

operation; (5) building operation; and (6) sundries. Each of these captions, except the last, is the title of a subsidiary record, and when the bills are approved by the purchasing agent and turned in to the accounting department they are audited and transcribed to a voucher form which makes them an authorized liability of the corporation. The various charges to sub-accounts are apportioned on a distribution margin left for that purpose on the voucher itself; and from this the sub-accounts are charged each month on the distribution register.

The entries which go to make up the sundries account are grouped to the various charges for prepayments, retirement of accruals, and so on. As the voucher is issued a check is drawn bearing the same number as the voucher. The latter is then filed and the check turned over to the treasurer to forward when the account is due. The treasurer takes credit for these checks daily as he disposes of them, and turns into the accounting department a list showing the number of the voucher, gross amount, discount and net. The last figure is the amount on the face of the check.

There is a date paid column in the voucher register and the paying date as shown by the treasurer's list is entered against the correct number to show its liquidation. At the end of the month, an abstract of vouchers with open pay dates is the balance of the account. This abstract is drawn up to show the outstanding vouchers which must be paid in the following month, and for which the treasurer has the unpaid checks.

All charges to the sub-accounts for material and supplies are taken from storeroom orders. These are credited at cost. The charges for prepayments, negative capital accounts, such as depreciation set aside as amortization reserves, and fixed charge accounts are taken care of by the journal.

Very often one sub-account will receive credit for charges originally assigned to it, but used in another department.

In such a case the department foreman will issue a transfer bill showing the sub-account to be charged. These entries are incorporated in the journal each month.

In handling the receipts of the company an account called collection bills receivable is the control account for all bills issued by the corporation for current sales of material and supplies, disused construction plant, overpayments by the paymaster, miscellaneous revenue, and so on, reverse charges for railroad operation, and also for bills issued against tenants for service and materials in operating the buildings.

There is another control account known as the rent ledger which is charged for all bills issued against the tenants for rent and credited for payments of the same.

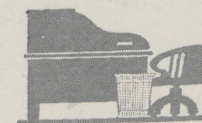
Receipts from passenger fares and miscellaneous revenue is shown by a report which the traffic agent turns in to the accounting department at the end of the month. This is framed into a journal entry and spread on the general journal as a charge to agents and a credit to the various income accounts. The charge is liquidated by a statement from the treasurer showing his collections from the agent. The collection statement must of course correspond with the charge to the agent. Another journal entry is made, treasurer to agent, for the amount.

The treasurer gives the accounting department every day a list of rent and other collections, showing opposite the itemized amounts the bill numbers which correspond with the audited vouchers payable numbers. The department posts credit from this list to the various charges for rent and collection bills.

The basis of this accounting system is extremely simple, as becomes necessary when so many details require to be handled. There are only two general books, the ledger and the journal. Everything is summarized in the general journal, and the numerous sub-ledgers contain the details of all transactions.

## MEN *and* METHODS

Men of action whose original methods have given them unique places in the world of business



### THOMAS E. WILSON

*The square-jawed manager of a big packing house whose remarkable grasp of detail saved his house from official frowns when its reputation literally "hung by a string"*

GOVERNMENT investigators dangled a piece of string before a committee of the United States Senate. Sanitary conditions in Chicago packing plants were at issue; the greasy six inches of string, dangled accusingly, came from a can of potted beef.

"How do you explain this?" the chairman asked Thomas E. Wilson, then vice-president and general manager of Morris and Company.

"It's not difficult, gentlemen," Wilson answered, and smiled his big, reliable smile. "In the dried beef departments at the yards we handle hundreds of thousands of pieces of meat. The cleanest way to handle them during part of the process is to hang them up separately on hooks. It is still cleaner to use a bit of string at this particular step and not bring the meat into direct contact with the hooks. Is it not to be expected that now and then, despite every care, one man in a thousand may forget to cut a piece of string off? I think it is."

The incident promptly lost all its blackness. The packers came through the hearing with a clean bill of health, for the committee cheerfully agreed that after all a piece of new string is not so very dangerous.

Now Wilson cleared the atmosphere because he had at his fingers' ends one

detail—that at a certain point in the preparation of corned beef a piece of new string is used. There are almost numberless details in a packing plant, still Wilson knew them all well enough to pick one right.

Finding the one correct solution a favorable percentage of the time is Wilson's achievement. Because of it Nelson Morris hired him out of the special equipment office of a railroad. Wilson always found a way to get cars.

That was twenty years ago. Ever since Wilson has been mastering details until able to give accurate answers most of the time. Of course, he would be a statistician if he lacked the gift of putting these details, once mastered, in their proper places. He packs them down into a firm footing and then looks ahead.

The Morrisises, father and son, tried him out from various angles. He worked up through the operating department to the superintendent's chair. He purchased for a time. Then he went out to locate branches. He marketed the dressed beef products and, finally, managed the operating end of the entire Morris organization.

He repeatedly made good. Morris and Company became known around the yards as the "dressed beef house." The branches prospered. Wilson gave life to

T. E. WILSON



WHEN the presidency of the great packing firm of Morris and Company was left vacant last year, there was no doubt about the right man to fill the position. The man was T. E. Wilson. With the knowledge of handling men he combines an immense capacity for the constructive use of details

L. E. PIERSON



L. E. PIERSON, President of Austin, Nichols and Company, lives in his work. He is at his desk promptly at eight-thirty every morning. His wide business knowledge is based on a minute study of financial conditions extending from the time when he started working as a bank messenger

his own advice: "If you attract the favorable attention of your superiors, forget it and hold your speed."

This record would, however, mark Wilson as merely an extremely reliable executive with a taste for results and analyzed details. But he is more than that. He escaped being a statistician by knowing how to get vision through details. He avoided stopping at a top-notch managership because he is a born fighter of the sticking kind. He stuck with Morris and Company. He located every branch opened by the Morris and stuck to each of them until trade was built.

Add one quality to all of these, and you have a big business man. That one quality, the ability to handle men, Wilson has to an unusual extent. There is not a man on the Morris pay roll who would hesitate to walk into Wilson's office unannounced. Not long ago Sir Thomas Lipton sat beside Wilson's desk. A moment after he left, James Clark, an old employee nicknamed "Sir James," slipped into the chair, white-frocked in the uniform of the killing beds.

Wilson gets down to work at seven-thirty, and from then on there are no secretaries or uniformed boys between his desk and the men. He is respected for never having fired a man with both

sides of the question unheard. The employee's restaurant and the Saturday half holiday came while Wilson held the general managership.

So there's sound reason behind Wilson's escape from any but his present job—the presidency of Morris and Company. When Nelson Morris died Wilson took the vice-presidency under Edward Morris, whose life was snapped off last year. Then Wilson was elected president. From twenty to forty-five he stuck to one firm, putting up a square fight at every job. It speaks well of the firm that it rewarded with its best.

So much for Wilson's business record. He is a six-footer with a jaw in proportion. His eyes never smile until he does. He never smiles before your story is told. When you have finished, eyes and face usually smile together. It's a big, reliable smile and you begin to like the heavy jaw. They call him "T. E." around the plant and swear by "the front office."

To Wilson society is a group of close friends. They know he is a nervy rider owning a good stable. Spirited horses go well with his type—also the fact that he belonged to the state militia and served during the stock yards strike.

Peculiarities? He does not play golf.

WHEELER SAMMONS

## LOUIS E. PIERSON

*A New York bank president who gave up a dignified berth at \$25,000 a year to become a groceryman at \$100,000*

TWO years ago Louis E. Pierson was forty-two years old. He was president of the Irving National Bank in New York City. He had been president of the New York National Exchange Bank, and of the American Bankers Association. He seemed assured of a conservative, calm, and dignified future. All at once that particular future went to pieces like a soap bubble. Harry Balfe put his finger through it.

"What is your salary, Pierson?" Balfe asked one day at the bank president's desk.

Balfe is the vice-president and general manager of Austin, Nichols and Company, the largest wholesale grocery house in the world. He is a most imperative person. He never acts on impulse—but his actions sometimes seem faster than the passage of light.

"Twenty-five thousand dollars," replied Pierson, mildly surprised.

"I'll pay you \$50,000 as president of Austin, Nichols and Company," said Balfe, putting on his hat. "Let me know as soon as possible. I'll need you next week."

The directors of the Irving Bank were quite certain they did not approve of this situation. Some of them thought Balfe had been less than friendly in breaking up domestic relations that had been so completely satisfactory. They increased Pierson's salary to \$62,500. He called at Balfe's office with that information the next day.

"Now," said Balfe, "we're beginning to play this game with blue chips. I'll pay you \$100,000 a year. But you must take it or leave it right now."

"I'll take it," Pierson answered.

"There's your desk," said Balfe. "Hang up your hat on that peg in the corner. And go to work."

Twenty-six years ago, Pierson was a fifteen-dollar-a-week messenger for the Hanover National Bank. His family was not well-to-do. He had no particular pull. Nothing distinguished him from the other messengers, except, perhaps, that his accounts were always straight and he was always on the job. His rise was slow, in the course of routine promotion. He was discount clerk when his first big chance came. The Hanover Bank planned an examination of the Irving Bank.

"Send Pierson," suggested one of his superiors. "He is careful, and he likes to work."

Only a perfunctory examination was expected of him. Those concerned thought they knew all about the Irving National Bank. But Pierson examined with an auger and a scrubbing brush. When he made his report, his directors took a careful second look at him. Some time later, he was called into the directors' room.

"You have been elected president of the Irving National Bank," he was told. "You will take charge today."

Pierson was then twenty-eight years old. The Irving was then a small institution, comparatively speaking. It had but \$2,000,000 in deposits. While Pierson had moved up through various minor places in the Hanover, he had made himself acquainted with its depositors. Many of them had been coming to him

for advice. He followed the same course at the Irving. When he resigned to accept Balfe's offer in 1912, the Irving had \$50,000,000 in deposits.

"I wanted Pierson for this position," Balfe explained later, "because I had been watching him for four or five years. Our business has expanded so that it is impossible for one man to watch all its various phases successfully. We needed a banker to take charge of the financing end. The more I saw of Pierson, the more certain I became that he was the man we needed. He is not so old as to be over-cautious, nor so young as to be unduly venturesome. Above all else, he loves business. To him it is the one game that is worth playing. He comes to his desk with a thrill each morning, and leaves reluctantly at night."

That isn't an exaggeration. It is rarely later than half past eight o'clock when Mr. Pierson reaches his desk. He has taken a hasty breakfast and a sharp canter on the saddle horse which Balfe made him buy for his health's sake. It is usually nine or ten o'clock at night before he leaves the offices. The only breaks have been those of luncheon and dinner. Then he is usually accompanied by office associates, who find an opportunity to discuss business affairs with him over the table. Now and then he plays a round of golf, and sometimes he runs into the woods for a few days' shooting. But such things are mere distractions, undertaken for the practical purpose of keeping himself up to par. He is only interested in what he finds on his desk.

He is a slender, alert, good-looking man, with a real genius for friendship. He likes to meet men. He gives of himself as freely as his time permits. As a banker his forte was the building up of his organization. He kept his eyes open for young men who were possessed of the qualities he needed. His subordinates were given every liberty of action, and were held to strict accountability for results. Perhaps his most striking ability is in the analysis of financial or trade