

Report of the visit to the "The Pennsylvania Railroad Company"
on Wednesday Aug. 12, 1959. Headquarters: 15 N. 32nd St. Philadelphia, Pa.

In 1900 there were 1,224 railway companies large and small operating 192,556 miles of railroad in the United States. Owing to numerous consolidations since then, a much smaller number of companies are in operation.

At the beginning of 1957 the railway system in this country was composed of 635 operating companies. Of these 116 were class I railroad (operating revenues of \$3,000,000 or more) 312 were class II (less than \$3,000,000) and 207 were switching and terminal companies.

Each railroad company shapes its organisation to fit its particular requirements. A small railroad may have only a few officers and employees and a very simple departmental set-up. A large railroad company with many thousands of employees and doing a business of many millions of dollars annually, has a much more extensive organisation with several major departments and many minor departments, divisions and bureaus.

Generally speaking the railroad organisation is grouped in nine major departments: Executive, Operating, Engineering and Maintenance of way, Mechanical, Traffic law, Treasury, Accounting and Purchasing and stores. On most railroads the Engineering and Maintenance and Mechanical departments are branches of the Operating department.

The executive department is headed by the president and includes his staff of assistants. The president is the responsible head of the railroad organisation. He is accountable to the board of directors and to the stockholders for the property and its efficient operation.

The operating department usually headed by a vice-president or general manager is the largest department of the railroad. This department operates the train, the yards, the freight and passenger stations and usually attends to the maintenance of the railroad plant.

Operating department functions may be divided into 3 principal branches or departments: (1) transportation (2) mechanical and (3) engineering and maintenance.

Transportation - This branch of the operating department under a ^{general} Superintendent of transportation is responsible for the operation of trains, yards and stations. For operation purposes, the railroad is divided into divisions each under a Superintendent. He is assisted by train masters who have direct charge of train operations; yardmasters who have charge of train and car movement in yards and terminals and station masters and agents in charge of freight and passenger stations.

Mechanical - The staff is usually headed by a Chief Mechanical officer, a Superintendent of motive power or on smaller roads a master mechanic under whom are foremen in charge of engine houses, car and locomotive shops and inspectors of motive power and cars.

Engineering - The staff is usually headed by a chief engineer. The functions of this branch of the department include the construction, reconstruction and maintenance of tracks, bridges, tunnels, store house, signals, fences, stations and other fixed properties. Responsibility for the upkeep, renewal and inspection of fixed property rests with the engineer maintenance

of way, the engineer of buildings and the engineer of bridges all reporting to the chief engineer.

The traffic department usually headed by a vice president or chief traffic officer is the "sales department" of the railroad, having charge of the procurement of freight and passenger business. The department is usually divided into 2 sections one dealing with freight matters and the other dealing with passenger matters.

The Law department usually headed by a vice president or a general counsel is responsible for the proper handling of all matters in which special knowledge of law is required. It not only handles matters before courts, state railroad commissions, the inter-state commerce commission and legislative committees, but also all other law matters such as the drafting of contracts and agreements, deeds and other documents.

The accounting department usually headed by a vice-president or a general auditor performs the vast accounting work required in connection with railroad operations. It portrays in figures the operations of the railroad and its financial position.

The treasury department headed by the treasurer of the company receives and disburses money, checks and vouchers, issues or approves checks and vouchers, attends to the banking, issues pay-checks, pay dividends on the company's stock and interest on its bonds and performs numerous other duties having to do with the financial affairs of the railroad.

The purchasing and stores department does the buying and handles the storage and distribution of materials and supplies for the railroad. This department is usually headed by a vice president or a purchasing agent. This department is charged with the responsibility of keeping the railroad supply, attends to the proper storage and distribution of materials, keeps the inventories, places orders, fills requisitions, issues vouchers and performs numerous other duties incident to buying, storing and distributing fuel, materials and supplies required for the efficient operation of the railroad.

Some figures about Pennsylvania Railroad Company -

On January 1, 1957 the railway mileage of the Pennsylvania state was 9,290 (operating electrically 664 miles of road and 2,211 miles of track). The ~~was~~ actual number of railroad employees in Pennsylvania state in April 1957 was 101,956 and the estimate railway payroll for the year ended April 30, 1957 was \$ 519,055,101.

Taxes paid by the railroad amount to more than their total receipts from passengers and express service. In the seven years 1950-1956 inclusive the Class I railroad paid taxes averaging \$1,130 million per year. In the same period their total receipts from passengers and express averaged \$818 million and \$112 million respectively a total of \$930 millions. Therefore taxes not only took an amount equal to total passenger and express revenues but they took \$200 millions additional.

As for the Pennsylvania Railroad Company it paid in New Jersey in 1958 \$5,800,000 in taxes while earning only \$700,000.