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TO: W. H. Neilson
FROM: R. S. Stevens

Dec. 17, 1875

W. H. Neilson, Prest.

Dear Sir:-

Enclosed I hand you the list of officers and employees of this company on our Nov. payrolls. With one or two exceptions there has been no change in appointments since my taking charge and the salaries and duties were also all fixed by my predecessors.

While most of the principal officers are very efficient and capable, yet as a rule I think the salaries are too high, generally higher than most Roads in this section of the country are paying, and certainly in excess of what our earnings warrant.

Commencing with the General Supt., we have a very active, earnest, honest and faithful gentleman, one, however, almost entirely without experience in the details of Railroad management - before his appointment having been [a] station agent at Quincy. The salary, you will observe, is \$5,500 per year - a salary which ought on a Road of this kind, command the best Railway talent. If I should remain here, my plan would be (if it met the approval of yourself and associates), to dispense with this office of Gen'l. Supt., make Mr. Lee my assistant, and divide the Road into three divisions; putting a division superintendent on each one, making Mr. Lee's salary, say \$350.00 per month, and that of division Supts. at not more than \$175.00 per month each.

Following down the list, we find Mr. Stubbs as clerk for Mr. Lee. Mr. S. is very capable, fully posted in the matters of the Road, having been here for a long time, and \$125.00 or \$150.00 per month is well earned by him.

Mr. Drew, (Asst. Supt. and Supt. of Telegraph) has also been on the Road for a long time, and now holds the title of Asst. Supt. and Supt. Telegraph, salary \$225.00 per month.

¹FROM: Letter Book, "FROM R.S.S. - 1875-1876."

He really does comparatively little outside of telegraph matters and dispatching trains, altho very capable, efficient, energetic, willing and desirous to do whatever is required. I propose to make him Supt. of the Eastern Div. and ex-officio Supt. Telegraph, salary \$175.00.

The necessity for a Supt. of telegraph arises from the fact that we have settlements to make with the Western Union Telegraph Co., and someone must certify and make up accounts.

Mr. Bennett is Master of Transportation with headquarters at Brookfield, salary \$166.66 per month.

This office I propose to abolish as unnecessary, and make Mr. Bennett agent at Brookfield at a salary of not to exceed \$125.00 per month.

Mr. Fagan is an appointment of mine and is Division Supt., Kansas City to Cameron. After the 1st of the month, his division will extend to Brookfield. Until last month, we had no division superintendent, or anyone in charge of affairs at Kansas City. There was no head and no one to whom men were responsible, although [it is] one of the largest, and most responsible stations upon our Line. His salary will be \$175.00 per month.

I propose to make another division, Atchison to Saint Joseph, thence to Cameron and appointing Mr. W. P. Stuart, present agent of Saint Joseph, Division Supt.

This will not increase expenses at all, as Mr. Stuart now receives a salary of \$175.00 per month as agent at Saint Joseph. His chief clerk will act as agent without increase of salary. The porters, Edmondson and Furguson (*sic*) are to build fires, sweep rooms at the Genl. Office in this city.

Passing to the Treasurer's Department, Mr. Hilton is that officer, and was recently re-elected. His salary is fixed by the Board. He is a capable and worthy gentleman and his whole heart is in his work. I have appointed him acting purchasing agent without any additional increase in salary.

Mr. Tandy, Paymaster, has been on the Road some time - he is [a] good man, capable and efficient. I propose to make his salary \$175.00 per month and dispense with his clerk, thus reducing expenses \$25.00 per month.

Mr. Harwood is paying cashier for the Treasurer and Mr. Putnam receiving cashier, both good men, honest and faithful, and salaries low, considering responsibility.

Mr. Brown is bookkeeper for the Treasurer. After the first of the month I propose to consolidate the accounts of every class into the Auditor's Department, in which event Mr. Harwood will be able to keep all the books and Brown will be dispensed with, or transferred to the Auditor's Department.

Evans, messenger, \$20.00 per month, good price, but he is a good, careful boy and is kept busy.

Passing to the Auditor's Department - with one exception the auditor and all his clerks were here on my taking charge. Mr. Wilms, Auditor, has been in the employ of the company for a number of years. His salary is low, but while very earnest and faithful, yet his experience in R'y accounts is somewhat limited in the full management thereof.

I am about employing an old and experienced auditor, one who is perfectly capable to take all the accounts of the entire road, consolidate them, put them in good shape and, I trust, will be able to give us proper monthly reports showing every expense and the percentage the expenses are of the gross receipts. The clerks in his department, as you will perceive, are working on comparatively low salary, but still ample enough to command first class talent in these times.

The Law Department - Judge Carr is Gen'l. Att'y., and has a salary of \$5,000 per year. The Judge is one of the best att'ys in this country. I do not think a better man could be at the head of our law department.

A gentleman by the name of Oliver was also employed, but his contracted term expired Nov. 1st and with my approval was dropped from the force at that date.

Mr. Leach is assistant in this office to Judge Carr, also stock agent. You will perceive his salary is not high.

Mr. Colston is clerk in same department.

Outside of this, the expenses in the Law Department are very heavy, for I find in Saint Joe, and at several other points, att'ys have been employed, partially in recognition of services rendered before the

Legislature in the passage of Land Bill, and while \$616.00 on this roll would appear to be the expenses of the Law Department, it is in reality not one-half. In January, Judge Carr proposes to reorganize this department.

We shall have local atty's in each circuit, paying them a small fixed retainer, and then for such services as they may render from time to time, and at a fixed fee.

Mr. Fee is my clerk, secretary and shorthand writer.

Mr. Brent is in charge of the Stationery Department, the purchasing agent attending to buying supplies and Mr. Brent dispensing the same - in this manner we have reduced expenses considerably.

Passing to the General Freight Department, Mr. Courtright was appointed by Mr. Morse sometime since (while General Manager), and his appointment continues I think two years from the 1st of Dec. His salary will be \$400.00 per month, that being the price fixed. I think the original price was \$4,100.00 per year, but, for a short time, he acted as General Superintendent at a salary of \$5,500.00, but Dec. 1st it will drop to \$400.00 per month. I consider him one of the ablest Freight Agents in the west, one whom I should hate to lose, as his place could hardly be supplied.

Messrs. Tibbetts, Sherman, Lee, Crosby, League and Green are clerks under Courtright. When the new system goes into effect, probably these clerks, with perhaps one or two exceptions, will all be transferred to the Auditor's Department.

General Ticket Agent Penfield, who has been here some two years, is a very hardworking, industrious, and capable gentleman. His salary is on an average (about) with those paid by other roads in the west.

After Jan'y 1st all employees in his department, aside from the chief clerk, will be transferred to the Auditor's Department, or their services dispensed with.

In this connection, I should state that the accounts of this company are kept in several departments - treasurer's, freight, passenger, &c.; each keeping their own accounts which are not consolidated anywhere. This, in case one desires to get at the earnings of the Road, or ascertain balances due to or from the company, obliges one to go through all departments. From and after Jan'y. 1st, all of these accounts will be kept in the Auditor's office. The head of each dept will report to him. Also all contracts will

be filed with the auditor, first copied into a book for the use of those who may have [the] necessity to examine them.

We now come to the Locomotive Dept., which, altho reduced about 30% since Sept. 1st, is in my judgment, still too strong. We are now working only eight hours per day and, of course, this will reduce our payroll some from Nov.

I am corresponding with managers of other roads which run west of the Miss. River for the purpose of ascertaining the salaries and wages paid by them, and then, if possible, reducing ours somewhat. My judgment is that in many instances we are paying too high wages, but as you are well aware, the Locomotive Department is most difficult to handle, as there seems to have grown up among Railroad Supts a theory that they must not interfere with train men or engineers. If they do, owing to their organizations, &c., there is a great fear of strikes, &c.

While there is something in this, I do not believe our class of men should be paid any higher in proportion than others working for the same company, and I am trying to effect an arrangement by which, without any strikes or troubles, the wages can be somewhat decreased, and the number of men considerably less.

Car Department:-

When I came here there was no Supt. of cars, that department being under the charge of the Master Mechanic. I at once put in Mr. Townsend as Supt. of Cars; not doubting but what Mr. MacKenzie, as Supt. of the Locomotive Department, was honest and efficient, but having been educated in the iron department - (Rogers Locomotive Works) - he had no experience in the car department or repairs of cars. In the car department we are compelled to keep a large force, as the cars were very much run down, and large numbers were standing upon side tracks, unfit for use.

During Oct., we repaired and made fit for service, one hundred and thirteen cars and about the same in Nov. and Dec. Since Dec., we have reduced our force in that department 15 to 20 men - and are now working only eight hours per day. I am aiming to do just enough to keep our cars in order, and at the same time, repair all old box cars, making them fit for merchandise and grain. While the total number of cars is very large, yet they are principally cattle cars, which as you are aware, cannot be used for grain, and now the demand for grain cars is very great. If we had one or two hundred more cars of that class, they would pay us a very large percentage. I would not advise buying or building any more cars at present, but in case you make arrangements for some money, we should increase our grain cars at least one hundred. Many of our old cattle cars that had to be repaired I am changing into grain cars, with good success.

In the Supply Department, Mr. Picket is Chief Clerk and Assistant Purchasing Agent.

This department after Jany 1st will be reduced two men at a saving of \$120.00 per month.

You will notice our "locomotive engineers and firemen" list in large. This I think can be reduced about 15%, and the wages now paid, in my judgment, are excessive, and I hope to inaugurate a system by which the same will be very much reduced, perhaps from 10 to 20%.

The Roadmasters, you will notice, are being paid \$120.00 and \$130.00 and \$75.00 per month. Jany 1st the Roadmasters will be paid \$100.00 per month thereafter. Atchison Division remains the same as it is. The track force from Dec. is reduced to three men and a foreman in each section in the West & Eastern Division[s]; on the Atchison Division, one foreman and two men to each section. The salaries of section foremen in some instances are too high and I propose to make them all \$50.00 pr. month with the exception

of two or three in the yards at terminal points (Kansas City, Hannibal and Saint Joseph). The wages of track men up to Dec. 1st was \$1.10 per day. On that day it was reduced to \$1.00 per day. The construction or ditching train on the Eastern Division was taken off last night and the men will be paid tomorrow; and the one on the Western Division comes off tomorrow - men all discharged.

Train service of conductors and brakemen are paid by the trip - the intention being to make the salaries of conductors equal, about \$100.00 per month: brakemen \$55.00 - with the exception of branches, where they are paid \$90.00 and \$50.00 respectively.

Freight conductors are paid from \$80.00 to \$85.00, altho in making out the rolls, the system is to call so many miles a trip, and pay them in that way. This is a good plan, as by it men are paid for what they do and no more.

The expense in the baggage department can be decreased a little - perhaps one or two men can be dispensed with at Kansas City, Quincy, &c.

Fuel Department:-

When I took charge I found Mr. Jobson acting as Purchasing Agent for fuel, ties & timber, and Mr. Ambrose as Receiving Agent - the one receiving \$100.00 per month, other \$90.00.

Jobson, being contractor for furnishing the company coal from Co.'s mines, it seemed improper that he should continue as purchasing agent, so I dispensed with the services of both, employing in their place, Mr. Beaman at a salary of \$150.00 per mo. thereby consolidating the work and decreasing expenses. Mr. Sheldon is weigher at the mines. I do this in order that we might have someone responsible to the company for the correct weighing of coal. The item of \$115.18 is for unloading coal from cars to chutes at Brookfield, for which we pay so much per car. After Jany 1st, this expense will be dispensed with, the unloading being done by some of the yard men at that station.

Our station service, in some instances is a little too high, but average about right - salary is partially paid for by commissions allowed on tickets sold. This is done for the purpose of inducing agents to always be on hand a little before the departure of trains, and make a special effort to sell passenger tickets.

The services at Kansas City appear to be large and expensive, but a certain proportion thereof is charged to, and paid by, other companies. The Kansas City Bridge <?> does not yield the revenue it should from foot passengers, wagons, horsemen, &c., This arises from the fact that toll is very high, and a ferry-boat running close to the bridge, at a much lower rate for transportation, takes much business.

I am preparing reduced rates. The Bridge department seems high, and in fact is, but this arises from the fact that a large amount of work has been done on bridges, owing to washouts, &c., many new structures being put in. The force is now engaged in putting in a new bridge over "Brush Creek." In about 10 days, work in this department will be nearly completed and we shall not require thereafter more than three or four men besides the Supt.

The foreman and all the fence gang are discharged.

The force of Bridge watchmen is no greater than necessary under existing circumstances.

The Telegraph Department cannot be reduced much. Perhaps the expense can be cut down about ten per cent.

While the payrolls for Sept., Oct., and November seem to be about as large as in the preceding months, yet, in fact, is much less, several thousand dollars at least. This arises from the fact that with one or two exceptions the name of every officer and employee of the company was upon the payroll, while prior to Oct 1st, a great many were paid upon vouchers and did not appear upon the payroll.

I have been slow for the very reason mentioned in one of your letters to me, in making radical changes, or in discharging or changing men. I intended to have made several changes in Dec., but after your election as President it was my earnest desire to confer with you before taking any active steps. Your not coming here has prevented such consultation, and I have written thus freely.

Do my general views meet your approval? If so, please so indicate, and do not hesitate to criticize or make new suggestions.

Everyone at all conversant with the earnings and expenses of this company must admit that are quite disproportionate and an effort must be made to have employees understand that the managers are not only bound to pay

the employees their wages, but also to so handle the Road that it will bring something in return to the bond and stock holders.

I expect to leave here early next week for the east, but may not be able to visit N. Y. before returning, as an important lawsuit in which I am a witness is to be tried the first week in January.

Should you not be able to come here early in January, I will immediately after the trial of this suit come to N. York, as there are many things about which I desire to consult with yourself and associates before acting.

In regard to Kansas City Bridge, I would say: a contract for repairing the piers was made with American Bridge Co., total cost to be \$17,000. This work is nearly done, and for the correctness and perfectness thereof, we must rely entirely on Maj. Gunn, Engineer of the Bridge Co., as it was impossible that we should know anything about the setting of piles, caissons, &c., but of course must trust all such matters to Maj. Gunn, the engineer. I have no hesitation in trusting him fully. The price, as I have said, was \$17,000, and the amount on freight due from Bridge Company is not over \$6,000, leaving \$11,000 to be paid, of which I have already paid \$3,500. - balance to be paid when work is completed.

Yours respectfully,
R. S. Stevens

G. M.