

equipment (the cost of which is not charged to the line under construction) used in construction of new lines.

34. REPAIRS OF EQUIPMENT.

To this account should be charged repairs and renewals of all equipment used in construction of new lines, not otherwise provided for.

35. EARNINGS AND OPERATING EXPENSES DURING CONSTRUCTION.

To this account should be charged the cost of operating a piece of road while in charge of the construction department and before it is opened for commercial operation. It includes the cost of running construction, material, or other trains when the cost of operating such trains can not properly be charged to any specific account. To this account should be credited amounts collected for rents of buildings and other properties and for the transportation of commercial freight or passengers on construction, material, or other trains.

36. COST OF ROAD PURCHASED.

To this account should be charged amounts paid for road purchased. In this connection attention is specially directed to the note at the beginning of this classification. Where payment is made by an issue of the company's securities or other commercial paper, the cash value thereof at the time of such payment should be charged.

When the purchase price paid includes equipment, in addition to the road, the equipment received should be appraised and the appraised value thereof should be charged to the appropriate equipment accounts, the difference between same and the total amount paid in cash, or the cash value of securities issued in payment, being charged to this account.

When contracts are entered into for the construction of a completed road for a fixed amount, whether payable in cash or in the company's securities, the amount paid in cash or the cash value of the securities issued in payment should be charged to this account. In case the contract amount includes equipment in addition to the road, the value of the equipment should be ascertained by appraisal and treated as above provided.

II. EQUIPMENT.

37. STEAM LOCOMOTIVES.

To this account should be charged the cost of steam locomotives and tenders, including all appurtenances, furniture,