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Classification of investment in road and equipment of steam roads

United States. Department of Commerce. Business Advisory and Planning Council. Committee on Statistical Reporting and Uniform Accounting for Industry

Walter Sherman Gifford

Pierre S. Du Pont

William A. Harriman

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CLASSIFICATION
OF
INVESTMENT IN
ROAD AND EQUIPMENT
OF
STEAM ROADS

PRESCRIBED BY THE
INTERSTATE COMMERCE COMMISSION
IN ACCORDANCE WITH SECTION 20 OF THE
ACT TO REGULATE COMMERCE

ISSUE OF 1914

Effective on July 1, 1914



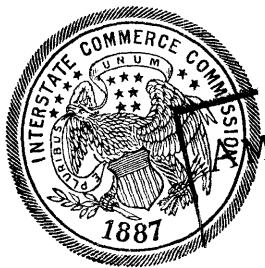
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THE INTERSTATE COMMERCE COMMISSION.

JAMES S. HARLAN, *of Illinois.*

JUDSON C. CLEMENTS, *of Georgia.*

EDGAR E. CLARK, *of Iowa.*

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GEORGE B. MCGINTY, *Secretary.*

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ORDER.

At a General Session of the INTERSTATE COMMERCE COMMISSION, held at its office in Washington, D. C., on the 19th day of May, A. D. 1914.

The subject of a Uniform System of Accounts to be prescribed for and kept by carriers being under consideration, the following order was entered:

It is ordered, That the Classification of Investment in Road and Equipment of Steam Roads and the text pertaining thereto, embodied in printed form to be hereafter known as Issue of 1914, a copy of which is now before this Commission, be, and the same is hereby, approved; that a copy thereof duly authenticated by the Secretary of the Commission be filed in its archives, and a second copy thereof, in like manner authenticated, in the office of the Division of Carriers' Accounts; and that each of said copies so authenticated and filed shall be deemed an original record thereof.

It is further ordered, That the said Classification of Investment in Road and Equipment of Steam Roads with the text pertaining thereto be, and is hereby, prescribed for the use of carriers by rail (exclusive of electric railways) subject to the provisions of the Act to Regulate Commerce as amended, in the keeping and recording of their accounts of investment in road and equipment; that each and every such carrier and each and every receiver or operating trustee of any such carrier be required to keep all said accounts in conformity therewith; and that a copy of said issue be sent to each and every such carrier and to each and every receiver or operating trustee of any such carrier.

It is further ordered, That any such carrier or any receiver or operating trustee of any such carrier may subdivide any primary account established in said issue, or may make assignment of the amount included in any such primary account to operating divisions, to its individual lines, or to States: *Provided, however,* That such subprimary accounts set up or such assignments made by any such carrier or by any receiver or operating trustee of any such carrier do not impair the integrity of the accounts hereby prescribed; and *provided also* that a list of such subprimary accounts set up or such assignments made be first filed in the office of the Division of Carriers' Accounts, subject to disapproval by the Commission.

It is further ordered, That in order that the basis of comparison with previous years be not destroyed, any such carrier or any receiver or operating trustee of any such carrier may, during the twelve months ending June 30, 1915, keep and maintain, in addition to the accounts of investment in road and equipment hereby prescribed, such portion or portions of its present accounts with respect to items of investment in road and equipment as may be deemed desirable by any such carrier or by any receiver or operating trustee thereof, for the purpose of such comparison; or, during the same period, may maintain such groupings of the primary accounts hereby prescribed as may be desired for that purpose.

It is further ordered, That, unless otherwise ordered, any such carrier or any receiver or operating trustee of any such carrier may keep any temporary or experimental accounts for investment the purpose of which shall be to develop economies in construction: *Provided, however,* That such temporary or experimental accounts shall not impair the integrity of any general or primary account hereby prescribed.

It is further ordered, That July 1, 1914, be, and is hereby, fixed as the date on which said issue of the Classification of Investment in Road and Equipment shall become effective.

By the Commission.

[SEAL.]

GEORGE B. MCGINTY,
Secretary.

INTRODUCTORY LETTER.

INTERSTATE COMMERCE COMMISSION,
DIVISION OF CARRIERS' ACCOUNTS,
Washington, May 19, 1914.

TO ACCOUNTING OFFICERS OF STEAM RAILWAYS:

This Classification of Investment in Road and Equipment supersedes the Classification of Expenditures for Road and Equipment, First Revised Issue, effective July 1, 1907, with the Supplement thereto, effective July 1, 1908, and also the Classification of Expenditures for Additions and Betterments, First Revised Issue, effective July 1, 1910. It also supersedes conflicting instructions contained in Accounting Bulletin No. 8.

The plan of merging the accounts of expenditures for additions and betterments with the accounts for investment in road and equipment provides that carriers' records shall be kept in such form that the expenditures for additions and betterments may be reported separately from those for original road, original equipment, and road extensions.

Distinct accounts have been provided for the investment in several classes of buildings which, under the former classification, were included in the account "Miscellaneous structures."

The general and special instructions contain a comprehensive statement of the principles underlying the classification, indicating generally the application of the accounting rules. The attention of accounting officers is called to the importance of requiring all employees who are assigned to accounting work in connection with investment in road and equipment to familiarize themselves thoroughly with these instructions.

In the preparation of the revision of the accounting rules contained in this and other classifications for steam roads, which are concurrently issued, the Commission has had the cooperation of the Association of American Railway Accounting Officers, and of its Standing Committee on Corporate, Fiscal, and General Accounts.

The classification, in tentative form, was presented for criticism and suggestions to the chief accounting officer of each railway and

to the railway commissions of the several States. All suggestions received from such parties have been given careful consideration and many of them have been incorporated in the classification as here issued.

FRED W. SWENEY,
Chief Examiner of Accounts.

GENERAL INSTRUCTIONS.

The carrier's records shall be kept with sufficient particularity to show fully the facts pertaining to all entries made in the accounts provided herein for investment in road and equipment. Where the full information is not recorded in the general books, the entries therein shall be supported by other records in which the full details shall be shown. Such general book entries shall contain sufficient reference to the detail records to permit ready identification, and the detail records shall be filed in such manner as to be readily accessible for examination by representatives of the Interstate Commerce Commission.

1. ACCOUNTS FOR INVESTMENT IN ROAD AND EQUIPMENT.—The accounts prescribed in this classification are designed to show the investment of the carrier in property devoted to transportation service. The carrier's investment in physical property other than transportation property is provided for in balance-sheet account No. 705, "Miscellaneous physical property." *The carrier* means the accounting carrier, except when otherwise specifically indicated. The carrier's records shall be kept in such form that expenditures for additions and betterments may be reported separately from those for original road, original equipment, and road extensions, and shall show separately the expenditures under each authorized addition and betterment project. (See balance-sheet account No. 701, "Investment in road and equipment," and No. 702, "Improvements on leased railway property.")

2. ITEMS TO BE CHARGED.—To these accounts shall be charged the cost of original road, original equipment, road extensions, additions, and betterments; also the estimated values at time of acquisition of right of way and other road and equipment property donated to the carrier, except that unless authorized by the Commission no charges shall be made to these accounts after July 1, 1914, for donations received previously to that date. Applications to the Commission for including such items in the road and equipment accounts shall contain full information concerning the source and character of the donations.

If the total cost of additions and betterments to any class of equipment, or any class of fixed improvements (except tracks), under a general plan, considered as a whole, is less than \$200, the option may be exercised of charging the amount expended to the appropriate account in Operating Expenses. This rule is not to be construed as authorizing the parceling of expenditures in order to bring them within this limit.

Construction includes all processes connected with the acquisition and construction of original road and equipment, road extensions, additions, and betterments.

Original road means the land and fixed improvements provided and arranged for in the original plan for the construction of a new road. When the acquisition of any such fixed improvements under the original plan is deferred, such improvements,

when acquired, shall be considered as additions. Original road shall not be construed to include fixed improvements which, under the original plans for the road, it is proposed to substitute at some time subsequent to the beginning of commercial operations for the improvements originally installed and used for transportation operations, such as steel bridges substituted for trestles.

Original equipment means equipment provided and arranged for under the original plan for the construction of a new road. When the acquisition of such equipment under the original plan is deferred, such equipment, when acquired, shall be considered as additions.

Road extensions means the land and fixed improvements provided and arranged for in the original plan for the construction of extensions of existing main lines, additional branch lines, and extensions of existing branch lines. When the acquisition of any such fixed improvements under the original plan is deferred, such improvements, when acquired, shall be treated as additions. Road extensions shall not be construed to include fixed improvements which under the original plans for the extensions it is proposed to substitute, at some time subsequent to the beginning of commercial operations, for the improvements originally installed and used for transportation in connection with commercial operations, such as steel bridges substituted for trestles.

Equipment means the rolling stock, boats, highway vehicles, horses, and harness devoted to transportation service, the cost of which is includible in the equipment accounts.

Fixed improvements means structures which are fixed as to location, such as tunnels, bridges, buildings, earthworks, etc.

Additions are additional facilities, such as additional equipment, tracks (including timber and mine tracks), buildings, bridges, and other structures; additions to such facilities, such as extensions to tracks, buildings, and other structures; additional ties laid in existing tracks; and additional devices applied to facilities, such as air brakes applied to cars not previously thus equipped. When property, such as a section of road, track, unit of equipment, shop or power plant machine, building, or other structure, is retired from service and replaced with property of like purpose, the newly acquired property shall, for the purpose of this classification, be considered as an addition, and the cost thereof accounted for accordingly. (See section 7.) If, however, the property retired and replaced is of minor importance, such as a small roadway building or other structure, and is replaced in kind without betterment, the cost of the replacement shall be charged to Operating Expenses, and no adjustment made in the road and equipment accounts.

Betterments are improvements of existing facilities through the substitution of superior parts for inferior parts retired, such as the substitution of steel-tired wheels for cast wheels under equipment, the application of heavier rail in tracks, and the strengthening of bridges by the substitution of heavier members. The cost chargeable to the accounts of this classification is the excess cost of new parts over the cost at current prices of new parts of the kind retired. (See section 12.)

Costs shall be actual money costs to the carrier. Where a portion of the funds expended by the carrier has been obtained through donations by States, municipalities, individuals, or others, no deductions on account of such donations shall be made in stating the costs. Contributions for joint expenditures should not be considered as donations. The carrier's proportion only of the cost of joint projects, such as construction of jointly owned tracks and elimination of highway crossings at joint expense, shall be included in these accounts.

3. BASIS OF CHARGES.—The charges to the accounts of this classification shall be based upon the cost of the property acquired. When the consideration given for the purchase or the improvement of property the cost of which is chargeable to the accounts of this classification is other than money, the money value of the consideration at the time of the transaction shall be charged to these accounts, and the actual

consideration shall be described in the record in sufficient detail to identify it. The carrier shall be prepared to furnish the Commission, upon demand, the particulars of its determination of the actual cash value of the consideration, if other than money.

4. **COST OF CONSTRUCTION.**—It is intended that the accounts for fixed improvements and equipment shall include the cost of construction of such property. The cost of construction shall include the cost of labor, materials and supplies, work-train service, special machine service, transportation, contract work, protection from casualties, injuries and damages, privileges, and other analogous elements in connection with such work. The several items of cost here referred to are defined as follows:

(a) *Cost of labor* includes the amount paid for labor expended by the carrier's own employees, including the cost of labor expended for preliminary work, such as sinking test holes or making soundings for tunnels, grading, buildings, and other structures; and cost of labor expended in laying and taking up tracks for temporary use in construction, except the cost of labor expended on tracks provided for the protection of traffic during the progress of addition and betterment work. Office expenses and traveling and other personal expenses of employees, when borne by the carrier, shall be considered a part of the cost of the labor, as shall also the cost of fidelity bonds and employers' liability insurance premiums. When officers or employees are specially assigned to construction work, their pay and their traveling and incidental expenses while thus engaged shall be included in the cost of the work. No charge shall be made against road and equipment accounts for the pay of officers who merely render services incidentally in connection with extensions, additions, or betterments, although traveling and incidental expenses incurred by such officers solely on account of such work shall be included in the account to which the cost of the work is chargeable.

(b) *Cost of materials and supplies* includes the purchase price of materials and supplies, including small tools, at the point of free delivery, plus the costs of inspection and loading assumed by the carrier; also a suitable proportion of store expenses. (See special instructions for operating expense accounts, sections 16 and 17.) In calculating the cost of materials used, proper allowance shall be made for the value of unused portions and of cuttings, turnings, borings, etc.; for the value of the material recovered from temporary tracks, scaffolding, cofferdams, and other temporary structures used in construction; and for the value of small tools recovered and used for other purposes.

(c) *Cost of work-train service* includes amounts paid to others for rent and maintenance of the equipment used; cost of labor of enginemen, trainmen, and engine-house men, including the wages of engine crews and train crews held in readiness for such service; and the cost of fuel and other supplies consumed in connection with the operation of work trains. It shall also include the cost of maintaining the carrier's own equipment while used in construction service and a fair rent for such equipment while so used. Amounts charged for rent of such equipment used in construction shall concurrently be credited to the appropriate income account for hire of equipment. No "rent" or return upon the investment in such equipment shall be charged for the use of equipment acquired with the proceeds of securities sold, when the interest upon such securities is charged to the accounts of this classification.

(d) *Cost of special machine service* includes the cost of labor expended and of materials and supplies consumed in maintaining and operating steam shovels, scrapers, rail unloaders, ballast unloaders, pile drivers, dredges, ditchers, weed burners, and other labor-saving machines; also rents paid for use of such machines. (See Note A under account No. 37, "Roadway machines," and text of general account II, Equipment, seventh paragraph.)

(e) *Cost of transportation* includes the amounts paid to other companies or individuals for the transportation of men, materials and supplies, special machine outfits, appliances, and tools in connection with construction. Freight charges paid foreign

lines for the transportation of construction material to the carrier's line shall be included, so far as practicable, as a part of the cost of the material, when such charges are borne by the carrier. A fair allowance representing the expense to the carrier of such transportation in transportation service trains over the carrier's own line also shall be included. When the cost of such transportation is not assignable to specific work, it shall be included in account No. 43, "Other expenditures—Road." Amounts thus charged for transportation in transportation service trains over the carrier's line shall be credited to operating expense general account VIII, Transportation for Investment—Cr.

(f) *Cost of contract work* includes amounts paid for work performed under contract by other companies, firms, or individuals, and costs incident to the award of the contract.

(g) *Cost of protection from casualties* includes expenditures for protection against fire, such as payments for discovery or extinguishment of fires, cost of detecting and prosecuting incendiaries, witness fees in relation thereto, amounts paid to municipal corporations and others for fire protection, and other analogous items of expenditure in connection with construction work.

(h) *Cost of injuries and damages* includes expenditures on account of injuries to persons or damage to property when incident to construction projects, and shall be included in the cost of the work in connection with which the injury or damage occurs. It also includes that portion of premiums paid for insuring property applicable to the period prior to the completion or coming into service of the property insured. Insurance recovered on account of compensation paid for injuries to persons incident to construction shall be credited to the accounts to which such compensation is charged, and insurance recovered on account of damages to property incident to construction shall be credited to the accounts chargeable with the expenditures necessary for restoring the damaged property. The cost of injuries and damages incident to the removal of old structures, or parts thereof, shall be charged to Operating Expenses or Profit and Loss, as may be appropriate, except that such costs in connection with the removal of old structures which are incumbrances on newly acquired lands shall be included in account No. 2, "Land for transportation purposes," or No. 3, "Grading," as may be appropriate. (See sections 7 and 8.)

(i) *Cost of privileges* includes compensation for temporary privileges, such as the use of public property or streets, in connection with the construction of the property of the carrier.

5. **EXCAVATED MATERIAL.**—The cost of disposing of material excavated in connection with construction shall be considered as a part of the cost of the work, except that when such material is used for filling, the cost of removal and dumping shall be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used.

6. **ITEMS TO BE CREDITED.**—To these accounts shall be credited the ledger value of property retired.

Ledger value of property is the value at which the property is carried in the property investment account in the general ledger of the carrier. In case the value of any item of property is not shown separately in the ledger the ledger value of that item shall be its proportionate share of the value of the entire group in which the particular property is included.

Property retired means property which is sold, abandoned, demolished, or otherwise withdrawn from transportation service.

Salvage from retired property is the value of material recovered from property retired. When such material is retained and again used by the carrier, the value shall be computed upon the basis of fair prices for the material in its condition as recovered. When such material is sold, the net proceeds of the sale shall be considered as the value of the material.

7. **PROPERTY RETIRED AND REPLACED.**—When a unit of property other than land or equipment—such as a section of road, side or yard track, shop or power plant machine, building, or other structure—is retired from service and replaced with property of like purpose, the ledger value of the retired property shall be credited to the appropriate accounts of this classification at the time that the property is retired from service. The amount of this credit shall be charged concurrently as follows:

An amount equal to the credit balance in the accrued depreciation balance-sheet account with respect to the property thus retired shall be charged to that account and the remainder (less salvage and insurance recovered, if any), together with the cost of demolishing the property, if demolished by or for the carrier, shall be charged to the accounts in Operating Expenses appropriate for the cost of repairs of the property before retirement. The accounting for the salvage shall be in accordance with the disposition made of the material recovered.

If, however, the property retired and replaced with property of like purpose is of minor importance, such as a small roadway building or other small structure, and is replaced in kind without betterment, the cost of the replacement shall be charged to operating expense accounts, and no adjustment made in the road and equipment accounts.

If so authorized by the Interstate Commerce Commission, the carrier may charge to Profit and Loss any extraordinarily large item representing the cost of property retired and replaced, instead of charging such item to Operating Expenses. The carrier shall file with the Commission a statement of the cost and a description of the property retired and the reasons which, in its judgment, indicate the propriety of charging the cost of such property to Profit and Loss.

The provisions of this section are applicable in accounting (at the time of retirement) for the cost of property abandoned, even though the new property has been actually installed previously to the date of the demolition of the abandoned property.

When the renewals to be made to an important building or other structure will constitute the major portion of its value when renewed, the property, when taken out of service, shall be considered as retired and accounted for as provided above, and for the purposes of this classification the renewed property shall be considered as an addition, and the appraised cost thereof shall be included in the accounts of this classification, consideration being given to the secondhand portions remaining therein. In no case shall the charge for the renewed property exceed the cost (at current market prices of labor and material) of new property of equal capacity and equal expectation of life in service, less a suitable allowance on account of the secondhand parts remaining therein.

8. **PROPERTY RETIRED AND NOT REPLACED.**—When a unit of property other than land or equipment—such as a section of road, side or yard track, shop or power plant machine, building, or other structure—is retired from service and not replaced, the ledger value shall be credited to the appropriate property accounts at the time that the property is retired from service. The amount of this credit shall be concurrently charged as follows:

An amount equal to the credit balance in the accrued depreciation balance-sheet account with respect to the property thus retired shall be charged to that account, and the remainder (less salvage and insurance recovered, if any), together with the cost of demolishing the property if demolished by or for the account of the carrier, shall be charged to the appropriate profit and loss account. The accounting for the salvage shall be in accordance with the disposition made of the material recovered.

9. **EQUIPMENT RETIRED.**—The instructions for accounting for equipment retired are contained in the text of the general account II, Equipment.

10. **LAND RETIRED.**—When any land, the cost of which is included in the accounts of this classification, is retired, the ledger value shall be credited to account No. 2, "Land for transportation purposes." If the land is retained by the carrier, its estimated value shall be charged to balance-sheet account No. 705, "Miscellaneous physical property," the necessary adjustment of the difference between the ledger value and the estimated value on account of the loss in the property due to its retirement from transportation service shall be made through Profit and Loss. If sold, the difference between the ledger value credited to account No. 2 and the amount received for the land shall be adjusted in Profit and Loss.

11. **ADJUSTMENTS FOR CONVERTED PROPERTY.**—When property, such as a unit of equipment, a building, or other facility of one class, is converted into property of another class, so that the amount of investment in such property must be transferred from one account of this classification to another, the ledger value shall be credited to the appropriate road and equipment account. Proper account shall be taken of any salvage recovered in the process of conversion. The amount of the balance in the accrued depreciation balance-sheet account, with respect to the property thus converted, shall be charged to that account. The appraised cost of the property converted (consideration being given to the secondhand portions remaining therein) shall be included in the appropriate account of this classification. The charge for the converted property in no case shall exceed the cost (at current market prices of labor and material) of new property of equal capacity and equal expectation of life in service, less a suitable allowance on account of the secondhand portions remaining therein. The ledger value of the property before conversion, plus the cost of conversion, less the sum of the estimated value of the property as converted, the amounts charged to accrued depreciation accounts, and the salvage recovered, shall be charged to the operating expense accounts appropriate for the costs of repairs of the fixed improvements or for the retirement of equipment before conversion.

12. **EXPENSES IN CONNECTION WITH ADDITIONS AND BETTERMENTS.**—The cost of removing old material from equipment and from buildings, bridges, wharves, tracks, and other fixed improvements, shall be charged to the appropriate operating expense accounts. Such charges shall include the cost of removing old foundations and filling old excavations, and restoring condition of grounds after addition and betterment work; rearranging or relocating existing tracks; relocating telegraph and telephone poles or lines, fences, track and other signals, buildings, bridges, trestles, culverts, and other structures, and farm and highway crossings, including crossing gates and alarms, when the provisions of section 8 of these instructions are not applicable; and maintaining or protecting traffic during the progress of addition and betterment work, including the cost of constructing, maintaining, and removing temporary tracks required for maintaining traffic during the progress of the work.

13. **INTERPRETATION OF ITEM LISTS.**—Lists of "items," "details," etc., have been given as a part of this classification for the purpose of clearly indicating the application of the accounting rules in specific cases. The lists in every case are to be considered as merely representative, and not as excluding from any account analogous items which happen to be omitted from the list appended. On the other hand, the appearance of an item in a list warrants the inclusion of the item in the account concerned only when the text of the account also indicates inclusion, inasmuch as the same item frequently appears in more than one list. The item of boilers, for example, will be found under accounts Nos. 18, 27, 37, 44, and 45, and the proper charge in any one instance must be determined by the text of the account.

14. **SUBMISSION OF QUESTIONS.**—To the end that uniformity of accounting may be maintained from year to year, carriers shall submit all questions of doubtful interpretation of the accounting rules to the Commission for consideration and decision.

TEXT PERTAINING TO ACCOUNTS FOR INVESTMENT IN ROAD AND EQUIPMENT.

I. ROAD.

The several primary accounts included in this general account are designed to show the cost of land, fixed improvements, and roadway machines and tools owned by the carrier and devoted to transportation service.

1. ENGINEERING.

This account shall include the pay and expenses of engineers, assistants, and clerks engaged in the survey and construction of new lines and extensions, or in making additions to and betterments of the carrier's road, including wharves and docks.

LIST OF OFFICERS AND EMPLOYEES.

(See general instructions, section 13.)

Chief engineer.	Draftsmen.	Axmen.
Assistant engineers.	Clerks.	Messengers.
Bridge engineer.	Transitmen.	Cooks on business cars.
Signal engineer.	Levelmen.	Porters on business cars.
Architects.	Rodmen.	
Chief clerk.	Chainmen.	

ITEMS OF EXPENSE AND SUPPLIES.

(See general instructions, section 13.)

Atlases and maps.	Magnifiers.	Sextants.
Axes.	Marking chalk.	Slide rules.
Barometers.	Official train service.	Stakes.
Books for office use.	Oilstones.	Straightedges.
Boxes for materials and instruments.	Paper, blue-print.	Tally registers.
Business car service.	Parallel rules.	Tape lines.
Cameras.	Periodicals and newspapers.	Tee-squares.
Camp equipage.	Photographic supplies.	Telegraph service.
Chains for surveyors.	Plane tables.	Telephone service.
Compasses.	Planimeters.	Telescopes.
Curves.	Plummets.	Thermometers.
Drawing boards.	Printing and stationery.	Thumb tacks.
Drawing instruments.	Protractors.	Tracing linen.
Field glasses.	Provisions for business cars.	Transits.
Field notebooks.	Ranging poles.	Traveling expenses.
Furniture repairs and renewals.	Reading glasses.	Traverse tables.
Hatchets.	Rent of offices.	Triangles.
Heating and lighting.	Repairs of rented offices.	Tripods.
Levels.	Rods for surveyors.	Verniers.
Magnets.	Scales.	Water and ice.
	Section liners.	

NOTE A.—When employees designated above are engaged in the maintenance of the road, their pay and expenses while thus employed shall be charged to Operating Expenses.

NOTE B.—Expenditures for tentative or preliminary surveys shall be carried in a suspense account until it is determined whether or not to continue the work. If the project is continued, expenditures for all surveys in connection therewith shall then be transferred to this account, and, if abandoned, to Operating Expenses, Income, or Profit and Loss, as may be appropriate.

NOTE C.—The cost of designing, making plans and specifications, and supervising the construction of equipment shall be included in the cost of the equipment.

NOTE D.—The cost of stationery and printing supplies used for accounting purposes in connection with engineering work shall be included in account No. 74, "Stationery and printing," when not directly assignable to specific road or equipment accounts.

NOTE E.—Fees and expenses of architects specially employed for designing or supervising the construction of buildings shall be included in the accounts appropriate for the cost of the buildings constructed.

NOTE CAREFULLY GENERAL INSTRUCTIONS, PAGES 9 TO 14.

2. LAND FOR TRANSPORTATION PURPOSES.

This account shall include the cost of land of necessary width acquired for roadway; the cost of land for station, office, shop, and other grounds; for ingress to or egress from such grounds; for borrow pits, waste banks, snow fences, sand fences, and other railway appurtenances; and for storage of material adjoining the right of way; the cost of land for wharves and docks and the cost of riparian or water rights necessary therefor; the cost of removing from the right of way and locating elsewhere the property of others, and the cost of the necessary land for relocation of the property, when such costs are assumed by the accounting carrier.

The carrier's records shall be kept in such manner as to show separately the cost of land purchased by it and the estimated values at time of acquisition of lands donated.

Proceeds from the sale of timber or of improvements purchased with right of way, less any cost of removal, shall be credited to this account.

ITEMS OF EXPENSE.

(See general instructions, section 13.)

Abstracts.	Plats.
Appraisals.	Premiums on condemnation bonds.
Arbitrators in condemnation cases.	Recording deeds.
Commissions paid to others.	Payments for relinquishment of cattle passes and other rights.
Condemnation expenses, including court costs and special counsel fees.	Removal and relocation of buildings and other structures not purchased.
Damages to property of others.	Rent of land when part of consideration for purchase.
Deferred payments for right of way.	Right-of-way agents' compensation (engaged solely in acquiring right of way).
Ditches for waterways when part of consideration.	Taxes accrued and assumed at time of purchase.
Judgments and decreed costs to clear or defend titles.	
Notarial fees.	

NOTE.—The cost of land acquired in excess of that necessary for transportation operations shall be included in balance-sheet account No. 705, "Miscellaneous physical property." When the purchase of land acquired for transportation operations involves the purchase of land not used for such purposes the charges to this account shall be based upon the estimated cost of only that portion which is used for such purposes, and the cost of the remaining land shall be included in account No. 705, "Miscellaneous physical property."

5. GRADING.

This account shall include the cost of clearing and grading the roadway, and of constructing protection of a permanent character for the roadway, tracks, embankments, and cuts.

When a part of a bridge or trestle, or the entire structure, is converted by filling into an earth embankment, and the bridge is used in lieu of a temporary trestle for the purpose of filling, the estimated cost of such temporary trestle shall be included in the cost of the filling, and charged to this account. (See Note A, under account No. 6, "Bridges, trestles, and culverts.")

When a tunnel is converted into an open cut, the cost of clearing, grubbing, and excavating shall be included in this account.

DETAILS OF ROADBED AND ITEMS OF EXPENSE.

(See general instructions, section 13.)

Advertising for contractors' bids.	Clearing land.
Berm ditches.	Cribbing.
Blasting.	Ditches (not required by right-of-way agreement).
Breakwaters.	Dressing slopes.
Bulkheading.	

NOTE CAREFULLY GENERAL INSTRUCTIONS, PAGES 9 TO 14.

Excavation for conversion of tunnels into open cuts.
 Filling bridges, trestles, and culverts.
 Grading outfits.
 Grubbing land.
 Material taken from borrow pits.
 Operation of steam shovels.
 Payments for privilege of wasting material on the property of others.

Payments for waste banks off the right of way.
 Reconstruction of highways.
 Retaining walls.
 Revetments.
 Riprap.
 Spoil banks.
 Temporary trestling for fills.
 Tools for grading.
 Wing dams.

4. UNDERGROUND POWER TUBES.

This account shall include the cost of power tubes or conduits for underground contacts of electric railways or for underground cables of cable traction railways.

DETAILS OF UNDERGROUND CONTACT SYSTEM.

(See general instructions, section 13.)

Concrete work.	Manhole frames.	Sheaves.
Drainpipes.	Plow pits.	Slot rails.
Manhole covers.	Pulleys.	Yokes.

NOTE.—The cost of track rails, other track material, and electric contact rails and insulators shall be charged to the accounts appropriate for such property.

5. TUNNELS AND SUBWAYS.

This account shall include the cost of tunnels and subways for the passage of trains, including apparatus for ventilating and lighting, and safety devices therein, other than signals.

NOTE A.—The cost of tracks, including guard rails, in tunnels shall not be charged to this account.

NOTE B.—Station subways not highway crossings are includible in account No. 16, "Station and office buildings."

NOTE C.—If a tunnel be converted into an open cut, the accounting shall be in accordance with general instructions, section 11.

6. BRIDGES, TRESTLES, AND CULVERTS.

This account shall include the cost of the substructure and superstructure of bridges, trestles, and culverts which carry the tracks of the carrier over water-courses, ravines, public and private highways, and other railways.

DETAILS OF BRIDGE STRUCTURES.

(See general instructions, section 13.)

Abutments.	Painting (except repainting).
Bridge signs.	Pier protection.
Cofferdams.	Piers and foundations.
Concrete and masonry ends for culverts.	Pipe culverts.
Cribs.	Retaining walls.
Decking, including gravel for fire protection.	Riprap around abutments.
Dike protection.	Riprap at culvert ends.
Drainage systems.	Supports.
Draw protection.	Water channels.
Drawbridge engines and machinery.	Waterproofing.
False work.	Wing dams.
Guard timbers.	Wing walls.
Ice breakers.	

NOTE A.—When a part or the entire structure of a bridge or trestle is converted, by filling, into an earth embankment, the ledger value of the structure, or of the portion thereof filled, shall be credited to this account. In case the bridge or trestle is used in lieu of a temporary trestle for the purpose of filling, the estimated cost of such temporary trestle shall be charged to account No. 3, "Grading." The ledger value of the structure, or portion thereof, filled, less the value of the salvage and the estimated cost of trestle charged to account No. 3, shall be charged to Operating Expenses.

NOTE B.—The cost of bridges to carry the carrier's tracks over undergrade crossings, including the necessary piers and abutments for sustaining them, shall be included in this account, but the cost of undergrade roadways, paving on right of way, drainage systems, and retaining walls outside of the bridge abutments, shall be included in account No. 15, "Crossings and signs."

NOTE CAREFULLY GENERAL INSTRUCTIONS, PAGES 9 TO 14.

7. ELEVATED STRUCTURES.

This account shall include the cost of elevated structures and foundations of elevated railway systems.

This account is applicable to structures other than earthwork, which are for the purpose of elevating tracks above the grade of streets, and which are not properly classable as bridges or trestles.

NOTE.—The cost of stations and other structures built on elevated structures shall be accounted for according to the class of the structure thus superimposed, and not in this account.

8. TIES.

This account shall include the cost of cross, switch, bridge, and other track ties used in the construction of tracks for the movement or storage of locomotives and cars (including tracks in shops, fuel stations, supply yards, etc.), and the cost of additional ties subsequently laid in such tracks; also the excess cost of metal ties used in repairs of track over the cost to replace in kind wooden ties removed.

The cost of handling ties in general supply and storage yards shall be included as store expenses apportioned to this account when the ties are used for construction purposes.

NOTE A.—The cost of labor for unloading, distributing, and placing the ties in tracks, and the cost of train service in connection with the distribution of ties laid shall be charged to account No. 12, "Track laying and surfacing."

NOTE B.—The cost of ties used in the construction of car floats shall be included in the cost of such floating equipment, and the cost of ties used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

9. RAILS.

This account shall include the cost of rails used in the construction of tracks for the movement or storage of locomotives and cars (including tracks in shops, fuel stations, supply yards, etc.), and the excess cost of heavier rails or rails of improved types or quality used for repairs of tracks over the cost to replace in kind the rails removed.

The cost of handling rails in general supply and storage yards shall be included as store expenses apportioned to this account when the rails are used for construction purposes.

To this account shall be credited the difference between the cost (at current prices at time of removal) of heavy rails removed and the cost of lighter rails applied in the repairs of tracks.

NOTE A.—The cost of labor for unloading, distributing, and placing the rails in tracks, and of train service in connection with the distribution of the rails, shall be charged to account No. 12, "Track laying and surfacing."

NOTE B.—When secondhand rails are first applied to any tracks and no more than the actual cost of such rails is carried in the road accounts, the excess cost of new or heavier rails used for relaying the tracks over the cost (at prices current at the time of replacement) of rails of a weight and condition equal to the weight and condition of the released rails when applied, shall be charged to this account.

NOTE C.—The cost of rails used in the construction of car floats shall be included in the cost of such floating equipment, and the cost of rails used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

10. OTHER TRACK MATERIAL.

This account shall include the cost of material used in the construction of tracks for the movement or storage of locomotives and cars (including tracks in shops, fuel stations, supply yards, etc.), except ballast and material chargeable to foregoing accounts; also the excess cost of heavier or improved "other track material" used in repairs of tracks over the cost of replacing in kind such material removed.

NOTE CAREFULLY GENERAL INSTRUCTIONS, PAGES 9 TO 14.

The cost of handling "other track material" in general supply and storage yards shall be included as store expenses apportioned to this account when such material is used in the construction of new tracks.

ITEMS OF OTHER TRACK MATERIAL.

(See general instructions, section 13.)

Angle bars.	Guard rails, switch and other.	Switch chairs.
Anticreepers.	Main rods.	Switch crossings.
Bumping posts.	Nut locks.	Switch lamps.
Compromise joints.	Nuts.	Switch locks and keys.
Connecting rods.	Offset bars.	Switch points.
Crossings for steam and electric railways, including foundations or bases.	Rail braces.	Switch stands.
Deraills.	Rail chairs.	Switch targets.
Frog blocking.	Rail clips.	Switches.
Frogs.	Rail joints.	Tie plates.
Guard-rail blocking.	Rail rests.	Tie plugs.
Guard-rail clamps.	Rail shims.	Tie-rods.
Guard-rail fasteners.	Rail spllices.	Track bolts.
	Splice bars.	Track insulators.
	Step chairs.	Track spikes.

NOTE A.—The cost of labor and train service for distributing, unloading, and applying "other track material" shall be charged to account No. 12, "Track laying and surfacing."

NOTE B.—No entry is required in this account with respect to improved "other track material" unless installed under a definite plan of changing standards, such as increasing the weight of rail.

NOTE C.—The cost of "other track material" used in the construction of car floats shall be included in the cost of such floating equipment, and the cost of such track material used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

11. BALLAST.

This account shall include the cost of gravel, stone, slag, cinders, sand, and like material used in ballasting tracks (including tracks in shops, fuel stations, supply yards, etc.) not previously ballasted, including cost of work-train service and of unloading; cost of ballast applied in excess of ballast required to restore to its maximum height and width the ballast previously put on the roadbed; and the excess cost of improved ballast used in renewals over the cost to replace in kind to the original height and width the ballast removed. (Special instructions, section 11, for operating expense accounts, apply to the accounting for pits from which ballast material is obtained either for construction work or for maintenance, or for both.)

NOTE A.—The cost of ballast used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

NOTE B.—Earth placed to form a crown in the middle of the track is not to be considered as ballast.

NOTE C.—The cost of ballast material placed on the decking of bridges solely for fire-protection purposes shall be included in account No. 6, "Bridges, trestles, and culverts."

NOTE D.—No charge shall be made to the accounts of this classification representing the value of cinders accumulated by the carrier.

12. TRACK LAYING AND SURFACING.

This account shall include the cost of distributing (including train service), laying, and adjusting ties, rails, and other track material used in the construction of tracks for the movement or storage of locomotives or cars, including repair tracks, but not tracks on car floats or temporary tracks the cost of which is chargeable to clearing accounts. It shall also include the cost of the labor expended in placing ballast in tracks not previously ballasted.

NOTE A.—The cost of distributing and adjusting ties, rails, ballast, and other track material for repairs shall be charged to Operating Expenses, both when such materials are replaced in kind and when replaced with improved and heavier material.

NOTE B.—The cost of work-train service in delivering ballast and of unloading such material is provided for in account No. 11, "Ballast."

NOTE CAREFULLY GENERAL INSTRUCTIONS, PAGES 9 TO 14.

13. RIGHT-OF-WAY FENCES.

This account shall include the cost of right-of-way fences (including permanent snow and sand fences erected in lieu of right-of-way fences), farm gates, cattle guards, wing fences, aprons, and hedges, on property not previously fenced, excluding those around stockyards, fuel stations, station and shop grounds, and building sites.

14. SNOW AND SAND FENCES AND SNOWSHEDS.

This account shall include the cost of snowsheds, including rock filling when necessary, and cost of permanent or portable fences for the protection of tracks from snow and sand, other than such permanent fences erected in lieu of right-of-way fences and chargeable to account No. 13, "Right-of-way fences."

15. CROSSINGS AND SIGNS.

This account shall include the cost of constructing farm passes, highways, and other railways across the carrier's right of way, except railways crossing at grade; cost of track signs, crossing gates, highway-crossing alarms, planking, paving, and watch houses at crossings; and the portion borne by the carrier of cost of overgrade and undergrade crossings constructed to eliminate grade crossings.

DETAILS OF GRADE CROSSINGS.

(See general instructions, section 13.)

Batteries, with track instruments and connections.	Paving.	Warning signals.
Crossing gates.	Planking	Watch houses.
Crossing signal bells.	Soil crossing drains.	Water pipes.

DETAILS OF OVERGRADE CROSSINGS.

(See general instructions, section 13.)

Bridge superstructures.	Drainage systems.	Retaining and wing walls, including foundations.
Bridge substructures.	Piers, including foundations.	
Decking, including roadways.		

DETAILS OF UNDERGRADE CROSSINGS.

(See general instructions, section 13.)

Curbing.	Retaining walls outside of bridge abutments.	Roadways.
Drainage systems.		Sidewalks.
Paving on right of way.		

LIST OF SIGNS.

(See general instructions, section 13.)

Boundary signs.	Section signs.	Water station signs.
File signs.	Slow or stop signs.	Water trough signs.
Monument stones.	Subdivision boards.	Whistle signs.
Overhead-bridge caution signs.	Tunnel caution signs.	Yard-limit signs.

NOTE A.—The cost of shop and station overgrade footbridges and subways not public highways shall be included in the cost of the buildings.

NOTE B.—The cost of bridges or trestles carrying the carrier's tracks over roads, highways, or other railways shall be charged to account No. 6, "Bridges, trestles, and culverts," but the cost of a bridge or other structure which carries farm passes, highways, or the tracks of another carrier over the carrier's tracks shall be included in this account.

16. STATION AND OFFICE BUILDINGS.

This account shall include the cost of station and office structures, their fixtures, appurtenances, and furniture necessary first to equip the buildings for use.

NOTE CAREFULLY GENERAL INSTRUCTIONS, PAGES 9 TO 14.

STATION AND OFFICE STRUCTURES AND DETAILS.

(See general instructions, section 13.)

Baggage rooms.	General office buildings.	Sidewalks.
Breakwaters for protection of buildings.	Grain cribs.	Stables.
Buildings and rooms for trainmen.	Grain elevators.	Station footbridges (not highway crossings).
Buildings on piers.	Grain warehouses.	Station intertrack fences.
Call bells.	Greenhouses.	Station platforms.
Coal bins.	Hay houses.	Station signs.
Coal transferring machinery (not on coal and ore wharves).	Heating plants.	Station stairways.
Coal trestles (not at fuel stations).	Hedges.	Station subways (not highway crossings).
Commissarial buildings.	Hoisting engines, for handling freight.	Station power houses.
Drainage and sewerage systems.	Hose houses.	Stations, freight.
Dwellings.	Ice houses.	Stations, passenger.
Eating houses.	Lighting plants.	Stock pens.
Electric wiring.	Mail cranes.	Storehouses.
Elevators and machinery.	Milk stands.	Telegraph offices.
Express buildings.	Office buildings.	Telpher systems.
Fences.	Ore-transferring machinery.	Track scales.
Fire-engine houses.	Outhouses.	Transfer houses.
Freight cranes.	Pavement within ground limits.	Transfer platforms.
Freight derricks.	Platforms, freight.	Waiting rooms.
Freight handling machinery.	Platforms, passenger, including planking between tracks.	Warehouses.
Freight houses.	Power distribution systems, interior.	Washrooms.
Garages.	Reading rooms.	Water-supply systems.
Gas-supply systems.	Rooms for Y. M. C. A.	Yard offices.
	Scale houses.	

NOTE A.—Office buildings used exclusively in connection with maintenance of way shall be included in account No. 17, "Roadway buildings." Those used exclusively in connection with maintenance of equipment shall be included in account No. 20, "Shops and enginehouses."

NOTE B.—The cost of grading and preparing grounds, both before and after the construction of station and office buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

17. ROADWAY BUILDINGS.

This account shall include the cost of roadway shops and other roadway buildings, including drainage, water, gas, and sewer pipes and connections; and all machinery, fixtures, and furniture to equip the buildings ready for use.

LIST OF ROADWAY BUILDINGS.

(See general instructions, section 13.)

Bins for material.	Hand-car houses.	Section dwelling houses.
Blacksmith shops.	Lighting plants.	Stables.
Boarding houses.	Lumber sheds.	Storehouses.
Breakwaters for protection of buildings.	Offices.	Tool houses.
Carpenter shops.	Outhouses.	Watch houses.
Dwellings.	Planing mills.	
Fire-engine houses.	Rail shops for repair of track material.	
Frog shops for repair of track material.	Repair shops.	
	Scrap bins.	

NOTE.—The cost of grading and preparing grounds both before and after the construction of roadway buildings, and the cost of constructing sidewalks, driveways, and fences thereon shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

NOTE CAREFULLY GENERAL INSTRUCTIONS, PAGES 9 TO 14.

18. WATER STATIONS.

This account shall include the cost of structures, facilities, and appliances necessary to equip for service stations for supplying water. The cost of analyses of water preliminary to the establishment of water stations shall be included in this account.

WATER STATION STRUCTURES AND DETAILS.

(See general instructions, section 13.)

Boilers.	Pump houses.	Test wells.
Breakwaters for protection of buildings.	Pumps.	Track tanks.
Buildings on piers.	Purifying plants.	Tubs.
Cisterns.	Reservoirs.	Water cranes.
Dams.	Settling basins.	Water pipe lines.
Fences.	Stationary engines.	Water-treating plants.
Outhouses.	Steam pipes.	Wells.
Penstocks.	Tanks and foundations.	Windmills.

NOTE A.—The cost of water stations used solely for supplying water to shops, power plants, stations, hotels, tenement houses, or section houses shall be charged to the appropriate accounts relating to the property so supplied.

NOTE B.—The cost of a temporary water station established only for use during the construction period shall be included in the primary accounts to which is charged the cost of the work in connection with which the water station is used.

NOTE C.—The cost of grading and preparing grounds both before and after the construction of water station buildings, and the cost of constructing sidewalks, driveways, and fences thereon shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

19. FUEL STATIONS.

This account shall include the cost of structures, facilities other than tracks, and appliances necessary to equip for service stations for supplying fuel to locomotives and floating equipment.

FUEL STATION STRUCTURES AND DETAILS.

(See general instructions, section 13.)

Breakwaters for protection of buildings.	Elevating machinery.	Fuel wharves.
Buckets.	Fences.	Inclines.
Buildings on piers.	Fuel houses or stations.	Outhouses.
Coal buckets.	Fuel-oil columns.	Scales.
Coal bargies.	Fuel-oil plants.	Sheds.
Coal hoists.	Fuel-oil pumps.	Stationary engines.
Coal pockets and chutes.	Fuel-oil sumps.	Tipple cars.
Dumping machinery.	Fuel-oil tanks.	Weighing apparatus.
	Fuel platforms.	Wood racks.

NOTE A.—The cost of fuel stations, coal houses, etc., used solely for supplying fuel to shops, power plants, stations, hotels, tenement houses, or section houses shall be charged to the appropriate accounts relating to the property so supplied.

NOTE B.—The cost of a temporary fuel station established only for use during the construction period shall be included in the primary accounts to which is charged the cost of the work in connection with which the fuel station is used.

NOTE C.—The cost of grading and preparing grounds both before and after the construction of fuel station buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

NOTE CAREFULLY GENERAL INSTRUCTIONS, PAGES 9 TO 14.

20. SHOPS AND ENGINEHOUSES.

This account shall include the cost of buildings to be used as shops, engine-houses, and storehouses for material for maintenance of equipment; foundations, except those special to particular machines and other apparatus; furniture and fixtures other than equipment chargeable to account No. 44, "Shop machinery"; drainage, sewerage, and water-supply systems; and plants for heat and light.

SHOP AND ENGINEHOUSE STRUCTURES AND DETAILS.

(See general instructions, section 13.)

Air-compressor houses.	Foundries.	Repair shops.
Ash pits and pockets.	Gas-compressor houses.	Sand houses.
Ash plants.	Heating plants.	Scale houses.
Bins for material.	Hose houses.	Scrap bins.
Blacksmith shops.	Ice houses.	Sidewalks.
Breakwaters for protection of buildings.	Laboratories.	Stables.
Buildings on piers.	Lighting plants.	Steam-distribution systems, interior.
Car sheds.	Lumber sheds.	Storehouses.
Car shops.	Machine shops.	Tanks, gas.
Carpenter shops.	Material and supply truck tracks.	Tanks, oil.
Cinder pits.	Motor-crane tracks.	Test rooms.
Cinder pockets.	Offices, shop.	Tin shops.
Drop pits.	Oil houses.	Tool houses.
Dry houses.	Outhouses.	Track scales.
Electric-power distribution systems within buildings.	Paint shops.	Transfer tables.
Enginehouses.	Pipe lines, air, interior.	Turntables.
Fire-engine houses.	Pipe lines, car-heating.	Upholstering shops.
Footbridges (not public highways).	Pipe lines, gas, interior.	Warehouses.
	Planing mills.	Wash rooms.
	Platforms, shop and yard.	Watch houses.

NOTE A.—The cost of distinct power plant buildings for shop purposes shall be included in account No. 29, "Power plant buildings." Cost of distribution systems leading from such power plants to shops and enginehouses shall be included in account No. 32, "Power distribution systems."

NOTE B.—The cost of grading and preparing grounds both before and after the construction of shop and enginehouse buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

NOTE C.—The cost of shop buildings devoted solely to the maintenance of way and structures shall be included in account No. 17, "Roadway buildings."

21. GRAIN ELEVATORS.

This account shall include the cost of structures for the transfer, treatment, and storage of grain, including cost of conveyors, machinery, and fixtures.

The buildings referred to in this account are not small storage elevators at stations where grain is received for shipment, etc., but large elevators in which grain is stored for various owners.

NOTE A.—Small storage elevators at way stations are classed as station buildings.

NOTE B.—The cost of grading and preparing grounds both before and after the construction of grain-elevator buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

NOTE CAREFULLY GENERAL INSTRUCTIONS, PAGES 9 TO 14.

22. STORAGE WAREHOUSES.

This account shall include the cost of storage warehouses, including machinery and fixtures therein.

The buildings herein referred to are not the ordinary freight warehouses or stations where freight is received for shipment, etc., but warehouses in which merchandise is stored and which the railway companies or others operate commercially as storage warehouses.

NOTE.—The cost of grading and preparing grounds both before and after the construction of storage warehouse buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

23. WHARVES AND DOCKS.

This account shall include the cost of wharves, docks, dry docks, slips, float bridges, and other landings for vessels, including the cost of necessary dredging, and the cost of float-bridge machinery; also the cost of piling, pile protection, cribs, cofferdams, walls, and other necessary devices and apparatus for the operation or protection of wharves and docks.

DETAILS OF WHARVES AND DOCKS.

(See general instructions, section 13.)

Bridge pontoons.	Ferry-bridge machinery.	Jetties.
Bulkheads.	Ferry bridges.	Jetty inclines.
Caissons.	Ferry racks.	Transfer-bridge machinery.
Cribwork.	Ferry slips.	Transfer bridges.
Dry docks.		

NOTE A.—The cost of coal and ore wharves and docks shall be included in account No. 24, "Coal and ore wharves."

NOTE B.—The cost of the land on which wharves are built and cost of riparian or water rights for wharves and docks shall be charged to account No. 2, "Land for transportation purposes."

NOTE C.—The cost of buildings located on wharves shall be included in the accounts appropriate for the class of building.

NOTE D.—The cost of grading and preparing grounds both before and after the construction of wharves (other than coal and ore wharves) and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the wharves, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the wharves.

24. COAL AND ORE WHARVES.

This account shall include the cost of wharves and docks for the transfer, treatment, blending, or storage of coal or ore, including the cost of necessary dredging and of conveyors, machinery, and fixtures.

NOTE A.—The structures referred to in this account do not include small transfer or storage trestles or wharves at stations where coal is stored or delivered, such trestles being classed as station buildings.

NOTE B.—The cost of grading and preparing grounds both before and after the construction of coal and ore wharves, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the wharves, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the wharves, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the wharves.

25. GAS PRODUCING PLANTS.

This account shall include the cost of gas producing and gas compressing plants, and the cost of machinery and other apparatus in such plants.

NOTE.—The cost of grading and preparing grounds both before and after the construction of gas-plant buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be

included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

26. TELEGRAPH AND TELEPHONE LINES.

This account shall include the cost of telegraph and telephone lines, including terminal equipment.

DETAILS OF TELEGRAPH AND TELEPHONE TERMINAL EQUIPMENT.

(See general instructions, section 13.)

Batteries.	Fuses and mechanical protectors.
Cables and wires, interior.	Rectifiers.
Conduits, interior.	Rheostats.
Connecting wires.	Sending and receiving instruments.
Current-controlling instruments.	Switchboards.
Electric generators and motors.	Testing outfits.
Electric meters.	Transformers.
Engines, stationary.	

DETAILS OF TELEGRAPH AND TELEPHONE OUTSIDE PLANT.

(See general instructions, section 13.)

Aerial attachments.	Guy wires.
Braces.	Insulators.
Brackets.	Poles.
Cable boxes and appurtenances.	Submarine cables and connections.
Cables and wires, aerial.	Telephone pole boxes.
Conduits and appurtenances.	Towers.
Cross arms.	Underground cables and connections.
Guy stubs.	

27. SIGNALS AND INTERLOCKERS.

This account shall include the cost of interlocking and other signal apparatus for governing the movement of trains, including towers and other buildings in connection therewith.

DETAILS OF SIGNALS AND INTERLOCKERS.

(See general instructions, section 13.)

Air compressors.	Semaphores.
Batteries.	Signal and switch levers.
Boilers.	Signal arms.
Distant signals.	Signal blades.
Dynamos.	Signal bridges.
Engines, stationary.	Signal buildings.
Gates at crossings of other railways.	Signal lamp brackets and connections.
Home signals.	Signal lamps.
Interlocker buildings.	Signal machinery.
Interlocker machinery.	Signal poles and foundations.
Interlocker mechanism	Signal pulleys and foundations.
Levers.	Special appliances.
Rail bonds.	Station signals.
Railway-crossing signals.	Train-order signals.
Relays.	Wiring.

NOTE A.—When signal or interlocking apparatus is located in a station building, the entire cost of the building shall be included in account No. 16, "Station and office buildings."

NOTE B.—The cost of grading and preparing grounds both before and after the construction of signal and interlocker buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

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28. POWER DAMS, CANALS, AND PIPE LINES.

This account shall include the cost of all dams, canals, pipe lines, and accessories devoted to the utilization of water power for the operation of trains and cars, and to furnish power, heat, and light for general purposes.

DETAILS OF DAMS, CANALS, AND PIPE LINES.

(See general instructions, section 13.)

Aqueducts.	Grids.	Valves.
Bridges.	Inlet valves.	Viaducts.
Fences.	Penstocks.	Walls.
Footbridges.	Reservoirs.	Water rights.
Forebays.	Roadways.	
Gates.	Sluices.	

29. POWER PLANT BUILDINGS.

This account shall include the cost of the buildings of power plants erected to furnish power for the operation of trains and cars, and to furnish power, heat, and light for stations, shops, or general purposes; foundations, except those special to particular machines and other apparatus; drainage, water, and sewer pipes and their connections; fixtures, including wiring for lighting and heating; and miscellaneous furniture and fixtures.

NOTE A.—The cost of power plant machinery and other apparatus shall be included in account No. 45, "Power plant machinery."

NOTE B.—The cost of grading and preparing grounds, both before and after the construction of power plant buildings, and the cost of constructing sidewalks, driveways, and fences thereon shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

30. POWER SUBSTATION BUILDINGS.

This account shall include the cost of the buildings of power substations (including storage-battery stations) erected to transform power for the operation of trains and cars, and for heat, light, and general purposes; foundations, except those special to particular machines and other apparatus; drainage, water, and sewer pipes and their connections; fixtures, including wiring, for lighting and heating; and miscellaneous furniture and fixtures.

NOTE A.—The cost of substation machinery and other apparatus for transforming or storing power in power substations shall be included in account No. 46, "Power substation apparatus."

NOTE B.—The cost of grading and preparing grounds, both before and after the construction of power substation buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

31. POWER TRANSMISSION SYSTEMS.

This account shall include the cost of high-tension transmission systems, whether overhead, surface or underground, used for transferring power from producing plants to a place where it is transformed for propelling trains and cars, or for power, heat, light, and general purposes.

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DETAILS OF POWER TRANSMISSION SYSTEMS.

(See general instructions, section 13.)

Cables.	Span wires.
Cut-outs (not at power houses and substations).	Switchboards (not at power houses and substations).
Feed wires.	Transformers (not at power houses and substations).
Guard wires.	
Insulators and connections.	

NOTE.—When the electric current generated or received is changed by means of (a) rotary converters, (b) motor generator sets, or (c) static transformers (substation apparatus), that portion of the line or outside conductor system carrying current of other than the operating kind or voltage shall be classed as transmission system. When the electric current is generated or received and used substantially unchanged in voltage and kind, the line or outside conductor system, including any feeders, trolley wires, booster circuits, and supplementary return, shall be classed wholly as distribution system. Tie lines between generating stations and substations shall follow the same rule as other lines.

32. POWER DISTRIBUTION SYSTEMS.

This account shall include the cost of distribution systems, whether overhead, surface, or underground, for conveying low-tension electric power from producing plants or transformer stations and for conveying steam and compressed-air from producing plants to the place where used for propelling trains and cars, or for power, heat, light, and general purposes.

DETAILS OF POWER DISTRIBUTION SYSTEMS.

(See general instructions, section 13.)

Compressed-air pipe lines.	Overhead trolley wires.	Switchboards (not at power houses and substations).
Cut-outs (not at power houses and substations).	Rail bond plugs.	Third rail.
Feed wires.	Rail bonds.	Third-rail braces.
Guard wires.	Rail-insulating devices.	Third-rail insulation and protection.
Insulators and connections.	Span wires.	Third-rail supports.
	Steam pipe lines.	

NOTE A.—The cost of track material such as insulated rail splices used in connection with distribution systems shall be charged to account No. 10, "Other track material."

NOTE B.—The cost of the portions of distribution systems located within shop buildings and station and office buildings shall be included in the cost of the buildings. The cost of distribution systems in plants used exclusively for operating signals and interlockers shall be included in account No. 27, "Signals and interlockers."

NOTE C.—When the electric current generated or received is changed by means of (a) rotary converters, (b) motor generator sets, or (c) static transformers (substation apparatus), that portion of the line or outside conductor system carrying current of other than the operating kind or voltage shall be classed as transmission system. When the electric current is generated or received and used substantially unchanged in voltage and kind, the line or outside conductor system, including any feeders, trolley wires, booster circuits, and supplementary return, shall be classed wholly as distribution system. Tie lines between generating stations and substations shall follow the same rule as other lines.

33. POWER LINE POLES AND FIXTURES.

This account shall include the cost of poles, cross arms, insulating pins, brackets, and other pole fixtures; braces and other supports for holding the poles in position; and structures for supporting the overhead electric construction.

34. UNDERGROUND CONDUITS.

This account shall include the cost of conduits required for underground wires and cables of electric railway construction, including manholes, sewer connections, sewer traps, and all details necessary for the completion of the conduit system.

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35. MISCELLANEOUS STRUCTURES.

This account shall include the cost of all permanent structures not provided for elsewhere, including all fixtures and furniture to equip them for use.

36. PAVING.

This account shall include the cost of paving about tracks in public highways through which the carrier's tracks are laid.

NOTE.—The cost of paving upon the carrier's lands, within the grounds of buildings or other structures, shall be included in the accounts provided for the cost of the structures. The cost of paving upon the carrier's right of way at crossings shall be included in account No. 15, "Crossings and signs."

37. ROADWAY MACHINES.

This account shall include the cost of the initial outfit of roadway machines provided for the maintenance of roadway and structures at the time the road is opened for commercial traffic, and the cost of additional roadway machines acquired subsequently.

LIST OF ROADWAY MACHINES.
(See general instructions, section 13.)

Boilers, portable.	Ditching machines.	Pile drivers.
Cars, hand.	Dredging machines.	Plows, unloading.
Cars, lever.	Engines, portable.	Rail unloaders.
Cars, motor inspection.	Grading outfits.	Rock crushers.
Cars, push.	Hydraulic outfits.	Steam rollers.
Cars, (small), crane, for supply yards and general use.	Jacks, hydraulic.	Timber trucks.
Concrete mixers.	Log loaders.	Velocipedes.

NOTE A.—When an important addition and betterment project or the construction of a new line necessitates the purchase of roadway machines to be used exclusively thereon, the cost shall be included in the accounts to which the cost of the work is charged. The amount realized from any subsequent sale, or the appraised value of the machines retained after the completion of the special work for which they were purchased, shall be credited to the accounts charged with the cost thereof. The appraised value of such machines retained shall be debited to this account and thereafter considered as the cost of such property.

NOTE B.—The cost of machines for the equipment of roadway shops shall be included in account No. 17, "Roadway buildings," as provided for therein.

NOTE C.—The cost of roadway machines, such as pile drivers, log loaders, hoist engines, and concrete mixers, when permanently mounted for movement on the carrier's tracks, shall be included in account No. 57, "Work equipment."

38. ROADWAY SMALL TOOLS.

This account shall include the cost of the initial outfit of roadway and track small tools provided for the maintenance of way and structures at the time the road is opened for commercial traffic; also the initial outfit of such tools provided for the maintenance of extensions of such road.

LIST OF ROADWAY TOOLS.
(See general instructions, section 13.)

Adzes.	Braces and bits.	Curbing hooks.
Anvils.	Brooms.	Dippers.
Augers.	Brush hooks.	Drawing knives.
Axes.	Cable stretchers.	Drill bits.
Ballast forks.	Cables.	Drills, portable.
Bars, claw.	Cans, oil.	Flags, signal.
Bars, crow.	Cans, water.	Furnaces, portable.
Bars, lining.	Cant hooks.	Grindstones.
Bars, pinch.	Chains.	Hammers, napping.
Bars, raising.	Chisels, track.	Hammers, paving.
Bars, tamping.	Chisels, wood.	Hammers, spiking.

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Handles for tools.	Picks, tamping.	Spike pullers.
Hatchets.	Pike poles.	Spot boards.
Hoes.	Post-hole diggers.	Squares.
Jack levers.	Post-hole tampers.	Straightening machines.
Jacks, ratchet.	Punches.	Tape lines.
Jacks, screw.	Rail benders.	Thermometers for laying rail
Jacks, track.	Rail tongs.	Tongs.
Kegs, water.	Rakes.	Tool boxes.
Ladders.	Rope.	Torches.
Lanterns and fixtures.	Saws, crosscut.	Track gauges.
Lawn mowers.	Saws, hand.	Track levels.
Levels.	Scrap boxes.	Vises.
Lines for ditching.	Scythes.	Weed spuds.
Nippers.	Shovels.	Wheelbarrows.
Oilstones.	Sickles.	Whetstones.
Padlocks.	Sledges.	Wood mallets.
Pails, water.	Spades.	Wrenches, monkey.
Paint brushes.	Spike mauls.	Wrenches, track.
Picks, clay.		

NOTE.—The cost of roadway and track small tools of which no specific record is kept shall be charged when acquired to an appropriate materials and supplies account, from which they shall be charged as issued to the appropriate road and equipment, operating expense, or other accounts. When such tools are used both for construction and maintenance work the cost shall be equitably apportioned among the accounts provided for the two classes of work.

39. ASSESSMENTS FOR PUBLIC IMPROVEMENTS.

This account shall include the carrier's proportion of the cost of constructing public improvements—such as grading, sewerage, curbing, guttering, paving, and sidewalks—and other public improvements, including the cost of such improvements if made by the carrier's own employees under Government requirements.

NOTE A.—The cost of paving required by Government authority between rails and adjacent to tracks laid through public highways shall be included in account No. 36, "Paving."

NOTE B.—The carrier's proportion of the cost of maintaining such public improvements shall be included in operating expenses.

40. REVENUES AND OPERATING EXPENSES DURING CONSTRUCTION.

This account shall include the cost of operating a piece of road during the period before the regular operation of revenue trains, including rent and repairs of equipment used in commercial service during such period. It includes the cost of running construction trains over such section of road when the cost of operating such trains can not properly be charged to any specific account.

To this account shall be credited amounts collected for rents of buildings and other properties and for the transportation of commercial freight or of passengers on construction trains; also the net profits from boarding and commissarial outfits, and other sources of operating revenue.

Carriers which wish to subdivide this account shall use appropriate subaccounts corresponding to accounts prescribed in the operating revenue, operating expense, or income account classifications.

41. COST OF ROAD PURCHASED.

This account shall include the cash cost of any road or portion thereof purchased. Where the contract of purchase includes not only road, but also equipment, securities, and other assets, the appraised value of such equipment, securities, and other assets shall be deducted from the total cash cost, and the remainder of the cash cost shall be charged to this account. Where the consideration given for the property purchased is other than cash, such consideration shall be valued on a current cash basis. If the consideration includes the

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assumption of liabilities, such liabilities shall be included in the determination of the cost at their cash value at the time the contract is made.

This account shall be used only as a clearing account in which temporarily to carry the cost of road purchased until such time as a plan for distributing such cost to the primary accounts appropriate for the property is approved by the Commission.

NOTE A.—The appraised value of any equipment thus acquired shall be charged to the appropriate equipment accounts. The value, at time of purchase, of any securities, or other assets acquired, shall be included in the accounts appropriate for such assets. The par value of any liabilities assumed shall be included in the appropriate liability accounts, and the necessary adjustments between the cash value charged to the property accounts and the par value shall be made in the appropriate premium or discount account.

NOTE B.—The carrier shall be prepared to furnish the Commission, upon demand, a full report of the contract of acquisition of each road, or portion thereof, purchased, and a statement showing in detail the consideration given therefor. It should procure, in connection with the acquisition of any such road and equipment, all existing records, memoranda, and accounts in possession or control of the grantor, relating to the construction and improvements of such road and equipment, and shall preserve such records, memoranda, and accounts until authorized by law to destroy or otherwise dispose of them. Where the records, memoranda, and accounts are so intimately involved with other records, memoranda, and accounts of the grantor as to make their transfer impracticable or inadvisable, certified copies of them shall be procured and retained by the grantee. The verity of the copies should be certified by the custodian of the originals.

42. RECONSTRUCTION OF ROAD PURCHASED.

When a road is purchased and the fixed improvements acquired are in such a physical condition that it is necessary substantially to rebuild the road in order to bring it up to the standard required by the carrier, the cost of such rebuilding shall be charged to this account.

NOTE A.—A comprehensive statement of the estimated amount necessary to reconstruct a road in accordance with the above provision shall be made to the Commission as soon as the estimate is made.

NOTE B.—When the work of reconstruction of road purchased is completed, the cost thereof shall be credited to this account and charged to other primary accounts of this classification appropriate for the expenditures made.

43. OTHER EXPENDITURES—ROAD.

This account shall include items which can not properly be included in any of the foregoing accounts as a part of the cost of any specific work, such as the cost of transportation of men, materials, supplies, and equipment over the carrier's own line; amounts paid for rent and repairs of equipment and for injuries to persons incident to and in connection with original road, road extensions, or additions and betterments; and analogous items. When assignable, such expenditures shall be included in the cost of the property in connection with which the expenditure occurs.

NOTE.—Rents paid for and repairs made to equipment used in commercial operations during the period before the regular operation of revenue trains shall be charged to account No. 40, "Revenues and operating expenses during construction."

44. SHOP MACHINERY.

This account shall include the cost of machinery and other apparatus in shops and enginehouses, including the cost of special foundations and installation, and cost of small hand tools necessary first to equip a shop.

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LIST OF SHOP MACHINERY.

(See general instructions, section 13.)

Air compressors.	Furnaces.	Power equipment.
Ash conveyors.	Grinding and polishing machines.	Punches.
Belting.	Hoists.	Riveters.
Blowers.	Hydraulic jacks.	Saws.
Boilers for furnishing power.	Lathes.	Shafting.
Boring machines.	Lifting magnets.	Shapers.
Cars, motor.	Metal chimneys.	Slotters.
Cars, push.	Milling machines.	Stationary engines.
Cranes.	Motors.	Steam hammers.
Drill presses.	Pipe cutting and threading machines.	Vises.
Drilling machines.	Planers.	Welding machines.
Drop tables.	Pneumatic hammers.	Woodworking machines
Forges.		
Framing machines.		

NOTE A.—The cost of power plant machinery and other apparatus for shop purposes, when located in distinct buildings, shall be included in account No. 45, "Power plant machinery."

NOTE B.—The cost of foundations other than those special to particular machines and other apparatus shall be included in the cost of the building, and not in this account.

45. POWER PLANT MACHINERY.

This account shall include the cost of machinery and other apparatus for generating power in power plants used for the operation of trains and cars, or to furnish power, heat, and light for stations, shops, or general purposes, including the cost of special foundations and installation.

DETAILS OF POWER PLANT MACHINERY.

(See general instructions, section 13.)

Ammeters.	Engine-room appliances and tools.	Pumps.
Batteries.	Feed-water heaters.	Purifiers.
Belting.	Furnaces.	Rheostats.
Boiler-room appliances and tools.	Generators.	Sewer connections.
Boilers and fittings.	Globes.	Shafting.
Boosters.	Hangers.	Stationary engines.
Cables.	Heating apparatus.	Steam distribution systems.
Circuit breakers.	Hoists.	Steam fittings.
Clutches.	Insulators.	Switchboards.
Conductors.	Lamps.	Tanks.
Cranes.	Lighting apparatus.	Transformers.
Cut-outs.	Lubricating devices.	Turbines.
Draft machinery.	Machinery and foundations.	Voltmeters.
Dynamos.	Mechanical stokers.	Water meters.
Economizers.	Piping.	Water wheels.
Electric-power distribution systems, interior.	Poles.	Wires from generators or transformers to switchboard.

NOTE A.—The cost of power machinery and other apparatus installed in a shop as part of the shop equipment shall be included in account No. 44, "Shop machinery."

NOTE B.—The cost of power machinery and other apparatus installed in stations and offices and used solely for station and office purposes shall be included in account No. 16, "Station and office buildings."

NOTE C.—The cost of power machinery and other apparatus in plants used solely for operating signals and interlockers shall be included in account No. 27, "Signals and interlockers."

NOTE D.—The cost of foundations other than those special to particular machines and other apparatus shall be included in the cost of the building, and not in this account.

46. POWER SUBSTATION APPARATUS.

This account shall include the cost of machinery and other apparatus, including the cost of special foundations and installation, for transforming or storing

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power in power substations used for the operation of trains and cars, and for power, heat, and light for stations, shops, or general purposes.

DETAILS OF POWER SUBSTATION APPARATUS.

(See general instructions, section 13.)

Rotary converters.
Storage batteries.

Switchboards.
Transformers.

NOTE A.—The cost of constructing machinery and other apparatus for transforming or storing power shall be included in account No. 45, "Power plant machinery," when such equipment is contained in a power plant.

NOTE B.—The cost of foundations other than those special to particular machines and other apparatus shall be included in the cost of the building, and not in this account.

47. UNAPPLIED CONSTRUCTION MATERIAL AND SUPPLIES.

This account shall include the cost of material and supplies located at the point of use which have been purchased for projected new roads and road extensions.

The purpose of this account is to exclude from the current assets the cost of supplies and unapplied material which are located for use on projected new roads and road extensions, under the condition that the material will not be used for other purposes.

NOTE A.—Material and supplies designed for projected new roads and road extensions which are carried in storehouses and store yards and included in the general stock of an operating company shall be included in balance-sheet account No. 716, "Materials and supplies."

NOTE B.—The cost of unapplied materials and supplies on hand at the completion of construction work shall be transferred to balance-sheet account No. 716, "Materials and supplies."

II. EQUIPMENT.

The several primary accounts included in this general account are designed to show the cost of the several classes of equipment owned by the carrier, or held under equipment trust agreements for purchase.

To the appropriate primary accounts in this general account shall be charged the cost of all equipment, such as steam locomotives, electric locomotives, passenger-train cars, freight-train cars, work equipment, floating equipment, and the necessary appurtenances, furniture, and fixtures first to equip for service, including the cost of inspection, setting up, and trying out, and transportation over foreign lines; also the cost of additions, such as headlights, mechanical stokers, power brakes, vestibules, machinery for self-propulsion, heating and lighting apparatus, and the like; and the excess cost of betterments, such as improved appliances, parts, or appurtenances, over the cost at current prices (as new) of the appliances, parts, or appurtenances removed. The cost of removing the old appliances and applying the improved shall be charged to Operating Expenses.

The ledger value of each unit of equipment shall be credited to the appropriate equipment account when it is retired from service. The amount of this credit shall be concurrently charged as follows:

The amount of the balance in the balance-sheet accrued depreciation account with respect to the equipment thus retired shall be charged to that account; the salvage recovered shall be charged to the materials and supplies account or elsewhere, according to the purpose for which used; the amount of depreciation prior to July 1, 1907, not previously written off or provided for, shall be charged to Profit and Loss; and the remainder shall be charged to the appropriate operating expense account for equipment retired. The cost of demolishing the equipment, if demolished by or for the carrier, shall be charged to the appropriate operating expense account for equipment retirements.

When the cost of the renewals to be made to any unit of equipment will constitute the major portion of its value as renewed, the equipment, when taken out of service, shall be considered as retired and accounted for as provided in the preceding paragraph, and for the purpose of this classification the renewed equipment shall be considered an addition and the appraised cost thereof shall be included in the account appropriate for the cost of the equipment. In no case shall the charge for the renewed equipment exceed the cost (at current market prices of labor and material) of new equipment of similar type, equal capacity, and equal expectation of life in service, less a suitable allowance on account of the secondhand parts remaining therein.

When equipment of one class is converted so as to be includible in another class, the accounting shall be as provided in general instructions, section 11.

When an important addition and betterment project or the construction of new lines necessitates the purchase of equipment to be used exclusively therein, the cost of such equipment shall be included in the accounts representing the cost of the work, and no charge shall be made to Operating Expenses for depreciation on such equipment while the cost remains so charged. The amount realized from any subsequent sale, or the appraised value of the equipment retained after the completion of the special work for which it was purchased, shall be credited to the accounts charged with its cost. The appraised value of such equipment retained shall be debited to the appropriate primary account herein, and thereafter, for the purposes of accounting, such appraised value shall be considered as the cost of the equipment.

When secondhand equipment acquired is in such physical condition that it is necessary to make extensive repairs to it to bring it up to the standard required by the carrier, the cost of such repairs shall be included in the account appropriate for the cost of the equipment. A comprehensive statement of the amount estimated to be necessary to rebuild secondhand equipment in accordance with the above provision shall be furnished to the Commission as soon as the estimate is made.

51. STEAM LOCOMOTIVES.

This account shall include the cost of steam locomotives and tenders, purchased or built by the carrier, and of appurtenances, furniture, and fixtures necessary to equip them for service, including the cost of inspection, setting up, and trying out after receipt from builders, and transportation charges to the carrier's line.

LIST OF APPURTENANCES TO LOCOMOTIVES.

(See general instructions, section 13.)

Air-brake equipment and hose.	Coal boards.	Signal lamps.
Arm rests.	Fire-extinguishing apparatus.	Speed recorders.
Awnings.	Gongs.	Steam-gauge lamps.
Brake fixtures.	Head lamps.	Steam-heat equipment and hose.
Cab cushions.	Metallic packing.	Storm doors.
Cab lamps.	Pneumatic sanding equipment.	Tool boxes.
Clocks.	Seat boxes.	Train-signal equipment and hose.

52. OTHER LOCOMOTIVES.

This account shall include the cost of locomotives other than steam, purchased or built by the carrier, and of appurtenances, furniture, and fixtures necessary to equip them for service, including inspection, setting up, and trying out after receipt from builders, and transportation charges to the carrier's line.

NOTE.—Cars with motor equipment are not to be classed as locomotives.

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53. FREIGHT-TRAIN CARS.

This account shall include the cost of freight-train cars of all classes, including motor-driven cars, purchased or built by the carrier, including all appurtenances, furniture, and fixtures necessary to equip them for service, and the cost of inspection and transportation charges to the carrier's line.

LIST OF FREIGHT-TRAIN CARS.

(See general instructions, section 13.)

Ballast (commercial).	Fruit.	Ore.
Beer.	Furniture.	Platform.
Box.	Gondola.	Poling.
Cabin.	Gondola (hopper).	Poultry.
Caboose.	Gondola (long).	Produce.
Charcoal.	Gun truck.	Rack.
Coal.	Hay.	Refrigerator.
Coke.	Lime.	Stock.
Dump (commercial).	Logging.	Tank and water (when used as commercial cars).
Flat.	Oil tank.	

LIST OF APPURTENANCES TO FREIGHT-TRAIN CARS.

(See general instructions, section 13.)

Air-brake equipment, including hose.	Heating equipment.	Speed recorders.
	Ice boxes.	Train-signal equipment, including hose.
Cooking equipment and utensils.	Lamps and fixtures.	Water tanks.
Cushions.	Seats.	

NOTE.—The cost of motor equipment of cars shall be included in account No. 55, "Motor equipment of cars."

54. PASSENGER-TRAIN CARS.

This account shall include the cost of passenger-train cars of all classes, including motor-driven cars, purchased or built by the carrier, including all appurtenances, furniture, and fixtures necessary to equip them for service, and cost of inspection and transportation charges to the carrier's line.

LIST OF PASSENGER-TRAIN CARS.

(See general instructions, section 13.)

Baggage.	Dining.	Passenger.
Baggage-express.	Express.	Passenger-baggage.
Baggage-mail.	Immigrant.	Passenger-baggage-mail.
Baggage-mail-express.	Library.	Postal.
Buffet.	Mail.	Refrigerator-express.
Café.	Milk.	Sleeping.
Chair.	Observation.	Smoking.
Club.	Parlor.	Tourist.
Colonist.	Parlor-baggage.	

LIST OF APPURTENANCES TO PASSENGER-TRAIN CARS.

(See general instructions, section 13.)

Air-brake equipment, including hose.	Ice boxes.	Steam-heat hose.
Bedding.	Ice tanks.	Table china.
Chairs.	Kitchen equipment and utensils.	Table glassware.
Coat hooks.	Lighting equipment.	Table linen.
Curtains and fixtures.	Mail catchers.	Table silver.
Cushions.	Parcel racks.	Toilet equipment.
Electric bells.	Ranges and boilers.	Train-signal equipment, including hose.
Floor coverings.	Seats.	Water tanks.
Heating equipment.	Speed recorders.	

NOTE.—The cost of motor equipment of cars shall be included in account No. 55, "Motor equipment of cars."

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55. MOTOR EQUIPMENT OF CARS.

This account shall include the cost of motor equipment of all cars, including the wiring for such electric equipment.

DETAILS OF MOTOR EQUIPMENT.

(See general instructions, section 13.)

Batteries, storage.	Lightning arresters.	Third-rail contact.
Circuit breakers.	Motors.	Trolley poles.
Controllers.	Overload switches.	Trolleys.
Engines, internal-combustion.	Rheostats.	
Generators.	Switches.	

56. FLOATING EQUIPMENT.

This account shall include the cost of marine or floating equipment of all kinds except work equipment, purchased or built by the carrier, including all appurtenances, furniture, and fixtures necessary to equip it for service, and cost of inspection and transportation charges to the carrier's line.

LIST OF FLOATING EQUIPMENT.

(See general instructions, section 13.)

Barges.	Lighters.	Steamboats.
Canal boats.	Power launches.	Steamships.
Car and other floats.	Power lighters.	Transfer boats.
Ferryboats.	Scows.	Tugboats.

LIST OF APPURTENANCES TO FLOATING EQUIPMENT.

(See general instructions, section 13.)

Anchors.	Flue cleaners.	Racks.
Axes.	Furniture.	Railings.
Barometers.	Gangplanks.	Rakes.
Beds and bedding.	Hatchets.	Rigging.
Binnacle lamps.	Heating equipment.	Safs.
Blocks and tackle.	Hoisting equipment.	Sails.
Boilers and foundations.	Hooks.	Scales.
Cables.	Keys.	Seats, chairs, and cushions.
Capstan bars.	Kitchen equipment.	Shovels.
Carpets.	Life preservers.	Slice bars and pokers.
Charts.	Lighting equipment.	Spyglasses.
China, crockery, and glassware.	Linen.	Steam distribution systems.
Chronometers.	Lines.	Steering equipment.
Clocks.	Logs.	Telescopes.
Compasses.	Machinery and foundations.	Ticket cases.
Counters.	Masts.	Tool boxes.
Desks.	Oil cans.	Tools, miscellaneous.
Engines and foundations.	Pianos and other musical instruments.	Tracks on car floats.
Fire buckets.	Pumps.	Ventilating equipment.
Fire extinguishers.		Wrenches.
Floor coverings.		

57. WORK EQUIPMENT.

This account shall include the cost of work equipment, including motor-driven equipment, purchased or built by the carrier; cost of appurtenances, furniture, and fixtures necessary to equip it for service, and cost of inspection and transportation charges to the carrier's line.

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ROAD AND EQUIPMENT.

LIST OF RAIL WORK EQUIPMENT.

(See general instructions, section 13.)

Air-brake instruction cars.	Grading cars.	Scraper cars.
Ballast cars.	Gravel cars.	Snow dozers.
Ballast unloader cars.	Indicator cars.	Snow drags.
Boarding cars.	Locomotive tanks used permanently as water cars.	Snow plows (moved by but not attached to locomotives).
Bridge cars.	Locomotives.	Sprinkling cars.
Business cars.	Officers' cars.	Steam shovels.
Camp cars.	Outfit cars.	Steam wrecking derricks.
Cinder cars.	Painters' cars.	Supply cars.
Concrete mixers (mounted).	Pay cars.	Sweeper cars.
Derrick cars.	Pile drivers (mounted).	Tool cars.
Dirt spreaders (mounted).	Rail saws (mounted).	Tool and block cars.
Ditching cars.	Salt cars.	Water cars.
Dump cars.	Sanding cars.	Weed burners (mounted).
Dynamometer cars.	Scale test cars.	Wrecking cars.
Gas tank cars.		

LIST OF FLOATING WORK EQUIPMENT.

(See general instructions, section 13.)

Derricks.	Dredges.	Pile drivers.
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APPURTENANCES TO FLOATING WORK EQUIPMENT.

(See general instructions, section 13.)

Anchors.	Floor coverings.	Oil cans.
Axes.	Flue cleaners.	Pumps.
Barometers.	Gangplanks.	Rakes.
Beds and bedding.	Hatchets.	Rigging.
Blocks and tackle.	Heating equipment.	Sails.
Boilers and foundations.	Hoisting equipment.	Seats and chairs.
Cables.	Hooks.	Shovels.
China, crockery, and glassware.	Keys.	Slice bars and pokers.
Compasses.	Life preservers.	Steam distribution systems.
Cushions.	Lighting equipment.	Steering equipment.
Desks.	Linen.	Tool boxes.
Engines and foundations.	Lines.	Tools, miscellaneous.
Fire extinguishers.	Machinery and foundations.	Wrenches.
Fire buckets.	Masts.	

NOTE.—The cost of motor equipment of cars shall be included in account No. 55, "Motor equipment of cars."

58. MISCELLANEOUS EQUIPMENT.

This account shall include the cost of horses and harness; and cost of wagons, automobiles, and other highway vehicles.

III. GENERAL EXPENDITURES.

The primary accounts of this general account are designed to include expenditures made in connection with the acquisition and construction of original road and equipment, and with extensions, additions, and betterments to road and equipment property, when such expenditures can not properly be included in any of the foregoing accounts as a part of the cost of any specific work. When assignable, such expenditures shall be included in the cost of the property in connection with which the expenditures occur.

71. ORGANIZATION EXPENSES.

This account shall include all fees paid to governments for the privilege of incorporation, and office and other expenditures incident to organizing the corporation and putting it in readiness to do business; cost of preparing and distrib-

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uting prospectuses; cost of soliciting subscriptions for stock; cash fees paid to promoters, and the actual cash value (at the time of the organization) of securities paid to promoters for their services in organizing the enterprise; special counsel fees; cost of preparing and issuing certificates of stock; cost of procuring the necessary certificates from State authorities; and other like costs.

NOTE.—Cost of soliciting for loans or for the sale of bonds or other evidences of indebtedness shall be charged to balance-sheet account No. 725, "Discount on funded debt."

72. GENERAL OFFICERS AND CLERKS.

This account shall include the pay and expenses of executive and general officers and of general office clerks engaged exclusively in connection with the construction of new road and extensions.

NOTE.—The salaries and expenses of executive and general officers and of general office clerks engaged in connection with the conduct of commercial operations during the period before the regular operation of revenue trains shall be included in account No. 40, "Revenues and operating expenses during construction."

73. LAW.

This account shall include specific and distinct expenditures, not provided for elsewhere, for law service in connection with the acquisition of new road, road extensions, additions, and betterments, such as pay and expenses of counsel, solicitors, and attorneys, their clerks and attendants, and expenses of their offices.

ITEMS OF EXPENSE.

(See general instructions, section 13.)

Arbitrators' services in settlement of disputed questions.	Legal forms.
Cost of taking depositions.	Legal reports.
Cost of testimony.	Notarial fees not provided for elsewhere.
Costs of suits.	Office expenses.
Court bonds.	Printing of briefs, testimony, etc.
Court expenses.	Rent of offices.
Express charges.	Special fees.
Fees and retainers of attorneys not regularly employed.	Telegraph service.
Law books.	Telephone service.
	Traveling expenses.
	Witness fees not provided for elsewhere.

NOTE.—Court costs and special counsel fees in connection with the acquisition of land for transportation operations shall be included in account No. 2, "Land for transportation purposes."

74. STATIONERY AND PRINTING.

This account shall include the cost of stationery, stationery supplies, postage, office devices, and printed matter used by any class of employees in connection with construction and not provided for elsewhere.

ITEMS OF STATIONERY AND PRINTING.

(See general instructions, section 13.)

Adding machines.	Cards, blank and printed.	Dictographs.
Addressographs and supplies.	Circulars.	Drawing paper
Arm rests.	Computing tables.	Duplicators.
Binders.	Copy (impression) books.	Electric pens.
Blank books.	Copying brushes.	Envelopes.
Blotters.	Copying presses.	Erasers, rubber and steel.
Blotting paper.	Crayons.	Eyelet punches.
Bristol board.	Cross-section books.	Eyelets.
Calculating machines.	Cross-section paper.	File boxes.
Calendars.	Cyclostyles.	Forms, blank and printed.
Carbon paper.	Dating stamps and ribbons.	Fuel tickets.
Cardboard.	Dictaphones.	Glass pens.

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Hectographs.	Paper files.	Shipping tags.
Indexes.	Paper weights.	Shorthand notebooks.
Ink for writing and drawing.	Papyrographs.	Sponge cups.
Inkstands.	Parchment paper.	Sponges.
Invoice books.	Pencil sharpeners.	Stamps, impression.
Legal cap paper.	Pencils for writing and drawing.	Stylographs.
Letter paper.	Penholders.	Tablets, blank and printed.
Manifold paper.	Penracks.	Tape.
Manifold pens.	Pens for writing and drawing.	Telegraph blanks.
Mimeographs.	Phonographs and records.	Time-tables.
Mucilage.	Pins.	Tissue (impression) paper.
Mucilage brushes.	Postage.	Tracing cloth.
Neostyles.	Punches (not conductors' or baggage men's).	Tracing paper.
Note paper.	Rubber bands.	Twine.
Notices.	Rubber stamps.	Typewriters and ribbons.
Numbering stamps.	Rulers.	Wage tables.
Oil paper.	Ruling pens.	Wastebaskets.
Paper.	Scrapbooks.	Water colors.
Paper baskets.	Sealing wax.	Water holders.
Paper clips.	Seals.	Waybills.
Paper cutters.	Shears.	Wrapping paper.
Paper fasteners.		Wringers for copying presses.

NOTE A.—The cost of printing bonds, etc., in connection with the carrier's funded debt shall be included in balance-sheet account No. 725, "Discount on funded debt."

NOTE B.—The cost of stationery and printing, when assignable, shall be included in the cost of the property in connection with the acquirement or construction of which the expenditure occurs.

75. TAXES.

This account shall include State, county, township, city, school, road, annual franchise, and all other taxes and assessments levied and paid on property belonging to the carrier during construction and before the facilities are used for commercial operations, except special assessments for street and other improvements chargeable to account No. 36, "Paving," or No. 39, "Assessments for public improvements."

NOTE.—Taxes during construction, when assignable, shall be included in the cost of the property acquired or constructed.

76 INTEREST DURING CONSTRUCTION.

When any bonds, notes, or other evidences of indebtedness are sold, or any interest-bearing debt is incurred for acquisition and construction of original road and equipment, extensions, additions, and betterments, the interest accruing on the part of the debt representing the cost of property chargeable to road and equipment accounts (less interest, if any, allowed by depositaries on unexpended balances) after such funds become available for use and before the receipt or the completion or coming into service of the property so acquired shall be charged to this account.

When such securities are sold at a premium the proportion of such premium assignable to the time between the date of the actual issuance of the securities and the time when the property acquired or the improvement made becomes available for service shall be credited to this account.

This account shall also include such proportion of the discount and expense on funded debt issued for the acquisition of original road, original equipment, road extensions, additions, and betterments, as is equitably assignable to the period between the date of the actual issuance of securities and the time when the property acquired or the improvement made becomes available for the service

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for which it is intended. The proportion of discount and expense thus chargeable shall be determined by the ratio between the period prior to the completion or coming into service of the facilities or improvements acquired and the period of the entire life of the securities issued.

This account shall also include reasonable charges for interest, during the construction period before the property becomes available for service, on the carrier's own funds expended for construction purposes.

NOTE A.—Interest on bonds, notes, or other evidences of indebtedness accruing before the proceeds from the sale of the securities become available for use shall not be included in this account, nor shall there be included any interest accruing after the property with respect to which the proceeds are expended is received or becomes available for use in connection with commercial service.

NOTE B.—If any securities which have been issued or assumed by the carrier are sold or exchanged by or for the carrier for a consideration the actual money value of which at the time of such sale or exchange is less than the value of the securities at par and the accrued interest thereon, if any, the difference between the money value of the consideration received and the par value of the securities plus the accrued interest shall be deemed a discount. In no case (except as provided in the third and fourth paragraphs of this account) shall discounts be included as part of the cost of anything charged to any account prescribed in this classification.

NOTE C.—For definition of securities *actually issued*, see Note B, under general balance-sheet account No. 755, "Funded debt unmaturred."

NOTE D.—Whenever interest, premium, or discount assignable to the construction period is incurred in connection with an expenditure covered by some specific road and equipment account or accounts, such interest, premium, or discount shall be charged directly to the specific accounts to which it is related.

77. OTHER EXPENDITURES—GENERAL.

This account shall include all expenditures of a special and incidental nature in connection with the acquisition and construction of original road and equipment, road extensions, additions, and betterments which can not properly be included in any other account in this classification.

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