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Four early railroad accountants

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The early partners of Haskins & Sells used to claim that no accountant was worth his salt unless he had worked for the railroads. If they were betraying even a trace of prejudice, perhaps they were entitled to it, for there is much evidence that they had the railroads to thank for bringing them together.

Elijah Watt Sells left school at the age of 16 to work for the Atchison, Topeka and Santa Fe Railway. When he went down to the station at Gardner, Kansas to apply, he was almost turned down. They told him they wanted a man who could work the telegraph key. But he had prepared himself by learning the Morse Code and was signed on as assistant station agent at Gardner.

In the twenty years that followed before he went to Washington to overhaul the Government's accounting system, Mr. Sells worked for seven different railroads from the Midwest to the Pacific Coast. He became a railroad man to the core. He knew freight accounts, ticket accounts, and car mileage accounts. His experience carried him through virtually every position in the accounting department and comptroller's office from bookkeeper to auditor, secretary, and vice president.

The late 1880's found him turning thirty and secretary and auditor of the Colorado Midland Railway. Colorado in those days boasted more trackage than any other state in the Union, with picturesque narrow-gauge railroads being pushed rashly through nearly every creek-bed and high pass in the Rockies and the canyons echoing with the shrill whistles of intrepid little engines.

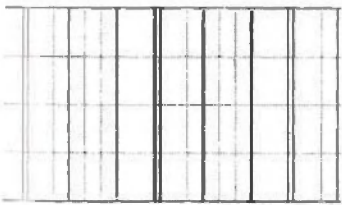
Their mission was to haul out the newly-discovered silver and gold from such mining towns as Leadville and Cripple Creek.

The Colorado Midland was also popular with the carriage trade in Colorado Springs, for whom it provided the latest Pullman equipment—"luxurious masterpieces of construction" with woodwork of mahogany and English Oak, seats of maroon and gold plush, floors covered with rich Wilton carpets, and silver plated trim.

In repeated financial difficulties until its demise in 1922, its heroic accomplishment in traversing the Rockies was to prove its undoing. Originally it crossed the Continental Divide after a series of spectacular hairpin curves and steep grades to the Hagerman Tunnel, 11,530 feet high and just below the summit of Sugar Loaf Mountain. In 1893, the worst of the curves and grades were eliminated when the two-mile Busk-Ivanhoe Tunnel was opened 700 feet below the Hagerman. But three or four "helper" engines were still needed to get up to the new tunnel, and they had to deadhead back down. That and the great snowstorm of 1899 helped to break the railroad financially. Eight of the largest engines were needed to push the big new rotary snow plow. Nevertheless, it was snowed in for twelve days, and the line was out of commission for 2½ months while 45-foot drifts were cleared at a cost of \$73,000, a sizeable sum in those days.

It was the Midland which brought Mr. Sells together with Charles S. Ludlam and Homer A. Dunn, who were

four early railroad accountants



later to become his partners. Mr. Ludlam, who succeeded Mr. Sells as Managing Partner of the Firm, started working at 14 for the Pullman Company in Chicago and became bookkeeper of its capital stock accounts two years later. He went to Albuquerque for his health and began working in railroad accounting departments, first for the Atlantic & Pacific and then for the Colorado Midland, where he met Mr. Sells. Mr. Sells brought him to New York in 1895, the year the firm was founded, and railroad accounting remained a consuming interest throughout his career.

Beginning in 1890, the Colorado Midland was owned for a few years by the Santa Fe, where Mr. Dunn had begun work ten years before, at 17, as night operator. Mr. Sells had been there just before him, and their paths had crossed when they both worked for the Kansas City, Fort Scott & Memphis Railroad. When Mr. Sells went to Colorado Springs with the Midland, he brought Homer Dunn out with him, and they were together for five years until Mr. Sells left for the Chicago Office of the Santa Fe.

It was in Chicago that Mr. Sells came to the attention of J. W. Reinhart, the young president of the Santa Fe who was asked to be chief expert for the Dockery Commission, formed by Congress to reorganize the Government's accounting system. Mr. Reinhart appointed to work with him Mr. Sells and an Easterner who had also established quite a reputation as a railroad accountant, Charles Waldo Haskins by name.

Mr. Haskins came into railroading through the construction company that built the New York, West Shore and Buffalo Railroad. His success as supervisor of the construction accounts was so marked that the railroad retained him as its general bookkeeper and auditor of disbursements. After opening his own public accounting office in New York in 1886 and incident to it, he served as comptroller of the Chesapeake & Western Railroad and the Central of Georgia Railway. The Central of Georgia became a client of the new firm of Haskins & Sells the year it was founded, and Mr. Sells persuaded Homer Dunn to move to Savannah to be its Auditor. In 1902, Mr. Dunn joined Haskins & Sells in New York, and in 1907 became one of the early partners to be taken into the new firm, after Charles Ludlam, who had been admitted as the third partner in 1903.

With this wealth of experience in railroading, the Firm rapidly established an enviable railroad clientele. The last century had not yet run out when the discovery of heavy defalcations while auditing the accounts of one company helped to confirm our reputation for railroad work. The partners' high regard for railroad accountants was testified by Mr. Sells' remark that the Association of American Railway Accounting Officers comprised "the most notable body of private accountants in the world." Our strong connection with railroad accounting has continued to this day; the profile of our Atlanta Office beginning on page 15 notes that the Firm serves all of the seven railroads running into Atlanta.