various persons" (*i. e.*, charges against individuals and corporations, excluding railways).

Supposing the two former accounts to be merged, the name of the account upon the general ledger would then be "station agents, conductors and railway companies."

Every account opened upon the ledger should be carefully indexed at the time.

When the name of the account is at all likely to be misunderstood, it should be indexed under different letters, such letters as a person would be likely to examine in hunting up the account. It should be the aim in this, as in everything

else, as far as possible, to make the record so perfectly clear that even a comparatively ignorant or stupid person could unravel it. It is always better to recognize the existence and possibilities of such people than to be damned ultimately by them or in consequence of them.

In connection with the railway companies and foreign ticket agents' ledger, it will frequently be desirable to open several accounts with each road. For instance: a ticket account should be opened with each road; also a freight account when a joint business is done; when cars are interchanged, a car service account should be opened; and, finally, a miscellaneous account should be opened with each company when necessary. The miscellaneous account should include all debits and credits not covered by the other accounts, such as overcharges, rebates, losses, damages, repairs of equipment, baggage checks, etc.

CHAPTER III.

THE JOURNALS REQUIRED; THE RELATION OF THE GENERAL JOURNAL TO THE SUBORDINATE JOURNALS; THE NECESSITY FOR CLEARNESS. THE GENERAL BOOK-KEEPER.

THE information the ledger contains is posted from the journal and cash book.

In the preceding chapter it is shown that economy and an expeditious discharge of the business in hand are best secured by a judicious multiplication of the number of ledgers. The same may be said to be equally true in reference to the ledger journals.

Compared with the ledger, the journal is an abstract of the transactions recorded.

This abstract record is a partial verification of the authenticity of the ledger account.

The journal is indispensable in this, that it affords concise and connected information in reference to all the details that enter into each entry that appears upon the ledger.

It follows then that where the accounts are numerous and complicated, as they always are with railway companies, an immense amount of detail must be methodically spread upon the journal.

Upon roads doing a comparatively large business, the details that must find a permanent record upon the general books require that more than one journal should be used.

Work is facilitated and economy best secured by such a system.

The side journals or blotters are written up in the different branches of the department of accounts by the various officers connected therewith.

Instead of filing with the General Book-keeper, each month, *manuscript* statements of the details of the traffic or expense accounts, the particulars are entered in a *journal* especially arranged for the purpose and giving information in the most compact form consistent with a proper elucidation of the different accounts.

A manuscript statement filed with the General Book-keeper would, for obvious reasons, require to be entered in detail upon the general journal, necessitating the repetition of an immense amount of clerical labor.

The information coming to him upon a journal in a shape susceptible of easy reference and careful preservation, he transcribes merely the totals of the sub-journals upon his general journal.

The side journals thus become a well-understood part of the paraphernalia of the general books.

The voluminous details that constitute the basis for the matter spread upon the side journals are thus retained in the different divisions of the accounting department where they properly belong.

The general journal* occupies the same relation to the other journals that the general ledger does to the side ledgers.

As already noticed, only the aggregate footings of the subsidiary journals are entered upon the general journal.

To illustrate this, we will take the entry required to be made each month on account of the receipts and payments of station agents for the freight traffic of their several agencies. Upon the receipt of the "Station Agents Freight Journal"* duly authenticated, as all journals are, by the officer in charge, the details are summarized as follows on the general journal:

"Station Agents and Conductors, Dr. \$767,910.80.

To Freight Earnings, Cr.

\$767,910.80.

"For this amount as per station agents' freight journal A. A. folio 78, written up and certified by Richard Roe, Freight Auditor, and on file with the general books of the company."

The accounts named are general ledger accounts and the amounts are duly posted under the proper headings upon that book.

* Form 76, Appendix.

* Form 64, Appendix.

The side journal shows the balance due to or from each agent, and each agent's balance is posted in the side ledger to the debit or credit of the agent it concerns. Of course, all the balances so posted in detail agree exactly with the general amount charged to agents on the general ledger as already shown.

It is not absolutely necessary that the information the blotters contain should be summarized upon the general journal. The data could be posted directly to the general ledger. The labor, however, is trifling, and it simplifies matters to have all the accounts that appear upon the general ledger follow some direct and well-understood channel.

With the exception of the summary of the side journals, everything entered upon the general journal should be transcribed in such detail, and with such careful and conspicuous clearness, that a person possessing only a general knowledge of railway affairs, and unskilled in the technicalities of book-keeping, could understand each entry and the reason or basis for making it.

An examination of ledger journals will elicit the fact, that in many cases they contain little more information than the names of the various accounts and the amounts.

No gleam of light, no friendly star animates the impenetrable gloom that envelops them,

The natural habits of those immediately in charge of such books are evidently of a nocturnal order.

Accustomed to their route and field of operations, their instinct guides and controls them.

Light with them becomes a superfluity, and thus it is that, in time, their books become marvels of brevity, crowded with hieroglyphics and signs, pregnant with meaning to them, but incomprehensible to everybody else.

The position of the General Book-keeper of a railway company is one requiring the incumbent to be a man of considerable ability. He must possess clearness of perception and statement. He must be able to answer satisfactorily the abstruse questions that come up before him from day to day in arranging and adjusting the general accounts of the company. He must be discreet in his utterances. He must be able to comprehend quickly the intent and meaning of contracts, leases, understandings and agreements of the most elaborate nature. He must be able to analyze at a glance the innumerable statements, both petty and great, upon which his work is based. As a clerk he must be absolutely accurate. His training and habits of mind must be such that he will instinctively question every statement which he is called upon to transcribe until, from investigation, its correctness becomes apparent to him. He must be

able to direct intelligently the work of the subordinates of the office, and to perform this duty properly he must be experienced, decisive and prompt. And finally he must be energetic, keeping the work of the office well in hand and never permitting it to lag.

The General Book-keeper is a member of the staff of the accounting officer, and as such should comprehend, generally, the object of and necessity for the checks and balances that honey-comb the organization of a railway company.

CHAPTER IV.

JOURNAL VOUCHERS AND THE NECESSITY FOR THEIR PRESERVATION.

FOR each and every entry made upon the journals, a voucher is required.

This voucher is the evidence that the entry is right and proper.

The journal entry is only the essence of the voucher.

It is, besides, merely a copy.

Only such matter is spread upon the journal as is necessary to a clear understanding of each affair.

The authenticated facts that prove the correctness of the transaction upon the journal and its authoritative character appear upon the face of the voucher or are attached to it.

The preservation of this voucher is therefore a matter of great importance.

In reference to the peculiarities of these vouchers, a great diversity exists.

The vouchers that form the basis for the entries on the general journal are numerous and varied. All sorts of statements receive respectful attention, and histories of the most varied character find record upon the journal referred to.

It is a clearing house in which differences are harmonized and the most delicate affairs adjusted.

A petty difference of a few shillings is set right upon the journal with all the circumstantiality of detail that characterizes the declaration of millions.

In just such minuteness and method as this, carried out with merciless exactitude in every branch of the service, rests the protection and permanent security of corporations.

The vouchers that make up the general ledger file consist of original statements, approved bills, certified accounts, transcripts of contracts, summaries of leases, transfers or adjustments of differences, rectification of errors and others of which no general classification can be made.

All journal vouchers should be numbered consecutively as they are entered, commencing with number one each month; they should be labeled and filed away by months in the order in which they are entered.

In a certain sense, the auxiliary journals described in the preceding chapter are merely vouchers belonging to the general journal.

Each auxiliary journal in turn also has its train of attendant followers, but of a more obscure and humble origin.

The vouchers that form the basis for entries on the side journals consist of detailed state-

ments, reports, abstracts and accounts received from agents, conductors, storekeepers and other subordinates and officials who have any voice or standing in the conduct of the business of the road.

All of these vouchers are original matter, and should be carefully filed away so that each and every entry on the side journals can be verified by reference to the original returns whenever the Accounting Officer may think proper.

Whenever the number and extent of the returns received from agents and others warrant it, such returns should be bound with cheap but durable material each month; when the number of reports will not warrant this, then they should be arranged in volumes and bound quarterly or as often as necessary; in other cases they should be carefully labeled and filed away in a secure place.

The returns and papers that cannot be bound should be carefully and systematically filed, so that they may be perfectly secure from fire or theft, and easy of access.

CHAPTER V.

TICKET ACCOUNTS; THE RECORDS MADE IN THE GENERAL TICKET DEPARTMENT, AND THE RETURNS REQUIRED FROM THAT DEPARTMENT BY THE ACCOUNTING OFFICER; CASH COLLECTIONS OF CONDUCTORS.

At once upon the receipt of the monthly returns* from agents and others the work of examining the same begins, and proceeds thereafter with unflagging industry until everything in relation to them has been carefully scrutinized.

The processes to which these returns are submitted cannot be described. They are subjected, like the returns received by other departments, to the most labored analysis, being examined and re-examined, sifted and compared, checked and counter-checked, footed and refooted, before being finally recorded upon the journals.

In reference to the returns for tickets sold, all reports from agents should reach the ticket department by the 3d of the month.

Immediately upon the discovery of an error in the returns for tickets sold, a notice of the same should be forwarded to the agent or company making the mistake, and, in the case of

* These returns have already been described herein.

foreign roads, asking when the mistake will be corrected.

All returns for tickets sold, whether made by agents or foreign railway companies, are carefully compared with the tickets actually collected.

The tickets returned frequently fall short of the number reported, the tickets being lost or remaining in the possession of the purchaser. No loss can, of course, accrue to a company through agents from the loss of tickets, for the reason that the tickets furnished to agents are all consecutively numbered, and agents are required so to account for them in their returns.

It should be understood that when the word *local* is used in connection with coupon ticket returns, it does not signify that they are exclusively local tickets. They are not. On the contrary, the coupons attached are for use on other roads, as they specify upon their face. The word *local* is used to distinguish them from the same class of tickets sold by other companies; the latter being called *foreign* coupon tickets.

For all local coupon tickets sold the different railway companies interested, *i. e.*, the lines over which they are sold, are notified each month in detail of the proportions due them by the company *issuing* the tickets. In return such company receives a report from the different roads of the

foreign tickets sold over its lines. It is common to designate the lines selling these last mentioned tickets as "foreign lines."

As soon as the local coupon returns (the monthly coupon ticket reports) have been examined, they are entered in detail upon the "Record Book and Division of Coupon Tickets Sold."* The rate or proportion due the several lines is entered in the place provided; the amounts due the companies are then entered. When all the extensions have been made, the book is footed (fifty pages sometimes being required for recording the business of one month). The aggregate amount due the several companies, including the proportion of the company issuing the tickets, should correspond exactly with the aggregate amount of local coupon ticket sales, and the fact of such perfect balance is presumptive evidence of the correctness of the extensions and footings.

As soon as the total amounts due to the various companies for and on account of local coupon tickets are ascertained, the amount due to each company should be forthwith reported to the Accounting Officer for entry upon the general journal and ledger. In making these returns the amounts should be entered in the "Railway Companies' Ticket Journal."†

* Form 58, Appendix.

† Form 61, Appendix.

As soon as the total amounts have been reported to the Accounting Officer as described, the work of making detailed reports of the local coupon tickets sold, for the information of the various companies over whose lines such tickets are sold, should proceed without interruption in the general ticket office.

The report* in question is identical in many respects with the division book. It states :

The point *from* which the ticket was sold.

The place *to* which the ticket was sold.

The number of the form.—The form number, it may be said, indicates the particular route of the ticket; each route being provided with a different form number.

The commencing number of the tickets sold; also the closing number of the tickets sold.—The difference between the commencing number and the closing number indicates the number sold.

The through rate; the proportion of such rate belonging to the particular company to which the report is sent, and, finally, the total amount due such company for all tickets sold between the points *from* and *to* already described. Adding up these various amounts gives the total amount due to the company already shown on the distribution book.

When the reports in question are completed,

* Form 59, Appendix.

no delay should occur in forwarding them to the different roads for which they are made, so that the least possible delay may be occasioned other companies in writing up their books, and so that the balances may be promptly adjusted. These reports, if due diligence is observed, should be ready for mailing by the twenty-fifth of the month; never later than the thirtieth.

The data required in making the extensions on the "record book and division of coupon tickets" are arrived at in various ways. The route of the ticket is indicated by the form number. By referring to the "Record Book of Forms" the various lines are found named and in the order in which the coupons were attached to the ticket.

There are various ways for determining the division of earnings to be allotted the different lines over which a coupon ticket passes. Sometimes it is done by arbitration; sometimes it is pro-rated or based upon the mileage of the several lines; sometimes upon the local tariffs in force; sometimes upon arbitrary arrangement, the amount of the business done, and in various other ways. In any event it is a matter coming within the province of the General Ticket Agent.

All the vicissitudes of the traffic have to be considered in making the through rate. After the through rate is determined upon, the propor-

tion to be allotted to the several lines performing the service is, of course, a matter of agreement between such lines. But the divisions are constantly changing, so that it requires the utmost vigilance and care to divide the joint business between the lines interested upon the basis agreed upon and understood and accepted by such lines.

In reference to the earnings from local coupon tickets, it may be said that the amount charged to agents on account of the sale of local coupon tickets is, of course, in excess of the amount credited to foreign lines for their proportion of the sale of such tickets. This excess is the earnings of the company issuing the local coupon tickets, and such excess should be credited to passenger earnings.

In the case of local ticket sales and fares collected by conductors, the entry on the general books is extremely simple, consisting of a debit and credit entry, "*Agents and Conductors*" being charged and "*Passenger Earnings*" credited. The foreign coupons should be credited to earnings in the month in which they are collected by conductors; the manner in which this may be done is described quite fully in a preceding chapter.

The foreign coupon tickets *collected* should be arranged in packages according to the months in which they were sold, as indicated by the date

stamped upon each ; they should then be again subdivided, the tickets having the same destination and route, *i. e.*, the same form numbers being collected together. The number of tickets of each form should then be entered in the "Record Book of Foreign Coupons."*

Upon receipt of the report from the company issuing the tickets, the number of tickets actually *reported* sold of each form by the company should be entered in the "Record Book of Foreign Coupons" opposite the number of tickets *collected* as entered therein. In this way a permanent record is provided, and any discrepancy of tickets between the tickets collected and the tickets reported would elicit instant attention and investigation.

Immediately upon receipt of a report from a foreign company a memorandum of the amount of such report should forthwith be certified to the Accounting Officer, to enable him to ascertain without delay the nature of the *balance* of the account between the two roads for the month for which the report is made, so that if it is a debit balance the amount may be drawn for without delay, or if the balance is on the opposite side of the ledger, the draft of the foreign company may be honored upon presentation.

The difference between the amount due from a company for its sales over a foreign line dur-

* Form 60, Appendix,

ing any one month and the amount due to it for the sales of the foreign line for the corresponding month constitute the balance; this balance is, or should be, at all times subject to draft at sight.

At the close of the month the amount due from each foreign company, as shown by the reports received from such company during the month, should be entered opposite the name of the road interested, in the "Railway Companies' Ticket Journal,"* so that it may be formally posted up on the general books by the Accounting Office.

For the purpose of preventing misunderstanding and confusion in the accounts between companies, no changes whatever are, by common consent, ever made in a company's report of its sales over other lines. A record is made of all mistakes or omissions that may be discovered, and the company in fault is officially notified. This notice is coupled with a request to make the necessary corrections in the next succeeding report. When there is an omission to report tickets, the tickets omitted should be temporarily returned, for purposes of examination, to the company issuing them. As no alterations are ever made in the local coupon reports that the companies send out, it follows that the various items or balances as entered up by the various

* Form 61, Appendix.

lines throughout the country on account of passenger traffic always agree exactly.

The gross balance (*i. e.*, taking the *aggregate* of all the items entered) appearing upon the books, as between any two companies that may be named, will never, of course, agree at any particular time. For instance, on the 31st of January, as shown by the books, railway A credits railway B for tickets sold over the latter in January; the report is not received, however, by B until too late to include in the January account; consequently the aggregate balances on the thirty-first of January as between A and B do not agree. But when B finally receives the returns for January, and *vice versa*, the balance as between the two companies *for that month* must exactly correspond.

The collections of a company for extra baggage for and on account of other companies are usually itemized and embraced in the report of coupon ticket sales for the month in which the collections were made.

Receipts from extra baggage are usually credited to "Miscellaneous Earnings."

In reference to the collections of agents for local tickets sold by them: After the agents' reports have been examined and audited, the aggregate amount due from each agent is certified to the Accounting Officer upon the "Agents' Ticket Journal."*

* Form 62, Appendix.

In the same manner the total amount of each conductor's collections for the month is certified to the Accounting Officer, and for this purpose the "Conductors' Journal" † is provided.

The total amount of the daily trip reports of conductors should be methodically recorded by the ticket accountant, so that in the event the aggregate amount charged to conductors, as shown by the Conductors' Journal, does not agree with the amount of cash remitted by the conductor, the account may be expeditiously examined in the accounting department.

The "Station Agents' Ticket Journal" and the "Conductors' Journal" can be arranged so as to require but one book, *i. e.*, a part of the book can be apportioned to and arranged for the former, the other part being used for the latter. This plan for providing for two journals in one volume can be observed in other cases where the business is light or the books are likely to multiply too greatly.

In reference to the extra baggage business or baggage-car traffic, the agents' monthly report of such business, received and forwarded, should be forwarded to the accounting office by the 5th of the month.

The statement of the amount reported, as collected by agents on account of extra baggage received, should be compared as far as possible

† Form 63, Appendix.

with the amount reported by the forwarding agent, and with the statement of the extra baggage cards or way-bills returned by the receiving agent.

A report from train baggagemen of the destination, number and amount of excess baggage way-bills in transit constitutes a valuable check upon the business.

The amount reported by agents as collected on account of extra baggage destined to points on other roads, and to stations at which there are no agents, should be carefully checked with the way-bills and returns, and should otherwise be surrounded with such safeguards as may be necessary to secure reliability, and insure to each company interested a correct return for all excess luggage carried by it.

The amount due from agents on account of extra baggage, as shown by the monthly reports after the reports have been carefully examined and audited, should be reported to the Accounting Officer on the "Agents' Ticket Journal."

The returns which the ticket department are required to make to the Accounting Officer should be transmitted to that officer on or before the 19th of the month succeeding the month for which the returns are made.

CHAPTER VI.

THE RETURN TICKET DEPARTMENT; ITS ORGANIZATION AND DUTIES AND THE RELATION IT BEARS TO THE GENERAL TICKET DEPARTMENT.

THIS little department is subordinate, like the traveling auditors, to the Accounting Officer.

Its purpose is to see that the revenue from every ticket returned by conductors is duly accounted for to the company.

As an auxiliary arm of the accounting department in the collection of receipts and the prevention of imposition, it is at once efficacious and economical.

It is an absolute protection against the introduction and continued use of duplicate or fraudulent tickets, and compels the prompt reporting of all tickets sold by agents or others, and as such is indispensable to every company.

By making free use of the information gleaned by the traveling auditors, and with the aid of many curious and subtle devices, impossible to enumerate here, but at once effective and economical, and which will readily suggest themselves to accounting officers, this department

throws around the issue, sale and accounting of tickets certain safeguards that cannot wisely be disregarded.

Economy can perhaps best be secured in the organization of this department by the employment of women and boys. The employment of such a force is not inconsistent with the highest efficiency.

Women are peculiarly well qualified to perform much of the clerical work required in each of the department offices at the headquarters of our railway companies.

A woman possessing reasonable firmness and administrative ability makes an admirable head for carrying out the purposes of the return ticket department.*

For the purpose of economizing in the number of reports required from agents, the department is designed, so far as possible, to work in connection with the general ticket office.

Instead of requiring separate reports, those sent to the general ticket department are used by the Ticket Auditor.

When the ticket accounts, proper, upon a railway are *not* kept in the same department that is charged with the custody of the passage tickets of the company; then the return ticket depart-

* The writer, having had occasion to organize a Return Ticket Department upon an important road some years ago, placed it in charge of a capable woman, who employed only women as assistants. The result was entirely satisfactory to me and in every way creditable to those connected with the department.

ment should constitute a part of the office having charge of the ticket accounts.

In other words, it is only when the ticket accounts are kept by the person having charge of the company's supply of tickets and the making of rates that the return ticket office should be separated from the ticket accounts.

Some of the details to be observed in the organization of the return ticket department may be stated as follows:

The Ticket Auditor's assistants should learn, thoroughly, the names of each and every ticket office or station on the road, and the order in which it appears, and on what division, so that they will know the exact location of each office instantly, and without having to refer to the list of offices.

This knowledge is necessary to enable them to distribute the tickets with rapidity and accuracy.

They must also learn the names of all the different railroads.

In assorting the tickets into the case, and again when the same are checked with reports (at all times, in fact), they will keep a vigilant watch to see that all tickets returned are duly and properly cancelled by being punched.

When they are not so cancelled, they will punch them.

The ticket case into which the tickets are to be distributed, upon their reaching the office,

preparatory to their use in connection with the accounts, should be arranged so as to provide a compartment or pigeon hole for each class of tickets sold at each station, and sufficiently large to accommodate the tickets sold during any one week or month, as the rule for checking requires.

A compartment should also be provided for each foreign road. It should be sufficiently large to hold all tickets issued by each road, collected in any one month.

It is necessary, to make the auditing of tickets of value to the company, that the utmost care and watchfulness should be exercised in assorting, arranging and checking the tickets with the reports, being careful to see that none are lost.

It should be kept in mind that the main object in auditing the tickets, so far as the routine work of the department is concerned, is :

1st. To see that every ticket collected, or sold, or used is duly reported;

2d. That tickets are promptly collected and returned by the conductors, and,

3d. That tickets are duly charged upon the books of the company against the person responsible for their issue.

This result is secured (in co-operation with the general ticket office) by the faithful carrying out of the rules and regulations.

A special memorandum should be taken of any

ticket or tickets collected not properly reported but for which proper authority is given.

The general ticket office should forward to the return ticket department, monthly, a detailed report of all sales and collections made by that office.

This report of the General Ticket Agent should be carefully examined and checked throughout by the Ticket Auditor.

All tickets, no matter by whom issued, not regularly and properly reported, or about which there is any error or doubt, should, pending investigation, be retained in the office, putting them in a small envelope, and writing on the back of said envelope a concise history of the matter, giving the dates, etc., etc.

These envelopes should be locked up in a drawer marked "unadjusted tickets."

As fast as these tickets are reported, or the question in regard to them is settled satisfactorily, they should be disposed of the same as the others.

Agents should be notified of any errors in their reports.

They should be promptly notified of any delay in getting reports from them.

Their attention should be called to any tickets collected that are not plainly and legibly stamped.

All tickets, coupons, passes, stubs of tickets,

stop-over checks, and books in which tickets have been bound must be returned by conductors to the Ticket Auditor.

In sending in the tickets collected, conductors should arrange them in the following manner, viz. :

First, the local tickets sold at each station should be put together.

Second, all the local tickets collected should be arranged together, facing one way and right side up ; a rubber strap or string should then be fastened securely around the same, so that they will not be torn apart before reaching the office.

Third, the local coupon tickets collected should be arranged in a package by themselves, in the same order as the local tickets.

Fourth, the foreign coupon tickets should be arranged so that the tickets issued by each road will be together, and the whole fastened together with band or otherwise, as directed above for local tickets.

Fifth, all commutation, excursion and other kinds of tickets, not specified above, should be arranged separately, in the same general way as directed for the local tickets.

It being the intention to have all tickets reach the office so that they can be distributed from the envelopes directly into the ticket case and otherwise facilitate the rapid transaction of business.

Conductors should transmit their tickets to the office immediately upon arrival at their destination.

In the event no tickets are collected, conductors should fill out an envelope giving date, number of train, etc., and transmit that.

Conductors must always fill up the blanks provided on the envelope for date and number of train.

Every ticket collected must be punched by them with the particular pattern of punch assigned them, and the tickets must be punched so as not to destroy the number or other distinguishing marks.

If conductors neglect to carry out any of the foregoing rules, or any other necessary regulation, their attention should forthwith be called to the matter.

In the event any just cause of complaint against conductors or agents is not promptly remedied by them, the Superintendent of the division should be notified of the neglect, and requested to remedy it.

Sometimes tickets, after having the destination inserted, are not wanted by the passenger, or a ticket is desired to some other point, necessitating that a new ticket should be filled up; in this way and in various other ways many tickets are spoiled. Across the face of such tickets, agents should write in ink "spoiled ticket," inserting

the date. These tickets should be returned to the Ticket Auditor. After being carefully examined by that officer they should be punched with the office punch, and a full and complete record made of them for future reference. Upon the completion of this duty the tickets should be forthwith transmitted to the General Ticket Agent.

All letters, dispatches and statements should be signed by the Ticket Auditor, and an impression of the same taken in the copy book.

Local Card Tickets.—The local tickets as they are returned by the conductors are to be distributed directly into the ticket case.

At the close of each week, or as soon thereafter as the tickets have been returned by conductors (as per "record of trains" book), the report of local tickets sold at each station* must be carefully examined and checked with the tickets actually collected for each station.

The tickets must be arranged in numerical order, from the lowest to the highest number.

This can best be accomplished by using a board containing one hundred squares, ticket size, the squares being numbered consecutively from one to one hundred.

The numbers of any tickets that are missing

* Form 48, Appendix,

must be carefully entered in the blank column opposite the "number sold" on the weekly report.

The number of every missing ticket should be entered each week in the "Record Book of Missing Tickets."

When missing tickets are collected by the conductors and returned to the office, the record book of missing tickets should be referred to, and a colored pencil run through the number of the missing ticket that has been collected, having a distinct color for each week in the month.

In entering the numbers of the uncollected tickets, a different kind of ink should be used by the Ticket Auditor for each week in the month; the initial of the month should also be inserted directly after the uncollected numbers for each week. When the uncollected tickets finally reach the Ticket Auditor the number of the ticket should be cancelled on the record book, as directed above, with a colored pencil appropriate to the particular week in which the ticket was collected; the initial letters of the month in which the ticket was received should be entered directly above the number.

In the event tickets are collected that are not reported sold, the report should be corrected.

When an unreported ticket is collected, the number of which is in advance of the "closing number," the agent should be instructed to take

the ticket bearing the lowest number that he may have on hand to that station, and renumber it the same as the unreported ticket, and put it in the place of the said unreported ticket in his case, giving the Ticket Auditor's office the original number of the ticket so altered, so that the number may be changed on the unreported ticket to agree with the said original number.

When the report for the fourth week has been checked up, or as soon thereafter as practicable, the monthly ticket reports* should be procured from the general ticket office, and the commencing and closing numbers on the said monthly report checked with the closing number, as shown on the reports for the fourth week in the preceding and current months respectively.

The general ticket office should again check the commencing number with the closing number for the preceding month, in addition to checking the number of tickets sold, rates, extensions and footings.

In connection with this matter it may be said that any monthly reports, no matter whether local or coupon, that may come into the hands of the Ticket Auditor, should be examined throughout by that officer whenever it is thought advisable.

After such examination the totals should be copied and afterwards verified by reference to

* Form 59, Appendix.

the Accounting Officer's books, when the accounts for the month have been audited and charged up.

Without lessening the responsibility of the General Ticket Agent, in any manner, it must rest with the discretion of the Ticket Auditor, at any and all times, to exercise such supervision over the ticket accounts as may in that officer's estimation be necessary to prove the entire correctness of any account or statement connected with the ticket business. The relation the Ticket Auditor bears to the General Ticket Agent is, in many respects, the same as that which the Auditor proper bears to the Treasurer.

After the various balances of agents, conductors, railroad companies, etc., have been certified to the Accounting Officer by the General Ticket Agent, the Ticket Auditor may, whenever he thinks necessary or desirable, take all the original returns and examine and balance them, and also certify to the correctness of the result made by the General Ticket Agent.

No matter what special duties the Ticket Auditor may choose to perform, it is the duty of the General Ticket Agent, when the accounts are kept in his office, to see that agents' reports are correctly audited, so far as they can be from information in his possession, and nothing the

Ticket Auditor may do, or may fail to do, lessens the responsibility of the former in the premises.

As fast as the local tickets are checked with the weekly reports, a band will be put securely around the tickets sold at each station ; the tickets will then be put into a paper bag, and a tag attached to the bag giving the particulars.

At the expiration of a certain specified time, not to be less than three months, the local tickets may be burned, but this should be done in the presence of some responsible representative of the company.

Half-Fare, Excursion, and Miscellaneous Forms of Local Tickets.—These tickets are to be placed in a secure place each day, as they are returned by conductors.

At the end of each month they should be distributed into the pigeon holes.

For this purpose the same pigeon holes that are used for the local card tickets can be used, if necessary, but this should not be done until the local card tickets for the fourth week have been checked up with the report for that week, and before the local card tickets for the first week have been distributed into the case. The better

way, however, is to have separate compartments arranged especially for these tickets.

When the "half-fare," "excursion," and "miscellaneous" have been distributed as described above, and arranged in proper order, they should be checked immediately with the number of tickets sold during the month, as shown by the monthly ticket report.

After being so checked and when the reports have been altered in red ink, if incorrect, such "half-fare," "excursion" and "miscellaneous" tickets as have been checked and examined and have been found to agree exactly with the reports, and all missing tickets duly recorded, should be turned over to the general ticket office, when they should be again examined and compared with the monthly reports. This should be done to insure perfect correctness.

The commencing and closing number on the reports for these tickets must be carefully examined, as in the case of local card tickets.

This rule also applies to "commutation," "thousand-mile," and "special local" tickets. Such tickets should be carefully checked with the reports of the agents selling the same.

Many tickets of the classes just named are never taken up; nevertheless, all tickets that are returned must be carefully traced to the report of the agent responsible for the same.

All tickets that are issued that are good for more than one trip should have a duplicate or stub attached; this duplicate or stub should be detached by the conductor from the ticket and returned to the Ticket Auditor on the date when the ticket is first presented or used. The possession of the duplicate ticket by the Auditor, enables that officer to ascertain that all tickets are promptly accounted for by the agents selling the same at the time they are sold; without the duplicate ticket the department would have no means of ascertaining the desired information in the case of yearly, half-yearly and other tickets good for more than one trip until the ticket was collected at the date of its expiration, and not then in many instances, as such tickets are frequently never collected by the conductor, but are retained by the holder. A daily report from conductors of the tickets in use of the class referred to is, as a rule, impracticable in consequence of the time that would unavoidably be consumed in taking the numbers and other particulars on the trains, the conductor in many instances having barely time to perform the routine duties of cancelling tickets, collecting fares, etc. Such reports should be required occasionally and at irregular times from conductors, as directed in the next paragraph, but the great reliance in watching the sales must depend upon the stubs or duplicates collected and returned as specified above.

Conductors should be required from time to time, at periods not far removed, to report full and minute particulars of all commutation, thousand-mile, time, and other special or limited tickets retained in the possession of passengers riding upon their trains.

These reports must be carefully compared, to see that all the tickets called for have been duly reported to the company.

All such tickets duly reported by the agent selling the same will be turned over to the general ticket office monthly as already directed.

Local Coupons.—A compartment should be provided for each coupon ticket station, and the tickets collected each day should be distributed into the different compartments.

Reports of local coupon tickets sold (*i. e.*, tickets sold to points on other railroads) are sent monthly by agents to the general ticket office.

As soon as these reports are received, the general ticket office should turn them over to the Ticket Auditor, so that the number of tickets the agents report having sold may be carefully checked with the coupon tickets actually taken up and returned by conductors.

As soon as these reports have been checked as described above, they should forthwith be returned to the general ticket office, with the tick-

ets, noting on the reports, plainly in red ink, any errors the agents may have made in the number of tickets sold, destination, class, or otherwise.

For the purpose of examining the commencing numbers on these reports, the reports for the preceding month should again be procured from the general ticket office, and the closing number carefully compared with the current month's commencing numbers. This labor should also be performed by the general ticket office, besides making the other examinations necessary to secure perfect correctness in the reports before auditing the same.

Foreign Coupon Tickets.—The reports for tickets sold by foreign companies over the road will be sent to the General Ticket Agent; upon their receipt by him he will forthwith transmit the same to the Ticket Auditor. The Ticket Auditor will without delay compare the said reports with the tickets collected, sold during the month for which the report is made. Any errors discovered in the report should be noted in red ink upon the face of the same. The reports with the tickets should then be returned to the General Ticket Agent.

Conductor's Stop-Over Tickets.—The stubs of stop-over checks are returned with the passage

tickets upon which the checks were issued to the Ticket Auditor in the stop-over check envelope. The Ticket Auditor compares the stub with the passage ticket and enters upon the face of the former, in the place provided, the station number of the destination of the ticket. He also notes upon the face of the stub if the ticket be a pass, or a foreign coupon, or a local coupon, etc., etc. If a foreign coupon, the name of the road issuing the same is endorsed on the back of the stub.

The stubs are then sorted into the case provided for that purpose, in numerical order.

To facilitate the sorting and subsequent checking and examination, the case is divided into compartments numbered by hundreds. All stubs numbered from 100 to 199 inclusive are sorted into the compartments labeled 100; all stubs from 200 to 299 inclusive are sorted into compartments labeled 200, and so on.

In sorting the stubs the Ticket Auditor is careful to see that no checks are issued out of numerical order. Should any checks be found to be so issued, the attention of the conductor issuing the same is called to the fact, and an explanation required.

When the stop-over checks proper are taken up and returned to the Ticket Auditor, they are examined by that officer to see that the rule as to the limit of time has been observed, and that they have been issued in strict accordance with

the rules. They are then compared with the stubs as to station numbers, etc., and sorted into a case corresponding in arrangement to that just described for the stubs.

When stop-over checks are redeemed by the General Ticket Agent, it is the duty of that officer to send such checks to the Ticket Auditor.

In checking the stubs with the passage tickets, the Ticket Auditor should see that the number of the stop-over check has been endorsed by the conductor on the back of the ticket; he should also see that the "stop-over check envelope" has been properly filled up.

A statement should be made at the close of each month, and placed on file, of the number of outstanding stop-over checks, giving the numbers of such checks in numerical order. When a check previously shown to be outstanding is returned, a colored pencil should be run through the number of such check on the last monthly statement preceding.

Weekly Reports.—After the examination of the reports is completed, they should be filed away each week with other reports and papers and carefully preserved.

Record Books.—Books affording the following information are required to be kept in this department:

1st. A record of the missing local tickets for each station, a separate book being kept for each class of tickets (using as many as may be necessary), as they have been enumerated herein.

2d. A record of all unreported tickets, giving a concise history of the same.

3d. A record of all duplicate tickets received.

4th. A record of trains. For this purpose a book should be used, the pages of which have a column for each day in the month, the number of the train, as indicated by the time table, being inserted on the left-hand margin of the page. As the envelopes containing the tickets for the different trains are received from day to day, the particular place allotted for recording each train on that particular day should then be checked. All unchecked spaces would then show, at a glance, the numbers of trains for which no returns have been received.

It is an open question whether all the ticket accounts should not be under the immediate and exclusive control of the Ticket Auditor.

The possession of the tickets by the General Ticket Agent and his authority to make rates enter into agreements, etc., etc., are utterly in-

consistent with the unrestricted possession of the accounts.

Any effort to secure an effective check upon him through the office of the Ticket Auditor may, upon some roads, be found to be practically impossible. The jealousy between departments; the impatience people naturally feel under any sort of restraint; the impossibility of accurately defining the duties of the different departments under the ever changing fluctuations of business, and the clashing of authority in consequence thereof, may render it impossible for the Ticket Auditor to perform the duties assigned him. In such case all the ticket accounts should be transferred to his office. Such a system has the merit of perfect practicability and undoubted efficiency in its favor; it is in many respects preferable to any that can be devised, and is more in harmony with the general system of railroad accounts. To enforce it without injury of any kind to the company it would only be necessary to provide the General Ticket Agent with adequate statements from agents and others of the number of tickets on hand, the number of tickets required, and such other information and statistics as he might need to enable him to make adequate provision for supplying the tickets required in doing the business of the road, and in otherwise keeping himself advised of the volume and direction of the passenger traffic.

CHAPTER VII.

FREIGHT ACCOUNTS, AND THE RETURNS MADE OF THE SAME TO THE ACCOUNTING OFFICER BY THE FREIGHT AUDITOR.

THE examination of the freight returns, like the examination of the ticket accounts, should be minute and exhaustive. The particular method which can be used most advantageously in checking the returns, for the purpose of demonstrating their correctness before they are finally spread upon their general books, will suggest itself to the accountant in charge; the devices that can be adopted in the labor of verifying the truthful character of the returns and the correctness of the results deduced therefrom are almost infinite in their extent and variety.

The practice of requiring duplicates to be promptly transmitted to the Freight Auditor for all way-bills of freight transported seems to be both economical and wise.

The possession of the duplicates enables the Freight Auditor to see that the authorized rates of freight are known and respected by subordinates of the company; it enables him to discover

all clerical errors in the amount charged for carrying before the delivery of the freight, and to correct mistakes in footings of way-bills, and to direct a proper interpretation of the classification, and to do many other things which he would be unable to do if he were deprived of the information afforded by such bills.

Immediately upon the discovery that an error has been made in way-billing, the Freight Auditor should cause a notice of the fact to be transmitted to the agent who made the way-bill, and also to the agent at the station to which the bill is destined. Before these notices are returned to the Freight Auditor they should be exchanged between the agents interested. If this plan is followed, there is little likelihood of any error being left uncorrected upon the station books, and the monthly returns of agents will be found to harmonize upon their receipt by the Freight Auditor.

Upon some lines the examination of the way-bills is neglected or entirely ignored; still other lines do not require duplicate bills, but profess to examine the original way-bills upon the receipt of the same at the general office with the weekly or monthly returns. The theory upon which this latter system is based is that the receiving agent is responsible and can be compelled to make good any error in the amount of charges collected by him on freight delivered to consign-

ees, no matter how the error is discovered or how much time has elapsed since the freight was delivered. This theory would be more plausible if the agents were always selected from technically educated men, or if the salaries paid them were sufficient to enable them to make good any losses occurring through ignorance as well as through negligence or design.

The examination of the way-bills from day to day is necessary to enable the company to see that changes in rates are understood and carried out, if for no other reason, and this can not be done effectively if the examination is deferred until the freight has passed out of the possession of the company. The original way-bills should be transmitted to the Freight Auditor with the monthly returns; they are necessary for reference and to complete his files, but the examination of the rates and extensions should not be put off until the receipt of such original bills.

To make the check upon the freight returns thorough and complete, the monthly abstracts of freight forwarded* should be compared item by item with the total footings of the duplicate way-bills; the duplicates or the abstracts should also be compared with the conductor's report of freight hauled.† The examination can be made still more complete by comparisons with the rec-

* Form 22, Appendix.

† Form 57, Appendix.

ords of cars hauled as recorded by the Auditor of Car Accounts.

The monthly report of freight forwarded and received* with the abstracts accompanying the same, for freight forwarded and received, respectively, should reach the general office on or about the 7th day of the month succeeding the month for which the returns are made.

The report of freight forwarded and received between any two given points should in each and every case agree exactly; *i. e.*, the amount of the tonnage, unpaid local earnings, prepaid local earnings and advanced charges reported by station A as *forwarded* to B should agree exactly with the amounts B station reports having *received* from A; and when they do not so agree the account should be examined in detail, the difference discovered, and the incorrect statement made right.

In the course of the examination of the monthly returns, the monthly abstracts of freight forwarded and received by agents should be carefully footed by the Freight Auditor, and should then be compared with the monthly report of freight forwarded and received.

When the examination of the monthly reports of freight forwarded and received has been completed by the Freight Auditor, the footings of such of the columns as affect the agent's account

* Form 24, Appendix.

must be forthwith certified to the Accounting Officer, as provided by the "Agent's Freight Journal," a copy of which may be found in the Appendix hereto, Form 64.

The miscellaneous earnings as entered in the agents' freight journal are derived from data gleaned from the agents' monthly balance sheets* and special reports, and are entered on the journal by the officer to whom the monthly balance sheet is transmitted.

Afterwards the Freight Auditor recapitulates the aggregate charges on local freight forwarded from and received at each station; by adding this recapitulation he ascertains whether the total amount of freight forwarded agrees with the total amount of freight received, and in the event that it does not, re-examines the accounts until the difference is located. In this way the accuracy of the totals are proven as they are entered upon the monthly returns for freight forwarded and received; it also proves that the various items of freight forwarded and freight received agree as the same are entered upon the monthly freight reports.

In reference to the freight accounts with other lines occasioned by the interchange of business with such lines, when the freight is re-billed at the junction where it departs from the road, or where it reaches the road, then no adjustment

* Form 52, Appendix.

with the foreign company is necessary through the office of the Freight Auditor, such freight being reported by the agent at the junction in the same way that he reports freight delivered to or received from private parties.

But when freight is billed *through* between stations located upon different roads, then the adjustment of the accounts between the roads interested should be arranged directly between the freight auditors of the respective lines. To prevent vexatious delays and still more vexatious misunderstandings, the freight auditors of companies doing a joint business should make definite and adequate provision in advance, in reference to the manner and form of adjusting the accounts between their respective companies for freight way-billed through between the various stations.

As already suggested, agents at stations from which freight is billed to points upon other lines should forward abstracts of the way-bills for such freight to the Freight Auditor of the connecting line promptly on the first of each month. These abstracts will enable the officer receiving them to audit the accounts of the agents of his company intelligently, and will also afford him certain data quite necessary in arriving at the division of the joint account which he is required to make. For, as a rule, the company forwarding the freight should accept the returns as rendered by the receiving company without altera-

tion or amendment, it being understood and agreed that any errors or omissions made by the latter will be corrected in the succeeding month.

The only accounts rendered by agents of the foreign or joint business received by their company from other lines should be embraced in the usual monthly returns rendered by them.

Immediately upon the receipt of these monthly accounts by the Freight Auditor the accounts should be compared with the abstracts sent by the foreign or forwarding company; the necessary additions, alterations or deductions, if any, should be made, and the abstracts, as altered, should be forthwith returned to the forwarding company, any way-bills omitted or any errors made in auditing the account being taken up by such forwarding company in its abstracts for the next month.

The officers of the respective lines interested in doing a joint business should, as early as the 14th of each month, make a statement or return to each other of the joint freight *received* by each line during the preceding month. This statement should give the amount due the *forwarding* company for the business originating upon its line the earnings on which were collected by the receiving company; also, the amount of charges advanced on such freight by the forwarding company. From these two credits should be deducted the proportion of prepaid

freight due the receiving company collected by the forwarding line. And finally, the balance to the credit or debit of the forwarding company, as shown by the return described, should be inserted in the statement.

In reference to the adjustment of the accounts of a company interested with other lines in doing a business that neither originates at nor is destined to any station upon its line: In such cases, abstracts should be sent to the Freight Auditor of the intermediate line by both the forwarding and receiving companies, the receiving company rendering a statement of the account upon which the settlement with the intermediate company is to be made, such statement being subject, as in other cases, to correction and adjustment in the succeeding month. It would be well, perhaps, that duplicate way-bills of all joint freight carried should be exacted by such lines (*i. e.*, lines forming a link in a chain of through traffic). When the division of the joint traffic is based on the various classes of articles of freight carried, rather than upon a fixed percentage of the gross earnings, the possession of duplicate way-bills becomes necessary to the due protection of the company or companies occupying intermediate position in the line.

When the preponderance of collections for joint business is made by one company, the balances at the close of the month will, of course,

show largely in favor of the other company. In such cases, the former company has the exclusive use of the earnings, sometimes to the great embarrassment of the latter; in such cases the balances should, in some simple manner, be approximated each week, by the receiving company, and settlement made accordingly.

Upon the exchange, by the freight auditors of the companies interested, of the monthly statements of account covering the joint business, the statements being made up in the manner described above, the balance of the account for the whole traffic, in each direction, can be ascertained by the companies interested in a moment. This balance at once becomes subject to draft without further notice by the creditor company.

In perfecting a system for adjusting accounts between railway companies, for joint traffic of all kinds, too much care cannot be exercised to agree upon some simple and efficacious plan of settlement, otherwise, the enthusiasm and zeal of officials (always creditable in employes, although often misdirected) is likely to cause constant embarrassment and irritation in the adjustment of the accounts.

This difficulty is painfully apparent upon probably every line in the country in the delays and disputes constantly arising in the effort of com-

panies to settle claims for losses, damages and overcharges occurring between each other.

Such disputes and delays would be unendurable if permitted to occur in the adjustment of balances for joint earnings.

The absence of definite rules for arriving at the amount of joint balances would, sooner or later, be taken advantage of by unstable companies to harass their connections. And all officials who made smartness rather than uprightness the standard of their official acts would seize every occasion to delay the auditing and payment of balances rightfully due to other companies.

The amount of the joint freight balance with each connecting line (as the same has been accurately agreed upon between the freight auditors of the respective lines) should be certified to the Accounting Officer in the "Railway Companies' Freight Journal," described in Form 65 in the Appendix attached hereto.

The balances, as reported, should be, as already stated, subject to draft at sight.

Reference is made elsewhere to the special arrangement provided for reporting any milk business the company may do.

Upon receipt of the monthly milk ticket reports by the Freight Auditor, the rates, extensions and footings are carefully examined by him, the number of tickets reported as sold being compared with the tickets collected as returned to the Ticket Auditor. The amount due from each agent is returned to the Accounting Officer as "prepaid freight" by the Freight Auditor, in the agents' freight journal already referred to.

At the end of each quarter the Freight Auditor should report to the Accounting Officer the amounts due by agents for overcharges collected and which they have been unable to refund. The nature of this account is quite fully described in the appropriate place in a previous chapter.

In connection with the subject of overcharges due consignees and others, the great bulk of the claims presented on such account are due directly by the company, the agents having been charged in the first instance with the full amount collected; in such cases the amount should be refunded by vouchers duly recorded and approved as in other cases. No voucher for an overcharge should be approved, however, without the certificate of the Freight Auditor as well as the General Freight Agent, and the certificate of the former should not be attached until he

has satisfied himself by reference to the original way-bill and the monthly abstract of freight received, or other records of the office, that the overcharge actually occurred and that the company and not the receiving agent is responsible for it. Upon certifying the voucher, the fact should be noted across the original records in the office, so as to prevent duplicate payments of the amount.

The table embraced in the Appendix, Form 66, illustrates the "Railway Companies' Cars Mileage Journal."

The amount due to each company for the use of its cars is credited up in the month in which the cars are used. The amounts due from other companies cannot, of course, be charged up until the receipt of the reports from them; but immediately upon receipt of such reports the amounts are certified to the Accounting Officer (as in the case of reports of foreign coupon tickets), so that the balance of the account for the month for which the report is made can be placed in the way of settlement.

The amount due to the company by other lines for use of cars is credited to "Car-Hire Earnings." The amount credited for the use of cars belonging to other companies is charged to operating expenses, as already explained,

All returns required by the Accounting Officer from the Freight Auditor or Auditor of Car Accounts should be in the hands of the former on or before the 19th day of the month.

CHAPTER VIII.

THE JOURNALS USED FOR ENTERING AUDITED BILLS DUE BY THE COMPANY; FOR VARIOUS PERSONS' BILLS DUE TO THE COMPANY; AND THE MANNER OF TREATING DRAFTS DRAWN ON THE TREASURER BY AGENTS.

THE register or journal of vouchers embraces a list or summary of all bills due by the company.*

This journal of audited bills should not be closed until about the 15th of each month, so that all bills may be received and charged up, as far as possible, in the month in which they are incurred.

By reference to the form referred to above, it will be seen that provision is made for inserting in the journal a concise description of the bill, including the aggregate amount. This description occupies but one line in the book. The journal is so arranged that the account to which the bill is chargeable can be inserted directly opposite the description. In this way the register of vouchers occupies the relation of a clearing house; when it is possible the bills are

* Form 69, Appendix.

charged directly to the account to which they ultimately belong; but, of course, the bulk of the accounts as charged on the register are only preparatory in their nature, as instance the charge to "Material" described further on. In entering a voucher for live stock killed by the company, the amount could readily be charged to the account in which it would forever rest upon the company's books, viz: "Loss and Damage," or whatever the name of the account might be. A voucher for legal services could be charged directly to the operating expense account in which it belonged; a voucher for coal would be charged under that head. A voucher for material would be charged to the shop or store-house receiving it, as already described in a preceding chapter, or, more properly speaking, it would in the generality of cases be charged to the sub-account kept with the Purchasing Agent; it would in turn be charged by that officer, in his returns to the Accounting Officer, to the shop or shops receiving it; the Accounting Officer would charge the shop or shops upon the general books of the company, and there the charge would remain until the material was used.

Upon the 15th of the month the journal of vouchers should be closed and footed. Following such footings, a recapitulation embracing the aggregates of all the accounts charged in the

month should be inserted. This recapitulation must be formally certified to the General Book-keeper for entry on the general journal and ledger. In making this entry the book-keeper should *credit* the total amount to "Audited Accounts," *charging* the various accounts as designated.

It will be well to keep in mind the name of the account to which the aggregate amount of the vouchers is credited, as by reference to the general cash book, described further on, it will be seen that the bills when paid are *charged* therein to "Audited Accounts."

All bills in favor of railway companies entered upon the register of vouchers, and credited in consequence, upon the general ledger, to "Audited Accounts," should be transferred on the general journal to the credit of "Railway Companies," "Audited Accounts" being charged, so that the various debits and credits affecting the accounts with railway companies may all be brought together. A better way, however, would be to have a special journal kept for the purpose of entering bills in favor of railway companies and ticket agents, as directed further on for bills *due from* railway companies and ticket agents; the object being to economize labor, so far as the same is possible, without sacrificing any necessary security or clearness of record.

The Accounting Officer of the company can,

at his pleasure, examine and verify the charges or credits on the registers by comparing the same, item by item, with the original bills.

The register of vouchers is so arranged that the date of the payment, with the number of the check paying the same, is inserted directly opposite the original entry. The entries against which the date remains unfilled constitute the unpaid bills. Keeping that fact in mind, it is easy and comparatively simple to draw off a balance sheet for the purpose of comparison with the balance to the credit of "Audited Accounts" upon the general ledger.

The register of vouchers may be kept in any office thought desirable, and so in reference to the other registers described in this chapter.

The register, journal, of various persons' accounts* is used in recording the bills *due to* the company.

By reference to the blank it will be seen that it is almost identical with the register of vouchers already described above, with this difference: the various amounts as entered upon the various persons' journal are *credited* to the accounts to which they properly belong: while the audited vouchers already described are *charged* up to the various accounts.

*Appendix. Form 70,

The amount standing upon the general ledger under the head of "Various Persons" is a debit balance, *i. e.*, an asset of the company, while the amount of the "Audited Accounts" balance is a liability of the company.

At the close of the month the various persons' journal is footed and the amounts recapitulated, as in the case of audited vouchers.

The results are certified to the General Bookkeeper, as in other cases, the total amount being *charged* by him to "Various Persons," and *credited* in detail to the different accounts as they appear. Another journal, exactly like the various persons' journal, and treated the same as it is, should be kept for the purpose of entering bills against "Railway Companies and Foreign Ticket Agents."*

The total amount returned to the Accounting Officer for this journal is charged by him to the railway companies and foreign ticket agents; the accounts entitled to credit receiving it, as in the case of various persons.

The "Record of Agent's Drafts on Treasurer Outstanding" † is intended to embrace a com-

* When the accounts with various persons are kept in the same subsidiary ledger with railway companies and foreign ticket agents, as would be the case on small lines, there is no necessity for the keeping of two registers.

† Appendix, Form 67.

plete list of all drafts of agents on the Treasurer outstanding on the last day of the month.

The checks are arranged in the book in the order of dates and numbers, for each agent separately.

The aggregate footings of the different accounts in this record book should exactly equal the amount of the liability of the company for drafts outstanding as shown on the general ledger.

Agents are required to report to the Accounting Officer all drafts drawn by them.

The amount of these drafts is charged up monthly to the agents drawing them, "Agent's Drafts on Treasurer outstanding" being credited.

In this way the company receives the benefit of checks which for any reason are never presented for payment at the office of the Treasurer.

The explanations in reference to these drafts contained in preceding chapters are quite full and minute.

CHAPTER IX.

THE AUDITING OF THE DISBURSEMENT ACCOUNTS AND THE BOOKS REQUIRED.

THE system briefly described herein to be used at the headquarters of the company in summing up the multitudinous *disbursements* of the road is designed only to record the results or aggregate amounts chargeable to the different accounts, the distribution books, papers and returns received by the Accounting Officer, and explaining minutely the nature and extent of the disbursements, being filed away as the authority for the various entries.

It will be noticed by reference to the disbursement journals* that they are so arranged that the exact source from which the information is derived is accurately given, so that a few moments' labor in referring to the original returns affords all the information attainable in reference to the account under examination.

All returns for disbursements are examined, item by item, when received at the accounting office: it is, therefore, only in exceptional cases of investigation that an exposé of the details

* Appendix, Forms 71 and 72.

constituting an account are desired at a subsequent period.

The plan suggested here obviates the great expense that would be required in retranscribing upon the journals at the general office the innumerable items that go to make up the disbursements at the shops and storehouses and elsewhere upon the line: the clerical mistakes that would unavoidably occur in retranscribing all the details are also avoided.

In compiling the statistics of a company giving the principal items that enter into its various renewal accounts, reference can be made directly to the original returns.

Upon the disbursement journals described, separate accounts are opened with the different operating expense accounts by divisions, also with each construction, equipment and material account, and the various subordinate or auxiliary accounts.

Special accounts are also opened with the sub-accounts that arise from time to time, to exist for a month or so and then disappear, such as rebuilding a bridge or an engine or car.

When the accounts for the month are ready to be closed and balanced, the special accounts referred to are merged into the general accounts of which they are a part. For instance, the "Construction of a Water Tank at Claremont" would be closed into "Construction of Build-

ings," and in the same way the cost of "Rebuilding Claremont Passenger Depot" would be absorbed in the operating account for "Repairs of Freight and Passenger Buildings."

The "Journal of Miscellaneous Labor" * embraces the distribution of the labor performed elsewhere than at the shops and storehouses of the company, or by engineers and firemen. The total amount of each account, as entered in this book, is transferred each month to the journal described below, for the purpose of consolidating the accounts.

The "Journal of Disbursements" † contains all of the accounts of the company as the same are created, on account of pay-rolls and for material disbursed at shops and storehouses, and upon the track and roadway.

In each of the journals described, a summary must be inserted. This summary consists of the aggregate amount of each distribution book and statement entered: the total of the various accounts entered in the journals should correspond with the total footings of the summary.

The total amount of the various accounts enumerated upon the journal just described is entered in the "Disbursement Ledger." The accounts, however, are not given by divisions in

* Form 71, Appendix.

† Form 72, Appendix.

this book, but in the aggregate: with this exception, all accounts are shown on this ledger.

The balance charged upon the disbursement ledger to material at shops, storehouses and elsewhere should agree with the amount charged to material on the general ledger.

A special account should be kept on the ledger with "Wood and Coal," also with "Iron and Steel Rails," and other track material.

In connection with the disbursement ledger an ordinary journal may be used for the purpose of recording transfers and other transactions which the technical character of the journals already described cannot be made to comprehend. The original or first charges to shops, storehouses and other accounts for material would be designated and distributed on this journal.

As all of the general accounts and all the special accounts for improvements or construction are entered separately, and as all the accounts are properly indexed, it is at all times possible to ascertain the amount expended on a particular account at a moment's notice.

It is, perhaps, possible to describe more particularly the labor at the accounting office incident to the disbursement accounts.

Upon receipt of the pay-rolls, they are severally examined, and the amount of each roll is entered in a memorandum or record book provided for the purpose. The footings of this book show

the total amount of the pay-roll. After the rolls have been registered and properly approved, they are sent to the Treasurer for payment.

Upon the receipt of the books and statements containing the distribution of labor, *i. e.*, statements designating the accounts to which the labor is to be charged, the aggregates are compared with the amount of the pay-rolls. The charges to the various accounts, as the same are entered in the distribution books and statements, are then carefully examined; afterwards these charges are entered in the journals already referred to.

The various returns from the line, consisting of books and statements, and containing the particulars of material disbursed, are, after examination, entered upon the journal of disbursements, under the head of the various accounts, as the same are properly designated.

After the amount of labor and material expended has been entered on the journal of disbursements, the cost of the two must be consolidated. The amounts should then be transferred to the disbursement ledger. The statement required by the General Book-keeper for entry on the general journal and ledger can now be drawn off. This statement should be completed on or before the 17th of each month.

Each shop, storehouse or material account must, of course, be charged monthly upon the disbursement ledger with the material received

by it, whether from other shops or storehouses, or on account of material purchased.

In entering the particulars shown on the distribution books and statements, it will, of course, be necessary to charge back to shops, storehouses and other accounts the amounts severally charged by them to material, fuel, etc.

Each shop and storehouse should be charged with the amount of the pay-roll distributed by it.

And finally, each shop and storehouse should be credited with the amount of the material and labor shown by the returns to have been disbursed by it.

Entries will sometimes originate upon the general journal affecting the operating or disbursement accounts of the company. All such accounts are intended to be recorded fully upon the disbursement journals and ledger, and such entries should be made as are required to make the last named books complete.

CHAPTER X.

CASH—THE NECESSITY FOR FREQUENT AND PROMPT REMITTANCES—TO WHOM CASH SHOULD BE REMITTED—DISPUTES IN REFERENCE TO THE COUNT—STATEMENTS REQUIRED FROM BANK OF CASH RECEIPTS—THE ENTRY OF REMITTANCES AND THE ACKNOWLEDGMENT RETURNED BY THE TREASURER—THE CASH BOOK FOR AGENTS AND CONDUCTORS—THE GENERAL CASH BOOK.

THE greatest diversity exists in reference to the rules and regulations governing the immediate disposition of agents' and conductors' collections.

Upon a few lines the agents are required to remit each day the total amount collected by them ; upon other lines they are required to remit every other day, or semi-weekly or weekly ; the great bulk of the companies, however, enforce no definite rules as to the time of remittance or the amount, agents being expected to exercise their best judgment in the matter.

It is perhaps needless to say that the disposition of the funds passing through the hands of agents and others should be governed by clearly defined rules, general in their application.

The availability of a railway company's revenue as well as its safety will be best secured by hurrying it forward into the treasury with the least possible delay.

It was the universal custom at one time for agents and conductors to remit directly to the Treasurer of the company. This practice has, however, been changed by some of our best organized companies, the remittances upon such lines being sent by agents and conductors directly to the bank or banks where the company keeps its local account. Under this system the number of hands through which the money passes is lessened and the expense of counting it has to be borne by the bank. This expense is an important item, and as our best banks will rarely if ever pay interest upon accounts likely to fluctuate so widely as those of our railway companies, the least return they can make for the use of the money is to perform the clerical work of handling it.

Under the plan suggested of sending remittances directly to the bank, the Treasurer makes a draft or check from day to day for such cash as he needs in the payment of wages and the settlement of accounts. The money comes to him counted and assorted in packages of such size and denomination as he wishes, and he is thus saved all trouble and expense in connection with it.

Where remittances are made directly to the banks the railway company should insist upon the money being counted by a teller experienced in counting money, and of tried and approved honesty.

If the teller is not entirely trustworthy, the fact that he can misrepresent the contents of the packages received and opened by him will be a constant temptation. The fact that this is so and the further fact that he has no protection against the misrepresentations and slanders of any dishonest persons among those making remittances is also known; he may consequently at any time be accused, unjustly, of tampering with the remittances opened by him.

In the disputes that will constantly arise between the agents and conductors and the bank officials in reference to the exact amount packages contain, the Treasurer will find it extremely difficult to judge who is in the wrong; and as the bank will insist upon its count it will sometimes, perhaps, be necessary to require that the work of counting the money be assigned to a new man, or that adequate measures be adopted to decide definitely in reference to the reliability of the teller against whom the charge is made.

Of course the same objections and disputes and suspicions would occur if the remittances were made directly to the office of the Treasurer, so that nothing would ordinarily be gained by having them transferred to that office.

From the foregoing it will be seen that the duty of receiving and counting the currency contained in packages remitted from day to day by parties, through the express or otherwise, is exceedingly disagreeable at best, and a duty that the most upright and courageous official may well esteem himself happy in not having to perform.

At the close of each day's business the bank should be required to send the Treasurer an abstract containing a statement of the amount received from each agent and conductor; this statement should be footed. With it the bank should send the cash slips or statements* which it received with each agent's and conductor's remittances. These slips should at once be entered by the Treasurer upon the agents' and conductors' cash book, and if found to agree, when added together therein, with the amount reported by the bank, then the slips should be stamped with the date they are credited. The slips should then be returned without delay to the agents and conductors. The slip so stamped is the agent's or conductor's receipt and informs him of the exact date it was placed to his credit.

The stamping of the cash slip of the agent obviates the necessity of the Treasurer's writing a formal receipt, and thus much time is saved and a considerable item of expense obviated.

* Forms 1 and 4, Appendix.

The form of cash book in use upon many roads requires that the name of the agent or conductor shall be written in full every time a remittance is received from him; where there is a large number of persons remitting at short intervals, the mechanical duty of entering the names and amounts thus requires considerable time each day; it is also necessary that all of the remittances made by an agent or conductor so entered should ultimately be grouped together, so as to form a connected record. The more simple and intelligent way to perform the duty of bringing the various remittances together is to post them one by one to the account of the agent or conductor upon the agents' and conductors' ledger. This is a very laborious duty; it occupies much time, and is in consequence expensive; costly ledgers and cash books are rapidly filled, and, unless the utmost care is exercised at every step, the extent of the work invites errors in transcribing the amounts upon the ledger, and these in turn throw the accounts and books out of balance.

The necessity of finding some simple and inexpensive substitute for the cumbersome and expensive system just described suggested the introduction of the "Station Agents' and Conductors' Cash Book."*

This book is exceedingly comprehensive, and

* Form 73, Appendix.

the amount of information it contains is crowded into the least possible space, a single leaf of the book being sufficient to accommodate the remittances of forty or fifty agents for a month. The name of the agent or conductor is inserted in the first column of the book; opposite the name and upon the same line the amount remitted is entered in the proper column, columns being provided for each working day in the month. In this way the remittances of an agent for a month only occupy one line. At the close of the month the various amounts remitted by an agent are added across and carried into a column showing the *totals for the month*; by adding this last mentioned column the aggregate footings of agents and conductors are given. If the total footings for the different days in the month, added together, agree with the aggregate column for the month, then the fact of such agreement is conclusive evidence of the correctness of all the footings and totals.

At the close of a day's business the various amounts entered in the column provided for that particular day upon the cash book are added together, and the total amount inserted at the bottom; this total amount is transcribed daily in the general cash book before the latter is balanced. In this way the total cash receipts from all sources are shown upon the general cash book.

In posting the cash remitted by agents and conductors to the credit of their accounts as the same are opened upon the side ledger, only the aggregate amount remitted by the agent or conductor is entered. If the amount so posted does not agree exactly with the amount claimed by the agent or required to balance the account of the conductor, then the remittances as they are entered in detail upon the side cash book are compared with the returns of the agent or conductor.

The introduction of the station agents' and conductors' cash book cannot but greatly reduce the expenses of a railway company, both for stationery and clerk hire.

The "General Cash Book" * embraces the particulars of all the receipts and disbursements of cash of the road as the same finds its way into and out of the office of the Treasurer.

The general cash book with the general journal contains the substance of all the matter embraced in the general ledger, the information contained in the latter being drawn from such cash book and journal.

The information contained in the subsidiary ledgers is posted from the general cash book, the general ledger journal and the subordinate journals already described.

* Form 74, Appendix.

It will be seen, then, that it is of the utmost importance that the most perspicuous clearness should be exercised in entering the various transactions that find a place of record in the cash book.

The general cash book is arranged so as to afford the following information:

Receipts—Cash Debits.

1st. The column for entering the folio of the ledger to which the amount is posted.

2d. The name of the account, *i. e.*, the individual, firm or corporation from whom the money is received; or, if the amount is carried out into the *miscellaneous column*, then the name of the account to which the money is to be credited is inserted in this column.

3d. The column for entering the numbers of the remittances, each remittance being numbered in consecutive order.

4th. In this column a concise explanation or history of the remittance should be given.

5th. In this column the aggregate amount of remittances of agents and conductors is entered; also any special remittances from them that require particular mention which it is impossible to give in the agents' or conductors' cash book already described.

6th. All remittances received from or on account of railway companies, transportation lines

and foreign ticket agents are inserted in detail in this column.

7th. This column is designed for amounts received from individuals, firms and corporations other than railway companies, viz.; "Various Persons."

8th. This column is for amounts received for lands sold on account of the company's land grants; the amount being *credited* to the Land Department; all sales made being charged to the Land Department. If the company has no land grant, this column may be omitted, or it may be used for some other purpose.

9th. This column is for miscellaneous amounts collected, such as amounts paid by express companies, the Post Office Department, War Department, on account of bills receivable, securities sold, and interest and exchange, each amount being posted directly to the proper account on the general ledger. No amounts save those affecting general ledger accounts are entered in this column.

10th. Column for total cash receipts, into which column the aggregates of the other columns are entered at the close of the day.

Payments—Cash Credits.

11th. This column is provided for inserting the folio of the ledger to which the account is posted.

12th. The name of the account, *i. e.*, the name of the individual, firm or corporation to which money is paid. If the amount is to be carried out into the *miscellaneous column* of the cash book, then the name of the general ledger account to which the amount is charged should be inserted.

13th. The column for Treasurer's number: each cash payment or cash voucher should be numbered in consecutive order; the number entered in this column should also be entered upon the voucher: The vouchers should be stamped "paid" and filed away in the order in which the Treasurer's numbers are entered.

14th. Column for the register number entered on all audited bills.

15th. Explanation of the disbursement, *i. e.*, a description of the purpose for which the money was paid.

16th. All audited bills paid are entered in this column, the amount of each bill being given separately.

17th. This column provides for amounts paid to railway companies, transportation lines and foreign ticket agents, in accordance with credit balances standing upon the railway companies' ledger.

18th. The aggregate amount of drafts drawn by agents on the Treasurer paid each day is entered in this column; a list of the drafts and

checks paid is filed with the cash vouchers each day. This list is used subsequently in separating in the accounts the drafts of agents that are paid from those that are unpaid, the latter being registered as outstanding.

19th. Miscellaneous amounts disbursed by the Treasurer are entered in this column, such as cash furnished to paymasters, payments on account of rentals, coupons, dividends, etc.; each amount being posted directly to the proper account on the general ledger. This column corresponds to the "Miscellaneous" column on the debit side of the cash book.

20th. The total cash disbursements as entered and footed in the columns described above are carried into this column at the close of each day.

Still other columns may be added to the cash book, as desired.

The difference between the footings of the column last described and the footings of the column corresponding to it on the debit side of the cash book constitute the *Balance* of the cash book, and should agree with the balance of the cash account as posted upon the general ledger.

Each item of cash carried out into the miscellaneous columns is entered under its appropriate head in the general ledger as already described. Only the *total* footings of the other columns are posted into the general ledger, the details being

entered in the subsidiary ledgers which they affect.

The cash book should be closed and the cash account accurately balanced at the end of each day's business, and no exception to this rule should be made at the close of the month or at any other time.

CHAPTER XI.

THE GENERAL BALANCE SHEET, INCOME ACCOUNT AND DIVISION OF OPERATING EXPENSES.

A GENERAL balance sheet should be so condensed and arranged as to advise the examiner at a glance of all the salient features of the company's affairs.

It should compass the greatest amount of information in the smallest space.

The directors and executive officers of the company for whom it is made have not the time, as a rule, to do more than give it a sweeping general examination.

Too many details would confuse rather than enlighten them as to the company's affairs.

The details necessary to a thorough analysis of the important items that enter into the balance sheet may be filed with it for reference, as desired, but no attempt should be made to spread them upon the face of the account current.

A general balance sheet, then, should embrace a clear, concise summary of the liabilities of the company, including its capital stock, also the property and assets owned by it.

For the purpose of ready comparison, it should also embrace the balances at the time the last statement was made, particularizing the changes that each account has undergone since the last showing.

The blank required in making this comparative balance sheet would be as follows for the debit side of the statement, the heading for the credit side being practically the same, except that the word Credit should be substituted for the word Debit :

NAME OF THE ACCOUNT.	Balance to Debit at the commencement of the month.	Balance to Debit at the close of the month.	Amount each balance has <i>In-creased</i> since the last statement.	Amount each balance has <i>De-creased</i> since the last statement.

If the balance sheet is for the fiscal year, then the word *year* should be substituted for *month* in the different columns, or, what would perhaps be better, insert the exact dates.

The list given below illustrates the more important accounts of a railway company.

These accounts, or the accounts of which they are the aggregate, are embraced in the general ledger already described.

They should appear upon the *Balance Sheet* in order about as follows:

BALANCE SHEET.

DEBITS.

Cost of road and equipment at date of last statement.

Amount charged since to this account, viz..

- Right of way and depot grounds.
- Excess cost of new iron and steel rails over first cost of old metal taken up.
- Cost of new side tracks less old ones taken up.
- Excess of cost of new bridges of a permanent character over old bridges of a temporary character.
- Cost of new fences, gates and road crossings.
- Cost of new telegraph.
- Cost of new buildings.
- Improvements, enlargements and additions.
- Locomotives.
- Passenger cars.
- Freight and other cars.
- Discount (if any) suffered on securities sold during the year.
- Advances to other companies (giving name of each.)
- Investments (to be described in detail).
- Real Estate (temporary investment).
- Unpaid Sinking Fund Installments.*
- Amount deposited with Trustees of Sinking Funds.†
- Fuel on hand.
- Material on hand.
- Due from agents and conductors.
- Due from individuals and corporations.
- Bills receivable.
- Cash on hand.

* When sinking funds are paid on or before they become due, this account will not appear here.

† When sinking funds are paid with cancelled bonds there will be no charge to this account.

CREDITS.

Preferential stock.

Common stock.

Preferential scrip.

Common scrip.

(Insert here the different classes of bonds in detail.)

Past due Sinking Fund Installments.*

Accounts payable.

Bills payable.

Pay-rolls.

Due individuals and corporations.

Accrued interest on bonds.

Unpaid dividends.

Income account. †

It will be noticed that the foregoing balance sheet is balanced or closed with the amount to the credit of Income Account.

Below is a statement of the *Income Account* referred to: it may be said that the items embraced in the income account sometimes vary a little, but they are substantially the same upon every road.

The income account embraces the earnings and incidental expense accounts of the company. The earnings appear upon the ledger as a credit balance. The expenses and disbursements for taxes, interests, dividends, rental, etc., appear as debit balances upon the general ledger; at the end of the year all these credits and debits are

* When sinking funds are paid on or before they become due, this account will not appear here.

† If the Income Account balance represents a loss instead of a profit, then such balance should appear on the debit side of this balance sheet.

closed into "Income Account." The difference or balance between the credits and debits constitute the UNDIVIDED INCOME of the property.

INCOME ACCOUNT OF BLANK RAILWAY COMPANY TO.....18....		
By balance to credit of Income Account at close of last fiscal year.....		\$37,980 62
<i>Add for amounts credited since as follows, viz.:</i>		
Gross Passenger Earnings.....	\$190,780 40	
" Freight "	387,642 97	
" Express "	30,680 42	
" Mail "	20,783 29	
" Car Hire "	2,000 00	
" Miscellaneous "	7,762 31	
		<u>639,649 39</u>
TOTAL.....		\$677,630 01
<i>Less for the following amounts charged to Income during current fiscal year, viz.:</i>		
Operating Expenses.....	\$309,463 27	
Taxes.....	15,320 75	
Interest on Bonds.....	96,372 11	
Interest on Unfunded Debt.....	2,740 19	
Dividends on Stock.....	155,630 29	
Rental of Leased Lines	12,760 85	
		<u>592,287 46</u>
To Balance of Undivided Income at close of present year		85,342 55
TOTAL.....		\$677,630 01
By Balance carried forward to next year.....	\$85,342 55	

It is customary to itemize or divide the operating expenses, for the purpose of more minute examination of the disbursements of a company. This division varies greatly with different companies—with some it will be exceedingly elaborate, with others very simple; the subjoined list occupies a middle ground, and is embodied here simply for the purpose of illustration rather than with a view of recommending its adoption.

Advertising.
Agents and Clerks.
Car Hire.
Conductors, Baggage-men and Brakemen.
Enginemen, Firemen and Wipers.
Foreign Agents.
Fuel and Lights used at Stations and Shops.
Fuel and Lights used on Cars.
Fuel used by Locomotives.
Furniture and Fixtures for Cars.
Injury to Persons.
Insurance.
Laborers and Switchmen.
Loss and Damage.
Miscellaneous Expenses.
Office and Station Expenses.
Office and Station Furniture.
Oil, Waste and Tallow used on Cars.
Oil, Waste and Tallow used on Locomotives.
Rents.
Repairs of Bridges and Culverts.
Repairs of Engines and Tenders.
Repairs of Fences, Gates and Crossings.
Repairs of Freight and other Cars.
Repairs of Freight and Passenger Buildings.
Repairs of Passenger and Baggage Cars.
Repairs of Shops and Engine Houses.
Repairs of Tools and Machinery.
Repairs of Track.
Repairs of Water Stations and Fuel Sheds.
Stationery, Printed Blanks and Tickets.
Superintendence.
Teaming Freight, Baggage and Mails.

Each of the items constituting the operating expenses should appear separately upon the general ledger, unless the latter is too crowded.

A P P E N D I X .

FORMS OF BLANKS FOR THE COLLECTION OF RAILWAY REVENUE.

THE following forms illustrate the blanks referred to in the instructions given in this book. The full size of the blanks is noted under the number of the form, the first figure referring to the horizontal width of the blank, and the second to its depth. Thus, under "Form 1," we read [Size $8\frac{1}{2}$ x $3\frac{1}{2}$ in.]. This means that the blank actually used is $8\frac{1}{2}$ inches *wide* and $3\frac{1}{2}$ inches *deep*. However, they can be made of any size that is thought desirable. The number of stations on a road will, of course, affect the perpendicular length of the blanks in many cases, and in some of these cases a blank is left for one of the dimensions where the size is indicated on these forms.

These forms, as will be seen by reference to the index, are for use by the agents at stations and by the conductors, in connection with the revenue of the company. The blanks and books used at the headquarters of the company in summing up the accounts are also given.

In the first edition of this book it was provided definitely that the Cashier or Local Treasurer should act as the accounting officer and financial agent immediately in charge of the collection of the revenue. In enlarging and remodelling the book it has been found possible to provide, generally, for a more liberal system, permitting the accounting officer to be located in any department that a company may see fit. It has not, however, been thought worth while to recast the various blank forms contained herein solely for the purpose of suppressing the title Local Treasurer and substituting therefor that of Accounting Officer and Treasurer. This explanation will enable the reader to understand the seeming incongruity of using the title of Local Treasurer in connection with many of the blanks.

In connection with the forms embraced herein, it is proper to say that no restriction or charge whatever is made for their free use by any company that may desire to adopt or introduce them, either singly or collectively.

Form 1.

[Size 8½ x 3¼ in.]

Agent's Cash Remittance Slip.**THIS STATEMENT MUST BE SIGNED BY THE AGENT PERSONALLY.***This Stamped Slip (returned to the Agent by the Local Treasurer,) must be carefully Filed and Preserved.*

RAILWAY COMPANY.

Station, _____ 187

To the _____ BANK,

I hand you herewith,

_____ 100 DOLLARS,

to be credited to the _____ RAILWAY COMPANY, the said amount being the total net cash receipts of this Station not previously remitted, (except the authorized Working Fund) for and on account of the Railway Company named above.

Currency, . \$ _____

\$ _____

Total, . . \$ _____

_____ Agent.

AGENT'S DAILY CASH SLIP.**[NOTE]**—This slip is stamped with the date on which the cash is credited, and is forthwith returned to the Agent by the Local Treasurer, any errors in the amount reported by the Agent being noted in red ink.]

Form 2. *Report of Drafts drawn on Local Treasurer for Advanced Charges, and in Settlement of Accounts with*
 [Size 8½ x 14 in.] *connecting Roads, for* 187

..... *Agent.*

DATE.	Number.	Amount.

(Same Form.)

Form 3.

[Size 10½ x 16 in.]

CASH BOOK FOR STATION.

Station, 187

Debits.

CASH RECEIPTS.

Date of W.-B.	Folio of Rpt Rec'd Book.	No. of Way-Bill	Where From.	NAME.	Unpd P ^y and Advanced Chgs on same	Prepaid Charges on P ^y P ^o rd.	Miscellaneous.	Ticket Sales.	Total.
1876.									
May 4	103	126	"Claremont."	"J. Brown,"	\$11 63	\$6 40			
" 19		527	"To....Station."	"Niles and Graham,"					
April 12	76	540	"Blank Station."	"Goodman and Short,"	14 20		\$0 50		
				"Extra Baggage,"			75		
				"Telegraph Receipts,"				\$13 12	
				"Ticket Sales "Local,"				16 63	
				"Coupon,"					
					\$25 83	\$6 40	\$1 25	\$20 75	\$63 23

[NOTE.—For the "Credit" side of this Cash Book, see the succeeding page.]

Form 5.

[Size 8¼ x 16 in.]

Conductor's Report of Fares Collected.

Train No. Going **NORTH** or **WEST**, 187

Leaving at M. Arriving at at M.

Fares Collected From	To	No.	Rate.	Amount.	Remarks.

Train No Going **SOUTH** or **EAST**, 187

Leaving at M. Arriving at at M.

Fares Collected From	To	No.	Rate.	Amount.	Remarks.

Form 7.

[Size: Ticket, 3 1/4 x 2 in.; Stub, 1 1/2 x 2 in.]

6	6	8	7	9	9	5	4	3	3	2	1	1	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
C. & N.-W. R'Y.												1	
STOP-OVER CHECK STUB.													
To be detached and returned with Ticket upon which Check is issued.													

1878.	0	0	1	2	3	4	5	6	7	8	9	0	0	1	2	3	4	5	6	7	8	9
1/2	0	0	1	2	3	4	5	6	7	8	9	0	0	1	2	3	4	5	6	7	8	9
CHICAGO & NORTH WESTERN RY.																						
STOP-OVER CHECKS.																						
CONDITIONS.—This Check is good only on regular passenger trains, and MUST BE USED WITHIN FIFTEEN DAYS FROM DATE. If presented afterwards the Conductor will take it up and collect fare.																						
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC																						
1												1	2	3	4	5	6	7	8	9	0	

Illustrating Stop-Over Check issued from Dixon (No. 48) to Council Bluffs (No. 143), February 1, 1878.

Form 8.
[Size 6 x 3³/₈ in.]

"STOP-OVER CHECK" ENVELOPE,
*To be Inclosed in the Package or Large Envelope with the
Regular Ticket Collections.*

Conductors must inclose herein the Tickets upon which
Stop-Over Checks are issued for each Round Trip, to-
gether with the stubs of such checks, and send same in
Envelope containing regular Ticket Collections to the

TICKET AUDITOR,.....**R'y Co.**

The filing given hereon must be properly filled in, and
an Envelope sent for each Round Trip, whether Stop-Over
Checks are issued or not.

When one-half of the Round Trip falls on the last day
of the month, and the other half in the next month, then
an Envelope must be returned for each half trip.

Date.....

Numbers of Trains.....

Commencing or first Number issued.....

Closing or lowest Number on hand.....

No. of Stubs inclosed.....

..... Conductor.

Form 9.

[Size 8½ x 11 in.]

RECEIPT FOR ADVANCED CHARGES PAID.

RECEIVED from the BLANK RAILWAY COMPANY

The sum of 100 dollars (\$.....)

advanced to..... upon the following described articles:

.....
.....
.....
.....

this day shipped by over said Company's lines, from
..... Station, to..... Station. Upon the delivery of said
..... at said last named Station, or having the same ready
property to..... said advanced sum is be paid by.....
there for delivery to..... Said Railway Company
together with all other costs and charges for transportation or demurrage. Said Railway Company
is to have a first lien on said property for the money above advanced, and all charges for transport-
ation, storage and demurrage, due or to become due on said property.

And in the event that..... our
consignee or agent, as aforesaid, does not repay said charges, together with all other expenses, to
said Railway Company, in a reasonable time after the arrival of said property, then..... do
hereby promise and agree, in consideration of the premises, to pay and satisfy said Railway Com-
pany its demands as aforesaid, together with interest thereon.

Dated at..... Station..... 187.....

Form 10. Receipt for Freight Received by a Railroad Company for Shipment.

[Size 8½ x 7 in.]

No. Station, 187

RECEIVED FROM.....in apparent good order, by the.....
 RAILWAY CO., the following described packages, marked and numbered as per margin, subject to the conditions and regulations of the published tariff of said Company, to be transported over the line of this Railway, to.....
and delivered, after payment of freight, in like good order, to.....
 a company or carrier (if the same are to be forwarded beyond the lines of U.S. Company's road), to be carried to the place of destination; it being expressly agreed that the responsibility of this Company shall cease at this Company's depot at which the same are to be delivered to such carrier; but this Company guarantees that the rate of freight for the transportation of said packages from the place of shipment to..... shall not exceed.....per.....and charges advanced by this Company, subject to the following conditions: This Company shall not be responsible for the loss of packages the contents of which are unknown; for leakage of any kinds of liquids, or caskage of any kind of Glass. Carboys of Acids, or articles packed in Glass, Stoves or Stove Furniture, Castings, Machinery, Carriages, Furniture, Musical Instruments of any kind, packages of Eggs, or for loss or damage on Hay, Hemp, Cotton, or any articles whose bulk renders it necessary to transport it in open cars, or for damage to perishable property of any kind, occasioned by delays from any cause, or change of weather, nor for any loss of weight of Grain, or Coffee in bags, or Rice in tierces, nor for loss of Nuts in bags, or Lemons or Oranges in boxes not covered by canvas, or for damage or loss by Fire, or for loss or damage on the Lakes or Rivers, unless it can be shown that such damage or loss occurred through the negligence or default of the Agents of the Company. It is further especially agreed, that for all loss or damage occurring in the transit of said packages, the legal remedy shall be against the particular carrier or forwarder only in whose custody the said packages may actually be at the time of the happening thereof, it being understood that the..... RAILWAY CO., assumes no other responsibility for their safe carriage or safety than may be incurred on its own Road. All packages subject to charge for Coöperage if necessary.

Marks and Consignee.	No. Pkgs.	Description of Articles.	Weight.

Form 11.

[Size 5½ x in.]

Check Tally Book or Blotter.

1876.

Jan'y 10.

"FROM RICHD. ROE to JNO. DOE, CLAREMONT."

..... Station.

1 "Box D. Goods,"	.	.	.	.	.	.	.	.	200.
1 "Box Hats and Caps,"	.	.	.	.	.	.	.	.	80.
2 "Bbls. Rice,"	.	.	.	.	.	.	.	.	480.
3 "Bbls. G. Apples,"	.	.	.	.	.	.	.	.	450.
5 "Kegs Nails,"	.	.	.	.	.	.	.	.	620.
1 "Box Bolts,"	.	.	.	.	.	.	.	.

Form 12.

[Size 13 x in.]

FREIGHT WAY-BILL.

Car Initials..... Car No..... W.-B. No..... 187

Way-Bill for Freight forwarded from..... to.....

Consignor.	Consignee and Destination.	Description of Articles.	Marks.	Weight.	Rate.	Local Freight Charges.		Charges Advanced.
						Unpaid.	Prepaid.	

[NOTE.—The duplicate is same as above, except the word "Duplicate" is used and the form should be printed in red ink.]

Form 13.

[Size 7½ x 3¼ in.]

LIVE STOCK WAY-BILL. (Stub.)

From..... Station.

Car No. Way-Bill No. Date of Way-Bill, 187

Consignor, **CHARGES TO BE COLLECTED.**

Consignee, Local, - - - \$

Description of Stock, Advanced, - - - \$

Train No.

Conductor, Total, - - - \$

[NOTE.—The Live Stock Way-Bill is exactly like the Freight Way-Bill already described, except that it has the above Stub attached; the Stub goes with the Stock to the Yard.]

Form 14.

Freight Correction Sheet for Freight Way-Bill.

[Size 8½ x 6½ in.] To 187
 At Station, Agent, } From

I have corrected * Way-Bill No. Dated Car No.

WAY-BILL READS PREVIOUS TO CORRECTION:


Consignee and Destination.	Description of Freight.	Weight.	Rate.	Local Freight Charges.		Advanced Charges.
				Unpaid.	Prepaid.	
Total Footings of Way-Bill.						

WAY-BILL READS AFTER CORRECTION:

Consignee and Destination.	Description of Freight.	Weight.	Rate.	Local Freight Charges.		Advanced Charges.
				Unpaid.	Prepaid.	
Total Footings of Way-Bill.						

I have corrected my Freight Books to agree with the above.

..... Agent, } 187
 Agent, }

 A copy of this correction sheet must be sent without delay to the Freight Auditor's Office by the Agent who issues it, and the Original must also be sent to the Freight Auditor's Office by the Agent who last signs it.
 * Agents must be very careful to fill in here the word "my" or "your."

Form 15.

[Size 8¼ x 5¼ in.]

Freight Auditor's Correction Sheet.

FREIGHT AUDITOR'S OFFICE,

187

Agent,

Station.

Way-Bill No., dated

Dear Sir: 187, your Station, should read as follows:

Consignee.	Articles.	Weight.	Rate.	Local Freight Charges.		Advanced Charges.
				Unpaid.	Prepaid.	
Car No.	Total Footings of Way-Bill,					

Forwarding Agent, 187

Freight Auditor.

Receiving Agent, 187

Form 17.

[Size 13 x 16 in.]

Freight Received and Receipt Book.

Record of Freight Received at _____ Station.

Date of Receipt of Freight.	From.	Date of Way-Bill.	Way-Bill No.	Description of Car.	Car No.	Consignor.	Consignee.

CONTINUED, (right hand page.)

WE, the undersigned, hereby acknowledge to have received from the _____ COMPANY, in good order, the articles described below, opposite our names respectively.

Description of Freight.	Weight.	Local Unpaid Charges.	Advanced Charges.	Total of Consignment Payable at this Station.	B.C.C.P.F.C.	Local Prepaid Charges.	Total of Way-Bill.		Date Delivered.	Signature of Consignee or party authorized by his order to receipt for Freight.
							Local Unpaid Charges.	Advanced Charges.		

Form 18.

[Size, back of postal card.]

Notice to Consignees of the Arrival of Freight.

Railway Co.

Station,187

The following property, consigned to you from.....
has arrived at this Depot, and is now ready for delivery:

CAR.	ARTICLES.	CHARGES.

The above property is now subject to your risk. Please call, pay charges and remove property WITHIN 24 HOURS, or same will be charged storage or delivered to Warehouseman.

Deliver to Agent.

N. B.—Property delivered only to Consignee or order. Consignee.

Form 19.

[Size 8½ x 4¼ in.]

FREIGHT EXPENSE BILL.

Station, 187

} Consignee. (..... Consignor.)

To..... RAILWAY CO., DR.

From

Car No.

W.-B. No.

Car Initials

Date of W.-B.

Weight. Rate. Local Charges.

For Transportation and Charges on

Advanced Charges, - -

Drayage, - -

Received Payment, - - \$

Folio

Agent.....

Form 22.

[Size 9½ x 16 in.]

Monthly Abstract Freight Forwarded.

Abstract of Way-Bills Forwarded from Station,
 Month of 187

Date of W.-B.	No. of Way-Bill.	Weight.	Local Charges Unpaid.	Local Charges Prepaid.	Advanced Charges.	Date of W.-B.	No. of W.-B.	Weight.	Local Charges Unpaid.	Local Charges Prepaid.	Advanced Charges.
1876.											
Jan'y											
		"Claremont."									
	30	680	\$4 10								
	74	190	1 15		\$0 30						
		870	\$5 25		\$0 30						

[NOTE.—This blank should be printed in black ink.]

Form 28.

[Size 8½ x in.]

FREIGHT TRACING SHEET.

TO STATION AGENTS, between Station, and 187

The following goods are reported missing at.....

billed from..... 187, IV.-E.

Make a thorough search through your premises, and report hereon whether the goods are, or have been, at your Station.


The Agent at whose Station the goods are found, or the Agent at.....

will, after making the necessary notations, return this Tracer to me.


..... Agent.

MARKS.

ARTICLES.

 Agents will confine their Notations to this form.

STATIONS.	NOTATIONS.	SIGNATURES.	DATE.

 Forwarding Agent will send Tracers for all Freight reported short, and they must be promptly attended to by the Agents to whom they are sent, and all notations made in ink and dated.

Form 29.[Size 7 $\frac{3}{4}$ x 11 in.]**FREIGHT REPORT FOR "SHORT" FREIGHT.**

Station, Agent, 187

I am **SHORT** at this Station the following described Freight from Train No. this day
 brought by Conductor, and billed from Date

187 . IV.-B. No. Car

Articles **SHORT**

Consigned to

ARTICLES BILLED.**ARTICLES RECEIVED.**

Was this Car left at your Station or taken forward in some train?

Were side and end doors and seals in proper order on its arrival?

Forwarding Agent will please state if this freight was actually loaded into Car and forwarded as Billed, or if an error in Billing

Give No. of Train and Name of Conductor

For what Station did Car contain freight?

Give Name of Shipper

Receiving Agent.

Forwarding Agent.

Agents will fill out two copies of this Report, one for the General Claim Agent and one for the Agent at the Station from which the freight is billed, enclosing both copies to the billing Agent for his notations. They will also reply to the inquiries below, and give weights of the freight as billed, and as received, when the nature of the case requires it.

Form 30.

[Size 8 x 10 in.]

Freight Report for "Short" Freight—Received.

Station, _____ 187

GENERAL CLAIM AGENT,

Sir: I received this day the following described

Freight, reported short to me.....

187, Train No.

W.-B. No.

from..... Conductor, returned

FROM.	CONSIGNEE.	CONSIGNOR.	CONDITION.

Respectfully,.....*Agent.*

Agents will send this Report in all cases, when Freight formerly reported short is received.

Form 31.

[Size 8 x 10 in.]

Freight Report for "Over" Freight.

Agent: _____

There is **OVER** at this Station the
Freight described on the back of this sheet, from Train No. _____, brought by
Conductor, billed from _____.

WAY-BILL.		Car No. and Initials.	Articles BILLED.	Articles RECEIVED.
Date.	No.			

NOTE. Agents will fill out two copies of this Report, one for the General Claim Agent, and one for the Agent at the Station from which the Freight is billed, inclosing both copies to the billing Agent, who will, on receipt of these Reports, give his explanations and instructions on each (as to whether it arises from error in billing, or not billing), and what is to be done with the Freight over.

Form 32. Freight Report for "Over" Freight—Accounted For.

[Size 8 x 10 in.]

Station, 187

GENERAL CLAIM AGENT,

over by me 187 , Car No. W.B. No.
from Station, has been accounted for at this Station this day, as
noted by remarks hereon.

Sir: The following described Freight, reported

CONSIGNEE.	ARTICLES.	REMARKS.

Agent.

Agents will send this Report in all cases where Freight formerly reported over has been accounted for or disposed of.

Form 33.

[Size 13½ x in.]

Monthly Report of Freight Over, Unclaimed and Refused.

Station,187

General Claim Agent;

Sir: I give you below a statement of all Freight remaining on hand at this date which is OVER, REFUSED, or which may properly be classed as UNCLAIMED.

.....*Agent.*

Date.	W.-B.	Car.	Where From.	Marks and Consignee.	Description.	Charges.	Remarks.

When the parties to whom Freight is consigned are unknown, or whenever they refuse to receive it, Agents will notify forwarding Agent thereof, and request him to advise consignors and ascertain their wishes regarding its disposal, and on the first of every month they will make a Report on this form, of all Freight that may be refused or unclaimed, and send to the General Claim Office, with such remarks upon its condition and probable value as the nature of the case may require.

If there is no such Freight on hand, forward a blank report, properly dated and signed. Agents in making out this Report, will note disposition of any goods previously reported as over, refused or unclaimed.

Form 35.

[Size $2\frac{1}{2}$ x $1\frac{1}{2}$ in.]

MILK TICKET.

..... Ry.
<i>Good for transportation of ONE</i>
8
4444
GALLON MILK CAN
FROM
CLAREMONT
TO
GRANVILLE.
..... <i>General Ticket Ag't.</i>

[NOTE.—Tickets should be provided for the different denominations of cans used. This Ticket is tied to the milk can and is cancelled by the mutilation of the eyelet hole, i. e., in being torn from the can.]

Form 38.

[Size 9 x in.]

Record of Bulk Grain Delivered Elevators,

_____ Station, _____ 187
 _____ RAILWAY CO.,

RECEIVED of the _____
 the following Cars of Bulk Grain:

Name of Elevator,	Date,	Car No.	Kind of Grain,	Weight,	CONSIGNEE,

Form 39.

[Size 5½ x in.]

Requisition for Tickets.

Station,

187

*To the General Ticket Agent:**The following Tickets are required for use at this Station.*

FORM.	DESTINATION.	Closing (or Highest) Number on Hand.	Number Required.

Agent.

[NOTE.—The five succeeding tables represent the Tickets usually supplied to ordinary Stations.]

Form 40.

[Size 2½ x 1¼ in.]

LOCAL (CARD) TICKET.

945	RY.	945
FIRST CLASS		
CLAREMONT		
TO	CL	78
GRANVILLE		69
	G. T. A.	

[NOTE.—This very ingenious Ticket, introduced by Mr. W. A. Thrall, answers for a *First-class Ticket*, and by detaching the lower right-hand corner, as indicated by the slanting line, becomes a *Half-Fare Ticket*. The number 78 being the number of the Station where the Ticket was sold; the lower number, 69, being the number of the Station to which the Ticket was sold. The part detached is retained by the agent until the end of the month, when it is transmitted by him to the General Ticket Office with the Monthly Ticket Report as his voucher for reporting the Ticket-*Half-Fare*.

Form 41.

[Actual Size.]

ROUND TRIP TICKET.

RAILWAY.

Going

ROUND TRIP TICKET

Return

TO

3925

General Ticket Agent

Good only on such trains as stop regularly at both Stations named, and for a continuous trip each way only.

AUDITOR'S CHECK.

NOT GOOD FOR PASSAGE.

ROUND TRIP TICKET

TO

To be detached only by Conductor when presented and returned with Collections.

3925

[NOTE.—This Ticket (also introduced by Mr. Thrall), is confined to particular districts. It has a stub attached which is filled up when the Ticket is sold, and is preserved as a record for the agent in writing up his accounts.]

Form 42.

[Actual Size.]

BOOK TICKET.


FIRST CLASS	.....<i>Railway.</i>
ONE PASSAGE	
From CLAREMONT	
To.....	
1596	.....<i>Gen'l Ticket Agent.</i>

[NOTE.—This blank Ticket is used in ticketing passengers to local points (on the same division) for which there are no Card Tickets provided. This Ticket has a stub attached which is filled up when the Ticket is sold and is preserved as a record.]

Form 43.

[Actual Size.]

INTER-DIVISION TICKET.

<i>Railway.</i>	
JACKSON	
TO	
The Station on this Railway named below.	
Good for One First Class Passage	
<i>upon presentation of this Ticket, if stamped by the Company's Agent, and presented with Coupons attached within Thirty Days from date.</i>	
 <i>The Conductor upon the Division at the end of the route will take up this Ticket, together with the Coupon for that Division.</i>	
.....	
<i>General Ticket Agent.</i>	
.....	
<i>Issued by</i> <i>Railway.</i>	
From Jackson.	<i>Ry.</i>
One FIRST-CLASS Passage	
CRESTON to	
Form	C
<i>This Coupon will be forfeited if detached from the Ticket.</i>	
74	
.....	
<i>Issued by</i> <i>Railway.</i>	
From Jackson.	<i>Ry.</i>
One FIRST-CLASS Passage	
From JACKSON to CRESTON.	
Form	C
<i>This Coupon will be forfeited if detached from the Ticket.</i>	
74	

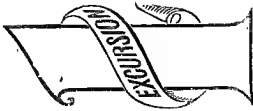
[NOTE.—Form used in ticketing passengers from Stations on one division to a Station on another division.]

LOCAL COUPON TICKETS.—The form used in ticketing passengers to points on other Railroads is substantially the same as the above, except the Station where the Ticket is sold is inserted in ink, while the destination is printed; Tickets to different points have different Form numbers. The Tickets are not usually limited as to time, and the name of the road over which each Coupon goes is printed upon the same. All Tickets and Coupons must be stamped with the Station stamp.

Form 44.

[Actual Size.]

EXCURSION TICKET.

	<p>RAILWAY.</p> <p>ONE PASSAGE</p> <p>From CLAREMONT</p> <p>To and Return.</p> <p><i>In consideration of the reduced rate at which this Ticket is sold, it will be</i></p> <p>Good only until 187</p> <p>General Ticket Agent.</p>
2648	

[NOTE.—This Ticket has a stub attached, which is filled up when the Ticket is sold, and is preserved as a record.]

Form 45.

[Size 27 x in.]

LOCAL TICKET BOOK.

Daily Record Book of Closing Numbers; Monthly Record of Local Tickets on Hand and Sold

Highest No. on Hand.	STATIONS. (Written in.)	Rate.	1st		2d	3d	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	
			Commenc- ing.	Clos- ing.																

CONTINUED (right hand page.)

at Station, for the Month of 187

17th	18th	19th	20th	21st	22d	23d	24th	25th	26th	27th	28th	29th	30th	31st	Total No. Sold Dur- ing Month.		Half Tks.		Ex'n Ts.		Am't.	
															No.	Per- cent.	No.	Rate.	No.	Rate.		

[Bottom of left hand page.]

Book Tickets, Amount.
 Half Fare Tickets, "
 Excursion Tickets, "
 Round Trip Tickets, "
TOTAL AMOUNT OF LOCAL TICKET SALES,

[NOTE.—The closing number of the Tickets on hand to each Station is entered in the proper date column each day.]

Form 46.

[Size 16 x 13½ in.]

COUPON TICKET BOOK.

Record Book of Coupon Tickets Received and Sold at Station,
for the year ending December 31, 187.....

Tickets on Hand		TICKETS RECEIVED.										Total No. Received.										
Dec. 31, 187		DURING THE YEAR.																				
Commencing Number.	Number.	Month.	Commencing Number.	Number.	Month.	Commencing Number.	Number.	Month.	Commencing Number.	Number.	Month.	Commencing Number.	Number.	Month.	Commencing Number.	Number.	Month.	Commencing Number.	Number.	Month.		
Closing Number.	Closing Number.		Closing Number.	Closing Number.		Closing Number.	Closing Number.		Closing Number.	Closing Number.		Closing Number.	Closing Number.		Closing Number.	Closing Number.		Closing Number.	Closing Number.		Closing Number.	Closing Number.

CONTINUED.

Bat on hand.		TICKETS SOLD OR RETURNED.												Total Number Sold or Returned.	
Dec. 31, 187.															
Commencing Number.	Number.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Number.	Closing Number.
		Commencing Number.	Commencing Number.	Commencing Number.	Commencing Number.	Commencing Number.	Commencing Number.	Commencing Number.	Commencing Number.	Commencing Number.	Commencing Number.	Commencing Number.	Commencing Number.	Number.	Closing Number.

FORM.

Form 47.

[Size 8½ x 3¼ in.]

Daily Local Ticket (Earnings) Report.

RAILWAY COMPANY.

STATION,

187

To the General Ticket Agent.

Dear Sir:—The amount received at this Station for Local Sales
this day is \$

The amount entered above must embrace the daily sales of all description of Tickets, except Coupon Tickets, which must be entered on opposite side of this slip in detail, as per directions given.

Agent.

Daily Report of Ticket Sales

From Station,

For 187

Form and Number of Coupon Tickets Sold.

[See The reverse side of the above blank reads as follows:]

Form.	Form.
1st Class.	1st Class.
2d Class.	2d Class.
Emigt.	Emigt.
Form.	Form.
1st Class.	1st Class.
2d Class.	2d Class.
Emigt.	Emigt.

Form 48.

Weekly Local Ticket Report.

[Size 9 x 14 1/2 in.] Report of Local Tickets from Station, for Week ending 187

Stations. (Printed in regular form.)	REGULAR TICKETS.		ROUND TRIP TICKETS.		HALF EXC'RSN.	
	Come'g No.	Closing No. Sold.	Come'g No.	Closing No. Sold.	No. Sold.	No. Sold.

MISCELLANEOUS TICKETS.

Destination.	Form.	Commencing No.	Closing No.	No. Sold.
Spilled Tickets, (give No. and kind of each.) Form "Miscellaneous" (Destination reported above.) Book Tickets (Whole Fare.) Half Fare Tickets. Excursion Tickets.				

[Printed on the back of the Report.]

Form 49.

Report of Local Tickets from

MONTHLY LOCAL TICKET REPORT.

Station, for Month of

Stations. (Printed in regular order.)	Station Nos.	Regular Tickets.				Round Trip Tick'ets.				Half Tkts.		Exc'r Tkts.		Amounts.	
		Comc'g No.	Clos'g No.	No. Sold.	Rate.	Comc'g No.	Clos'g No.	No. Sold.	Rate.	No. Sold.	Rate.	No. Sold.	Rate.	No. Sold.	Rate.

MISCELLANEOUS TICKETS.

Highest No. on hand.	Destination	Form.	Commencing No.	Closing No.	No. Sold.	Rate.	Amount.
	Total Miscellaneous Tickets, Spoiled Tickets Returned, Ticket. (Give No. and kind of each Ticket.) Form " Miscellaneous, (Destina- tion reported above.) Book Tickets. (Whole Fare.) Half Fare Tickets, Excursion Tickets.						

[NOTE.—The various amounts are recapitulated on the back of the report, underneath the filine.]

[This part appears on the back of the blank.]

Form 50.

[Size 8½ x 14 in.]

MONTHLY COUPON TICKET REPORT.

Monthly Coupon Ticket Report from _____ Station,

For the Month of _____ 187

Destination.	Form.	TICKETS SOLD.		No. SOLD.		Rate.	Amount.
		Com'g No.	Closing No.	1st Class.	2d Class.		

..... Agent.

Form 51.

[Size 16 x 10½ in.]

Suppositional Transfer Balance Sheet.

BLANK Station, for the Months of June and July, 1875.

DR.

JOHN DOE TO RICHARD ROE.

A	To balance of MAY account to debit,			\$1,368 75
B	" Errors to debit in MAY as per statement from Local Treasurer,			
C	" Am't of local charges on way-bills received for collection, viz: {	Way-bills dated in June,	\$8,769.60	
		" " " " " July,	569.40	
D	" Am't of advanced charges on way-hills rec'd for collection, viz: {	Way-bills dated " June,	762.25	
		" " " " " July,	136.80	
E	" Amount received for charges on prepaid freight forwarded,	{	125.60	
		" " " " " July,	27.90	
		" " " " " July,	5.00	
F	" Amount received for miscellaneous charges as per statement within,	{	953 95	
		" " " " " July,	211.46	
G	" Amount received for sale of local passenger tickets,	{	190.25	
		" " " " " July,	45.60	
H	" Amount received for sale of coupon passenger tickets,	{	7.80	
		" " " " " July,	1.20	
I	" Amount received for extra baggage, lost checks and pledge tickets,	{	538.90	
		" " " " " July,	87.60	
J	" Amount drawn on Local Treasurer to pay advanced charges,	{	15.60	
K	" Amount of overcharges not refunded at present date as per Over-charge Book,	{	110.20	
L	" Amount charges to be paid connecting road on freight received since last settlement to be forwarded,	{		
		Total amounts of debits transferred,	\$7,559.01	7,559 6.
		" " " " credits	4,029.15	
		{ Debit John Doe,		
		{ Credit Richard Roe,	\$3,529.86	
		On account of June,	\$3,210.56.	
		" " " " July,	319.30.	
	Total,			\$8,928 51

See next page.

Form 52.*Specimen Balance Sheet from BLANK Station, for the Month of SEPTEMBER, 1875.*

[Size 16 x 10½ in.] DR.

JOHN DOE.

(1)	To balance of last month's report to my debit,		\$3,874 06
(3)	" " Errors to my debit last month as per statement from Local Treasurer,		77 50
(5)	" " Amount local charges on this month's way-bills received for collection up to and including last day of the month,	5,855 23	
(7)	" " Amount local charges on this month's way-bills received for collection after the last day of the month,	138 92	5,994 15
(9)	" " Amount advanced charges on this month's way-bills received for collection up to and including last day of the month,	\$1,976 28	
(11)	" " Amount advanced charges on this month's way-bills received for collection after the last day of the month,	97 13	2,073 41
(13)	" " Amount received this month for charges on prepaid freight forwarded, including milk tickets,		83 69
(15)	" " Amount received this month for loading, unloading and transferring cars, dockage and storage not shown on way-bills, nor included in items 5 and 7,		
(17)	" " Amount received this month for switching and mileage of cars,		
(19)	" " Amount received this month for sale of passenger tickets,		\$1,973 73
(21)	" " Amount received this month for sale of passenger tickets,		
(23)	" " Amount received this month for extra baggage and conductors' pledge tickets and lost baggage checks,	647 75	2,621 48
(25)	" " Amount received this month for telegrams,		5 90
(27)	" " Amount received from or drawn on Local Treasurer this month to pay advanced charges on freight forwarded,		287 32
(29)	" " Amount overcharges unrefunded, as per Station Overcharge Book,		
			\$15,017 51

See next sheet.

Form 52.

Specimen Balance Sheet from BLANK Station, for the Month of SEPTEMBER, 1875.

[CONTINUED.]

JOHN DOE.

CR.

See preceding page.

(2)	By balance of last month's report to my credit,		
(4)	" Errors to my credit last month as per statement from Local Treasurer,		
(6)	" Remittances this month as per list of same on back of this sheet,		\$12,518 76
(8)	" Amount of advanced charges on freight forwarded this month as per way-bills,		115 48

Balance to my debit carried to next month's Balance Sheet, made up as follows, viz:

(10)	Uncollected freight bills on hand at close of the last day of the month as per statement annexed hereto, giving each item in detail,	\$236 08
Additional Uncollected freight as per statement annexed, being this month's way-bills, received for collection after the last day of the month, but charged to me in this balance sheet as follows, viz:		
(12)	Local charges (see item 7),	138 92
(14)	Advanced charges (see item 11),	97 13
(16)	Remittance of Sept. 28, 1875, received by Local Treasurer, Oct. 1, 1875,	991 75
(18)	Remittance of Sept. 29, 1875, received by Local Treasurer, Oct. 2, 1875,	436 28
(20)	Remittance of Sept. 30, 1875, received by Local Treasurer, Oct. 3, 1875,	433 11
(22*)		
(24*)		
(30)	Working Fund,	50 00
		2,383 27
		\$15,017 51

JOHN DOE, Agent.

October 8, 1875.

* These lines to be used for any special items forming part of balance on hand.

Form 53. Statement of Cash Credited during the Month of 187
 [Size 8½ x 10½ in.]

REFERRED TO IN THE WITHIN BALANCE SHEET.

Date when Credited by Local Treasurer.	Amount of Cash Credited.	Amount of Vouchers Remitted as Cash.	Date when Credited by Local Treas'r.	Amount of Cash Credited.	Amount of Vouchers Remitted as Cash.									
<i>Brought forward,</i>														
Carried forward, <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: right;">Total Cash, \$</td> <td style="width: 33%;"></td> </tr> <tr> <td></td> <td style="text-align: right;">Total Vouchers, \$</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">Total, \$</td> <td></td> </tr> </table>							Total Cash, \$			Total Vouchers, \$			Total, \$	
	Total Cash, \$													
	Total Vouchers, \$													
	Total, \$													

[NOTE.—The above form is printed on same blank with the Monthly Balance Sheet.]

Know all Men by these Presents,

THAT WE..... as principal, and
..... of
..... of
..... of

as sureties, are held and firmly bound unto the **BLANK RAILWAY COMPANY**, in the sum of..... Thousand Dollars, lawful money of the United States of America, to be paid to the said *Blank Railway Co.*, their Attorney, Successors or Assigns; for which payment, well and truly to be made, we bind ourselves, our and each of our heirs, executors and administrators, jointly and severally, firmly by these presents.

Sealed with our seals. Dated this.....day of.....A. D. 18

Whereas, The above bounden..... is, and for some time past has been, the Agent of the said *Blank Railway Company*, at..... Station on said Road, and as such is entrusted with the care and management of all the business of said Company at said Station,

Now, Therefore, the Condition of this Obligation is such,

That if the above bounden..... shall at all times hereafter, keep just, true and correct accounts of all of said business of said Company, coming into his hands as such Agent or otherwise; and shall make and forward to the proper officer of said Company, full, true and correct statements of the accounts of the business of said Company so coming to his hands whenever the same shall be required by the rules and regulations of said Company, or by the Local Treasurer, or any officer of said Company; and shall, in like manner, make and forward full, true and correct balance sheets, showing the correct state of his accounts as such Station Agent, at the end of each and every month; and shall collect all dues, fees, freight or passage money, and all other sums of money due and payable, or which may become due and payable, to said Company at said Station; and shall duly pay over to said Company, its Local Treasurer or other duly authorized Agent or Attorney thereof, all sums of money that are now due from him to said Company, or that may hereafter become due, or that may in any manner come into his hands as such Agent and belonging to said Company, each day, or whenever required by the rules and regulations of said Company or the Local Treasurer or any general officer thereof; and shall do and perform all and singular the duties of such Station Agent that now are, or may hereafter be, lawfully imposed upon said Agent by said Company, and attend diligently and faithfully thereto, then this obligation to be void, otherwise in full force and effect. [See next page.]

[See preceding page.]

And the above bounden

expressly agree that if, in any action at law or in equity brought upon this bond, or if in any legal proceedings whatever, it should become necessary to show the amount of money or other property of said Company, or in which they should have any interest, at any time in the possession or control of the said....., or in any manner chargeable to him, the books, papers and records of said Company, including the printed or written instructions and circulars of any of the officers thereof, to its Agents, shall be admitted as competent evidence of whatever may therein be contained, without any other evidence of their authenticity than proof by some officer or stockholder of the Company that they are in fact the books, papers, records, instructions or circulars thereof, or of its officers, and the evidence of any officer or stockholder of the Company shall not be excluded because of any pecuniary interest he may have in such action or proceeding.

..... [SEAL.]

..... [SEAL.]

..... [SEAL.]

[NOTE.—On the back of the bond, blank places are provided which the sureties are required to fill up and swear to; the statement which they must swear to recites that each of the sureties is the owner of real estate free from incumbrance and equal in value to the amount of the bond.]

Shop Clerk's and Storekeeper's Bond.

The form of Bond required from Shop Clerks is the same, generally, as that required from Agents. The clause reciting the conditions of the Bond reads as follows :

“That if the above bounden.....
shall at all times hereafter, keep just, true and correct accounts of the time and wages of the men employed by said Company, and shall make and forward to the proper officer of said Company, full, true and correct statements of the accounts of such shop, at the end of each and every month, or as often as requested, and the account to which said wages shall be charged; of all materials disbursed on account of the Company and the purposes for which such material was used; of all labor performed by operatives of the Company, for Individuals and Corporations whomsoever; of all materials furnished, from supply stores or from the property of the Company to Individuals and Corporations; of all moneys coming into his hands belonging to the Company, and of all materials received at his shop, whether transferred from other places or delivered to the Company at his shop, by individuals or corporations; and shall do and perform all and singular the duties of such clerk, that now are, or may hereafter be lawfully imposed upon him by said Company, and attend diligently and faithfully thereto, then this obligation to be void, otherwise in full force and effect.”

On the back of the Bonds for Shop Clerks, blanks are provided which the sureties are required to fill up and swear to. The affidavit recites that the surety is the owner of real estate free from incumbrance and equal in value to the amount of the Bond.

Form 57.

10½ x 14½ in.

Train Report of Freight Carried.

The following is a correct statement of the date of each Way-Bill, number of each Way-Bill and Car, names of points From and To, and the total footings of the Local Freight Charges columns of each Way-Bill of Freight handed in Train

No. run by me between Station, and Station, 187
 Conductor.

Date of Way-Bill. (Give name of Month and Date.)	No. of Way-Bill.	No. of Car.	FROM	TO	Local Charges.	REMARKS.

INSTRUCTIONS.—Conductors are prohibited from receiving into their train a loaded car or package of freight, unless the same is accompanied by a regular Way-Bill.

This report must be made by Conductors of all trains in which freight is transported. It must be filled up in full (but need not be footed) and enclosed to the Auditor of Freight Accounts, immediately upon the arrival of Conductors at their destination.

Every possible precaution must be observed by Conductors to prevent the occurrence of errors or omissions in this Report. When the Way-Bill is for dead-head freight, note in the local charges column "D. H.," giving in the column headed "Remarks" the name of consignee.

When the Way-Bill is for Company's freight, note in the local charges column "C. F."
 When the Way-Bill is for grain in bulk or for any other description of freight, the weight and local charges of which can not be ascertained until the car has reached its destination, describe in the briefest way possible the kind of freight in car. The initials "B. G." will stand for Bulk Grain.

Conductors are required to keep a supply of these blanks constantly on hand.

Form 58.

[Size 30 x 20 in.]

RECORD Book of LOCAL Coupons.*Division of LOCAL COUPON TICKETS Sold**During the Month of 187*

Consecutive Numbers.		Closing Number.	
No. Sold.		Commencing Number.	
		1st Class.	
		2d Class.	
Through Rate.			
Total Amount.			
Union Pacific.		Amount.	
		Rate.	
C. & N. W. Ry.		Amount.	
		Rate.	
Mich. Central.		Amount.	
		Rate.	
		Amount.	
		Rate.	
		Amount.	
		Rate.	
		Amount.	
		Rate.	
Form.			
To			
From			

[NOTE.—By using both pages of the Book, provision can readily be made for 50 specific roads; by providing a miscellaneous column, this book will easily accommodate the Coupon business of the largest railway company. The local earnings, or proportion belonging to the Company issuing the tickets, should be entered in the first column, i. e., in the "Union Pacific" column, as this blank is arranged.]

Form 60.[Size 29 x 19 $\frac{3}{4}$ in.]**RECORD BOOK OF FOREIGN COUPONS.**

Record Book of Foreign Coupon Tickets of _____ *Company*

As REPORTED and as actually COLLECTED for the year 187

Destination.	(Name of Station.)		(Name of Station.)				(Name of Station.)			
	1st.	2d.	1st.	2d.	1st.	2d.	1st.	2d.		
Form.	Rep.	Col.	Rep.	Col.	Rep.	Col.	Rep.	Col.	Rep.	Col.
Class.	Rep.	Col.	Rep.	Col.	Rep.	Col.	Rep.	Col.	Rep.	Col.
187										
January,										
February,										
March,										
April,										
May,										
June,										
July,										
August,										
September,										
October,										
November,										
December,										
Totals,										

[NOTE.—By using a large leaf, columns can be provided as above for 18 or 20 stations on each page. Three sets of tables same as above can be entered on each sheet.]

Form 64.

[Size 14 x 19 in.]

AGENT'S FREIGHT JOURNAL.

Amounts due from Agents for Collections from Miscellaneous sources, and Freight Balances with Agents for Month of 87

Names of Agents.	Freight Earnings.	
	BALANCE.* (Dr. in Black Ink.) (Cr. in Red Ink.)	
	By amount Charges Advanced on Freight Forwarded.	
	Total Amount to Debit.	
	To amount due on account of Overcharges Unrefunded.	
	To amount Prepaid Freight Forwarded.	
	To amount Advanced Charges on Freight Rec'd.	
To amount, Unpaid Freight Received.		
	Amount Collections for: Loading, Unloading and Transferring Cars, Switching, Storage Dockage, Demurrage, &c.	
Folio of Agents' and Conductors' Ledger.		

* Only the Balances with Agents on account of Freight business are posted to the ledger; the information contained in the other freight columns, however, is required in examining and correcting the Station Agents' monthly balance sheets.

RAILROAD COMPANIES' FREIGHT JOURNAL.

Freight Balances with Railroad Companies for Month of 187

BALANCE.* (Dr. in Black Ink.) (Cr. in Red Ink.)	
<i>Total Amount to Credit.</i>	
By amount their proportion of Pre- paid Freight Received by them.	
By amount their Charges Advanced on Freight For- warded by them.	
By amount due Foreign Co's acc't their proportion of Freight Forwarded.	
<i>Total Amount to Debit.</i>	
To amount our Proportion of Pre- paid Freight Received.	
To amount our Charges Advanced on Freight Forwarded.	
To amount of our Proportion of Unpaid Freight Forwarded.	
Names of Foreign Roads.	
Folio of R. R. Co's Ledger.	

* Only the balances should be posted to the "R. R. Co's and Foreign Ticket Agents' Ledger."

Form 67. Record Book of ADVANCED CHARGE CHECKS or DRAFTS ON THE LOCAL TREASURER *out-*
standing unpaid..... 187 , drawn by..... *Agent.*

Date.	Number.	Amount.	REMARKS.

[NOTE.—Three tables, similar to the foregoing, can be inserted on one page.]

Form 68. DETAILS OF MISCELLANEOUS ACCOUNTS ON RAILROAD COMPANIES' LEDGER.

[Size 13 x 17½ in.]

(Name of Company.)

Debit.

Ledger Date.	Particulars of Account.	Paid.		Railroad Co's Ledger Amount.
		Date.	Items.	

[NOTE.—The Credit side of this book is ruled and headed exactly the same as the Debit side. All bills due to or from other railway companies should be credited or charged in account.

Frequently an aggregate amount upon the Railroad Companies' Ledger, affecting the miscellaneous accounts that are constantly arising between different railroad companies, will embrace many items which will not all be adjusted and paid at the same time; hence arises the necessity of this book giving the details of each aggregate item charged in Miscellaneous accounts; as fast as these details are adjusted the fact is noted in the column headed "Paid;" all items against which there are no notations are, of course, unpaid; the aggregate of these unpaid items constitute the balance of the Miscellaneous account as shown on the Railroad Companies' Ledger.]

Auditor's Register of Vouchers, upon which all bills in favor of parties are entered,.....187

DATE OF PAYMENT.		Month.	Day.	Year.	No. of Check.	Audit No.	Name.	Residence.	Description of Bill.	Total Am't.	MATERIAL AND PAY-ROLLS.		FUEL.		OPERATING.	
Name of Shop or Store-House.											Amount.	Coal.		Division Foreign of Road. Agents.	Adver'g	
Amount.												Wood.				

[CONTINUED.]

EXPENSES: (i. e. such Expenses as can be charged up directly from bills.)		CHARGES-ABLE TO R. R. COMP'S.		GENERAL LEDGER ACCOUNTS		MISCELLANEOUS.	
Loss and Damage.		Amount.		Amount.		Amount.	
Miscellaneous Expenses.		Name of Account.		Name of Account.		Name of Account.	
Injury to Persons.		Amount.		Amount.		Amount.	
Office and Station Furniture & Expenses.		Name of Road.		Name of Road.		Freight Discount (Earnings.)	
Rents.		Sundry Accounts (to be specified by name.)		Passenger Discount (Earnings.)			
Superintendence.							
Agents & Clerks.							
Teaming.							

Form 75.

[Size 8 x 10 1/2 in.]

Accounting Officer's Notice to Agents of Differences in their Monthly Balance Sheet.

.....1879.

.....Agent.

Sir—Your Balance Sheet for Month.....contains the following errors and differences :

Balance of last month's Report to your Debit [Item 1],	The Amount Returned by you.	The Amount of your Account after the Correction of the same by me.	Difference to your Debit, your Credit,
Balance of last month's Errors to your.....			
Am't of Local Charges on W. B.'s received this month to be collected,			
Amount of Advanced Charges on same,			
Amount received for Prepaid Freight forwarded,			
Amount of Sales of Passenger Tickets this month,			
Amount received for Transfer, Loading, Dockage and Storage,			
Amount received for Switching and Mileage of Cars,			
Amount received for Extra Baggage, &c.,			
Am't drawn on Local Treas. this month to pay ch'gs adv'ced on Fr't for'd,			
Amount Overcharges not refunded, as per Station Overcharge Book,			
Amount paid by you this month for Charges on Freight Forwarded,			
Cash Remitted,			
Balance of Differences to your.....			
<i>Totals,</i>			

You will, on your next Balance Sheet,.....yourself with \$.....(Item.....) for balance of differences as above.

Balance to be carried to your debit next month (Item No. 1), \$.....

Whenever, as shown by the above, any Correction is made in your Ticket or Freight accounts, which is not clearly understood, or cannot be located by you, a statement of the same should be obtained from the Department interested, for entry on your books.

Agents will preserve this copy. Yours respectfully, **RICHARD ROE, Accounting Officer.**

Specimen of General Ledger Journal.

GIVING THE ORIGINAL ENTRY FOR EXPRESS AND MAIL TRAFFIC.

	Voucher No.	Folio of Ledger.			
	160	370	<i>American Express Company, To Express Earnings.</i>	\$9,393 00	\$9,393 00
			For amount charged for transportation of freight and messengers of the American Express Company during the month of July, 1876, upon the following named routes owned and operated by this Company, in accordance with contract of July 1, 1874, and subsequent modifications of same, for which see detailed statement on General Journal, A. N., Folio 540. Excess as per Express Company's reports on file.		
			EASTERN DIVISION: Blank to Clairmont, 26 days at \$80.00, \$2,080 00 Excess, 95.00	\$3,423 00	
			Creston to Parkville, " " 48.00, 1,248.00		
			CENTRAL DIVISION: Clairmont to Banbury, " " 95.00, 2,470.00 Excess, 175.00	2,645 00	
			WESTERN DIVISION: Banbury to Eaton, " " 75.00, 1,950.00 Excess, 160.00	3,325 00	
			Oakdale to Helmsley, " " 45.00, 1,170.00 Excess, 45.00		
7	168 372		<i>U. S. Post Office Department, To Mail Earnings.</i>	21,575 00	21,575 00
			For this amount charged account of Mail service on the following named routes owned and operated by this Company during the month of July, 1876, on basis of rates of compensation contained in contract, taking effect July 1, 1875, for which see detailed statement on Journal A. M., Folio 630.		
			EASTERN DIVISION: Blank to Clairmont, 5,000.00 Creston to Parkville, 3,000.00	8,000 00	
			CENTRAL DIVISION: Clairmont to Banbury,	6,500 00	
			WESTERN DIVISION: Banbury to Eaton, 4,3 5 00 Oakdale to Helmsley, 2,750.00	7,075 00	
8	174 462 325 671		<i>Station Agents and Conductors, (General ledger account.)</i> <i>Richard Roe, Agent, Parkville, 75.00</i> <i>(Side ledger account.)</i> <i>To R. R. Companies and Foreign Ticket Agts.,</i> <i>" Richard Roe, Agent, Parkville,</i>	75 00	75 00
			For this amount credited to the above named agent, July 26, 1876, on General Cash Book, A. 2, Folio 62, in account of "Station Agents and Conductors;" it should have been credited in account of "Railroad Companies and Foreign Ticket Agents," (said Roe not being an agent of this company,) and is by this entry transferred to Railroad Companies' and Foreign Ticket Agents' Ledger.		

[NOTE.—The two first entries describe the manner of making the entries for EXPRESS and MAIL traffic upon the general books of the company; the last entry is merely a specimen of a transfer entry from one general account to another; each of the general accounts having a subsidiary ledger in which the detailed accounts are kept.]

Form 76
Size 13 x 17½ in.]

INDEX

TO RAILWAY REVENUE AND ITS COLLECTION.



[For index of the blank forms contained in the book, see "*Index to Forms*," page 590.]

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INDEX TO FORMS

CONTAINED IN THE APPENDIX.

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