

ANNUAL REPORT 1973

426101 LESSORS OF THE SOUTHERN RAILWAY CO. 1 OF 2

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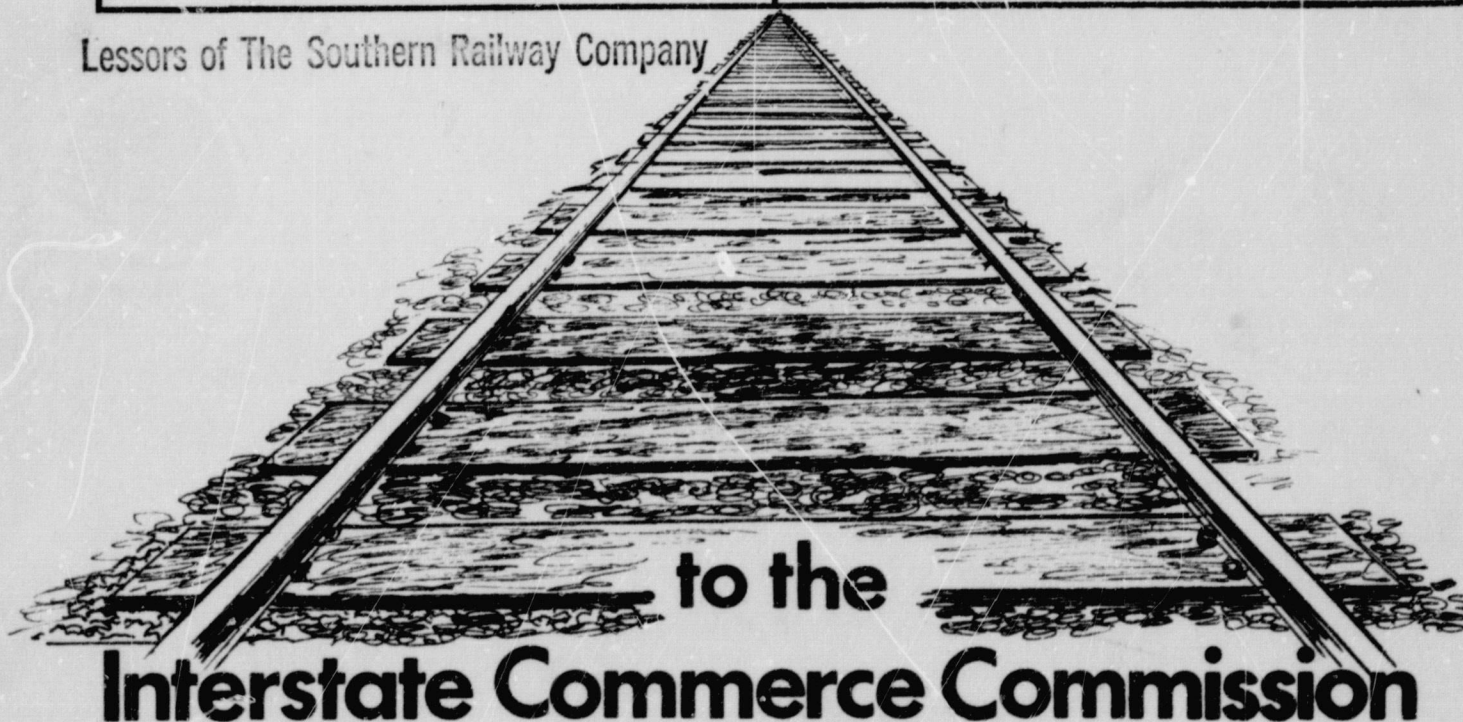
RAIL E

annual report



Batch 18.	125290100 SOUTRY A A
Correct name and address if different than shown.	Full name and address of reporting carrier. (Use mailing label on original, copy in full on duplicate.)

Lessors of The Southern Railway Company



FOR THE YEAR ENDED DECEMBER 31, 1973

NOTICE

1. This form for annual report should be filled out in triplicate and two copies returned to the Interstate Commerce Commission, Bureau of Accounts, Washington, D.C., 20423, by March 31 of the year following that for which the report is made. Attention is specially directed to the following provisions of Part I of the Interstate Commerce Act:

SEC. 20. (1) The Commission is hereby authorized to require annual, periodical, or special reports from carriers, lessors, * * * (as defined in this section), to prescribe the manner and form in which such report shall be made, and to require from such carriers, lessors, * * * specific and full, true, and correct answers to all questions upon which the Commission may deem information to be necessary, classifying such carriers, lessors, * * * as it may deem proper for any of these purposes. Such annual reports shall give an account of the affairs of the carrier, lessor, * * * in such form and detail as may be prescribed by the Commission.

(2) Said annual reports shall contain all the required information for the period of twelve months ending on the 31st day of December in each year, unless the Commission shall specify a different date, and shall be made out under oath and filed with the Commission at its office in Washington within three months after the close of the year for which report is made, unless additional time be granted in any case by the Commission. * * *

(7) (b). Any person who shall knowingly and willfully make, cause to be made, or participate in the making of, any false entry in any annual or other report required under this section to be filed, * * * or shall knowingly or willfully file with the Commission any false report or other document, shall be deemed guilty of a misdemeanor and shall be subject, upon conviction in any court of the United States of competent jurisdiction to a fine of not more than five thousand dollars or imprisonment for not more than two years, or both such fine and imprisonment: * * *

(7) (c). Any carrier, or lessor, * * * or any officer, agent, employee, or representative thereof, who shall fail to make and file an annual or other report with the Commission within the time fixed by the Commission, or to make specific and full, true, and correct answer to any question within thirty days from the time it is lawfully required by the Commission so to do, shall forfeit to the United States the sum of one hundred dollars for each and every day it shall continue to be in default with respect thereto. * * *

(8) As used in this section * * * the term "carrier" means a common carrier subject to this part, and includes a receiver or trustee of such carrier; and the term "lessor" means a person owning a railroad, a water line, or a pipe line, leased to and operated by a common carrier subject to this part, and includes a receiver or trustee of such lessor, * * *.

Each respondent is further required to send to the Bureau of Accounts, immediately upon preparation, two copies of its latest annual report to stockholders. See schedule 108, page 2.

2. The instructions in this form should be carefully observed, and each question should be answered fully and accurately, whether it has been answered in a previous annual report or not. Except in cases where they are specifically authorized, cancellations, arbitrary check marks, and the like should not be used either as partial or as entire answers to inquiries. If any inquiry, based on a preceding inquiry in the present report form, is, because of the answer rendered to such preceding inquiry, inapplicable to the person or corporation in whose behalf the report is made, such notation, as "Not applicable; see page schedule (or line) number" should be used in answer thereto, giving precise reference to the portion of the report showing the facts which make the inquiry inapplicable. Where the word "none" truly and completely states the fact, it should be given as the answer to any particular inquiry or any particular portion of an inquiry. Where dates are called for, the month and day should be stated as well as the year. Customary abbreviations may be used in stating dates.

3. Every annual report should, in all particulars, be complete in itself, and references to the returns of former years should not be made to take the place of required entries except as herein otherwise specifically directed or authorized.

4. If it be necessary or desirable to insert additional statements, typewritten or other, in a report, they should be legibly made on durable paper and, wherever practicable, on sheets not larger than a page of the form. Inserted sheets should be securely attached, preferably at the inner margin; attachment by pins or clips is insufficient.

5. All entries should be made in a permanent black ink. Those of a contrary character should be indicated in parenthesis. Items of an unusual character should be indicated by appropriate symbol and footnote.

Money items (except averages) throughout this annual report form should be shown in units of dollars adjusted to accord with footings.

6. Each respondent should make its annual report to this Commission in triplicate, retaining one copy in its files for reference in case correspondence with regard to such report becomes necessary. For this reason three copies of the form are supplied.

7. Railroad corporations, mainly distinguished as operating companies and lessor companies, are for the purpose of report to the Interstate Commerce Commission divided into classes. An operating company is one whose officers direct the business of transportation and whose books contain operating as well as financial accounts; and a lessor company, the property of which being leased to and operated by another company, is one that maintains a separate legal existence and keeps financial but not operating accounts. (In making reports, lessor companies use Annual Report Form E.)

Operating companies (including switching and terminal) are broadly classified, with respect to their operating revenues, according to the following general definitions:

Class I companies are those having annual operating revenues of \$5,000,000 or more. (For this class, Annual Report Form A is provided.)

Class II companies are those having annual operating revenues below \$5,000,000. (For this class, Annual Report Form C is provided.)

In applying this classification to any switching or terminal company which is operated as a joint facility of owning or tenant railways, the sum of the annual railway operating revenues, the joint facility rent income, and the returns to joint facility credit accounts in operating expenses, shall be used in determining its class.

8. Except where the context clearly indicates some other meaning, the following terms when used in this form have the meanings below stated:

Commission means the Interstate Commerce Commission. Respondent means each person or corporation in whose behalf the report is made. The year means the year ended December 31 for which the report is made. The close of the year means the close of business on December 31 of the year for which the report is made; or, in the case the report is made for a shorter period than one year, it means the close of the period covered by the report. The beginning of the year means the beginning of business on January 1 of the year for which the report is made; or, in case the report is made for a shorter period than one year, it means the beginning of the period covered by the report. The preceding year means the year ended December 31 of the year next preceding the year for which the report is made. The Uniform System of Accounts for Railroad Companies means the system of accounts in Part 1201 of Title 49, Code of Federal Regulations, as amended.

FOR THE INDEX SEE THE INSIDE OF BACK COVER

See also "Instructions regarding the use of this report form" on page 1

ANNUAL REPORT

OF

LESSORS OF THE SOUTHERN RAILWAY COMPANY

TO THE

INTERSTATE COMMERCE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1973

Name, official title, telephone number, and office address of officer in charge of correspondence with the Commission regarding this report:

(Name) F. A. Lockett (Title) Assistant Comptroller
(Telephone number) 202 628 - 4460
(Area code) (Telephone number)
(Office address) 920 - 15th Street, N. W., Washington, D. C. 20005
(Street and number, City, State, and ZIP code)

SPECIAL NOTICE

The attention of the respondent is directed below to certain particulars, if any, in which this report form differs from the corresponding form for the preceding year. It should be understood that mention is not made of necessary substitutions of dates or, in general, such other things as simple modifications intended to make requirements clearer, other minor adjustments, and typographical corrections.

Page 8: Schedule 200A. Comparative General Balance Sheet - Assets

Page 19: Schedule 200L. Comparative General Balance Sheet - Liabilities and Shareholders' Equity

Titles of accounts 705 and 752, respectively, have been revised to conform with the Uniform System of Accounts for Railroad Companies.

Provision has been made for reporting comparative data of respective assets included in accounts 731 and 732.

Page 19-27: Schedule 217. Investments in Affiliated Companies

Schedule 218. Other Investments

Schedule 321. Securities, Advances, and Other Intangibles Owned Or Controlled Through Nonreporting Carrier and Noncarrier Subsidiaries

Instructions have been revised to provide for reporting the book value of investments.

Page 62: Schedule 562: Compensation of Officers, Directors, Etc.

Minimum dollar amount has been increased to \$40,000.

INSTRUCTIONS REGARDING THE USE OF THIS REPORT FORM

This annual report is arranged in columnar form so that it may include returns for a single lessor company, or for several lessor companies whose properties are leased to the same operating railway, provided that the books of account are under the general supervision of the same accounting officer.

Separate returns are required to be shown for each lessor, the name of the reporting company to be entered in the box heading or in the column on the left of the several schedules, as may be applicable.

If the report is made for a single company, the exact corporate name should appear on the cover, title page, page 2, and in the oath and supplemental oath.

A report made for a number of lessor companies may show an appropriate designation, such as "Lessors of the Railroad Company" on the cover and title page, but the oath and supplemental oath must be completed for each corporation, except as provided therein.

Reports filed under the designation "Lessors of the Railroad Company" should contain hereunder the names of the lessor companies that are included in this report, and the names of those that file separately.

Names of lessor companies included in this report

The Atlanta and Charlotte Air Line
Railway Company

Elberton Southern Railway Company

The Georgia Midland Railway Company

Mobile and Birmingham Railroad Company

The North Carolina Midland Railroad Company

Southern Railway-Carolina Division

Transylvania Railroad Company

Virginia and Southwestern Railway Company

Names of lessor companies that file separate reports

Lockhart Railroad

The North Carolina Railroad

In completing the various schedules in this report form, list the information concerning the lessor companies in the order in which their names appear on the balance sheet. Such additional pages as may be necessary will be furnished by the Commission on request.

101. IDENTITY OF LESSOR COMPANIES INCLUDED IN THIS REPORT

Give hereunder the exact corporate name and other particulars called for concerning each lessor company included in this report. The corporate name should be given in full, exactly as it appears in the articles of incorporation, using the words "The" and "Company" only when they are parts of the corporate name. Be careful to distinguish between *railroad* and *railway*. If receivers, trustees, or a committee of bondholders are in possession of the property of

any of the lessor companies, state their names and the court of jurisdiction in column (a) and give the date when such receivership, trusteeship, or other possession began, in addition to the date of incorporation, in column (b).

If a consolidation or merger was effected during the year, particulars should be given in Schedule 591, "Changes during the year."

Line No.	Exact name of lessor company (a)	INCORPORATION		CORPORATE CONTROL OVER RESPONDENT		Total number of stockholders (f)	Total voting power of all security holders at close of year (g)
		Date of incorporation (b)	Name of State or Territory in which company was incorporated (c)	Name of controlling corporation (d)	Extent of control (percent) (e)		
1	The Atlanta and Charlotte Air Line	5-17-1877	Georgia				
2	Railway Company	5-21-1877	N. Carolina	Southern Railway Company	99.22	17	17 000
3			& S. Carolina				
4							
5	Elberton Southern Railway Company	12-2-1908	Georgia	Southern Railway Company	100.0	2	2 000
6							
7	The Georgia Midland Railway Company	3-27-1896	Georgia	Southern Railway Company	100.0	1	10 000
8							
9	Mobile and Birmingham Railroad Company	7- 2-1895	Alabama	Southern Railway Company	99.92	11	17 952
10							
11	The North Carolina Midland Railroad						
12	Company	10-20-1880	N. Carolina	Southern Railway Company	97.13	36	9 240
13							
14	Southern Railway-Carolina Division	6-23-1902	S. Carolina	Southern Railway Company	100.0	6	41 762
15							
16	Transylvania Railroad Company	4-24-1899	N. Carolina	Southern Railway Company	97.16	2	3 700
17							
18	Virginia and Southwestern Railway						
19	Company	2-21-1899	Virginia	Southern Railway Company	100.0	1	20 000
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							

108. STOCKHOLDERS REPORTS

1. The respondent is required to send to the Bureau of Accounts, immediately upon preparation, two copies of its latest annual report to stockholders.

Check appropriate box:

☐ Two copies are attached to this report.

☐ Two copies will be submitted _____
(date)

☒ No annual report to stockholders is prepared.

109. STOCKHOLDERS AND VOTING POWERS

1. Give the names of the five security holders who had the highest voting powers in each lessor company included in this report. This information should be given as of the close of the year, or, if not available, at the date of the latest compilation of a list of stockholders. If any holder held the stock in trust, give particulars of the trust in a footnote. In the case of voting trust agreements give, as supplemental information on page 12 the names and addresses of the 30 largest holders of the voting trust certificates and the amount of their individual holdings.

[illegible]

2. Give particulars called for regarding each lessor company included in this report, entering the initials of the lessor companies in the column headings.

State total number of votes cast at latest general meeting for election of directors of respondent

Give the date of such meeting.

Give the place of such meeting

INITIALS OF RESPONDENT COMPANIES

112. DIRECTORS

Give particulars of the various directors of respondents at the close of the year.

Line No.	Item	The Atlanta Charlotte Air Line Railway Company	Elberton Southern Railway Company	The Georgia Midland Railway Company
1	Name of director	W. Graham Claytor, Jr.	W. Graham Claytor, Jr.	W. Graham Claytor, Jr.
2	Office address	Washington, D. C.	Washington, D. C.	Washington, D. C.
3	Date of beginning of term	April 4, 1973	September 20, 1973	September 19, 1973
4	Date of expiration of term	*	*	*
5	Name of director	Robert D. Allen	Evan J. Allen	Milton M. Davenport
6	Office address	Washington, D. C.	Washington, D. C.	Washington, D. C.
7	Date of beginning of term	April 4, 1973	September 20, 1973	September 19, 1973
8	Date of expiration of term	*	*	*
9	Name of director	Joseph A. Baily	Milton M. Davenport	Mahlon D. Edwards
10	Office address	Washington, D. C.	Washington, D. C.	Washington, D. C.
11	Date of beginning of term	April 4, 1973	September 20, 1973	September 19, 1973
12	Date of expiration of term	*	*	*
13	Name of director	M. D. Bradley	Mahlon D. Edwards	Karl A. Stoecker
14	Office address	Washington, D. C.	Washington, D. C.	Washington, D. C.
15	Date of beginning of term	April 4, 1973	September 20, 1973	September 19, 1973
16	Date of expiration of term	*	*	*
17	Name of director	Milton M. Davenport	Karl A. Stoecker	Robert W. Van Ness
18	Office address	Washington, D. C.	Washington, D. C.	Washington, D. C.
19	Date of beginning of term	April 4, 1973	September 20, 1973	September 19, 1973
20	Date of expiration of term	*	*	*
21	Name of director	Mahlon D. Edwards		
22	Office address	Washington, D. C.		
23	Date of beginning of term	April 4, 1973		
24	Date of expiration of term	*		
25	Name of director	B. B. Fulk, Jr.		
26	Office address	Washington, D. C.		
27	Date of beginning of term	April 4, 1973		
28	Date of expiration of term	*		
29	Name of director	John R. Kibler		
30	Office address	Washington, D. C.		
31	Date of beginning of term	April 5, 1973		
32	Date of expiration of term	*		
33	Name of director	E. A. Roth		
34	Office address	Washington, D. C.		
35	Date of beginning of term	April 4, 1973		
36	Date of expiration of term	*		
37	Name of director	Karl A. Stoecker		
38	Office address	Washington, D. C.		
39	Date of beginning of term	April 4, 1973		
40	Date of expiration of term	*		
41	Name of director	Robert W. Van Ness		
42	Office address	Washington, D. C.		
43	Date of beginning of term	April 4, 1973		
44	Date of expiration of term	*		
45	Name of director	L. R. Weber		
46	Office address	Washington, D. C.		
47	Date of beginning of term	April 4, 1973		
48	Date of expiration of term	*		
49	Name of director			
50	Office address			
51	Date of beginning of term			
52	Date of expiration of term			
53	Name of director			
54	Office address			
55	Date of beginning of term			
56	Date of expiration of term			
57	Name of director			
58	Office address			
59	Date of beginning of term			
60	Date of expiration of term			

112. DIRECTORS—Concluded

Enter the names of the lessor companies in the column headings.

Mobile and Birmingham Railroad Company	The North Carolina Midland Railroad Company	Southern Railway- Carolina Division	Transylvania Railroad Company	Virginia and Southwestern Railway Company	Line No.
W. Graham Claytor, Jr.	W. Graham Claytor, Jr.	W. Graham Claytor, Jr.	W. Graham Claytor, Jr.	W. Graham Claytor, Jr.	1
Washington, D.C.	Washington, D.C.	Washington, D.C.	Washington, D.C.	Washington, D.C.	2
May 9, 1973	May 7, 1973	June 11, 1973	May 24, 1973	September 18, 1973	3
*	*	*	*	*	4
Robert D. Allen	Robert D. Allen	Milton M. Davenport	O. W. Brodie	Milton M. Davenport	5
Washington, D.C.	Washington, D.C.	Washington, D.C.	Washington, D.C.	Washington, D.C.	6
May 9, 1973	May 7, 1973	June 11, 1973	May 24, 1973	September 18, 1973	7
*	*	*	*	*	8
Milton M. Davenport	Milton M. Davenport	Mahlon D. Edwards	Milton M. Davenport	Mahlon D. Edwards	9
Washington, D.C.	Washington, D.C.	Washington, D.C.	Washington, D.C.	Washington, D.C.	10
May 9, 1973	May 7, 1973	June 11, 1973	May 24, 1973	September 18, 1973	11
*	*	*	*	*	12
Mahlon D. Edwards	Mahlon D. Edwards	Karl A. Stoecker	Mahlon D. Edwards	Karl A. Stoecker	13
Washington, D.C.	Washington, D.C.	Washington, D.C.	Washington, D.C.	Washington, D.C.	14
May 9, 1973	May 7, 1973	June 11, 1973	May 24, 1973	September 18, 1973	15
*	*	*	*	*	16
John R. Kibler	R. C. Guthy	Robert W. Van Ness	Karl A. Stoecker	Robert W. Van Ness	17
Washington, D.C.	Washington, D.C.	Washington, D.C.	Washington, D.C.	Washington, D.C.	18
May 9, 1973	May 7, 1973	June 11, 1973	May 24, 1973	September 18, 1973	19
*	*	*	*	*	20
Karl A. Stoecker	John R. Kibler		Robert W. Van Ness		21
Washington, D.C.	Washington, D.C.		Washington, D.C.		22
May 9, 1973	May 7, 1973		May 24, 1973		23
*	*		*		24
Robert W. Van Ness	Frank J. Miller		G. M. Williams		25
Washington, D.C.	Washington, D.C.		Washington, D.C.		26
May 9, 1973	May 7, 1973		May 24, 1973		27
*	*		*		28
	E. F. Neagle				29
	Washington, D.C.				30
	May 7, 1973				31
	*				32
	Edward A. Roth				33
	Washington, D.C.				34
	May 7, 1973				35
	*				36
	Karl A. Stoecker				37
	Washington, D.C.				38
	May 7, 1973				39
	*				40
	Robert W. Van Ness				41
	Washington, D.C.				42
	May 7, 1973				43
	*				44
	L. R. Weber				45
	Washington, D.C.				46
	May 7, 1973				47
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*Directors are elected at annual meeting for ensuing year or until their successors shall have been elected and qualified.

113. PRINCIPAL GENERAL OFFICERS OF CORPORATION, RECEIVER, OR TRUSTEE

Give particulars of the various general officers of respondents at the close of the year. Enter the names of the lessor companies in the column headings.

Line No.	Item		
		The Atlanta and Charlotte Air Line Railway Company	
		Elberton Southern Railway Company	
		The Georgia Midland Railway Company	
1	Name of general officer.....	Mobile and Birmingham Railroad Company	
2	Title of general officer.....	The North Carolina Midland Railroad Company	
3	Office address.....	Southern Railway-Carolina Division	
4	Name of general officer.....	Transylvania Railroad Company	
5	Title of general officer.....	Virginia and Southwestern Railway Company	
6	Office address.....		
7	Name of general officer.....	W. Graham Claytor, Jr.	
8	Title of general officer.....	President	
9	Office address.....	Washington, D.C.	
10	Name of general officer.....	L. Stanley Crane	
11	Title of general officer.....	Vice President	
12	Office address.....	Washington, D.C.	
13	Name of general officer.....	Robert S. Hamilton	
14	Title of general officer.....	Vice President	
15	Office address.....	Washington, D.C.	
16	Name of general officer.....	James H. McGlothlin	
17	Title of general officer.....	Vice President	
18	Office address.....	Washington, D.C.	
19	Name of general officer.....	George S. Paul	
20	Title of general officer.....	Vice President	
21	Office address.....	Washington, D.C.	
22	Name of general officer.....	Edward T. Breathitt, Jr.	
23	Title of general officer.....	Vice President	
24	Office address.....	Washington, D.C.	
25	Name of general officer.....	Earl L. Dearhart, Jr.	
26	Title of general officer.....	Vice President	
27	Office address.....	Washington, D.C.	
28	Name of general officer.....	Harold H. Hall	
29	Title of general officer.....	Vice President	
30	Office address.....	Washington, D.C.	
31	Name of general officer.....	John L. Jones	
32	Title of general officer.....	Vice President	
33	Office address.....	Atlanta, Georgia	
34	Name of general officer.....	Edward G. Kreyling, Jr.	
35	Title of general officer.....	Vice President	
36	Office address.....	Washington, D.C.	
37	Name of general officer.....	Arnold B. McKinnon	
38	Title of general officer.....	Vice President	
39	Office address.....	Washington, D.C.	
40	Name of general officer.....	William D. McLean	
41	Title of general officer.....	Vice President	
42	Office address.....	Washington, D.C.	
43	Name of general officer.....	Walter W. Simpson	
44	Title of general officer.....	Vice President	
45	Office address.....	Washington, D.C.	
46	Name of general officer.....	Karl A. Stoecker	
47	Title of general officer.....	Vice President	
48	Office address.....	Washington, D.C.	
49	Name of general officer.....	Donald R. McArdle	
50	Title of general officer.....	Comptroller	
51	Office address.....	Washington, D.C.	
52	Name of general officer.....	Milton M. Davenport	
53	Title of general officer.....	Secretary	
54	Office address.....	Washington, D.C.	
55	Name of general officer.....	G. M. Williams	
56	Title of general officer.....	Treasurer	
57	Office address.....	Washington, D.C.	
58	Name of general officer.....		
59	Title of general officer.....		
60	Office address.....		

113. PRINCIPAL GENERAL OFFICERS OF CORPORATION, RECEIVER, OR TRUSTEE—Concluded

If there are receivers, trustees, or committees, who are recognized as in the controlling management of the road, give also their names and titles, and the location of their offices.

					Line No.
					1
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200A. GENERAL BALANCE SHEET--ASSET SIDE

Show hereunder the asset side of the balance sheet at close of year of each lessor company included in this report, entering the names of the lessor companies in the column headings. For instructions covering this schedule, see the text pertaining to General Balance Sheet Accounts

Line No.	Account (a)	The Atl. & Char. Airline Ry. Co.	Elberton Sou. Ry. Co.	The Georgia Midland Ry. Co.	Mobile and Bgim RR Co.
CURRENT ASSETS					
1	(701) Cash.....	\$ 3 491	\$ 18 464	\$	\$
2	(702) Temporary cash investments.....		148 381		
3	(703) Special deposits.....				
4	(704) Loans and notes receivable.....				
5	(705) Traffic, car-service and other balances—Debit.....				
6	(706) Net balance receivable from agents and conductors.....				
7	(707) Miscellaneous accounts receivable.....	54 031			112
8	(708) Interest and dividends receivable.....		192		
9	(709) Accrued accounts receivable.....	120 977	25 339	28 400	
10	(710) Working fund advances.....			500	
11	(711) Prepayments.....				
12	(712) Material and supplies.....				
13	(713) Other current assets.....				
14	Total current assets.....	183 499	192 376	28 900	112
SPECIAL FUNDS					
15	(715) Sinking funds.....	3 954			
16	(716) Capital and other reserve funds.....				
17	(717) Insurance and other funds.....				
18	Total special funds.....	3 954			
INVESTMENTS					
19	(721) Investments in affiliated companies (pp. 20 to 23).....	1	43 313	1 504	65 697
20	(722) Other investments (pp. 24 and 25).....				
21	(723) Reserve for adjustment of investment in securities—Credit.....				
22	Total investments (accounts 721, 722 and 723).....	1	43 313	1 504	65 697
PROPERTIES					
(731) Road and equipment property (pp. 14 and 15):					
23	Road.....	21 723 726	463 699	1 759 249	3 793 922
24	Equipment.....				
25	General expenditures.....	1 824 644	20 675	97 282	127 303
26	Other elements of investment.....	(3 335 712)	(41 534)	699 632	(517 500)
27	Construction work in progress.....	(27 352)			
28	Total road and equipment property.....	20 185 306	442 840	2 556 163	3 403 725
(732) Improvements on leased property (pp. 14 and 15):					
29	Road.....				
30	Equipment.....				
31	General expenditures.....				
32	Total improvements on leased property.....				
33	Total transportation property (accounts 731 and 732).....	20 185 306	442 840	2 556 163	3 403 725
34	(735) Accrued depreciation—Road and Equipment.....	(663 286)	(15 542)		
35	(736) Amortization of defense projects—Road and Equipment.....				
36	Recorded depreciation and amortization (accounts 735 and 736).....	(663 286)	(15 542)		
37	Total transportation property less recorded depreciation and amortization (line 33 less line 36).....	19 522 020	427 298	2 556 163	3 403 725
38	(737) Miscellaneous physical property.....				
39	(738) Accrued depreciation—Miscellaneous physical property.....				
40	Miscellaneous physical property less recorded depreciation.....				
41	Total properties less recorded depreciation and amortization (line 37 plus line 40).....	19 522 020	427 298	2 556 163	3 403 725
OTHER ASSETS AND DEFERRED CHARGES					
42	(741) Other assets.....	194 095		76 150	180 857
43	(742) Unamortized discount on long-term debt.....	140 833			
44	(743) Other deferred charges.....	8 291	3 127		
45	Total other assets and deferred charges.....	343 129	3 127	76 150	180 857
46	TOTAL ASSETS.....	20 052 603	666 114	2 662 717	3 650 391
ITEMS EXCLUDED ABOVE					
The above returns exclude respondent's holdings of its own issues of securities as follows:					
47	(715) Sinking funds.....				
48	(716) Capital and other reserve funds.....				
49	(703) Special deposits.....				
50	(717) Insurance and other funds.....				

200A. GENERAL BALANCE SHEET—ASSET SIDE—Continued

in the Uniform System of Accounts for Railroad Companies. The entries in this schedule should be consistent with those in the supporting schedules on the pages indicated. All contra entries hereunder should be indicated in parenthesis.

The No. Carolina Midland RR Co.			Southern Ry. Caro. Div.			Transylvania RR Co.			Va. and South Western Ry. Co.			(j)			(k)			Line No.
5	653		6	693		18	136		9	407								1
			248	473		273	448		720	792								2
																		3
																		4
																		5
																		6
																		7
																		8
	618		30	577		2	610		101	370								9
							719											10
																		11
																		12
	6	271	285	743		294	913		831	569								13
																		14
									10	050								15
									2	750								16
									12	300								17
																		18
	10	145	58	248		249	753		5	975								19
				2														20
	10	145	58	250		249	753		5	975								21
																		22
1	259	829	16	308	762	449	752		7	094	732							23
																		24
	64	044		875	705	21	514		419	579								25
	397	438	(3	226	175)	(260	825)		(969	819)								26
				11	744													27
1	721	311	13	970	036	210	441		6	544	542							28
																		29
																		30
																		31
1	721	311	✓ 13	970	036	✓ 210	441	✓ 6	544	542	✓							32
				(699	455)	(52	539)	(1	042	129)								33
				(699	455)	(52	539)	(1	042	129)								34
1	721	311	13	270	581	157	902	5	502	413								35
				360	271				2	582								36
				(58	567)													37
				301	704				2	582								38
1	721	311	13	572	285	157	902	5	504	995								39
																		40
				612	842	18	565		678	988								41
									14	048								42
	150			225		28	895											43
	150			613	067	47	460		643	036								44
1	737	877	14	529	345	750	028	7	048	375								45
																		46
																		47
																		48
																		49
																		50

200L. GENERAL BALANCE SHEET—LIABILITY SIDE

Show hereunder the liability side of the balance sheet at close of year of each lessor company included in this report, entering the names of the lessor companies in the column headings. For instructions covering this schedule, see the text pertaining to General Balance Sheet Accounts, in the Uniform System of Accounts for Railroad Companies. The entries in this schedule should be consistent with those in the supporting schedules on the pages indicated. All contra entries hereunder should be indicated in parenthesis.

Line No.	Account (a)	The Atl. & Char. Airline (b) Ry. Co.	Elberton Sou. Ry. (c) Co.	The Ga. Midland Ry. (d) Co.	Mobile and B'hm. (e) RR Co.
CURRENT LIABILITIES					
52	(751) Loans and notes payable.....	\$.....	\$.....	\$.....	\$.....
53	(752) Traffic, car-service and other balances—Credit.....				
54	(753) Audited accounts and wages payable.....				
55	(754) Miscellaneous accounts payable.....			20	
56	(755) Interest matured unpaid.....				
57	(756) Dividends matured unpaid.....	7 578			
58	(757) Unmatured interest accrued.....	69 708		12 375	
59	(758) Unmatured dividends declared.....	399			
60	(759) Accrued accounts payable.....				
61	(760) Federal income taxes accrued.....		9 822		
62	(761) Other taxes accrued.....		1 100		28
63	(763) Other current liabilities.....				
64	Total current liabilities (exclusive of long-term debt due within one year).....	77 685	10 922	12 395	28
LONG-TERM DEBT DUE WITHIN ONE YEAR					
65	(764) Equipment obligations and other debt (pp. 34, 35, 36, and 37)				
LONG-TERM DEBT DUE AFTER ONE YEAR					
66	(765) Funded debt unmatured.....	11 397 000	250 000	1 650 000	1 800 000
67	(766) Equipment obligations.....	pp. 34, 35, 36, and 37 {			
68	(767) Receivers' and Trustees' securities.....				
69	(768) Debt in default.....				
70	(769) Amounts payable to affiliated companies (pp. 38 and 39)	4 451 774			
71	Total long-term debt due after one year.....	15 848 774	250 000	1 650 000	1 800 000
RESERVES					
72	(771) Pension and welfare reserves.....				
73	(772) Insurance reserves.....		3 098		
74	(774) Casualty and other reserves.....		3 098		
75	Total reserves.....				
OTHER LIABILITIES AND DEFERRED CREDITS					
76	(781) Interest in default (p. 36).....				
77	(782) Other liabilities.....				
78	(783) Unamortized premium on long-term debt.....				
79	(784) Other deferred credits.....	602 044			
80	(785) Accrued depreciation—Leased property.....	602 044			
81	Total other liabilities and deferred credits.....				
SHAREHOLDERS' EQUITY					
<i>Capital stock (Par or stated value)</i>					
(791) Capital stock issued:					
82	Common stock (pp. 28 and 29).....	1 699 900	200 000	1 000 000	897 600
83	Preferred stock (pp. 28 and 29).....				897 600
84	Total capital stock issued.....	1 699 900	200 000	1 000 000	1 795 200
85	(792) Stock liability for conversion (pp. 30 and 31).....				
86	(793) Discount on capital stock.....				
87	Total capital stock.....	1 699 900	200 000	1 000 000	1 795 200
<i>Capital Surplus</i>					
88	(794) Premiums and assessments on capital stock.....				
89	(795) Paid-in surplus.....				
90	(796) Other capital surplus.....				
91	Total capital surplus.....				
<i>Retained Income</i>					
92	(797) Retained income—Appropriated.....	1 824 200	202 094	322	55 163
93	(798) Retained income—Unappropriated (pp. 50 and 51).....	1 824 200	202 094	322	55 163
94	Total retained income.....	3 524 100	402 094	1 000 322	1 850 363
95	Total shareholders' equity.....	20 052 603	666 114	2 662 717	3 650 391
96	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY.....				

200L. GENERAL BALANCE SHEET—LIABILITY SIDE—Continued

On page 18, give an abstract of the provisions of the lease bearing on respondent's liability to reimburse the lessee for improvements made on the leased railroad property. If the leasehold contract contains no such provisions, state that fact.

The No. Carolina Midland RR Co.			Southern Ry. Caro. (g) Div.			Transylvania RR (h) Co.			Va. and South- western Ry. Co.			(j)			(k)			Line No.
\$			\$			\$			\$			\$			\$			52
					708													53
				100	150													54
				65	774					67	856							55
				15	000													56
				37	767		20	554		43	069							57
							3	290			160							58
				212	399		23	844		111	085							59
										200	000							60
	801	000		1	000 000		196	000		3	555 000							61
																		62
				5	895 684													63
	801	000		6	895 684		196	000		3	555 000							64
																		65
				15	973		3	757		4	190							66
				15	973		3	757		4	190							67
																		68
				18	818					188	502							69
				18	818					188	502							70
																		71
	924	000		4	176 200		370	000		2	000 000							72
																		73
	924	000		4	176 200		370	000		2	000 000							74
																		75
							(345 000)											76
	924	000		4	176 200		25 000			2	000 000							77
																		78
				5	000 000													79
					45 000													80
				5	045 000													81
																		82
	12	877	(1	841	729)		501	4 27		989	598							83
	12	877	(1	841	729)		501	4 27		989	598							84
	936	877		379	471		526	427	2	989	598							85
1	737	877	14	529	345		750	028	7	048	375							86

200L. GENERAL BALANCE SHEET—LIABILITY SIDE—Continued

Line No.	Account (a)	The Atl. & Char. Airlines Ry. Co.	Elberton Sou. Ry. (c) Co.	The Ga. Midland Ry. (d) Co.	Mobile and B'hm. (e) RR Co.
	The above returns exclude respondent's holdings of its own issues as follows:	\$	\$	\$	\$
98	(765) Funded debt unmatured.....	617 000			
99	(767) Receivers' and trustees' securities.....				
100	(768) Debt in default.....				
101	(791) Capital stock.....				
	SUPPLEMENTARY ITEMS				
	Amount of interest matured and paid in default for as long as 90 days:				
102	Amount of interest.....				
103	Amount of principal involved.....				
104	Investment carried in account No. 732, "Improvements on leased property," on the books of the lessee with respect to respondent's property.....	41 086 087	335 455	572 073	5 216 978

Note: Provision has not been made for Federal income taxes which may be payable in future years as a result of deductions during the period December 31, 1949, to close of the year of this report for accelerated amortization in excess of recorded depreciation. The amounts by which Federal income taxes have been reduced during the indicated period aggregated-----\$ -0-

Estimated accumulated net reduction in Federal income taxes because of accelerated amortization of certain rolling stock since December 31, 1969, under provisions of Section 184 of the Internal Revenue Code-----\$ -0-

Estimated accumulated net reduction in Federal income taxes because of amortization of certain rights-of-way investment since December 31, 1969, under the provisions of Section 185 of the Internal Revenue Code-----\$ -0-

Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made-----\$ -0-

If carrier elected, as provided in the Revenue Act of 1971, to account for the investment tax credit under the deferral method, indicate the total deferred investment tax credit in account 784. Other deferred credits, beginning of year-----\$ -0-

Add investment tax credits applied to reduction of current year's tax liability but deferred for accounting purposes-----\$ -0-

Deduct deferred portion of prior year's investment tax credit used to reduce current year's tax accrual-----\$ -0-

Other adjustments (indicate nature such as recapture on early disposition)-----\$ -0-

Total deferred investment tax credit in account 784 at close of year-----\$ -0-

206L. GENERAL BALANCE SHEET—LIABILITY SIDE—Concluded

The No. Carolina Midland RR Co.			Southern Ry.- Caro. (g) Div.			Transylvania RR (h) Co.			Va. and South- western (i) Ry. Co.			(j)			(k)			Line No.
\$			\$			\$	237	000	\$			\$			\$			98
																		99
																		100
																		101
																		102
																		103
1	121	203	15	129	575		207	616	3	301	258							104

See Page 13A for a Balance Sheet of Southern Railway Company and Consolidated Subsidiaries.

211. ROAD AND EQUIPMENT PROPERTY

1. Give particulars of changes during the year in accounts 731, "Road and equipment property," and 732, "Improvements on leased property," classified in accordance with the Uniform System of Accounts for Railroad Companies. Enter the names of the lessor companies in the column headings.

2. Gross charges during the year should include disbursements made for the specific purpose of purchasing, constructing, and equipping new lines, extensions of old lines, and for additions and betterments. This column should also include both the debits and credits involved in each transfer, adjustment, or clearance

between road and equipment accounts and all adjustments applicable to expenditures for new lines and extensions and additions and betterments. Adjustments in excess of \$100,000 should be explained. Net charges is the difference between gross charges and credits for property retired. All changes made during the year should be analyzed by primary accounts.

3. If during the year an individual charge of \$100,000 or more was made to account No. 2, "Land for transportation purposes," state in a footnote the cost, location, area, and other details which will identify the property.

Line No.	Account (a)	The Atlanta and Charlotte Air Line Railway Company <i>026 101</i>		<i>026 102</i> Elberton Sou. Ry. Co.		<i>026 103</i> The Ga. Midland Ry. Co.	
		Gross charges during year (b)	Net charges during year (c)	Gross charges during year (d)	Net charges during year (e)	Gross charges during year (f)	Net charges during year (g)
1	(1) Engineering.....		(349)		(88)		(472)
2	(2) Land for transportation purposes.....		(2 505)				
3	(24) Other right-of-way expenditures.....						
4	(3) Grading.....						(3 449)
5	(5) Tunnels and subways.....						
6	(6) Bridges, trestles, and culverts.....						
7	(7) Elevated structures.....						
8	(8) Ties.....		(647)				(787)
9	(9) Rails.....		(483)				(575)
10	(10) Other track material.....		(652)				(621)
11	(11) Ballast.....		(179)				(509)
12	(12) Track laying and surfacing.....		(560)				(696)
13	(13) Fences, snowsheds, and signs.....						
14	(16) Station and office buildings.....		(2 064)		(2 160)		(4 974)
15	(17) Roadway buildings.....						
16	(18) Water stations.....						
17	(19) Fuel stations.....						
18	(20) Shops and enginehouses.....						
19	(21) Grain elevators.....						
20	(22) Storage warehouses.....						
21	(23) Wharves and docks.....						
22	(24) Coal and ore wharves.....						
23	(25) TOFC/COFC terminals.....						
24	(26) Communication systems.....						
25	(27) Signals and interlockers.....				(50)		
26	(28) Power plants.....						
27	(31) Power-transmission systems.....						
28	(32) Miscellaneous structures.....						
29	(37) Roadway machines.....						
30	(38) Roadway small tools.....						
31	(39) Public improvements—Construction.....						(6)
32	(43) Other expenditures—Road.....						
33	(44) Shop machinery.....						
34	(45) Power-plant machinery.....						
35	Other (Specify & explain).....						
36	Total expenditures for road.....		(7 439)		(2 298)		(12 089)
37	(52) Locomotives.....						
38	(53) Freight-train cars.....						
39	(54) Passenger-train cars.....						
40	(55) Highway revenue equipment.....						
41	(56) Floating equipment.....						
42	(57) Work equipment.....						
43	(58) Miscellaneous equipment.....						
44	Total expenditures for equipment.....						
45	(71) Organization expenses.....						
46	(72) Interest during construction.....		(610)		(105)		(2 262)
47	(77) Other expenditures—General.....		(74)		(35)		(324)
48	Total general expenditures.....		(684)		(140)		(2 586)
49	Total.....		(8 123)		(2 438)		(14 675)
50	(80) Construction work in progress.....		(27 727)				
51	Grand total ¹		(35 850)		(2 438)		(14 675)

¹ Do not include in road and equipment accounts, including Account No. 80, "Other elements of investment," adjustments which were made pursuant to the Commission's order, dated April 17, 1968.

This Rail E Report to the Interstate Commerce Commission reports data for LESSORS OF THE SOUTHERN RAILWAY COMPANY (LESSORS). LESSORS are a part of SOUTHERN CONSOLIDATED SYSTEM comprised of 35 regulated carriers and 19 other companies. Financial reporting to Southern's shareholders and the general public is made on a consolidated basis and this Balance Sheet is included in the Rail E Report in order to put LESSORS into proper perspective to the SOUTHERN CONSOLIDATED SYSTEM.

SOUTHERN RAILWAY COMPANY AND CONSOLIDATED SUBSIDIARIES

BALANCE SHEET DECEMBER 31, 1973 AND 1972 (Thousands of Dollars)

	1973	1972
ASSETS		
Current assets:		
Cash and marketable securities	\$ 124,267	\$ 123,843
Accounts receivable	85,652	74,942
Materials, supplies and other	30,517	22,675
	<u>240,456</u>	<u>221,460</u>
Investments in and advances to affiliates	8,691	11,021
Other assets	32,617	27,939
Properties	<u>1,558,757</u>	<u>1,70,319</u>
	<u>\$1,840,521</u>	<u>\$1,730,739</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 141,641	\$ 130,459
Federal income taxes	17,267	9,581
Current maturities of long-term debt	56,761	48,562
	<u>215,669</u>	<u>188,602</u>
Long-term debt	608,080	584,156
Reserve for federal income taxes	21,142	30,692
Reserves and other liabilities	<u>19,857</u>	<u>19,158</u>
	<u>864,748</u>	<u>822,608</u>
Shareholders' equity:		
Preferred stock	58,694	58,694
Common stock	144,052	143,545
Capital surplus	14,718	13,352
Income retained in the business	<u>758,309</u>	<u>692,540</u>
Total shareholders' equity	<u>975,773</u>	<u>908,131</u>
	<u>\$1,840,521</u>	<u>\$1,730,739</u>

211. ROAD AND EQUIPMENT PROPERTY-Continued

4. If during the year property was acquired from some other company, state in a footnote the name of the company, the mileage acquired, and the date of acquisition, giving terms and the cost of the property to the respondent. Also furnish a statement of the amount included in each primary account representing such property acquired, referring to the column or columns in which the entries appear.

5. Notes referring to entries in this schedule should be shown on page 18.

6. Report on line 35 amounts not includable in the primary road accounts. The items reported should be briefly identified and explained in a footnote on page 18. Amounts should be reported on this line only under special circumstances, usually after permission is obtained from the Commission for exceptions to prescribed accounting. Reference to such authority should be made when explaining the amounts reported. Respondents must not make arbitrary changes to the printed stub or column headings without specific authority from the Commission.

Mobile and Bghm. RR Co. 026 104		The No. Carolina Midland RR Co. 026 105		Southern Ry. Caro. Div. 026 106		Transylvania 026 107		Line No.
Gross charges during year (j)	Net charges during year (k)	Gross charges during year (l)	Net charges during year (m)	Gross charges during year (n)	Net charges during year (o)	Gross charges during year (p)	Net charges during year (q)	
			(18)					1
	(37)			105	738			2
					(347)			3
					293			4
					908			5
								6
			138		153			7
			(98)		163			8
			101		190			9
(112)	(112)		(1)		69			10
			122		186			11
						NOTE		12
					(17 219)			13
								14
								15
								16
								17
								18
								19
								20
								21
								22
								23
								24
					(106)			25
								26
								27
								28
								29
								30
								31
								32
								33
								34
(112)	(149)		478	105	(13 648)			35
								36
								37
								38
								39
								40
								41
								42
								43
								44
			(36)		(1 611)			45
			(1)		290			46
			(37)		(1 901)			47
(112)	(149)		(515)	105	(21 549)			48
	37			12 490	9 786			49
(112)	(112)		(515)	12 595	(11 763)			50
								51

212. PROPRIETARY COMPANIES

Give particulars called for regarding each inactive proprietary corporation of the lessor companies included in this report (i.e., one *all* of whose outstanding stocks or obligations are held by or for the respondent without any accounting to the said proprietary corporation). It may

also include such line when the actual title to all of the outstanding stocks or obligations rests in a corporation controlled by or controlling the respondent; but in the case of any such inclusion, the facts of the relation to the respondent of the corporation holding the securities should be fully

Line No.	Item (a)	(b)			(c)			(d)			(e)		
1	Mileage owned: Road.....												
2	Second and additional main tracks.....												
3	Passing tracks, cross-overs, and turn-outs.....												
4	Way switching tracks.....												
5	Yard switching tracks.....												
6	Road and equipment property: Road.....	\$			\$			\$			\$		
7	Equipment.....												
8	General expenditures.....												
9	Other property accounts*.....												
10	Total (account 731).....												
11	Improvements on leased property: Road.....				None								
12	Equipment.....												
13	General expenditures.....												
14	Total (account 732).....												
15	Depreciation and amortization (accounts 735, 736, and 785).....												
16	Funded debt unmatured (account 765).....												
17	Long-term debt in default (account 766).....												
18	Amounts payable to affiliated companies (account 769).....												
19	Capital stock (account 791).....												

*Includes Account Nos. 80, "Other elements of investment," and 90, "Construction work in progress."

211. ROAD AND EQUIPMENT PROPERTY-Continued

4. If during the year property was acquired from some other company, state in a footnote the name of the company, the mileage acquired, and the date of acquisition, giving termini and the cost of the property to the respondent. Also furnish a statement of the amount included in each primary account representing such property acquired, referring to the column or columns in which the entries appear.

5. Notes referring to entries in this schedule should be shown on page 18.

6. Report on line 35 amounts not includable in the primary road accounts. The items reported should be briefly identified and explained in a footnote on page 18. Amounts should be reported on this line only under special circumstances, usually after permission is obtained from the Commission for exceptions to prescribed accounting. Reference to such authority should be made when explaining the amounts reported. Respondents must not make arbitrary changes to the printed stub or column headings without specific authority from the Commission.

020 108
Va. and South
Western Ry. Co.

Gross charges during year (i)		Net charges during year (l)		Gross charges during year (j)		Net charges during year (k)		Gross charges during year (l)		Net charges during year (m)		Gross charges during year (n)		Net charges during year (o)		Line No.
\$		\$		\$		\$		\$		\$		\$		\$		1
			(239)													2
			(659)													3
			(5 175)													4
			(1 167)													5
			(780)													6
			(1 826)													7
			(69)													8
			(1 151)													9
			(27)													10
																11
																12
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																25
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																28
																29
																30
			(86)													31
																32
																33
																34
																35
			(11 179)													36
																37
																38
																39
																40
																41
																42
																43
																44
																45
			534													46
			(82)													47
			616													48
			(11 795)													49
																50
			(11 795)													51

212. PROPRIETARY COMPANIES

Give particulars called for regarding each inactive proprietary corporation of the lessor companies included in this report (i.e., one *all* of whose outstanding stocks or obligations are held by or for the respondent without any accounting to the said proprietary corporation). It may

also include such line when the actual title to all of the outstanding stocks or obligations rests in a corporation controlled by or controlling the respondent; *but in the case of any such inclusion, the facts of the relation to the respondent of the corporation holding the securities should be fully*

Line No.	Item (a)	(b)			(c)			(d)			(e)		
1	Mileage owned: Road.....												
2	Second and additional main tracks.....												
3	Passing tracks, cross-overs, and turn-outs.....												
4	Way switching tracks.....												
5	Yard switching tracks.....												
6	Road and equipment property: Road.....	\$			\$			\$			\$		
7	Equipment.....												
8	General expenditures.....												
9	Other property accounts*.....												
10	Total (account 731).....												
11	Improvements on leased property: Road.....												
12	Equipment.....												
13	General expenditures.....												
14	Total (account 732).....												
15	Depreciation and amortization (accounts 735, 736, and 785).....												
16	Funded debt unmatured (account 765).....												
17	Long-term debt in default (account 768).....												
18	Amounts payable to affiliated companies (account 769).....												
19	Capital stock (account 791).....												

*Includes Account Nos. 80, "Other elements of investment," and 90, "Construction work in progress."

212. PROPRIETARY COMPANIES—Concluded

set forth in a footnote. The separation of accounts 731 and 732 into "Road," "Equipment," and "General expenditures" should be estimated, if not actually shown on respondent's books. Assign to "General expenditures" only such

amounts as are not included in "Road" or "Equipment." Enter brief designations of the several proprietary companies at the heads of their respective columns and state in footnotes the names of the lessor companies that control them.

(f)			(g)			(h)			(i)			(j)			(k)			Line No.
																	1	
																	2	
																	3	
																	4	
																	5	
\$			\$			\$			\$			\$			\$		6	
																	7	
									None								8	
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																	19	

NOTES AND REMARKS REGARDING RETURNS IN SCHEDULE NO. 211 ON PAGES 14 AND 15**ABSTRACT OF THE PROVISIONS OF THE LEASE BEARING ON RESPONDENT'S LIABILITY TO REIMBURSE THE LESSEE FOR IMPROVEMENTS MADE ON THE LEASED RAILROAD PROPERTY**

(See instructions on page 11)

GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 217 AND 218

1. Schedules 217 and 218 should give particulars of stocks, bonds, other secured obligations, unsecured notes, and investment advances of affiliated companies and other investments held by the lessor companies included in this report at the close of the year specifically as investments, including the obligations of a State or local government, or of an individual, so held; investments made, disposed of, or written down during the year; and dividends and interest credited to income. They should exclude securities issued or assumed by respondents. For definition of affiliated companies, see the rules governing account No. 721, "Investments in affiliated companies," in the Uniform System of Accounts for Railroad Companies.

2. These investments should be subdivided to show the book value pledged, unpledged, and held in fund accounts. Under "pledged" include the book value of securities recorded in accounts Nos. 721, "Investments in affiliated companies," and 722, "Other investments," which are deposited with some pledgee or other trustee, or held subject to the lien of a chattel mortgage, or subject to any other restriction or condition which makes them unavailable for general corporate purposes. "Unpledged" should include all securities held by or for the respondent free from any lien or restriction, recorded in the accounts mentioned above. Under "In sinking, insurance, and other funds" include the book value of securities recorded in accounts Nos. 715, "Sinking funds"; 716, "Capital and other reserve funds"; and 717, "Insurance and other funds."

3. For each lessor company, list the investments in the following order and show a total for each group and each class of investments by accounts in numerical order:

(A) Stocks:

- (1) Carriers—active.
- (2) Carriers—inactive.
- (3) Noncarriers—active.
- (4) Noncarriers—inactive.

(B) Bonds (Including U. S. Government bonds):

(C) Other secured obligations:

(D) Unsecured notes:

(E) Investment advances:

4. The subclassification of classes (B), (C), (D), and (E) should be the same as that provided for class (A).

5. The kinds of industry represented by respondent's investments in the securities of other companies should be shown by symbol opposite the names of the issuing corporations, the symbols and industrial classifications to be as follows:

<i>Symbol</i>	<i>Kind of Industry</i>
I.	Agriculture, forestry, and fisheries.
II.	Mining.
III.	Construction.
IV.	Manufacturing.
V.	Wholesale and retail trade.
VI.	Finance, insurance, and real estate
VII.	Transportation, communications, and other public utilities.
VIII.	Services.
IX.	Government.
X.	All other.

6. By carriers, as the term is here used, is meant companies owning or operating railroads, facilities auxiliary thereto such as bridges, ferries, union depots and other terminal facilities, sleeping cars, parlor cars, dining cars, freight cars, express service and facilities, electric railways, highway motor vehicles, steamboats and other marine transportation equipment, pipe lines (other than those for transportation of water), and other instrumentalities devoted to the transportation of persons or property for hire. Telegraph and telephone companies are not meant to be included.

7. Noncarrier companies should, for the purposes of these schedules, include telephone companies, telegraph companies, mining companies, manufacturing companies, hotel companies, etc. Purely "holding companies" are to be classed as noncarrier companies, even though the securities held by such companies are largely or entirely those issued or assumed by carriers.

8. By an active corporation is meant one which maintains an organization for operating property or administering its financial affairs. An inactive corporation is one which has been practically absorbed in a controlling corporation, and which neither operates property nor administers its financial affairs; if it maintains an organization it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.

217. INVESTMENTS IN AFFILIATED COMPANIES

Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of companies affiliated with respondent, included in accounts Nos. 715, "Sinking funds"; 716, "Capital and other reserve funds"; 721, "Investments in affiliated companies"; and 717, "Insurance and other funds."

Enter the name of a reporting lessor company in the body of the schedule and give, thereunder, particulars of its investments in affiliated companies before listing those of a second lessor. These names should be listed in the order in which they appear on the balance sheet.

Entries in this schedule should be made in accordance with the definitions and general instructions

tions given on page 19, classifying the investments by means of letters, figures, and symbols in columns (a), (b), and (c).

Indicate by means of an arbitrary mark in column (d) the obligation in support of which any security is pledged, mortgaged, or otherwise encumbered, giving names and other important particulars of such obligations in footnotes.

Give totals for each class and for each subclass, and a grand total for each account.

Entries in column (d) should show date of maturity of bonds and other evidences of indebtedness. In case obligations of the same designation mature serially, the date in column (d) may be

Line No.	Ac- count No.	Class No.	Kind of Industry	Name of issuing company and description of security held, also lien reference, if any	Extent of control	INVESTMENTS AT CLOSE OF YEAR	
						BOOK VALUE OF AMOUNT HELD AT CLOSE OF YEAR	
						Pledged	Unpledged
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
1				THE ATLANTA AND CHARLOTTE AIR LINE RAILWAY COMPANY	% \$	\$	
2	721A	A1	VII	Elberton Southern Ry. Co.	Com. 51.00 #	1	
3							
4	721A	A2	VII	Atlanta and Richmond			
5				Air Line Ry. Co.	Com. Not Available	-	
6							
7				Lawrenceville Branch			
8				R.R. Co.	Com. 57.20	-	
9				Roswell R.R. Co.	Com. 50.10	-	
10				Total A-2		-	
11				Total 721-A		1	
12							
13							
14							
15							
16	721B	B2	VII	Roswell R.R. Co. 1st Mtge.			
17				5% Gold Bonds due 1-15-53		-	
18							
19				Total 721-B		-	
20							
21				Total 721		1	
22							
23				# Other party to joint control-Southern Railway Company			
24							
25				ELBERTON SOUTHERN RAILWAY COMPANY			
26	721B	B1	VII	Southern Ry. Co. 1st & Gen'l Mtge. 4-5/8% Bonds		43,313	
27				Total 721-B		43,313	
28							
29				THE GEORGIA MIDLAND RAILWAY COMPANY			
30	721E	E1	VII	Southern Ry. Co.		1,504	
31				Total 721-E		1,504	
32							
33				MOBILE AND BIRMINGHAM RAILROAD COMPANY			
34	721B	E1	VII	Southern Ry. Co.		65,699	
35				Total 721-E		65,699	
36							
37				THE NORTH CAROLINA MIDLAND RAILROAD COMPANY			
38	721E	E1	VII	Southern Ry. Co.		10,145	
39				Total 721-E		10,145	
40				SOUTHERN RAILWAY-CAROLINA DIVISION			
41	721A	A2	VII	Sumter & Wateree Riv. RR Co. Stock		1	
42				Total A-2		1	
43				Total 721-A		1	
44							
45	721D	D2	VII	Sumter & Wateree Riv. RR Co.			
46				Ctfs. of Indebt.-Demand		1	
47				Total 721-D		1	
48							
49	721E	E1	VII	Southern Ry. Co.		58,246	
50				Total 721		58,246	
51							

217. INVESTMENTS IN AFFILIATED COMPANIES—Continued

reported as "Serially 19-----to 19-----." In making entries in this column, abbreviations in common use in standard financial publications may be used where necessary on account of limited space.

If any of the companies included in this schedule are controlled by respondent, the percent of control should be given in column (e). In case any company listed is controlled other than through actual ownership of securities, give particulars in a footnote. In cases of joint control, give names of other parties and particulars of control.

If any advances reported are pledged, give particulars in a footnote.

Particulars of investments made, disposed of, or written down during the year should be given in columns (j), (k), and (l). If the cost of any investment made during the year differs from the book value reported in column (j), explain the matter in a footnote. By "cost" is meant the consideration given minus accrued interest or dividends included therein. If the consideration given or received for such investments was other than cash, describe the transaction in a footnote. Identify all entries in column (k) which represent a reduction in the book value of securities by symbol and give full explanation in a footnote in each case.

This schedule should not include securities issued or assumed by respondent.

INVESTMENTS AT CLOSE OF YEAR		Book value of investments made during year	INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		DIVIDENDS OR INTEREST DURING YEAR		Line No.
BOOK VALUE OF AMOUNT HELD AT CLOSE OF YEAR			Book value	Selling price	Rate	Amount credited to income	
In sinking, insurance, and other funds (h)	Total book value (i)	(j)	(k)	(l)	(m)	(n)	
\$	\$	\$	\$	\$	%	\$	
	1						1
							2
							3
							4
							5
							6
							7
							8
							9
							10
	1						11
							12
							13
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							15
							16
							17
							18
							19
	1						20
							21
							22
							23
							24
	43,313				4-5/8	2,313	25
	43,313					2,313	26
							27
							28
	1,504						29
	1,504						30
							31
							32
	65,697						33
	65,697						34
							35
							36
							37
	10,145						38
	10,145						39
							40
	1						41
	1						42
	1						43
							44
							45
	1						46
	1						47
							48
	58,246						49
	58,248						50
							51

217. INVESTMENTS IN AFFILIATED COMPANIES—Continued

Line No.	Account No.	Class No.	Kind of Industry	Name of issuing company and description of security held, also lien reference, if any	Extent of control	INVESTMENTS AT CLOSE OF YEAR	
						BOOK VALUE OF AMOUNT HELD AT CLOSE OF YEAR	
						Pledged	Unpledged
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
82			TRANSYLVANIA RAILROAD COMPANY	%	\$	\$	
83	721A	A1	VII	Southern Railway Co.			
84				\$10 par Preferred stock			67,159
85							
86				Southern Railway Co.			
87				Common stock			25,619
88							
89				Richmond, Fredericksburg & Potomac			
90				RR. Co. Dividend Obligations			27,900
91				Total 721-A			120,678
92							
93	721B	B1	VII	Southern Railway Co. 1st &			
94				Gen. Mtge. 4-5/8% Bonds			
95				due 6/1/88			92,325
96							
97				Southern Railway Co. 1st Mtge.			
98				Collateral Trust 4-1/2% Bonds			
99				due 8/1/88			36,750
100				Total 721-B			129,075
101							
102				Total 721			249,753
103							
104				VIRGINIA AND SOUTHWESTERN RAILWAY COMPANY			
105	721E	E3	VI	Georgia Industrial Realty Co. Advance			5,975
106				Total 721			5,975
107							
108							
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217. INVESTMENTS IN AFFILIATED COMPANIES—Concluded

INVESTMENTS AT CLOSE OF YEAR		Book value of investments made during year	INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		DIVIDENDS OR INTEREST DURING YEAR		Line No.
BOOK VALUE OF AMOUNT HELD AT CLOSE OF YEAR			Book value	Selling price	Rate	Amount credited to income	
In sinking, insurance, and other funds (h)	Total book value (i)						
\$	\$	\$	(k)	(l)	(m)	(n)	
							52
							53
	67,159				5	3,700	54
							55
					\$ 1.77		56
	25,619				per share	1,512	57
							58
					\$10.40		59
	27,900				Per share	3,744	60
	120,678					8,956	61
							62
							63
							64
	92,325				4.625	5,596	65
							66
							67
							68
	36,750				4.5	2,250	69
	129,075					7,846	70
							71
	249,753					16,802	72
							73
							74
							75
							76
							77
	5,975						78
	5,975						79
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218. OTHER INVESTMENTS

1. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of all corporations other than affiliated companies, included in accounts Nos. 715, "Sinking funds"; 716, "Capital and other reserve funds"; 722, "Other investments"; and 717, "Insurance and other funds." Investments included in account Nos. 715, 716, and 717 held by trustees in lieu of cash deposits required under the governing instrument are to be excluded from this schedule.

2. Enter the name of a reporting lessor company in the body of the schedule and give, thereunder, particulars of its other investments before listing those of a second lessor. These names should be listed in the order in which they appear on the balance sheet.

3. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 19, classifying the investments by means of letters, figures, and symbols in columns (a), (b), and (c). Investments in U. S. Treasury bills and notes may be reported as one item.

4. Indicate by means of an arbitrary mark in column (d) the obligation in support of which any security is pledged, mortgaged, or otherwise encumbered, giving names and other important particulars of such obligations in footnotes.

5. Give totals for each class and for each subclass, and a grand total for each account.

Line No.	Account No.	Class No.	Kind of Industry	Name of issuing company or government and description of security held, also lien reference, if any	INVESTMENTS AT CLOSE OF YEAR	
					BOOK VALUE OF AMOUNT HELD AT CLOSE OF YEAR	
					Pledged (e)	Unpledged (f)
(a)	(b)	(c)	(d)			
1				<u>The Atlanta and Charlotte Airline Railway Company</u>	\$	\$ -
2						
3				<u>Elberton Southern Railway Company</u>		
4						
5				<u>The Georgia Midland Railway Company</u>		
6						
7				<u>Mobile and Birmingham Railroad Company</u>		
8						
9				<u>The North Carolina Midland Railroad Company</u>		
10						
11				<u>Southern Railway-Carolina Division</u>		
12	722A	A-2	VII	<u>Augusta Gibson & Sanderville RR. Co. Stock</u>		1
13				<u>Augusta Southern RR Co. - Stock</u>		1
14				<u>Total 722A</u>		2
15						
16						
17						
18				<u>Transylvania Railroad Company</u>		None
19						
20				<u>Virginia and Southwestern Railway Company</u>		None
21						
22						
23						
24						
25						
26						
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32						
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43						
44						
45						
46						
47						
48						
49						
50						
51						
52				TOTAL		

218. OTHER INVESTMENTS—Concluded

6. Entries in column (d) should show date of maturity of bonds and other evidences of indebtedness. In case obligations of the same designation mature serially, the date in column (d) may be reported as "serially 19..... to 19....." In making entries in this column, abbreviations in common use in standard financial publications may be used where necessary on account of limited space.

7. If any advances are pledged, give particulars in a footnote.

8. Particulars of investments made, disposed of, or written down during the year should be given in columns (i) to (k), inclusive. If the cost of any investment made during the year differs from the book value reported in column (i), explain the matter in a footnote. By "cost" is meant the consideration given minus accrued interest or dividends included therein. If the consideration given or received for such investments was other than cash, describe the transaction in a footnote. Identify all entries in column (j) which represent a reduction in the book value of securities by symbol and give full explanation in a footnote in each case.

INVESTMENTS AT CLOSE OF YEAR		Book value of investments made during year	INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		DIVIDENDS OR INTEREST DURING YEAR		Line No.
In sinking, insurance, and other funds (c)	BOOK VALUE OF AMOUNT HELD AT CLOSE OF YEAR		Book value	Selling price	Rate	Amount credited to income	
	(h)	(i)	(j)	(k)	(l)	(m)	
	None				%	\$	1
	None						2
	None						3
	None						4
	None						5
	None						6
	None						7
	None						8
	None						9
	None						10
	1						11
	1						12
	2						13
							14
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	None						16
	None						17
	None						18
	None						19
	None						20
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221. SECURITIES, ADVANCES, AND OTHER INTANGIBLES OWNED OR CONTROLLED THROUGH NONREPORTING CARRIER OR NONCARRIER SUBSIDIARIES

Give particulars of investments represented by securities and advances (including securities issued or assumed by the respondent), and of other intangible property, indirectly owned or controlled by the lessor companies included in this report through any subsidiary which does not report to the Commission under the provisions of Part I of the Interstate Commerce Act, without regard to any question of whether the company issuing the securities, or the obligor, is controlled by the subsidiary.

Line No.	Class No. (a)	Name of lessor company (b)	Name of nonreporting carrier or noncarrier subsidiary that owns the securities, advances, or other intangible property (c)	Name of issuing company and security or other intangible thing in which investment is made (d)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13			None	
14				
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16				
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221. SECURITIES, ADVANCES, AND OTHER INTANGIBLES OWNED OR CONTROLLED THROUGH NONREPORTING CARRIER OR NONCARRIER SUBSIDIARIES—Concluded

This schedule should include all securities, open account advances, and other intangible property owned or controlled through nonreporting carrier and noncarrier subsidiaries, as well as those of other organizations or individuals whose actions respondent is able to determine. Investments in U. S. Treasury obligations may be combined in a single item.

Total book value of investments at close of the year (e)	Book value of investments made during the year (f)	INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR				Remarks (i)	Line No.	
		Book value (g)		Selling price (h)				
\$	\$	\$	\$					1
								2
								3
								4
								5
								6
								7
								8
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								55

251. CAPITAL STOCK

Give particulars of the various issues of capital stock which were in existence at the close of the year.

Show separate returns for each lessor company included in this report, classifying the stocks as follows:

Common.
Preferred.
Debenture.
Receipts outstanding.

State, in a footnote, the class of stock covered by the receipts.

In case any "Preferred" or "Debenture" stock is outstanding, the rate of dividend requirements should be shown in column (b), and it should

be stated whether the dividends are cumulative or noncumulative. If the designation of any class of stock shown in column (b) is not sufficiently descriptive to indicate clearly its dividend rights and equity in the assets of the respondent, a complete statement of the facts should be given.

In stating the date of an authorization, the date of the latest assent or ratification necessary to its validity should be shown; e. g., in case an authorization is required to be ratified by stockholders after action by the board of directors, but is not required to be approved by any State or other governmental board or officer, give the date of approval by stockholders; if the assent of a State railroad commission or other public board or officer is necessary, give the date of such assent, or if subsequent

WITH PAR VALUE

Line No.	Name of lessor company	Class of stock	Par value per share	Date issue was authorized	Par value of amount authorized		Total par value outstanding at close of year		Total par value nominally issued and nominally outstanding at close of year					
									In treasury		Pledged as collateral		In sinking or other funds	
	(a)	(b)	(c)	(d)	(e)		(f)		(g)		(h)		(i)	
1	The Atla. and		\$		\$		\$		\$		\$		\$	
2	Charlotte Air			Apr. 4,										
3	Line Ry. Co.	Common	100	1877	1 700 000		1 700 000			100				
4	Elberton Sou.			Dec. 2,										
5	Railway Co.	Common	100	1908	2 000 000		2 000 000							
6	The Georgia			Mar. 27,										
7	Midland Ry. Co.	Common	100	1896	1 000 000		1 000 000							
8	Mobile and	Common	100	July 2,	1 000 000		897 600							
9	Bghm. R.R. Co.	Preferred		1895	1 000 000		897 600							
10				Total	2 000 000		1 795 200							
11	The North Caro.			Dec. 9,										
12	Midland RR Co.	Common	100	1880	1 500 000		924 000							
13	Southern Ry.-			June 23,										
14	Carolina Div.	Common	100	1902	7 798 700		4 176 200							
15	Transylvania	Common	100	4-12-1899	320 000		320 000							
16	Railroad Co.	Common	100	5-18-1903	100 000		50 000							
17				Total	420 000		370 000							
18	Virginia and			Feb. 18,										
19	Southwestern			1899	10 000 000		2 000 000							
20	Railway Co.	Common	100											
21														
22														
23														
24														
25														
26														
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251. CAPITAL STOCK—Concluded

to such assent notice has to be filed with a secretary of state or other public officer and a tax or other fee has to be paid as a *condition precedent* to the validity of the issue, give the date of such payment. In case some *condition precedent* has to be complied with after the approval and ratification of the stockholders has been obtained, state, in a footnote, the particulars of such condition and of the respondent's compliance therewith. It should be noted that section 20a of the Interstate Commerce Act makes it unlawful for a carrier to issue or assume any securities, unless and until, and then only to the extent that, the Commission by order authorizes such issue or assumption.

Entries in columns (f) and (n) should include stock nominally issued,

nominally outstanding, and actually outstanding. For the purposes of this report, capital stock and other securities are considered to be *nominally issued* when certificates are signed and sealed and placed with the proper officer for sale and delivery or are pledged or otherwise placed in some special fund of the respondent. They are considered to be *actually issued* when sold to a bona fide purchaser for a valuable consideration, and such purchaser holds them free from control by the respondent. All securities actually issued and not reacquired by or for the respondent are considered to be *actually outstanding*. If reacquired by or for the respondent under such circumstances as require them to be considered as held alive, and not canceled or retired, they are considered to be *nominally outstanding*.

WITHOUT PAR VALUE													Line No.
Total par value actually outstanding	Class of stock	Date issue was authorized	Number of shares authorized		Number of shares outstanding at close of year		Number of shares nominally issued and nominally outstanding at close of year			Cash value of consideration received for stocks actually outstanding			
							In treasury	Pledged as collateral	In sinking or other funds				
(j)	(k)	(l)	(m)		(n)		(o)	(p)	(q)	(r)			
\$										\$			1
													2
1 699 900													3
													4
200 000													5
													6
1 000 000													7
													8
897 600													9
897 600													10
1 795 200													11
													12
													13
924 000													14
													15
4 176 200													16
													17
320 000													18
50 000													19
370 000													20
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2 000 000													23
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253. CAPITAL STOCK CHANGES DURING THE YEAR

Give full particulars of stocks actually or nominally issued (either original issues or reissues) and of stocks reacquired or canceled during the year. Enter the name of a reporting lessor company in the body of the schedule and give, thereunder, particulars of its capital stock changes during the year before listing those of a second lessor. These

names should be listed in the order in which they appear on the balance sheet. In column (c) state whether issued for construction of new properties, for additions and betterments, for purchase of railway or other property, for conversion, for acquisition of securities, for reorganization, or for other corporate purposes. Also give the number and

Line No.	Class of stock	STOCKS ISSUED DURING YEAR				
		Date of issue	Purpose of the issue and authority	Par value*		
				Net proceeds received for issue (cash or its equivalent)		
	(a)	(b)	(c)	(d)		
				\$		\$
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14			NONE			
15						
16						
17						
18						
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39						
40						
TOTAL						

* For nonpar stock, show the number of shares.

254. STOCK LIABILITY FOR CONVERSION OF SECURITIES OF OTHER COMPANIES

If at the close of the year the lessor companies included in this report were subject to any liability to issue their own capital stock in exchange for outstanding securities of constituent or other companies, give full particulars thereof hereunder, including names of parties to contracts and

NONE

253. CAPITAL STOCK CHANGES DURING THE YEAR—Concluded

date of the authorization by the public authority under whose control such issue was made, naming such authority. In column (e) include as cash all money, checks, drafts, bills of exchange, and other commercial paper payable at par on demand. For nominally issued stock, show returns in columns (a), (b), (c), and (d) only. For each class of par

stock actually issued the sum of the entries in columns (e), (f), and (h), plus discounts or less premiums in column (g), should equal the entry in column (d).

Particulars concerning the reacquirement of stock that was actually outstanding should be given in columns (a), (i), and (j).

STOCKS ISSUED DURING YEAR—Continued									STOCKS REACQUIRED DURING YEAR									Line No.
Cash value of other property acquired or services received as consideration for issue			Net total discounts (in black) or premiums (in red). Excludes entries in column (h)			Expense of issuing capital stock			AMOUNT REACQUIRED									
									Par value*			Purchase price			Remarks			
(f)			(g)			(h)			(i)			(j)			(k)			
\$			\$			\$			\$			\$						
																1		
																2		
																3		
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																17		
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									None							19		
																20		
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																37		
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																39		
																40		

* For nonpar stock, show the number of shares.

254. STOCK LIABILITY FOR CONVERSION OF SECURITIES OF OTHER COMPANIES—Concluded

abstracts of terms of contracts whereunder such liability exists.

NONE

NOTES AND REMARKS

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 261 ON PAGES 34, 35, 36, AND 37

Give particulars of the various issues of securities in accounts Nos. 765, "Funded debt unmatured," 768, "Debt in default," 767, "Receivers' and trustees' securities," 766, "Equipment obligations," and 764, "Equipment obligations and other debt due within 1 year," at the close of the year, together with interest accrued and interest paid during the year and total amount of matured interest in default. Include receipts outstanding for funded debt with their respective issues.

In column (a) enter the name of a reporting lessor company and give, thereunder, the name of each of its bonds or other obligations before listing those of a second lessor. The names of the lessors should be listed in the order in which they appear on the balance sheet. Classify the funded debt and securities of each lessor by accounts and according to the following designations in the numerical order given:

- (1) Mortgage bonds:
 - (a) With fixed interest.
 - (b) With contingent interest.
- (2) Collateral trust bonds:
 - (a) With fixed interest.
 - (b) With contingent interest.
- (3) Unsecured bonds (Debentures):
 - (a) With fixed interest.
 - (b) With contingent interest.
- (4) Equipment obligations (Corporation):
 - (a) Equipment securities.
 - (b) Conditional or deferred payment contracts.
- (5) Miscellaneous obligations.
- (6) Receivers' and trustees' securities:
 - (a) Equipment obligations.
 - (b) Other than equipment obligations.
- (7) Short-term notes in default.

Give totals for each group and subgroup of bonds or other obligations. Columns (f), (g), (h), (i), and (j) are intended further to classify the obligations of the company and are to be answered "Yes" or "No."

If an issue is a serial issue, the last date of maturity should be shown in column (c) preceded by the letter "S." If the payments required in the contracts for equipment obligations are unequal in amount (except for the last payment) or are to be made at irregular intervals, show a symbol against the entry made in column (c) opposite the name of such obligation and give particulars in a footnote.

If the issue is an income bond, the entry in column (d) should be the annual maximum rate of interest specified by the indenture. In column (k) show the approximate number of miles of road on which the mortgage is a direct first lien and in column (l) the approximate number of miles of road on which the mortgage is a direct junior lien. Do not consider any road or other property indirectly subject to either a first or junior lien through the pledge of collateral, leaseholds, or other contractual rights in making the returns required in columns (i), (j), (k), and (l).

In column (n) enter the amount of bonds both nominally and actually issued up to the date of the report and not the amount authorized.

Matured obligations amounting to less than \$50,000 which have not been presented for payment may be combined into a single entry designated "Minor items of matured obligations, each less than \$50,000," and the total of such items shown in a footnote.

No entries shall be made in this schedule with respect to issues of matured obligations nominally issued or nominally outstanding when no parts of such issues are actually outstanding.

For definitions of "nominally issued," "nominally outstanding," "actually issued," and "actually outstanding," see Schedule 251.

Entries in columns (v) and (w) should include interest accrued on funded debt reacquired, matured during the year, even though no portion of the issue is outstanding at the close of the year.

In column (y) enter the total in account No. 781, "Interest in default," at the close of the year.

On page 37, give particulars of changes during the year in funded debt and other obligations, following the same order in which they appear in the prior pages of this schedule.

In column (z) state whether issued for construction of new properties, for additions and betterments, for purchase of railroad or other property for conversion, for acquisition of securities, for reorganization, or for other corporate purposes. Also give the number and date of authorization by the public authority under whose control such issue was made, naming such authority. For nominally issued securities, show returns in columns (z) and (aa) only.

For each class of securities actually issued, the sum of the entries in columns (bb) and (cc), plus discounts or less premiums, such discounts or premiums to be shown in a footnote applicable to each issue, should equal the entry in column (aa). For definition of expense, reportable in column (cc), see Definition 10 in the Uniform System of Accounts for Railroad Companies.

Particulars concerning the reacquirement of securities that were actually outstanding should be reported in columns (a), (dd), and (ee).

Include those securities that have been called for payment during the year for which liability has been transferred to account No. 763, "Other current liabilities."

NOTES AND REMARKS

261. FUNDED DEBT AND OTHER OBLIGATIONS

Line No.	Name of lessor company and name and character of obligation	Nominal date of issue	Date of maturity	INTEREST PROVISIONS		DOES OBLIGATION PROVIDE FOR— (Answer "Yes" or "No")			IS OTHER PROPERTY (REAL OR PERSONAL OR LEASEHOLD) SUBJECT TO LIEN OF THE OBLIGATION? (Answer "Yes" or "No")	
				Rate per cent per annum (current year)	Dates due	Conversion	Call prior to maturity, other than for sinking fund	Sinking fund	First lien	Junior to first lien
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	THE ATLANTA AND CHARLOTTE AIR LINE RAILWAY COMPANY									
2	(1a) First and General Mtge. 4-5/8% Bds.	6/1/63	6/1/88	4-5/8	J&D-1	No	Yes	Yes	Yes	No
3										
4	ELBERTON SOUTHERN RAILWAY COMPANY									
5	(1a) First Mtge. 5% Gold Bonds	1/1/09	1/1/59	(A) 5	J&J-1	No	No	No	Yes	No
6										
7	THE GEORGIA MIDLAND RAILWAY COMPANY									
8	(1a) First Mortgage Bonds	4/1/96	4/1/46	(A) 3	A&O-1	No	No	No	Yes	No
9										
10	MOBILE AND BIRMINGHAM RAILROAD COMPANY									
11	(1a) Prior Lien Gold Bonds	8/29/85	3/1/98	5	J&J-1	No	No	No	Yes	
12	First Mtge. Gold Bonds	8/29/95	3/1/98	4	J&J-1	No	No	No		Yes
13										
14	Total									
15										
16	NORTH CAROLINA MIDLAND RAILROAD COMPANY									
17	(1a) First Mtge. Gold Bonds	4/28/91	7/1/31	(A) 6	J&J-1	No	No	No	Yes	No
18										
19	SOUTHERN RAILWAY-CAROLINA DIVISION									
20	(1a) Spartanburg Union and Columbia	Nov. 1								
21	R.R. Co. First Mortgage Bonds	1895	1995	4	J&J-1	No	No	No	Yes	No
22										
23										
24										
25										
26	TRANSYLVANIA RAILROAD COMPANY									
27	(1a) First Mortgage Bonds	1/1/06	1/1/56	(A) 5	J&J-1	No	No	No	Yes	No
28										
29	VIRGINIA AND SOUTHWESTERN RAILWAY COMPANY									
30	(1a) First Mortgage Bonds	9/18/02	1/1/2008	5	J&J-1	No	No	No	Yes	
31	General Mortgage Bonds	3/15/58	3/15/83	4 1/2	M&S-15	No	No	No		Yes
32										
33	Total									
34										
35										
36										
37	(A) Date of maturity extended by verbal agreement.									
38	New maturity date not yet agreed upon.									
39										
40										
41										
42										
43										
44										
45										
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47										
48										
49										
50										
51										
52										
53										
54										
55										
56										
GRAND TOTAL									XXXXXX	

261. FUNDED DEBT AND OTHER OBLIGATIONS—Continued

APPROXIMATE NUMBER OF MILES OF LINE DIRECTLY SUBJECT TO—		AMOUNT NOMINALLY ISSUED AND—			AMOUNT REACQUIRED AND—			TOTAL AMOUNT ACTUALLY OUTSTANDING			Line No.
First lien	Junior to first lien	Total amount nominally and actually issued	Held in special funds or in treasury or pledged (Identify pledged securities by symbol "P"; matured by symbol "M")	Canceled	Total amount actually issued	Canceled through sinking fund or otherwise canceled (Identify canceled through sinking fund by symbol "S")	Held in special funds or in treasury or pledged (Identify pledged securities by symbol "P"; matured by symbol "M")	Unmatured (accounts 765, 766, and 767)	Unmatured (account 764)	Matured and no provision made for payment (account 768)	
(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	
		\$ 15 600 000			\$ 15 000 000	2 986 000	617 000	11 397 000	(11)		1
											2
											3
											4
		250 000			250 000			250 000	(11)		5
											6
		1 650 000			1 650 000			1 650 000	(11)		8
											9
		600 000			600 000			600 000			11
		1 200 000			1 200 000			1 200 000			12
		1 800 000			1 800 000			1 800 000	(11)		13
											14
		801 000			801 000			801 000	(11)		16
											17
		1 000 000			1 000 000			1 000 000	(11)		20
											21
											22
											23
											24
											25
											26
		434 000		1 000	433 000		237 000	196 000	(11)		27
											28
											29
		2 000 000			2 000 000	255 000		1 745 000			30
		5 000 000			5 000 000	2 990 000		1 810 000	200 000		31
		7 000 000			7 000 000	3 245 000		3 555 000	200 000	(11)	32
											33
											34
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261. FUNDED DEBT AND OTHER OBLIGATIONS—Continued

Line No.	Name of lessor company and name and character of obligation (List on same lines and in same order as on page 34)	AMOUNT OF INTEREST ACCRUED DURING YEAR				Amount of interest paid during year	Total amount of interest in default
		Charged to income		Charged to investment accounts			
		(a)	(v)	(w)	(x)		
1	THE ATLANTA AND CHARLOTTE AIR LINE RAILWAY COMPANY						
2	(1a) First and General Mtge. 4-5/8% Bds.		527 111			527 116	
3							
4							
5	ELBERTON SOUTHERN RAILWAY COMPANY						
6	(1a) First Mtge. 5% Gold Bonds		12 500			12 500	
7							
8	THE GEORGIA MIDLAND RAILWAY COMPANY						
9	(1a) First Mortgage Bonds		49 500			49 500	
10							
11	MOBILE AND BIRMINGHAM RAILROAD COMPANY						
12	(1a) Prior Lien Gold Bonds		30 000			30 000	
13	First Mtge. Gold Bonds		48 000			48 000	
14	Total		78 000			78 000	
15							
16	NORTH CAROLINA MIDLAND RAILROAD COMPANY						
17	(1a) First Mtge. Gold Bonds		48 060			48 060	
18							
19	SOUTHERN RAILWAY-CAROLINA DIVISION						
20	(1a) Spartanburg Union and Columbia						
21	R.R. Co. First Mortgage Bonds		40 000			40 000	
22							
23							
24							
25							
26							
27	TRANSYLVANIA RAILROAD COMPANY						
28	(1a) First Mortgage Bonds		9 800			9 800	
29							
30	VIRGINIA AND SOUTHWESTERN RAILWAY COMPANY						
31	(1a) First Mortgage Bonds		87 250			43 625	
32	General Mortgage Bonds		85 425			88 589	
33	Total		172 675			132 214	
34							
35							
36							
37							
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55							
56	GRAND TOTAL						

261. FUNDED DEBT AND OTHER OBLIGATIONS—Concluded

SECURITIES ISSUED DURING YEAR										SECURITIES REACQUIRED DURING YEAR						Line No.
Purpose of the issue and authority (x)	Par value			Net proceeds received for issue (cash or its equivalent)			Expense of issuing securities			AMOUNT REACQUIRED						
	(aa)			(bb)			(cc)			Par value (dd)			Purchase price (ee)			
	\$			\$			\$			\$			\$			
																1
																2
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													200 000		169 847	32
													200 000		169 847	33
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GRAND TOTAL																56

266. INTEREST ON INCOME BONDS

1. Give particulars concerning interest payable, accrued, paid, and accumulated and unpaid on the securities having contingent interest provisions classified as (1) Mortgage Bonds, (2) Collateral Trust Bonds, and (3) Unsecured Bonds (Debentures), in schedule 261, "Funded Debt and Other Obligations."

2. In columns (a), (b), and (c) state the name, amount, and nominal

rate of interest shown in columns (a), (b), and (c), respectively, in schedule 261, for each security of the kind indicated. List the names of such securities in the same order as in schedule 261.

3. In column (d) show the amount of interest payable for the year at the nominal rate, if earned, on all of the bonds outstanding at the close of the year plus those retired during the year.

Line No.	Name of issue (from schedule 261)	Amount actually outstanding (from schedule 261)	Nominal rate of interest (from schedule 261)	AMOUNT OF INTEREST			
				Maximum amount payable, if earned		Amount actually payable under contingent interest provisions, charged to income for the year	
	(a)	(b)	(c)	(d)		(e)	
1		\$		\$		\$	
2							
3							
4							
5							
6							
7							
8	None						
9							
10							
11							
12							
13							
14							
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17							
18							
19							
20							

268. AMOUNTS PAYABLE TO AFFILIATED COMPANIES

Give full particulars of amounts included in balance sheet account No. 769, "Amounts payable to affiliated companies," by each lessor company included in this report. Notes and open accounts should be stated separately.

Line No.	Name of debtor company	Name of creditor company
(a)	(b)	
1	THE ATLANTA AND CHARLOTTE AIR LINE RAILWAY COMPANY	Southern Railway Co. - Advances
2	ELBERTON SOUTHERN RAILWAY COMPANY	None
3	THE GEORGIA MIDLAND RAILWAY COMPANY	None
4	MOBILE AND BIRMINGHAM RAILROAD COMPANY	None
5	NORTH CAROLINA MIDLAND RAILROAD COMPANY	None
6	SOUTHERN RAILWAY-CAROLINA DIVISION	Southern Railway Company
7		Demand note dated July 1, 1916
8		Demand note dated July 1, 1917
9		Advances
10		Interest on advances
11		Certificate of Indebtedness
12		
13	TRANSYLVANIA RAILROAD COMPANY	None
14	VIRGINIA AND SOUTHWESTERN RAILWAY COMPANY	None
15		
16		
17		
18		
19	(a) 3-3/4% on \$1,766,850	
20	non-interest bearing \$2,194,912	

266. INTEREST ON INCOME BONDS—Concluded

4. In column (e) show the amount of interest charged to the income account for the year.
 5. In column (f) show the difference between columns (d) and (e).
 6. In columns (h), (i), and (j) show the amounts of interest actually paid during the year, segregated in columns (h) and (i) between payments

applicable to the current year's accruals, and those applicable to past accruals.

7. In column (l) show the sum of unearned interest accumulated under the provisions of the security plus earned interest unpaid at the close of the year.

AMOUNT OF INTEREST—Continued

DIFFERENCE BETWEEN MAXIMUM PAYABLE IF EARNED AND AMOUNT ACTUALLY PAYABLE						TOTAL PAID WITHIN YEAR									Period for, or percentage of, for which cumulative, if any (k)	Total accumulated un- earned interest plus earned interest unpaid at the close of this year (l)	Line No.	
Current year (f)			All years to date (g)			On account of current year (h)			On account of prior years (i)			Total (j)						
\$			\$			\$			\$			\$			\$			
																		1
																		2
																		3
																		4
																		5
																		6
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268. AMOUNTS PAYABLE TO AFFILIATED COMPANIES—Concluded

Entries in columns (g), (h), and (i) should include interest accruals and interest payments on debt retired during the year, even though no portion of the debt remained outstanding at the close of the year.

BALANCE AT CLOSE OF YEAR						Rate of interest (f)	INTEREST ACCRUED DURING YEAR				Interest paid during year (i)		Line No.				
Notes (e)			Open accounts (d)				Total (e)			Charged to income (g)				Charged to construction or other investment account (h)			
\$			\$			\$			(a) %	\$			\$				
			4	451	774	4	451	774			66	257			66	257	1
																	2
																	3
																	4
																	5
																	6
																	7
																	8
																	9
																	10
																	11
		480	940					480	940		24	047					12
		270	776					270	776		13	538					13
				3	443	107		3	443	107							14
				1	691	361		1	691	361							15
		9	500					9	500			380				380	16
		761	216	5	134	468		5	895	684		37	965			380	17
																	18
																	19
																	20
																	21
																	22
																	23
																	24
																	25
																	26

282. DEPRECIATION BASE—EQUIPMENT OWNED

Show the ledger value of all equipment owned by each lessor company included in this report. The totals of columns (c) and (j) should correspond with the carrier's investment in equipment as carried in the accounts, as of the beginning and close of the year, respectively.

If the depreciation base is other than the ledger value a full explanation should be given, together with a statement by primary accounts reconciling the difference between the figures used as the depreciation base and those carried in the ledger as investment in equipment.

Line No.	Name of lessor company (a)	Account (b)	Balance at beginning of year (c)	DEBITS DURING THE YEAR			CREDITS DURING THE YEAR			Balance at close of year (j)
				Additions and betterments (d)	Other debits (e)	Total debits (f)	Property retired (g)	Other credits (h)	Total credits (i)	
1	The Atlanta and Charlotte Air Line Railway Company	(52) Locomotives -----	\$	\$						\$
2		(53) Freight-train cars -----								
3		(54) Passenger-train cars -----			NONE					
4		(55) Highway revenue equipment -----								
5		(56) Floating equipment -----								
6		(57) Work equipment -----								
7		(58) Miscellaneous equipment -----								
8		Total -----								
11	Elberton Southern Railway Company	(52) Locomotives -----								
12		(53) Freight-train cars -----								
13		(54) Passenger-train cars -----								
14		(55) Highway revenue equipment -----								
15		(56) Floating equipment -----			NONE					
16		(57) Work equipment -----								
17		(58) Miscellaneous equipment -----								
18		Total -----								
21	The Georgia Midland Railway Company	(52) Locomotives -----								
22		(53) Freight-train cars -----								
23		(54) Passenger-train cars -----								
24		(55) Highway revenue equipment -----			NONE					
25		(56) Floating equipment -----								
26		(57) Work equipment -----								
27		(58) Miscellaneous equipment -----								
28		Total -----								
31	Mobile and Birmingham Railroad Company	(52) Locomotives -----								
32		(53) Freight-train cars -----								
33		(54) Passenger-train cars -----								
34		(55) Highway revenue equipment -----			NONE					
35		(56) Floating equipment -----								
36		(57) Work equipment -----								
37		(58) Miscellaneous equipment -----								
38		Total -----								
41	The North Carolina Midland Railroad Company	(52) Locomotives -----								
42		(53) Freight-train cars -----								
43		(54) Passenger-train cars -----								
44		(55) Highway revenue equipment -----			NONE					
45		(56) Floating equipment -----								
46		(57) Work equipment -----								
47		(58) Miscellaneous equipment -----								
48		Total -----								

[illegible]

285. ACCRUED DEPRECIATION—ROAD AND EQUIPMENT

Give the particulars called for hereunder of the credits and debits made to account 735, "Accrued depreciation—Road and Equipment," during the year which relate to equipment by each lessor company included in this report. A debit balance in column (c) or (j) for any primary account should be preceded by the abbreviation "Dr."

Line No.	Name of lessor company (a)	Account (b)	Balance at beginning of year (c)	CREDITS TO RESERVE DURING THE YEAR			DEBITS TO RESERVE DURING THE YEAR			Balance at close of year (j)
				Charges to others (d)	Other credits (e)	Total credits (f)	Charges for retirements (g)	Other debits (h)	Total debits (i)	
			\$	\$	\$	\$	\$	\$	\$	\$
1		(52) Locomotives								
2		(53) Freight-train cars								
3		(54) Passenger-train cars								
4		(55) Highway revenue equipment								
5		(56) Floating equipment			NONE					
6		(57) Work equipment								
7		(58) Miscellaneous equipment								
8		Total								
11		(52) Locomotives								
12		(53) Freight-train cars								
13		(54) Passenger-train cars								
14		(55) Highway revenue equipment								
15		(56) Floating equipment								
16		(57) Work equipment								
17		(58) Miscellaneous equipment								
18		Total								
21		(52) Locomotives								
22		(53) Freight-train cars								
23		(54) Passenger-train cars								
24		(55) Highway revenue equipment								
25		(56) Floating equipment								
26		(57) Work equipment								
27		(58) Miscellaneous equipment								
28		Total								
31		(52) Locomotives								
32		(53) Freight-train cars								
33		(54) Passenger-train cars								
34		(55) Highway revenue equipment								
35		(56) Floating equipment								
36		(57) Work equipment								
37		(58) Miscellaneous equipment								
38		Total								
41		(52) Locomotives								
42		(53) Freight-train cars								
43		(54) Passenger-train cars								
44		(55) Highway revenue equipment								
45		(56) Floating equipment								
46		(57) Work equipment								
47		(58) Miscellaneous equipment								
48		Total								

40

286. DEPRECIATION RESERVE—ROAD AND MISCELLANEOUS PHYSICAL PROPERTY

Give a classified statement, for each lessor company included in this report, of the credits to the reserve accounts for depreciation of road and miscellaneous physical property during the year, and the charges to the reserve accounts during the year because of property retired; also the balances in the accounts at the beginning and at the close of the year.

Line No.	Item (a)	The Atl. & Char. Air Line Ry. Co. (b)			Elberton Sou. (c)			Southern Ry.-Caro. (d) Div.			Transylvania (e)		
		\$			\$			\$			\$		
1	Balances at beginning of year		513	594		16	729		609	387		45	669
2									58	567			
3	CREDITS												
4	Accrued depreciation—Road												
5	Accrued depreciation—Miscellaneous physical property												
6	Road property (specify):	xxx	xxx	xx	xxx	xxx	xx	xxx	xxx	xx	xxx	xxx	xx
7	1-Engineering		2	987			110		3	701			
8	3-Grading		2	376			49		2	346		2	212
9	6-Bridges, Trestles and Culverts		38	796			81		60	054		2	498
10	13-Fences, Snowsheds and Signs			542			69			775			
11	16-Station and Office Buildings		12	853			523		8	415			718
12	17-Roadway Buildings		2	905									13
13	18-Water Stations			86									
14	19-Fuel Stations			456						917			
15	20-Shops and Enginehouses			952					7	211			
16	23-Wharves and Docks									414			
17	26-Communication Systems		8	484					6	874			170
18	27-Signals and Interlockers		74	757					11	993			
19	29-Power Plants			52						130			
20	31-Power Transmission System			681					3	249			
21	35-Miscellaneous structures		1	043						834			
22	37-Roadway Machines												
23	39-Public Improvements—Construction		4	867			179		1	817		1	259
24	5-Tunnels and Subways												
25	Miscellaneous physical property (specify):	xxx	xxx	xx	xxx	xxx	xx	xxx	xxx	xx	xxx	xxx	xx
26													
27													
28													
29	TOTAL CREDITS		151	837		1	011		108	730		6	870
30	DEBITS												
31	Road property (specify):	xxx	xxx	xx	xxx	xxx	xx	xxx	xxx	xx	xxx	xxx	xx
32	1-Engineering			83			88			729			
33	3-Grading												
34	6-Bridges, Trestles and Culverts									908			
35	13-Fences, Snowsheds and Signs												
36	16-Station and Office Buildings		2	062		2	060		16	919			
37	17-Roadway Buildings												
38	18-Water Stations												
39	19-Fuel Stations												
40	20-Shop and Enginehouses												
41	23-Wharves and Docks												
42	26-Communication Systems												
43	27-Signals and Interlockers						50			106			
44	29-Power Plants												
45	31-Power Transmission Systems												
46	35-Miscellaneous Structures												
47	37-Roadway Machines												
48	39-Public Improvements—Construction												
49	5-Tunnels and Subways												
50	Miscellaneous physical property (specify):	xxx	xxx	xx	xxx	xxx	xx	xxx	xxx	xx	xxx	xxx	xx
51	16-Station and Office Buildings												
52	39-Public Improvements—Construction												
53													
54	TOTAL DEBITS		2	145		2	198		18	662			0
55	Balances at close of year		663	286		15	542		629	455		52	539
56									58	567			
57	Accrued depreciation—Road												
58	Accrued depreciation—Miscellaneous physical property												

286. DEPRECIATION RESERVE—ROAD AND MISCELLANEOUS PHYSICAL PROPERTY—Concluded

Enter the names of the lessor companies in the column headings. All debits or credits to the reserve respecting amortization, if a general amortization program has been authorized, should be included.

Virginia and Southwestern			(g)			(h)			(i)			(j)			(k)			Line No.
\$	984	350	\$			\$			\$			\$			\$			1
xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	2
	1	492																3
	26	596																4
	27	083																5
																		6
	1	213																7
		167																8
		8																9
		260																10
		768																11
																		12
	2	025																13
	1	791																14
																		15
		450																16
		187																17
		55																18
		931																19
		73																20
xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	21
																		22
																		23
																		24
																		25
	63	099																26
xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	27
		114																28
																		29
	5	175																30
																		31
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																		34
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																		38
																		39
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																		41
																		42
																		43
																		44
		31																45
xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	46
																		47
																		48
																		49
																		50
																		51
																		52
	5	320																53
1	042	129																54
																		55

287. DEPRECIATION RATES—ROAD AND MISCELLANEOUS PHYSICAL PROPERTY

Give a statement of the percentages used by each lessor company for computing the amounts accrued for depreciation during the year on various classes of road and miscellaneous physical property, together with the estimated life of the property upon which such percentages are based.

Line No.	Name of lessor company (a)	Class of property on which depreciation was accrued (b)	Estimated life (in years) (c)	Annual rate of depreciation (d)	Name of lessor company (e)	Class of property on which depreciation was accrued (f)	Estimated life (in years) (g)	Annual rate of depreciation (h)
1	The Atlanta and Charlotte Air Line Railway Co.			%				%
2					Transylvania Railroad Company			
3	1	Engineering	-	.45	3	Grading	-	2.67
4	3	Grading	-	.04	6	Bridges, Trestles and Culverts	20	5.12
5	6	Bridges, Trestles & Culverts	83	1.20	16	Stations and Office Buildings	18	5.57
6	16	Station and Office Buildings	54	1.85	17	Roadway Buildings	15	6.67
7	17	Roadway Buildings	47	2.15	26	Communication Systems	18	5.51
8	18	Water Stations	37	2.70	39	Public Improvements-Const.	-	6.18
9	19	Fuel Stations	33	3.05				
10	27	Shops and Enginehouses	54	1.85	Virginia and Southwestern Railway Co.			
11	26	Communications Systems	49	2.05	3	Grading	-	1.12
12	27	Signals and Interlockers	33	3.05	5	Tunnels and Subways	-	.45
13	29	Power Plants	80	1.25	6	Bridges, Trestles & Culverts	42	2.02
14	39	Public Improvements-Const.	-	.65	16	Station and Office Buildings	24	3.13
15	13	Fences, Snowsheds & Signs	26	3.85	17	Roadway Buildings	25	2.63
16	31	Power Transmission Systems	28	3.55	19	Fuel Stations	38	2.58
17	35	Miscellaneous Structures	26	3.80	20	Shops and Enginehouse	30	3.09
18					26	Communication System	18	5.63
19	Elberton Southern Railway Co.				27	Signals and Interlockers	16	6.21
20	1	Engineering	-	.75	31	Power Transmission Systems	29	3.41
21	3	Grading	-	.06	35	Miscellaneous Structures	25	4.60
22	6	Bridges, Trestles & Culverts	79	1.26	37	Roadway Machines	10	9.60
23	13	Fences, Snowsheds & Signs	50	2.00	39	Public Improvements-Const.	34	2.09
24	16	Station and Office Buildings	47	2.11				
25	39	Public Improvements	48	2.07				
26								
27	Southern Railway-Carolina Division				Note: Depreciation of Road Property on all other lines accrued by Southern Railway Co.			
28								
29	3	Grading	-	.06				
30	6	Bridges, Trestles & Culverts	40	2.47				
31	13	Fences, Snowsheds and Signs	26	3.85				
32	16	Station and Office Buildings	49	2.04				
33	19	Fuel Stations	56	1.78				
34	20	Shops and Enginehouses	51	1.97				
35	23	Wharves and Docks	45	2.22				
36	26	Communication Systems	33	3.06				
37	27	Signal and Interlockers	33	3.07				
38	29	Power Plants	77	1.30				
39	31	Power Transmission Systems	28	3.55				
40	35	Miscellaneous Structures	33	3.00				
41	39	Public Improvements-Const.	-	.65				
42								
43								

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300. INCOME ACCOUNT FOR THE YEAR

1. Show hereunder the Income Account of each lessor company included in this report, entering the names of the lessor companies in the column headings. For instructions covering this schedule, see the text pertaining to Income Accounts in the Uniform System of Accounts for Railroad Companies.

Line No.	Item (a)	Schedule No.	The Atl. and Char. Air Line Ry. (b) Co.		Elberton Southern Ry. (c) Co.		The Georgia Midland Ry. (d) Co.		Mobile and Birmingham RR (e) Co.	
			\$	\$	\$	\$	\$	\$	\$	\$
1	ORDINARY ITEMS		xx	xx	xx	xx	xx	xx	xx	xx
2	RAILWAY OPERATING INCOME		xx	xx	xx	xx	xx	xx	xx	xx
3	(501) Railway operating revenues									
4	(531) Railway operating expenses									
5	Net revenue from railway operations									
6	(532) Railway tax accruals (p. 54)	350		708	19	849				28
7	Railway operating income			(708)	(19)	849				(28)
8	RENT INCOME		xx	xx	xx	xx	xx	xx	xx	xx
9	(503) Hire of freight cars and highway revenue freight equipment—credit balance									
10	(504) Rent from locomotives									
11	(505) Rent from passenger-train cars									
12	(506) Rent from floating equipment									
13	(507) Rent from work equipment									
14	(508) Joint facility rent income									
15	Total rent income									
16	RENTS PAYABLE		xx	xx	xx	xx	xx	xx	xx	xx
17	(536) Hire of freight cars and highway revenue freight equipment—debit balance									
18	(537) Rent for locomotives									
19	(538) Rent for passenger-train cars									
20	(539) Rent for floating equipment									
21	(540) Rent for work equipment									
22	(541) Joint facility rents									
23	Total rents payable									
24	Net rents (lines 15, 23)									
25	Net railway operating income (lines 7, 24)			(708)	(19)	849				(28)
26	OTHER INCOME		xx	xx	xx	xx	xx	xx	xx	xx
27	(502) Revenues from miscellaneous operations (p. 53)									
28	(509) Income from lease of road and equipment (p. 56)	371	586	429	37	500	49	500	78	000
29	(510) Miscellaneous rent income									
30	(511) Income from nonoperating property									
31	(512) Separately operated properties—profit									
32	(513) Dividend income									
33	(514) Interest income			1 828		13 609				
34	(516) Income from sinking and other reserve funds									
35	(517) Release of premiums on funded debt									
36	(518) Contributions from other companies									
37	(519) Miscellaneous income		35	130			360			961
38	Total other income		623	387	51	109	49	860	78	961
39	Total income (lines 25, 38)		622	679	31	260	49	860	78	933
40	MISCELLANEOUS DEDUCTIONS FROM INCOME		xx	xx	xx	xx	xx	xx	xx	xx
41	(534) Expenses of miscellaneous operations (p. 53)									
42	(535) Taxes on miscellaneous operating property (p. 53)									
43	(543) Miscellaneous rents									
44	(544) Miscellaneous tax accruals									
45	(545) Separately operated properties—loss									
46	(549) Maintenance of investment organization									
47	(550) Income transferred to other companies									
48	(551) Miscellaneous income charges			938		29		20		
49	Total miscellaneous deductions			938		29		20		
50	Income available for fixed charges (lines 39, 49)		621	741	31	231	49	840	78	933

300. INCOME ACCOUNT FOR THE YEAR—Continued

2. All contra entries hereunder should be indicated in parenthesis.

3. Any unusual accruals involving substantial amounts included on lines 9 to 63, inclusive, should be fully explained in a footnote.

026105 026106

026107

026108

The No. Carolina Midland RR (f) Co.			Southern Ry. Carolina Div. (g)			Transylvania RR (h) Co.			Virginia and Southwestern Ry. (i) Co.			(j)			(k)			Line No.
\$			\$			\$			\$			\$			\$			
x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	1
x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	2
																		3
																		4
																		5
				13	047		25	247		36	030							6
				(13)	047		(25)	247		(36)	030							7
x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	8
																		9
																		10
																		11
																		12
																		13
																		14
x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	15
																		16
																		17
																		18
																		19
																		20
																		21
																		22
																		23
																		24
				(13)	047		(25)	247		(36)	030							25
x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	26
																		27
	75	780		120	380		30	000		197	986							28
																		29
																		30
																		31
																		32
				15	697		8	956		53	265							33
																		34
																		35
																		36
	2	712		5	142					20	000							37
	78	492		141	219		67	220		271	251							38
	78	492		128	172		41	973		235	221							39
x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	40
																		41
																		42
																		43
																		44
																		45
																		46
																		47
				1	267			112		1	832							48
				1	267			112		1	832							49
	78	492		126	905		41	861		233	389							50

300. INCOME ACCOUNT FOR THE YEAR—Continued

Line No.	Item (a)	Sched-ule No.	The Atl. and Char. AirLine Ry. (b) Co.	Elberton Southern Ry. (c) Co.	The Georgia Midland Ry. (d) Co.	Mobile and Birmingham RR (e) Co.
51	FIXED CHARGES					
52	(542) Rent for leased roads and equipment (pp. 58 and 59)-----	383	x x x x x x	x x x x x x	x x x x x x	x x x x x x
53	(546) Interest on funded debt:					
54	(a) Fixed interest not in default-----		593 368	12 500	49 500	78 000
55	(b) Interest in default-----					
56	(547) Interest on unfunded debt-----					
57	(548) Amortization of discount on funded debt-----		9 713			
58	Total fixed charges-----		603 081	12 500	49 500	78 000
59	Income after fixed charges (lines 50, 58)-----		18 660	18 731	340	933
60	OTHER DEDUCTIONS					
61	(546) Interest on funded debt:					
62	(c) Confingent interest-----					
63	Ordinary income (lines 59, 62)-----		18 660	18 731	340	933
64	EXTRAORDINARY AND PRIOR PERIOD ITEMS					
65	(570) Extraordinary items - Net Credit (Debit)(p. 58)-----	396	x x x x x x	x x x x x x	x x x x x x	x x x x x x
66	(580) Prior period items - Net Credit (Debit)(p. 58)-----	396				
67	(590) Federal income taxes on extraordinary and prior period items - Debit (Credit)(p. 58)-----	396				
68	Total extraordinary and prior period items Cr. (Dr.)-----					
69	Net Income transferred to Retained Income-----					
	Unappropriated (lines 63, 68)-----	305	18 660	18 731	340	933

NOTE: Deductions because of accelerated amortization of emergency facilities in excess of recorded depreciation resulted in reduction of Federal income taxes for the year of this report in the amount of \$ -0- .

(1) Indicate method elected by carrier, as provided in the Revenue Act of 1971, to account for the investment tax credit.

Flow-through Deferral

(2) If flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit--- \$ -0- .

(3) If deferral method was elected, indicate amount of investment tax credit utilized as a reduction of tax liability for current year----- \$ -0- .

Deduct amount of current year's investment tax credit applied to reduction of tax liability but deferred for accounting purposes----- (-0-)

Balance of current year's investment tax credit used to reduce current year's tax accrual----- \$ -0- .

Add amount of prior years' deferred investment tax credits being amortized and used to reduce current year's tax accrual - \$ -0- .

Total decrease in current year's tax accrual resulting from use of investment tax credits----- \$ -0- .

305. RETAINED INCOME--UNAPPROPRIATED

1. Show hereunder the Retained Income Accounts of each lessor company included in this report, entering the names of the lessor companies in the column headings. For instructions covering this schedule, see the text pertaining to Retained Income Accounts in Uniform System of Accounts.

Line No.	Item (a)	Sched-ule No.	(b)	(c)	(d)	(e)
1	(602) Credit balance transferred from income (pp. 50 and 51)-----	300	18 660	18 731	340	933
2	(606) Other credits to retained income (p. 58)-----	396				
3	(622) Appropriations released-----		18 660	18 731	340	933
4	Total credits during year-----					
5	(612) Debit balance transferred from income (pp. 50 and 51)-----	300				
6	(616) Other debits to retained income (p. 58)-----	396				
7	(620) Appropriation for sinking and other reserve funds-----					
8	(621) Appropriations for other purposes-----		1 197			
9	(623) Dividends (pp. 52 and 53)-----	308	1 197			
10	Total debits during year-----		17 463	18 731	340	933
11	Net increase during year-----		1 806 737	183 363	(18)	54 230
12	Balance at beginning of year-----		1 824 200	202 094	322	55 163
13	Balance at end of year (pp. 10 and 11)-----	200L				

026105 026106 026107 026108

300. INCOME ACCOUNT FOR THE YEAR—Concluded

The No. Carolina RR Midland Co.			Southern Ry. Carolina Div.			Transylvania RR (h) Co.			Virginia and Southwestern Ry. (i) Co.			(j)			(k)			Line No.
\$			\$			\$			\$			\$			\$			
x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	51
				30	000													52
x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	53
	48	060		77	965		9	800		172	675							54
																		55
																		56
	48	060		107	965		9	800		175	692							57
	30	432		18	940		32	061		57	697							58
x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	59
x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	60
																		61
	30	432		18	940		32	061		57	697							62
x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	x x	63
																		64
																		65
																		66
																		67
																		68
	30	432		18	940		32	061		57	697							69

305. RETAINED INCOME—UNAPPROPRIATED—Concluded

2. All contra entries hereunder should be indicated in parenthesis.
3. Indicate under "Remarks" the amount of assigned Federal income tax consequences accounts 606 and 616.

(f)			(g)			(h)			(i)			(j)			(k)			Line No.
\$			\$			\$			\$			\$			\$			
	30	432		18	940		32	061		57	697							1
																		2
	30	432		18	940		32	061		57	697							3
																		4
																		5
																		6
																		7
	27	720																8
	27	720																9
	2	712		18	940		32	061		57	697							10
	10	165	(1	860	669)		469	366		931	901							11
	12	877	(1	841	729)		501	427		989	598							12
																		13

308. DIVIDENDS DECLARED

Give particulars of each dividend declared by each lessor company included in this report. For par value or nonpar stock, show in column (e) the respective total par value or total number of shares on which dividend was declared and the corresponding rate percent or per share in column (c) or (d). If any such dividend was payable in anything other than cash; or, if any obligation of any character has been incurred for the purpose of procuring funds for the payment of any dividend or for the purpose of replenishing the treasury after such payment; or, if any class of stock received a return not reportable in this schedule, explain the matter fully in the remarks column. For nonpar stock, show the number of shares in column (e) and the rate per share in column (c) or (d). The dividends in column (f) should be totaled for each company. The sum of the dividends stated in column (f) should equal the amount shown in schedule No. 305.

Line No.	Name of lessor company (a)	Name of security on which dividend was declared (b)	RATE PERCENT (PAR VALUE STOCK) OR RATE PER SHARE (NONPAR STOCK) (c) (d)		Total par value of stock or total number of shares of nonpar stock on which dividend was declared (e)	Dividends (Accum. 623) (f)	DATE		Remarks (g)
			Regular (c)	Extra (d)			Declared (R)	Payable (S)	
1	THE ATLANTA AND CHARLOTTE AIR LINE RAILWAY COMPANY								
2		Common	1-1/2%		13 300	199	Apr. 3, 1946	Mar. 1, 1973	
3		Common	4-1/2%		13 300	599	Apr. 3, 1946	Sep. 1, 1973	
4		Common	3%		13 300	399	Apr. 3, 1946	Mar. 1, 1974	
5						1 197			
6	ELBERTON SOUTHERN RAILWAY COMPANY				None				
7	THE GEORGIA MIDLAND RAILWAY COMPANY				None				
8	MOBILE AND BIRMINGHAM RAILROAD COMPANY				None				
9	THE NORTH CAROLINA MIDLAND RAILROAD COMPANY								
10		Capital	3%		924 000	27 720 (A)			
11	SOUTHERN RAILWAY-CAROLINA DIVISION				None				
12	TRANSYLVANIA RAILROAD COMPANY				None				
13	VIRGINIA AND SOUTHWESTERN RAILWAY COMPANY				None				
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26	(A) By resolution of Board of Directors adopted at meeting November 27, 1918,								
27	annual dividend of 3% upon Capital stock of this company was declared								
28	payable on the 20th day of December in each year during the continuation								
29	of lease of February 5, 1916, out of rents as and when received from								
30	Southern Railway Company.								
31									
32	No obligation incurred for purpose of procuring funds for the payment of								
33	any dividends or replenishing Treasury after payment thereof.								
34									
35									
36									
37									
38									
39									
40									
41									

This Rail E Report to the Interstate Commerce Commission reports data for LESSORS OF THE SOUTHERN RAILWAY COMPANY (LESSORS). LESSORS are a part of SOUTHERN CONSOLIDATED SYSTEM comprised of 35 regulated carriers and 19 other companies. Financial reporting to Southern's shareholders and the general public is made on a consolidated basis and this statement of income is included in the Rail E Report in order to put LESSORS into proper perspective to the SOUTHERN CONSOLIDATED SYSTEM.

SOUTHERN RAILWAY COMPANY AND CONSOLIDATED SUBSIDIARIES

STATEMENT OF INCOME YEARS 1973 AND 1972 (Thousands of Dollars)

	1973	1972
Railway operating revenues:		
Freight	\$747,954	\$698,635
Demurrage	14,452	8,107
Passenger	3,868	3,311
Other	12,471	13,745
	<u>778,745</u>	<u>723,798</u>
Other income, principally interest	25,310	14,165
Total income	<u>804,055</u>	<u>737,963</u>
Railway operating expenses:		
Maintenance of way and structures	131,018	119,681
Maintenance of equipment	134,552	127,673
Transportation	240,665	213,616
Other	51,843	48,165
	<u>558,078</u>	<u>509,135</u>
State and local taxes	25,186	25,751
Payroll taxes	32,843	25,363
Freight car time/mileage (received)	(6,845)	(4,226)
Other equipment rent expense	34,182	30,754
Joint facility rent expense	1,390	931
Miscellaneous deductions from income	8,167	7,303
Fixed charges, principally interest	44,900	42,464
Total expenses	<u>697,901</u>	<u>637,475</u>
Income before federal income taxes	106,154	100,488
Less: Federal income taxes	<u>9,628</u>	<u>15,153</u>
Net consolidated income for the year in accordance with ICC accounting regulations	<u>\$ 96,526</u>	<u>\$ 85,335</u>
Per average share of common stock outstanding	\$6.51	\$5.74
Net consolidated income for the year in accordance with generally accepted accounting principles (GAAP)	<u>\$ 67,202</u>	<u>\$ 59,449</u>
Per average share of common stock outstanding	\$4.47	\$3.94

[illegible]

340. MISCELLANEOUS PHYSICAL PROPERTIES OPERATED DURING THE YEAR

Give particulars of each class of miscellaneous physical property or plant operated by each lessor company included in this report during the year. If any of the operations listed in this schedule were discontinued before the close of the year, explain the matter in a footnote. Group the properties under the heads of the classes of operations to which they are devoted.

In column (a) give the designation used in the respondent's records and the name of the town or city and State in which the property or plant is located, stating whether the respondent's title is that of ownership or whether the property is held under lease or other incomplete title. All peculiarities of title should be explained in a footnote.

The totals of columns (b), (c), and (d) should agree with the totals of accounts Nos. 502, "Revenue from miscellaneous operations," 534, "Expenses of miscellaneous operations," and 535, "Taxes on miscellaneous operating property," in respondent's Income Account for the Year. If not, differences should be explained in a footnote.

Line No.	Designation and location of property or plant, character of business, and title under which held (a)	Total revenue during the year (b)	Total expenses during the year (c)	Total taxes applicable to the year (d)
1		\$	\$	\$
2				
3	NONE			
4				
5				
6				
7				
8				
9				
10	TOTAL			

350. RAILWAY TAX ACCRUALS

1. Give particulars called for of the "Other than U. S. Government taxes" and "U. S. Government taxes" accrued and charged to account No. 532, "Railway tax accruals," during the year.

2. Enter in the column headings the names of the lessor companies which accrued the taxes.

3. In section A show for each State the taxes accrued which were levied by the State Governments (or Governments other than the United States).

4. In section B give an analysis by kind of U. S. Government taxes.

5. Substantial adjustments included in the amounts reported should be explained in a footnote.

026101 026102 026106 026107 026108

Line No.	Name of State and kind of tax (a)	The Atla. and Charlotte Air Line Railway Company			Elberton Southern Railway Company			Southern Railway-Carolina Division			Transylvania Railroad Company			Virginia and Southwestern Railway Co.		
		Amount			Amount			Amount			Amount			Amount		
	A. Other Than U. S. Government Taxes (Enter names of States)	\$			\$			\$			\$			\$		
1																
2	Georgia			708			2 559									
3																
4	North Carolina												3 400			
5																
6	South Carolina															
7																
8	Tennessee															310
9																
10	Alabama (see Page 54A)															
11																
12																
13																
14																
15																
16																
17																
18																
19																
20																
21																
22																
23																
24																
25																
26	Total—Other than U. S. Government taxes			708			2 559			-			3 400			310
	B. U. S. Government Taxes															
27	Income taxes			-0-			17 290			13 047		21 847				35 720
28	Old-age retirement															
29	Unemployment insurance															
30	All other United States taxes															
31	Total—U. S. Government taxes			-0-			17 290			13 047		21 847				35 720
32	GRAND TOTAL—Railway Tax Accruals (account 532)			708			19 849			13 047		25 247				36 030

[illegible]

Give particulars of each class of miscellaneous physical property or plant operated by each lessor company included in this report during the year. If any of the operations listed in this schedule were discontinued before the close of the year, explain the matter in a footnote. Group the properties under the heads of the classes of operations to which they are devoted.

In column (a) give the designation used in the respondent's records and the name of the town or city and State in which the property or plant is located, stating whether the respondent's title is that of ownership or whether the property is held under lease or other incomplete title. All peculiarities of title should be explained in a footnote.

The totals of columns (b), (c), and (d) should agree with the totals of accounts Nos. 502, "Revenue from miscellaneous operations," 534, "Expenses of miscellaneous operations," and 535, "Taxes on miscellaneous operating property," in respondent's Income Account for the Year. If not, differences should be explained in a footnote.

Line No.	Designation and location of property or plant, character of business, and title under which held (a)	Total revenue during the year (b)	Total expenses during the year (c)	Total taxes applicable to the year (d)
1		\$	\$	\$
2				
3	NONE			
4				
5				
6				
7				
8				
9				
10	TOTAL			

350. RAILWAY TAX ACCRUALS

1. Give particulars called for of the "Other than U. S. Government taxes" and "U. S. Government taxes" accrued and charged to account No. 532, "Railway tax accruals," during the year.

2. Enter in the column headings the names of the lessor companies which accrued the taxes.

3. In section A show for each State the taxes accrued which were levied by the State Governments (or Governments other than the United States).

4. In section B give an analysis by kind of U. S. Government taxes.

5. Substantial adjustments included in the amounts reported should be explained in a footnote.

226104

Line No.	Name of State and kind of tax (a)	Mobile and Birmingham RR Co.														
		Amount			Amount			Amount			Amount			Amount		
	A. Other Than U. S. Government Taxes (Enter names of States)	\$			\$			\$			\$			\$		
1																
2																
3																
4																
5																
6																
7																
8																
9																
10	Alabama			28												
11																
12																
13																
14																
15																
16																
17																
18																
19																
20																
21																
22																
23																
24																
25																
26	Total—Other than U. S. Government taxes			28												
	B. U. S. Government Taxes															
27	Income taxes			-0-												
28	Old-age retirement															
29	Unemployment insurance															
30	All other United States taxes															
31	Total—U. S. Government taxes			-0-												
32	GRAND TOTAL—Railway Tax Accruals (account 532)			28												

NOTES AND REMARKS

ANNUAL REPORT 1973

426101 LESSORS OF THE SOUTHERN RAILWAY CO. 2 OF 2

371. INCOME FROM LEASE OF ROAD AND EQUIPMENT

1. Give particulars called for with respect to road and equipment leased to others during the year, the rent of which is includible in account No. 509, "Income from lease of road and equipment."

2. If the respondent leased to others during all or any part of the year any road and equipment upon which no rent receivable accrued, give particulars in a footnote.

Line No.	DESCRIPTION OF ROAD			Name of present lessor	RENT ACCRUED DURING YEAR					
	Name of lessor company (a)	Terminals (b)	Length (c)		Total (e)		Depreciation (f)		All other (Account 509) (g)	
					\$		\$		\$	
1	THE ATLANTA AND CHARLOTTE AIR LINE RAILWAY COMPANY									
2		Charlotte, N.C. - Atlanta, Ga.	254.99	Southern Railway Co.	586	429			586	429
3	ELBERTON SOUTHERN RAILWAY COMPANY									
4		Toccoa, Ga. - Elberton, Ga.	50.04	Southern Railway Co.	37	500			37	500
5	THE GEORGIA MIDLAND RAILWAY COMPANY									
6		McDonough, Ga. - Columbia, Ga.	95.01	Southern Railway Co.	49	500			49	500
7	MOBILE AND BIRMINGHAM RAILROAD COMPANY									
8		Marion Jct., Ala. - Mobile, Ala.	147.12	Southern Railway Co.	78	000			78	000
9	THE NORTH CAROLINA MIDLAND RAILROAD COMPANY									
10		Mooresville Jct., N. C. -								
11		Winston Jct., N. C.	53.50	Southern Railway Co.	75	780			75	780
12	SOUTHERN RAILWAY-CAROLINA DIVISION									
13		Various	666.59	Southern Railway Co.	120	380			120	380
14	TRANSYLVANIA RAILROAD COMPANY									
15		Hendersonville, NC - Rosman, NC	32.12		30	000			30	000
16	VIRGINIA AND SOUTHWESTERN RAILWAY COMPANY									
17		St. Charles, Va. - Coran, Tenn.	99.46							
18		Mocassin Gap, Va. - Bristol, Va.	28.15							
19		Bristol, Va. - Tenn. Term.	1.01	128.62	Southern Railway Co.	197	986		197	986
20										
21										
22										
23										
24										
25										
26										
27										
28										
29										
30										
31										
32										
33										
34										
35										
36										
37										
38										
39										
40										
41										
42										

371A. ABSTRACT OF TERMS AND CONDITIONS OF LEASES

Give brief abstracts of the terms and conditions of the leases under which the above stated rents are derived, showing particularly (1) the name of lessor, (2) the name of lessee, (3) the date of the grant, (4) the chain of title (in case of assignment or subletting) and dates of transfer connecting the original parties with the present parties, (5) the basis on which the amount of the annual rent is determined, and (6) the date when the lease will terminate, or, if the date of

termination has not yet been fixed, the provisions governing the termination of the lease. Also give reference to the Commission's authority for the lease, if any. If none, state the reasons therefor.

Copies of leases may be filed in lieu of abstracts above called for. References to copies filed in prior years should be specific.

NOTE.—Only changes during the year are required.—Indicate the year in which reference was made to the original lease, and also the years in which any changes in lease were mentioned.

383. RENTS FOR LEASED ROADS AND EQUIPMENT

1. Give particulars called for with respect to roads and equipment leased from others during the year, the rent for which is includible in account No. 542, "Rent for leased roads and equipment."
2. Rents payable which are not classifiable under one of the three heads provided should be explained in a footnote.

3. Taxes paid or payable by the respondent as a part of the stipulated rent should be included in column (f) and specifically stated under "Remarks."

4. This account includes amounts payable accrued as rent for roads, tracks, or bridges (including equipment or other railroad property covered

Line No.	Name of leaseholder (a)	Name of lessor company (b)	Total rent accrued during year (c)	
			\$	
1	The Atlanta and Charlotte Air Line Railway Company			None
2	Elberton Southern Railway Company			None
3	The Georgia Midland Railway Company			None
4	Mobile and Birmingham Railroad Company			None
5	The North Carolina Midland Railroad Company			None
6	Southern Railway-Carolina Division - Transylvania Railroad Co.			30 000
7	Transylvania Railroad Company			None
8	Virginia and Southwestern Railway Company			None
9				
10				

383A. ABSTRACT OF LEASEHOLD CONTRACTS

Give brief abstracts of the terms and conditions of the leases under which the above-named properties are held, showing particularly (1) the name of lessee, (2) the name of lessor, (3) the date of the lease, (4) the

chain of title and dates of transfer connecting the original parties with the present parties in case of assignment or subletting, (5) the basis on which the amount of the annual rent is determined, and (6) the date

NOTE.—Only changes during the year are required.

NONE

396. SELECTED ITEMS IN INCOME AND RETAINED INCOME ACCOUNTS FOR THE YEAR

Give a detailed analysis regardless of the amounts of all items included in accounts 570, "Extraordinary items"; 580, "Prior period items"; and 590 "Federal income taxes on extraordinary and prior period items; 606, "Other credits to retained income" and 616, "Other debits to retained income."

Line No.	Name of lessor company (a)	Account No. (b)	Item (c)	Debits (d)		Credits (e)	
				\$		\$	
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16			NONE				
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							

383. RENTS FOR LEASED ROADS AND EQUIPMENT—Concluded

by the contract), and for specific equipment held under lease for 1 year or more, the property being owned by other companies, and held under lease or other agreement by the terms of which *exclusive use and control* for operating purposes are secured.

5. If the reporting companies held under lease, during all or any part of the year, road on which no rent payable accrued, or if any portion of the charge shown hereunder is for construction on a line in which the leasehold interest will soon expire, give full particulars in the "Remarks" column.

CLASSIFICATION OF RENT									Line No.
Guaranteed interest on bonds (d)			Guaranteed dividends on stocks (e)			Cash (f)			
\$			\$			\$			

383A. ABSTRACT OF LEASEHOLD CONTRACTS—Concluded

when the lease is to terminate, or, if such date has not yet been determined, the provisions governing its determination. Also give reference to the Commission's authority for the lease, if any. If none, state the reasons therefor.

In lieu of the abstracts here called for, copies of lease agreements may be filed. Reference to copies filed in prior years should be given in connection with any changes in terms and conditions of the leasehold contracts.

396. SELECTED ITEMS IN INCOME AND RETAINED INCOME ACCOUNTS FOR THE YEAR—Concluded

Each item recorded in accounts 606 and 616 amounting to \$5,000 or more should be stated; items less than \$5,000 may be combined in a single entry, designated "Minor items, each less than \$5,000."

Line No.	Name of lessor company (a)	Account No. (b)	Item (c)	Debits (d)		Credits (e)	
				\$		\$	
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44			NONE				
45							
46							
47							
48							
49							
50							
51							
52							
53							
54							
55							
56							
57							
58							
59							
60							

411. TRACKS OWNED AT CLOSE OF YEAR
(For lessors to other than switching and terminal companies)

Give particulars of the mileage owned by each lessor company included in this report. If a company of this class controls any mileage by lease, and, in turn, subleases such mileage to another company, give particulars in a footnote. In giving "Miles of road", column (c), state the actual single-track distance between termini.

The classes of tracks are defined as follows:

Running tracks.—Running tracks, passing tracks, cross-overs, etc., including turn-outs from those tracks to clearance points.

Way switching tracks.—Station, team, industry, and other switching tracks for which no separate switching service is maintained.

Yard switching tracks.—Yards where separate switching services are maintained, including classification, house, team, industry, and other tracks switched by yard locomotives.

In the lower table, classify the mileage of road owned at close of year by States and Territories. The figures should apply to single-track mileage only. Enter names of States or Territories in the column headings. Lengths should be stated to the nearest hundredth of a mile.

Line No.	Name of road	Termini between which road named extends	RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				Miles of way switching tracks	Miles of yard switching tracks	Total
			Miles of road	Miles of second main track	Miles of all other main tracks	Miles of passing tracks, cross-overs, etc.			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	The Atlanta & Char. A. L. Ry. Co.	Charlotte, N. C. to Atl. Ga. (Armour)	254 99	5 149 39	1 69 2	25 79	6 61 16	1 92 92	585 94
2	Elberton Southern Ry. Co.	Toccoa, Ga. to Elberton, Ga.	50 04			1 83	4 07		55 94
3	Georgia Midland Ry. Co.	Griffin, Ga. to Columbus, Ga.	78 31			5 12	10 27		93 70
4	(owned but not operated)	McDonough, Ga. to Griffin, Ga.	12 03				0 17		12 20
5	Mobile & Birmingham RR Co.	Marion Jct., Ala. to Mobile, Ala.	147 12			15 23	13 48	11 28	187 11
6	The North Caro. Midland RR Co.	Mooreville Jct. NC to Winst. Jct. NC	53 50			3 19	6 60	1 34	64 63
7	Sou. Ry. - Carolina Div.	Augusta, Ga.							
8		Hayne, S. C. to Biltmore, N. C.	66 02	0 90		13 08	10 08	18 94	109 02
9		Cayce, S. C. to Furman, S. C.	101 34			3 33	5 62		110 29
10		Branchville, S. C. to Aiken, S. C.	57 41			1 93	3 50		62 84
11		Warrenville, S. C. to Hamburg, S. C.	9 79			1 63	0 80	1 69	13 91
12		Warrenv. SC-Conn. to Sou. Ry. (CC&A)	0 09						0 09
13		Charleston, S. C. to Columbia, S. C.	121 39	1 14	1 10	9 14	28 62	63 94	225 33
14		Spartanburg, S. C. to Alston, S. C.	68 21			8 69	10 51	5 61	93 02
15		Gaffney, S. C.					1 97		1 97
16		Cayce, S. C. (S. C. L.)						0 02	0 02
17		Charleston, S. C. (S. C. L.)						0 85	0 85
18		Childs, S. C. (S. C. L.)						0 45	0 45
19		Childs, S. C. (S. C. L.)					3 07		3 07
20		Columbia, S. C. (S. C. L.)						3 13	3 13
21		Kingsville, S. C. to Marion, N. C.	208 82			5 55	19 37	5 14	238 88
22		Total	633 07	3 2 04	1 10	43 35	83 54	100 11	863 21
23	Transylvania RR Co.	Hendersonville, N. C. to Rosman, NC	31 92			1 51	3 50		36 93
24	Va. & Southwestern Ry. Co.	St. Charles, Va. to Coran, Tenn.	99 46			8 10	39 12	10 89	146 68
24 1/2		Bristol, Va. Tenn. Terminal							10 89

MILES OF ROAD OWNED AT CLOSE OF YEAR—BY STATES AND TERRITORIES—(Single Track)

		(Enter names of States or Territories in the column headings)																
Line No.	Name of road				Virginia		North Carolina		South Carolina		Georgia		Alabama		Tennessee			Total
25	The Atl. & Charlotte Air Line Ry. Co.						42 24	2	121 88	2	90 87							254 99
26	Elberton Southern Ry. Co.										50 04							50 04
27	The Georgia Midland Ry. Co.										78 31							78 31
28	Mobile & Birmingham RR Co.												147 12	7				147 12
29	The North Carolina Midland RR Co.						53 50	4										53 50
30	Southern Railway-Carolina Division						106 83	526 24	6									633 07
31	Transylvania RR Co.						31 92	2										31 92
32	Virginia and Southwestern Ry. Co.				68 00	8									31 46	1		99 46
33																		
34																		

35
36
37
38
39
40
41
42
43
44
45
46
47

411A. TRACKS OWNED AT CLOSE OF YEAR
(For lessors to switching and terminal companies)

Give particulars of the mileage owned by lessors to switching and terminal companies. If a company of this class controls any mileage by lease, and, in turn, subleases such mileage to another company, give particulars in a footnote.

In the lower table, classify the mileage of tracks owned at close of year by States and Territories. Enter names of States or Territories in the column headings. Lengths should be stated to the nearest hundredth of a mile.

Line No.	Name of road (a)	Location (b)	Mileage of tracks owned (c)		Name of lessee (d)
1					
2					
3					
4		NOT APPLICABLE			
5					
6					
7					
8					
9					
10					

MILES OF TRACKS OWNED AT CLOSE OF YEAR—BY STATES AND TERRITORIES

Line No.	Name of road	(Enter names of States or Territories in the column headings)																Total	
1																			
2																			
3																			
4																			
5																			
6																			
7																			
8																			
9																			
10																			

561. EMPLOYEES AND COMPENSATION

1. Give the average number of employees in the service of the lessor companies included in this report and the total compensation paid to them. General officers who served without compensation or were carried on the pay rolls of another company, and pensioners rendering no service, are not to be included.

2. Averages called for in columns (b), (c), and (d) should be the average of 12 middle-of-month counts.

3. This schedule does not include old-age retirement, and unemployment insurance taxes. See schedule 350 for such taxes.

Line No.	Name of lessor company (a)	AVERAGE NUMBER OF EMPLOYEES IN SERVICE			TOTAL COMPENSATION DURING YEAR					
		Executives, general officers, and staff assistants (b)	Other employees (c)	Total employees (d)	Executives, general officers, and staff assistants (e)		Other employees (f)		Total compensation (g)	
					\$		\$		\$	
1										
2										
3										
4	Included in Report of									
5										
6	Southern Railway Company									
7										
8										
9										
10										
11										
12										
13										
14										
15										

562. COMPENSATION OF OFFICERS, DIRECTORS, ETC.

Give the name, position, salary, and other compensation, such as bonus, commission, gift, reward, or fee, of each officer, director, pensioner, or employee to whom the lessor companies included in this report paid \$40,000 or more during the year as compensation for current or past services over and above necessary expenses incurred in discharge of their duties.

If more convenient, this schedule may be filled out for a group of roads considered as one system and shown only in the report of the principal road of the system with a reference thereto in this report.

Any large "Other compensation" should be explained.

Line No.	Name of lessor company (a)	Name of person (b)	Title (c)	Salary per annum as of close of year (d)		Other compensation during the year (e)		Remarks (f)
				\$		\$		
20								
21								
22								
23	Included in Report of							
24								
25	Southern Railway Company							
26								
27								
28								
29								

563. PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Give particulars concerning payments, fees, retainers, commissions, gifts, contributions, assessments, bonuses, pensions, subscriptions, allowances for expenses, or any form of payments amounting in the aggregate to \$5,000 or more during the year to any corporation, institution, association, firm, partnership, committee, or any person (other than one of respondents' employees covered in schedule 562 in this annual report) for services or as a donation.

Payments for services which both as to their nature and amount may reasonably be regarded as ordinarily connected with the routine operation, maintenance, or construction of a railroad should be excluded, but any special or unusual payments for services should be reported.

If more convenient, this schedule may be filled out for a group of roads considered as one system and shown only in the report of the principal road of the system with a reference thereto in this report.

Line No.	Name of lessor company (a)	Name of recipient (b)	Nature of service (c)	Amount of payment (d)		Remarks (e)
				\$		
30						
31						
32						
33	NONE					
34						
35						
36						
37						
38						
39						

581. CONTRACTS, AGREEMENTS, ETC.

Hereunder give a concise statement of each important contract, agreement, arrangement, etc., with other companies or persons, together with important revisions, modifications, terminations, and other changes thereof, which became effective during the year, and concerned in any way the transportation of persons or things at other than tariff rates, or the purchase of equipment under conditional sales plans without the issuance of securities by respondent, making such statements in the following order:

1. Express companies.
2. Mail.
3. Sleeping, parlor, and dining car companies.
4. Freight or transportation companies or lines.
5. Other railway companies.
6. Steamboat or steamship companies.
7. Telegraph companies.
8. Telephone companies.
9. Equipment purchased under conditional sales contracts.
10. Other contracts.

Under item 9, give particulars of conditional sales agreements, lease or rental contracts, and other similar instruments, entered into by respondent for the purchase of equipment, which provide for payment in installments and do not involve the issuance of securities by respondent. State the names of the parties to the contracts or agreements, the number of units of each class of equipment covered, and the terms and conditions of payment.

Information concerning contracts of minor importance may be omitted. A contract of minor importance is defined as one involving receipts or payments of less than \$5,000 per year, and which by its terms is otherwise unimportant.

In lieu of giving abstracts, copies of contracts may be filed. Every copy of a contract furnished in connection with the foregoing requirement should be listed hereunder.

The basis for computing receipts and payments should be fully stated in the case of each such contract, agreement, or arrangement.

Compliance with the requirements of this schedule does not relieve the respondent of the duty placed upon common carriers by section 6 (5); Part I, of the Interstate Commerce Act, which reads as follows:

"Every common carrier subject to this part shall also file with said Commission copies of all contracts, agreements, or arrangements with other common carriers in relation to any traffic affected by the provisions of this part to which it may be a party. Provided, however, that the Commission, by regulations, may provide for exceptions from the requirements of this paragraph in the case of any class or classes of contracts, agreements, or arrangements, the filing of which, in its opinion, is not necessary in the public interest."

591. CHANGES DURING THE YEAR

Hereunder state the matters called for. Make the statements explicit and precise, and number them in accordance with the inquiries; each inquiry should be fully answered, and if the word "none" truly states the fact it may be used in answering any particular inquiry. Changes in mileage should be reported by classes and stated to the nearest hundredth of a mile.

1. All increases and decreases in mileage, classifying the changes in the tables below as follows:

(Class 1) Line owned by respondent.

(Class 2) Line owned by proprietary companies.

2. For changes in miles of road, give dates of beginning or abandonment of operations. If any changes reportable in this schedule occurred under authority granted by the Commission in certificates of convenience and necessity, issued under paragraphs (18) to (22) of section 1 of the Interstate Commerce Act or otherwise, specific reference to such authority should in each case be made by docket number or otherwise, as may be appropriate.

3. All consolidations, mergers, and reorganizations effected, giving particulars.

This statement should show the mileage, equipment, and cash value of property of each company as well as the consideration received by each company party to the action. State the dates on which consolidated, etc., and whether the prior companies have been dissolved. Copies of the articles of consolidation, merger, or reorganization should be filed with this report.

4. Adjustments in the book value of securities owned, and reasons therefor.

5. Other financial changes of more than \$50,000, not elsewhere provided for, giving full particulars.

INCREASES IN MILEAGE

Line No.	Class	Name of lessor company	Main (M) or branch (B) line	RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				Miles of way switching tracks		Miles of yard switching tracks		Total
				Miles of road	Miles of second main track	Miles of all other main tracks	Miles of passing tracks, cross-overs, and turn-outs					
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1		Elberton Southern Ry. Co.	B				0 02					0 02
2		Georgia Midland Ry. Co.	B					0 54				0 54
3		Mobile and Birmingham R.R. Co.	M				0 52					0 52
4		North Carolina Midland R.R. Co.	B				0 03					0 03
5		Virginia & Southwestern Ry. Co.	B				0 03					0 03
6												
7												
8												
9												
10												
11												
12												
13												
14		TOTAL INCREASE					0 60	0 54				1 14

DECREASES IN MILEAGE

21		Atlanta and Charlotte Air Line Ry. Co.	M				0 40	0 01	1 73			2 14
22		Elberton Southern Ry. Co.	B					0 02				0 03
23		Georgia Midland Ry. Co.	B	0 77								0 77
24		Virginia & Southwestern Ry. Co.	B					0 03				0 03
25		Southern Railway - Carolina Division					0 16	0 43	0 05			0 64
26												
27												
28												
29												
30												
31												
32												
33												
34												
35												
36		TOTAL DECREASE		0 77			0 56	0 50	1 78			3 51

If returns under Inquiry No. 1 on page 64 include any first main track owned by respondent or its proprietary companies representing new construction or permanent abandonment give the following particulars:

Line No.	OWNED BY RESPONDENT				OWNED BY PROPRIETARY COMPANIES			
	Name of issuer company (a)	MILES OF ROAD			Name of proprietary company (d)	MILES OF ROAD		
		Constructed (b)	Abandoned (c)			Constructed (e)	Abandoned (f)	
40								
41								
42								
43								
44								
45								
46								
47								
48								
49								
50								

The item "miles of road constructed" is intended to show the mileage of first main track laid to extend respondent's road, and should not include tracks relocated and tracks laid to shorten the distance between two points, without serving any new territory. By "road abandoned" is meant permanently abandoned, the cost of which has been or is to be written out of the investment accounts.

VERIFICATION

The foregoing report must be verified by the oath of the officer having control of the accounting of the respondents. It should be verified, also, by the oath of the president or other chief officer of the respondents, unless the respondents state on the last preceding page of this report that such chief officer has no control over the accounting of the respondents. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken. While the President and Board of Directors have the right to exercise control of the accounting of these companies, they have delegated to the Comptroller the supervision of the books of account and the control of the manner in which such books are kept.

OATH

(To be made by the officer having control of the accounting of the respondents)

State of DISTRICT OF COLUMBIA
 County of CITY OF WASHINGTON ss:

F. A. Lockett
 (Insert here the name of the affiant)

makes oath and says that he is Assistant Comptroller
 (Insert here the official title of the affiant)

of LESSORS OF THE SOUTHERN RAILWAY COMPANY
 (Insert here the exact legal titles or names of the respondents)

The Atlanta and Charlotte Air Line Railway Company

Elberton Southern Railway Company

The Georgia Midland Railway Company

Mobile and Birmingham Railroad Company

The North Carolina Midland Railroad Company

Southern Railway - Carolina Division

Transylvania Railroad Company

Virginia and Southwestern Railway Company

that it is his duty to have supervision over the books of account of the respondents and to control the manner in which such books are kept; that he knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Interstate Commerce Commission, effective during the said period; that he has carefully examined the said report and to the best of his knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he believes that all other statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondents during the period of time from and, including

January 1, 1973 to and including December 31, 1973

F. A. Lockett
 (Signature of affiant)

Subscribed and sworn to before me, a Notary Public, in and for the State and
 county above named, this 28th day of March, 1974.

My commission expires

August 31, 1974

[Use an
 L. S.
 impression seal]

James D. Cox
 (Signature of officer authorized to administer oaths)

VERIFICATION —Concluded

SUPPLEMENTAL OATH

(By the president or other chief officer of the respondents)

State of }
 County of } ss:

..... makes oath and says that he is
 (Insert here the name of the affiant) (Insert here the official title of the affiant)
 of
 (Insert here the exact legal titles or names of the respondents)

that he has carefully examined the foregoing report; that he believes that all statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondents during the period of time from and including

....., 19...., to and including 19....

.....
 (Signature of affiant)

Subscribed and sworn to before me, a in and for the State and
 county above named, this day of 19....

My commission expires

Use an
 L. S.
 impression seal

.....
 (Signature of officer authorized to administer oaths)

[illegible][illegible]