

ANNUAL REPORT 1972 FORM E

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PENNA. CO.

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**Railroad
Annual Report Form A**

(Class I Line haul and Switching and Terminal Companies)

OMB No. 60-R0098

ANNUAL REPORT

OF



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.)

	125010040PENNSYLCOR 1 CHIEF ACCOUNTING OFFICER PENNSYLVANIA CO 33RD FLOOR 345 PARK AVE NEW YORK NY 10022	310040
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FORM-A

TO THE

INTERSTATE COMMERCE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1972

ANNUAL REPORT

OF

PENNSYLVANIA COMPANY

TO THE

INTERSTATE COMMERCE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1972

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

(Name) Charles R. Lee (Title) Vice President - Finance & Treasurer

(Telephone number) 212 832-0900
(Area code) (Telephone number)

(Office address) 33rd Floor, 345 Park Avenue, New York, New York 10022
(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.

All pages of this report form have been renumbered in sequence. See revised Index on pages 131 and 132.

Page 4: Schedule 104, Relationship of Respondent with Affiliated Companies

Schedule 104A, Companies Controlled by Respondent

5: Schedule 104B, Companies Indirectly Controlled by Respondent

Schedule 104C, Companies Under Common Control with Respondent

6: Schedule 104D, Company's Controlling Respondent

These schedules revise and amend former Schedules 104A and 104B, to reflect relationship of affiliated companies.

Pages 10 and 11: Schedules 200A and 200L, Comparative General Balance Sheet - Assets, and Liabilities and Shareholders' Equity

Columns for reporting opening balances data have been moved to right side of respective schedules.

Pages 12 and 13: Comparative General Balance Sheet - Explanatory Notes

The Explanatory Notes have been revised to reflect affiliated company transactions and the Revenue Act of 1971.

Page 41: Schedule 211-I, Unit Cost of Equipment Installed During the Year

Instructions have been amended to require reporting of TOFC/COFC equipment.

Page 83: Schedule 351, Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes

This is a new schedule provided to show a reconciliation of Federal tax net income with net income reported in Schedule 300.

Page 84: Schedule 352, Computation of Federal Income Taxes

This is a new schedule principally requiring the breakdown of taxes paid on ordinary income and those paid on capital gains.

Page 85: Schedule 353, Consolidated Federal Income Tax Information

This is a new schedule to disclose income and tax liability information with respect to carrier and noncarrier affiliates.

Page 93: Schedule 397, Statement of Changes in Financial Position

This is a new schedule provided for reporting the source and application of funds during the year.

Pages 100-105: Schedule 417, Inventory of Equipment

Car type codes on pages 102 and 103 revised to reflect changes in AAR car type codes.

Provision has been made for reporting of highway revenue equipment on pages 104 and 105.

Page 120: Schedule 562, Compensation of Officers, Directors, etc.

Minimum dollar amount has been increased to \$40,000 and instructions clarified as to what compensation must be reported.

Page 121: Schedule 563, Payments for Services Rendered by Other Than Employees and Affiliates

Minimum dollar amounts will be increased to \$50,000 and \$100,000, respectively. Instruction 4 modified to require only the total amount paid for other management services.

Pages 122: Schedule 564, Transactions Between Respondent and Companies or Persons Affiliated With Respondent for Services Received or Provided

123: Schedule 565, Other Transactions Between Respondent and Companies or Persons Affiliated With Respondent

124: Schedule 566A, Transactions Between Noncarrier Subsidiaries of Respondent and Other Affiliated Companies or Persons for Services Received or Provided

125: Schedule 566B, Other Transactions Between Noncarrier Subsidiaries of Respondent and Other Affiliated Companies or Persons

These are new schedules provided for reporting transactions among affiliated companies.

Page 127: Schedule 581, Contracts, Agreements, etc.

Instructions revised to exclude through route arrangements for the handling of traffic between the reporting carrier and carrier affiliates.

101. IDENTITY OF RESPONDENT

Answers to the questions asked should be made in full, without reference to data returned on the corresponding page of previous reports. In case any changes in the nature referred to under inquiry 4 or 5 on this page have taken place during the year covered by this report, they should be explained in detail on page 128.

1. Give in full the exact name of the respondent. Use the words "The" and "Company" only when they are parts of the corporate name. Be careful to distinguish between *railroad* and *railway*. The corporate name should be given uniformly throughout the report, notably on the cover, on the title page, and in the "Verification" (p. 129). If the report is made by receivers, trustees, a committee of bondholders, or individuals otherwise in possession of the property, state names and facts with precision.

2. If incorporated under a special charter, give date of passage of the act; if under a general law, give date of filing certificate of organization; if a reorganization has been effected, give date of reorganization. If a receivership or other trust, give also date when such receivership or other

possession began. If a partnership, give date of formation and also names in full of present partners.

3. Give specific reference to laws of each State or Territory under which organized, citing chapter and section. Include all grants of corporate powers by the United States, or by Canada or other foreign country; also, all amendments to charter.

4. Give specific reference to special or general laws under which each consolidation or merger or combination of other form was effected, citing chapter and section. Specify Government, State, or Territory under the laws of which each company consolidated or merged or otherwise combined into the present company was organized; give reference to the charters of each and to all amendments of them.

5. State the occasion for the reorganization, whether by reason of foreclosure of mortgage or otherwise, according to the fact. Give date of organization of original corporation and refer to laws under which organized.

1. Exact name of common carrier making this report Pennsylvania Company

2. Date of incorporation December 15, 1958

3. Under laws of what Government, State, or Territory organized? If more than one, name all. Give specific reference to each charter or statute and all amendments thereof, effected during the year. If previously effected, show the year(s) of the report(s) setting forth details. If in bankruptcy, give court of jurisdiction and dates of beginning of receivership or trusteeship and of appointment of receivers or trustees.....

State of Delaware

4. If the respondent was formed as the result of a consolidation or merger during the year, name all constituent and all merged companies

Not Applicable

5. If respondent was reorganized during the year, give name of original corporation and state the occasion for the reorganization

Not Applicable

6. State whether or not the respondent during the year conducted any part of its business under a name or names other than that shown in response to inquiry No. 1, above; if so, give full particulars

No

7. Class of switching and terminal company
[See section No. 7 on inside of front cover]

Not Applicable

NOTES AND REMARKS

1. Give particulars of the various directors and officers of the respondent at the close of the year.

2. State in column (e) of schedule No. 102 and column (d) of schedule No. 103, the number of voting shares of the respondent, other than directors' qualifying shares, that were beneficially owned, directly or indirectly, by each director or principal general officer at the close of the year. This includes shares owned of record, shares owned through holding companies, trusts or other mediums, and shares owned but held in the names of brokers or other nominees. Insert the word "None" where applicable.

3. In schedule No. 103 give the title, name, and address of the principal general officers having system jurisdiction by departments, as follows: Executive, Legal, Fiscal and Accounting, Purchasing, Operating, and Traffic. If there are receivers, trustees, or committees, who are recognized as in the controlling management of the road or of some department of it, give also their names and titles, and the location of their offices, separately grouped and identified.

4. If the duties of an officer extend to more than one department, or if his duties are not in accordance with the customary acceptance of his given title, state briefly the facts in a footnote.

102. DIRECTORS

Line No.	Name of director (a)	Office address (b)	Date of beginning of term (c)	Date of expiration of term (d)	Number of voting shares actually or beneficially owned (e)	Remarks (f)
1	A. M. Frank	Citizens Savings and Loan				
2		San Francisco, Cal. 94102	3/6/72	*		
3	J. F. Magee	A. D. Little, Inc.				
4		Cambridge, Mass. 02140	3/6/72	*	N	
5	A. W. Martinelli	345 Park Ave., 33rd Floor			O	
6		New York, New York 10022	11/19/70	*	N	
7	J. H. McArthur	Harvard University			E	
8		Boston, Mass. 02163	10/1/70	*		
9	V. H. Palmieri	345 Park Ave., 33rd Floor				
10		New York, New York 10022	10/22/70	*		
11	R. T. Sprouse *	Stanford University				
12		Stanford, Cal. 94305	3/6/72	*		*Next annual meeting of
13	G. K. Whitney	200 Berkeley Street				the stockholders or
14		Boston, Mass. 02116	10/22/70	*		until a successor is duly
15	R. C. Wiese	Scudder, Stevens & Clark				elected and qualified.
16		Boston, Mass. 02109	3/6/72	*		
17						
18	* Since the close of 1972 R. T. Sprouse has resigned.					
19						
20						

21. Give the names and titles of all officers of the Board of Directors in control of the respondent at the close of the year:

Chairman of board None Secretary (or clerk) of board Paul M. Ostergard

22. Name the members of the executive committee of the Board of Directors of the respondent at the close of the year (naming first the chairman), and state briefly the powers and duties of that committee:

None

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

Line No.	Title of general officer (a)	Department or departments over which jurisdiction is exercised (b)	Name of person holding office at close of year (c)	Number of voting shares actually or beneficially owned (d)	Office address (e)
GENERAL OFFICERS OF CORPORATION					
31	President	Executive	Victor H. Palmieri	None	345 Park Ave.
32					New York, New York 10022
33					
34	Senior Vice President	Administration	Alfred W. Martinelli	None	345 Park Ave.
35					New York, New York 10022
36					
37	Vice President -				
38	Finance & Treasurer	Financial	Charles R. Lee	None	345 Park Ave.
39					New York, New York 10022
40					
41	Corporate Secretary				
42	and Counsel	Legal	Paul M. Ostergard	None	345 Park Ave.
43					New York, New York 10022
44					
45					
46					
47					
48					
49					
50					
51					
52					
53					
54					

104. RELATIONSHIP OF RESPONDENT WITH AFFILIATED COMPANIES

Enter below in the appropriate schedule, No. 104A through 104D, the names of all companies, corporate and noncorporate, which are affiliated with the respondent and submit the information requested in each schedule. Control for the purpose of these schedules shall be construed to include sole or jointly held control, whether maintained or exercised through or by reason of the method of or circumstances surrounding organization or operation, through or by common directors, officers, or stockholders a voting trust or trusts, a holding or investment company or companies, or through or by any other direct or indirect means; and to include the power to exercise control. For the purposes of these schedules, forms of control shall include the following (among others):

1. Right through ownership of securities, an agreement of some character or through some other source to name the majority of the board of directors, managers, or trustees of the controlled company.
 2. Right to foreclose a first lien upon all or a major part in value of the tangible property of the controlled company.
 3. Right to secure control in consequence of advances made for construction of the operating property of the controlled company.
- Right to control only in a specific respect the action of the controlled company or a lessee interest in the property of a company is not to be classed as a form of control over the lessor company.

104 A. COMPANIES CONTROLLED BY RESPONDENT

1. Enter in column (a) the names of all companies which are controlled solely or jointly by the respondent. If the respondent obtained control over a company during the year, indicate by footnote the date and manner in which control was established such as exchange of stock, exchange of assets for stock, cash purchase, etc.
2. In column (b) indicate the principal business activity of each company listed in column (a) such as transportation, manufacturing, investments, etc.
3. In column (c) indicate the form of control exercised over companies listed in column (a).
4. In column (d) indicate the extent of the control of the respondent in the controlled company. If control cannot be expressed by percentage of voting stock ownership, explain in detail by footnote.
5. In column (e) enter names of other companies, if any, that jointly control the companies listed in column (a).

Line No.	Name of Company Controlled (a)	Principal Business Activity (b)	Form of Control (c)	Extent of Control (d)	If Jointly Controlled Name Other Parties to the Agreement (e)
1	Arvida Corporation	Real estate	Stock ownership	58.37	N/A
2	Buckeye Pipe Line Company	Transportation	Stock ownership	100.00	N/A
3	Clearfield Bituminous Coal Corp.	Transportation	Stock ownership	100.00	N/A
4	Great Southwest Corporation	Real estate	Stock ownership	81.09	N/A
5	Penn Towers, Inc.	Apartment Rentals	Stock ownership	66.67	N/A
6					
7					
8					
9					
10					
11					
12					
13					
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16					
17					
18					
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26					

104 B. COMPANIES INDIRECTLY CONTROLLED BY RESPONDENT

1. Enter in column (a) the names of all companies which are controlled through intermediary companies. If control was obtained during the year, indicate by footnote the date and manner in which control was established such as exchange of stock, exchange of assets for stock, cash purchase, etc.
2. In column (b) indicate the principal business activity of the companies listed in column (a) such as transportation, manufacturing, investments, etc.
3. In column (c) indicate the form of control exercised over companies listed in column (a).
4. In Column (d) indicate the extent of the control over companies listed in column (a). If control cannot be expressed by percentage of voting stock ownership, explain in detail by footnote.
5. In column (e) enter the names of intermediate companies through which control is exercised over companies listed in column (a).

Line No.	Name of Company Controlled (a)	Principal Business Activity (b)	Form of Control (c)	Extent of Control (d)	Name of Intermediary Through Which Control Exists (e)
1	Buckeye Tank Terminals, Inc.	Transportation	Stock Ownership	100.00%	Buckeye Pipe Line Company
2	Arvida Realty Sales, Inc.	Real Estate	Stock Ownership	58.38%	Arvida Corporation
3	Frank B. Morgan & Co.	Insurance	Stock Ownership	58.38%	Arvida Corporation
4	Arvida Investment Co.	Investments	Stock Ownership	58.38%	Arvida Corporation
5	Arvida Mortgage Co.	Real Estate	Stock Ownership	58.38%	Arvida Corporation
6	51st Street Realty Corp.	Leasing Agency	Stock Ownership	100.00%	Clearfield Bit. Coal Corp.
7	Bonnie Valley Corp.	Real Estate	Stock Ownership	81.09%	Great Southwest Corp.
8	Six Flags, Inc. and Subsidiaries	Amusement Parks	Stock Ownership	81.09%	Great Southwest Corp.
9	Great Southwest Overseas				
10	Financial Corp. N.V.	Finance	Stock Ownership	81.09%	Great Southwest Corp.
11	The Greenhouse, Inc.	Health Spa	Stock Ownership	81.09%	Great Southwest Corp.
12	Leadership Mortgage Investment Co. and Subsidiaries	Real Estate	Stock Ownership	81.09%	Great Southwest Corp.
13	I. C. Deal Companies, Inc.	Apartment rentals	Stock Ownership	81.09%	Great Southwest Corp.
14	GSC Development Corp. (Texas) and Subsidiaries	Real Estate Development	Stock Ownership	81.09%	Great Southwest Corp.

104 C. COMPANIES UNDER COMMON CONTROL WITH RESPONDENT

1. Enter in column (a) the names of all companies which are controlled by the same interest that control the respondent.
2. In column (b) indicate the principal business activity of the companies listed in column (a) such as transportation, manufacturing, investments, etc.
3. In column (c) indicate the form of control exercised over companies listed in column (a).
4. In column (d) indicate the extent of the control over companies listed in column (a). If control cannot be expressed by percentage of voting stock ownership, explain in detail by footnote.
5. In column (e) enter the name of companies controlling those listed in column (a).

Line No.	Name of Company Controlled (a)	Principal Business Activity (b)	Form of Control (c)	Extent of Control (d)	Name of Controlling Company or Individual (e)
1	All subsidiaries of Penn Central Transportation Company not included on schedules 104A and 104B.				
2					
3					
4					
5					
6					

104 D. COMPANIES CONTROLLING RESPONDENT

1. Enter in column (a) the names of all companies controlling the respondent. Commence with the company which is most remote followed by the company immediately controlled by it. If control over the respondent or control over an intermediary through which respondent is controlled has changed during the year, indicate by footnote the date and manner in which control was established such as exchange of stock, exchange of assets for stock, cash purchase, etc.
2. In column (b) indicate the principal business activity of the companies listed in column (a) such as transportation, manufacturing, investments, etc.
3. In column (c) indicate the form of control exercised by the company immediately controlled by it.
4. In column (d) indicate the extent of control. If control cannot be expressed by percentage of voting stock ownership, explain in detail by footnote.

Line No.	Name of Controlling Company or Individual (a)	Principal Business Activity (b)	Form of Control (c)	Extent of Control (d)
1	Penn Central Transportation Company*	Transportation	Stock Ownership	100%
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
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* On June 21, 1970 Penn Central Transportation Company went into reorganization. The court appointed Trustees are George P. Baker, Richard C. Bond, Jervis Langdon, Jr., and Willard Wirtz.

As of December 31, 1972 Willard Wirtz resigned as Trustee.

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 June, 1973
(date)

☐ No annual report to stockholders is prepared.

FOOTNOTES

109. VOTING POWERS AND ELECTIONS

1. State the par value of each share of stock: Common, \$ 25 per share; first preferred, \$ 100 per share; second preferred, \$ X per share; debenture stock, \$ X per share.
2. State whether or not each share of stock has the right to one vote; if not, give full particulars in a footnote Yes - See Note
3. Are voting rights proportional to holdings? See Note If not, state in a footnote the relation between holdings and corresponding voting rights.
4. Are voting rights attached to any securities other than stock? No If so, name in a footnote each security, other than stock, to which voting rights are attached (as of the close of the year), and state in detail the relation between holdings and corresponding voting rights, stating whether voting rights are actual or contingent, and if contingent showing the contingency.
5. Has any class or issue of securities any special privileges in the election of directors, trustees, or managers, or in the determination of corporate action by any method? See Note If so, describe fully in a footnote each such class or issue and give a succinct statement showing clearly the character and extent of such privileges.
6. Give the date of the latest closing of the stock book prior to the actual filing of this report, and state the purpose of such closing Never Closed
7. State the total voting power of all security holders of the respondent at the date of such closing, if within one year of the date of such filing; if not, state as of the close of the year. 4,985,000 votes, as of December 31, 1972
8. State the total number of stockholders of record, as of the date shown in answer to inquiry No. 7. (Date) One stockholders.
9. Give the names of the thirty security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within 1 year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each his address, the number of votes which he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, with respect to securities held by him, such securities being classified as common stock, second preferred stock, first preferred stock, and other securities, stating in a footnote the names of such other securities (if any). If any such holder held in trust, give (in a footnote) the particulars of the trust. In the case of voting trust agreements give, as supplemental information on page 13, the names and addresses of the thirty largest holders of the voting trust certificates and the amount of their individual holdings. If the stock book was not closed or the list of stockholders compiled within such year, show such thirty security holders as of the close of the year.

Line No	Name of security holder	Address of security holder	Number of votes to which security holder was entitled	NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED			
				Common	STOCKS		Other securities with voting power
	(a)	(b)	(c)	(d)	Second (e)	First (f)	(g)
1	Penn Central	Philadelphia, Pa.	4,985,000	4,985,000			
2	Transportation Co.						
3							
4							
5							
6							
7							
8							
9							
10							
11	Note:						
12	Holders of Preferred Stock have the right to elect two directors when six						
13	quarterly dividends are in default (See Notes Page 141) and also (a) have						
14	the right to vote as a class on						
15	(i) matters adversely affecting the preferences, rights or powers of						
16	the Preferred Stock						
17	(ii) the creation of any class of stock ranking on a parity with the						
18	Preferred Stock, and						
19	(iii) the voluntary dissolution of the corporation,						
20	and (b) have the right to vote with all other outstanding shares on any						
21	proposed increase in the authorized amount of Preferred Stock. See I.C.C.						
22	Finance Docket No. 23019						
23							
24							
25							
26							
27							
28							
29							
30							

10. State the total number of votes cast at the latest general meeting for the election of directors of the respondent. 4,985,000 votes cast.
11. Give the date of such meeting 4/23/70
12. Give the place of such meeting Wilmington, Delaware

110. GUARANTIES AND SURETYSHIPS

1. If the respondent was under obligation as guarantor or surety for the performance by any other corporation or other association of any agreement or obligation, show for each such contract of guaranty or suretyship in effect at the close of the year or entered into and expired

during the year, the particulars called for hereunder.

This inquiry does not cover the case of ordinary commercial paper maturing on demand or not later than 2 years after date of issue.

Line No.	Names of all parties principally and primarily liable (a)	Finance Docket number, title, maturity date and concise description of agreement or obligation (b)	Amount of contingent liability (c)	Role or joint contingent liability (d)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
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2. If any corporation or other association was under obligation as guarantor or surety for the performance by the respondent of any agreement or obligation, show for each such contract of guaranty or suretyship in effect at the close of the year or entered into and expired during the year, the particulars called for hereunder.

This inquiry does not cover the case of ordinary commercial paper maturing on demand or not later than 2 years after date of issue, nor does it include ordinary surety bonds or undertakings on appeals in court proceedings.

Line No.	Finance Docket number, title, maturity date and concise description of agreement or obligation (a)	Names of all guarantors and sureties (b)	Amount of contingent liability of guarantors (c)	Role or joint contingent liability (d)
41		None		
42				
43				
44				
45				
46				
47				
48				
49				
50				
51				

200A. COMPARATIVE GENERAL BALANCE SHEET—ASSETS

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 balance sheet should be consistent with those in the supporting schedules on the pages indicated. The entries in column (c) should be restated to conform with the account-

ing requirements followed in column (b). The entries in the short column (a2) should be deducted from those in column (a1) in order to obtain corresponding entries for column (b). All contra entries hereunder should be indicated in parenthesis.

Line No.	Account or Item (a)	Balance at close of year (b)			Balance at beginning of year (c)			
CURRENT ASSETS								
1	(701) Cash.....	\$	404	674	\$	639	375	
2	(702) Temporary cash investments (p. 15)	2	497	265		-		
3	(703) Special deposits (p. 15)		68	045		5	775	
4	(704) Loans and notes receivable (p. 15)		3	253		2	392	
5	(705) Traffic and car-service balances—Debit.....							
6	(706) Net balance receivable from agents and conductors.....							
7	(707) Miscellaneous accounts receivable.....							
8	(708) Interest and dividends receivable		161	724		291	132	
9	(709) Accrued accounts receivable (p. 15)							
10	(710) Working fund advances.....		-				200	
11	(711) Prepayments (p. 15)		13	742		26	333	
12	(712) Material and supplies.....							
13	(713) Other current assets (p. 15)							
14	Total current assets.....		3	148	703		965	207
SPECIAL FUNDS								
		(a1) Total book assets at close of year	(a2) Respondent's own issues included in (a1)					
15	(715) Sinking funds (pp. 16 and 17)							
16	(716) Capital and other reserve funds (pp. 16 and 17)							
17	(717) Insurance and other funds (pp. 16 and 17)							
18	Total special funds.....							
INVESTMENTS								
19	(721) Investments in affiliated companies (pp. 20-23)		457	762	676	460	119	676
20	(722) Other investments (pp. 20-23)		133	040	127	137	916	794
21	(723) Reserve for adjustment of investment in securities—Credit (p. 19, Instruction d)		266	575	258	272	077	606
22	Total investments (accounts 721, 722 and 723)		324	227	545	325	958	864
PROPERTIES								
23	(731) Road and equipment property (pp. 30-32)							
24	Road.....	\$						
25	Equipment.....							
26	General expenditures.....							
27	Other elements of investment.....							
28	Construction work in progress.....							
29	(732) Improvements on leased property (pp. 30-32)							
30	Road.....	\$						
31	Equipment.....							
32	General expenditures.....							
33	Total transportation property (accounts 731 and 732)							
34	(735) Accrued depreciation—Road and Equipment (pp. 36 and 38)							
35	(736) Amortization of defense projects—Road and Equipment (p. 39)							
36	Recorded depreciation and amortization (accounts 735 and 736)							
37	Total transportation property less recorded depreciation and amortization (line 33 less line 36)							
38	(737) Miscellaneous physical property (pp. 44 and 45)							
39	(738) Accrued depreciation—Miscellaneous physical property (pp. 44 and 45)							
40	Miscellaneous physical property less recorded depreciation (account 737 less 738)							
41	Total properties less recorded depreciation and amortization (line 37 plus line 40)							
OTHER ASSETS AND DEFERRED CHARGES								
42	(741) Other assets (p. 46)		719	042		578	883	
43	(742) Unamortized discount on long-term debt.....		845	096		892	270	
44	(743) Other deferred charges (p. 46)							
45	Total other assets and deferred charges.....		1	564	141	1	471	153
46	TOTAL ASSETS.....		328	940	389	328	395	224

NOTE—See page 12 for explanatory notes, which are an integral part of the Comparative General Balance Sheet.

200L. COMPARATIVE GENERAL BALANCE SHEET—LIABILITIES AND SHAREHOLDERS' EQUITY

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 balance sheet should be consistent with those in the supporting schedules on the pages indicated. The entries in column (c) should be restated to conform with the accounting requirements followed

in column (b). The entries in short column (a1) should reflect total book liability at close of year. The entries in the short column (a2) should be deducted from those in column (a1) in order to obtain corresponding entries for column (b). All contra entries hereunder should be indicated in parenthesis.

Line No.	Account or Item (a)	Balance at close of year (b)			Balance at beginning of year (c)		
CURRENT LIABILITIES							
47	(751) Loans and notes payable (p. 55)	45	200	000	45	200	000
48	(752) Traffic and car-service balances—Credit		36	888		94	695
49	(753) Audited accounts and wages payable		4	023		5	034
50	(754) Miscellaneous accounts payable		58	642		40	924
51	(755) Interest matured unpaid						
52	(756) Dividends matured unpaid		599	394		691	794
53	(757) Unmatured interest accrued		235	934		268	863
54	(758) Unmatured dividends declared		249	729		125	300
55	(759) Accrued accounts payable (p. 55)						
56	(760) Federal income taxes accrued (p. 56)		7	407		146	800
57	(761) Other taxes accrued (p. 56)		-			1	125
58	(763) Other current liabilities (p. 55)						000
59	Total current liabilities (exclusive of long-term debt due within one year)	46	392	017	47	698	410
LONG-TERM DEBT DUE WITHIN ONE YEAR							
		(a1) Total issued	(a2) Held by or for respondent				
60	(764) Equipment obligations and other debt (pp. 48-51)	2	000	000	2	400	000
LONG-TERM DEBT DUE AFTER ONE YEAR							
		(a1) Total issued	(a2) Held by or for respondent				
61	(765) Funded debt unmatured	89	992	000	91	992	000
62	(766) Equipment obligations						
63	(767) Receivers' and Trustees' securities						
64	(768) Debt in default						
65	(769) Amounts payable to affiliated companies (p. 54)						
66	Total long-term debt due after one year	89	992	000	91	992	000
RESERVES							
67	(771) Pension and welfare reserves (p. 57)						
68	(772) Insurance reserves (p. 57)						
69	(774) Casualty and other reserves (p. 57)						
70	Total reserves						
OTHER LIABILITIES AND DEFERRED CREDITS							
71	(781) Interest in default (p. 50)	3	900	000	3	900	000
72	(782) Other liabilities (p. 57)						
73	(783) Unamortized premium on long-term debt						
74	(784) Other deferred credits (p. 57)						
75	(785) Accrued depreciation—Leased property (p. 37)						
76	Total other liabilities and deferred credits	3	900	000	3	900	000
SHAREHOLDERS' EQUITY							
Capital stock (Par or stated value)							
		(a1) Total issued	(a2) Held by or for company				
77	(791) Capital stock issued—Total	145	030	100	147	877	900
78	Common stock (p. 59)	124	625	000	124	625	000
79	Preferred stock (p. 59)	20	405	100	23	252	900
80	(792) Stock liability for conversion (p. 60)						
81	(793) Discount on capital stock						
82	Total capital stock	145	030	100	147	877	900
Capital surplus							
83	(794) Premiums and assessments on capital stock (p. 61)						
84	(795) Paid-in surplus (p. 61)	38	483	354	34	526	914
85	(796) Other capital surplus (p. 61)						
86	Total capital surplus	38	483	354	34	526	914
Retained income							
87	(797) Retained income—Appropriated (p. 61)						
88	(798) Retained income—Unappropriated (p. 68)	3	142	918	-	-	-
89	Total retained income from January 1, 1972	3	142	918	-	-	-
90	Total shareholders' equity	186	656	372	182	404	814
91	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	328	940	389	328	395	224

NOTE—See page 12 for explanatory notes, which are an integral part of the Comparative General Balance Sheet.

200. COMPARATIVE GENERAL BALANCE SHEET-EXPLANATORY NOTES

The notes listed below are provided for the purpose of disclosing supplementary information concerning matters which have an important effect on the financial condition of the carrier. The carrier shall give the particulars called for herein and where there is nothing to report, insert the word "none"; and in addition thereto shall enter in separate notes with suitable particulars other matters involving material amounts of the character commonly disclosed in financial statements under generally accepted accounting and reporting principles, except as shown in other schedules. This includes explanatory statements explaining (1) service interruption insurance policies and indicate the amount of indemnity to which respondent will be entitled for work stoppage losses and the maximum amount of additional premium respondent may be obligated to pay in the event such losses are sustained by other railroads; (2) particulars concerning obligations for stock purchase options granted to officers and employees; and (3) what entries have been made for net income or retained income restricted under provisions of mortgages and other arrangements.

1. Show hereunder the estimated accumulated tax reductions realized during current and prior years under section 168 (formerly section 124-A) and under section 167 of the Internal Revenue Code because of accelerated amortization of emergency facilities and accelerated depreciation of other facilities and also depreciation deductions resulting from the use of the new guideline lives, since December 31, 1961, pursuant to Revenue Procedure 62-21 in excess of recorded depreciation. The amount to be shown in each case is the net accumulated reductions in taxes realized less subsequent increases in taxes due to expired or lower allowances for amortization or depreciation as a consequence of accelerated allowances in earlier years. Also, show the estimated accumulated net income tax reduction realized since December 31, 1961, because of the investment tax credit authorized in the Revenue Act of 1962. In the event provision has been made in the accounts through appropriations of surplus or otherwise for the contingency of increase in future tax payments, the amounts thereof and the accounting performed should be shown.

(a) Estimated accumulated net reduction in Federal income taxes since December 31, 1949, because of accelerated amortization of emergency facilities in excess of recorded depreciation under section 168 (formerly section 124-A) of the Internal Revenue Code ----- \$ None

(b) Estimated accumulated savings in Federal income taxes resulting from computing book depreciation under Commission rules and computing tax depreciation using the items listed below ----- \$ None

-Accelerated depreciation since December 31, 1953, under section 167 of the Internal Revenue Code.

-Guideline lives since December 31, 1961, pursuant to Revenue Procedure 62-21.

-Guideline lives under Class Life System (Asset Depreciation Range) since December 31, 1970, as provided in the Revenue Act of 1971.

(c)(i) Estimated accumulated net income tax reduction utilized since December 31, 1961, because of the investment tax credit authorized in the Revenue Act of 1962, as amended ----- \$ None

(ii) 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, at beginning of year ----- \$ None

Add investment tax credits applied to reduction of current year's tax liability but deferred for accounting purposes ----- \$ None

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

Other adjustments (indicate nature such as recapture on early disposition) ----- \$ None

Total deferred investment tax credit in account 784 at close of year ----- \$ None

(d) 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 ----- \$ None

(e) Estimated accumulated net reduction in Federal income taxes because of amortization of certain rights-of-way investments since December 31, 1969, under the provisions of Section 185 of the Internal Revenue Code ----- \$ None

2. Amount of accrued contingent interest on funded debt recorded in the balance sheet:

Description of obligation	Year accrued	Account No.	Amount
_____	_____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	\$ None

3. As a result of dispute concerning the recent increase in per diem rates for use of freight cars interchanged, settlement of disputed amounts has been deferred awaiting final disposition of the matter. The amounts in dispute for which settlement has been deferred are as follows:

As recorded on books				
Item	Amount in dispute	Account Nos.		Amount not recorded
		Debit	Credit	
Per diem receivable-----	\$ _____	_____	_____	\$ _____
Per diem payable-----	_____	_____	_____	_____
Net amount-----	\$ _____	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	\$ None

Continued on following page

200. COMPARATIVE GENERAL BALANCE SHEET-EXPLANATORY NOTES-Continued

4. Amount (estimated, if necessary) of net income or retained income which has to be provided for capital expenditures, and for sinking and other funds pursuant to provisions of reorganization plans, mortgages, deeds of trust, or other contracts-----\$ None

5. 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. See Note Below-----\$ Indeterminable

6. (a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year-----
N/A

(b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund. \$-----
N/A

(c) Is any part of pension plan funded? Specify. Yes----- No-----

(i) If funding is by insurance, give name of insuring company-----

(ii) If funding is by trust agreement, list trustee(s)-----

Date of trust agreement or latest amendment-----

If respondent is affiliated in any way with the trustee(s), explain affiliation-----

(d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement-----

(e)(i) Is any part of the pension plan fund invested in stock or other securities of the respondent or any of its affiliates? Specify.

Yes----- No-----

If yes, give number of the shares for each class of stock or other security-----

(ii) Are voting rights attached to any securities held by the pension plan? Specify. Yes----- No----- If yes, who determines how stock is voted?-----

Note: The Company is a member of an affiliated group filing consolidated federal income tax returns. Because intragroup dividends are eliminated from taxable income, 85% of dividends received from companies outside the group are deductible, and of other factors, there is no predictable relationship between the company's future earnings and its future federal income tax accruals. Moreover, substantial net operating losses have been reported in federal income tax returns for prior years which are available as offsets to future income, and at this time there is still available to the Company, and to the former The Pennsylvania Railroad Company and its affiliated companies, the election to adopt guideline lives for depreciable property for 1962 and subsequent years, thereby increasing operating loss carryovers. No final determination has been made of the group's tax liabilities subsequent to 1953. In the case of the former New York Central Railroad Company, which became a member of the group effective with the date of the merger, February 1, 1968, no final determination has been made of its federal income tax liability for years subsequent to 1955. The Statute of Limitations bars any deficiencies in tax for the former New York Central or its affiliated companies for years prior to 1968, although adjustments may be made to the net operating loss carryovers.

NOTES AND REMARKS

SUMMARY OF ACCOUNTING POLICIES:-Statement Presentation:

Because of the uncertainties surrounding the Company resulting from the reorganization proceedings of its parent company, Penn Central Transportation Company (transportation company), which may result in the divestiture of its nonrail assets, the investments in affiliated companies as well as all other investments have been classified in the accompanying schedules of investments as rail or nonrail assets as such terms are defined in the settlement agreement (now expired) with the banks which hold a pledge on the Company's common stock as described in Note 1.

Quasi-reorganization:

As described in Note 2, the Board of Directors, with the consent of the Company's common shareholder, adopted a "quasi-reorganization" as of December 31, 1971. In connection therewith, some of the asset revaluations involved significant uncertainties. Accordingly, any material gains and losses in regard to those assets, which are not clearly attributable to events occurring or circumstances arising subsequent to December 31, 1971, will not be reported in the income statement but rather as adjustments to capital surplus. It is the intention of the present Board to report, as adjustments to capital surplus, gains or losses relating to the rail assets, which may arise as a consequence of the reorganization of the transportation company, or gains or losses on disposition or nonrail assets, which derive from the use of appraised values in the restatement in connection with the quasi-reorganization.

Investments:

The investment in the Company's majority-owned nonrail companies with the exception of Great Southwest Corporation are carried at the Company's equity in the underlying net assets in these companies as of December 31, 1971. However, the carrying value of Clearfield Bituminous Coal Corporation has been adjusted as described in Note 3b. Because Great Southwest Corporation's liabilities exceed its assets as reflected in its financial statements the investment in common and preferred stock of Great Southwest Corporation is carried at nominal value. Other investments are generally carried at fair market value at December 31, 1971 based on quoted market prices or as determined by independent appraisers in connection with the quasi-reorganization and are further described in Note 2.

NOTE 1 - PENN CENTRAL TRANSPORTATION COMPANY REORGANIZATION

The transportation company, the Company's parent, entered into reorganization proceedings in June 1970 under Section 77 of the Federal Bankruptcy Act. These proceedings have had a significant effect on the financial position and operations of the Company and its subsidiaries relating to the availability of credit and other matters.

Dividend Restriction

In response to a petition in 1970 by the banks which hold the pledge of the Company's common stock, the reorganization court ordered that the transportation company as shareholder may not cause the Company to pay any dividends on common stock, or to cause advances or transfers of property, from the Company to the transportation company.

Divestiture

The Trustees of the transportation company, appointed in 1970, received Congressional approval for a Department of Transportation guarantee of Trustees' certificates to obtain funds necessary for the continued operation of the transportation company. A condition of such guarantee, when issued, was that the Trustees file a plan with the Secretary of Transportation for the divestiture of the nonrail assets of the transportation company.

NOTES AND REMARKS

Divestiture (continued)

All of the Company's common stock is held in pledge to secure a \$300,000,000 loan made by a group of banks to the transportation company in 1969. A petition has been filed in the reorganization court by certain security holders of the transportation company's parent (Penn Central Company) which seeks to have the pledge of the Company's stock to the banks declared invalid. There have been hearings with respect to this petition, but no ruling on this question has been made by the reorganization court.

On the assumption that the pledge is valid, the Trustees entered into a settlement agreement dated as of February 25, 1972 with substantially all of such banks.

The settlement agreement is subject to approval by the reorganization court and applicable regulatory agencies. In July 1972 the Trustees filed a petition in the reorganization court seeking approval of the bank settlement agreement, and there have subsequently been numerous hearings on this petition. Certain creditors and security holders of the transportation company and its parent, a preferred stockholder of the Company, and the United States Government, including the Interstate Commerce Commission have objected to the approval of this transaction.

On April 16, 1973 the reorganization court issued its decision stating that it declined to approve the settlement agreement at that time, but without prejudice to further consideration of it after a hearing scheduled for July 2, 1973 at which the Trustees' plan for reorganization or liquidation of the transportation company is scheduled to be filed.

The settlement agreement between the banks and the Trustees has expired by its terms. The Company cannot predict whether or not it will be extended and presented for further consideration by the reorganization court, nor the result if this occurs. Further, the Company cannot predict the policy which the Trustees will follow with respect to the Company in any reorganization or liquidation plan which is filed with the reorganization court on July 2, 1973.

The following are the principal provisions of the expired agreement between the Trustees and the banks, as amended:

(a) This agreement defines and requires the segregation of the Company's assets into two categories entitled "rail" and "nonrail," as detailed in the accompanying statement of investments.

The rail assets include the Company's investment in various operating railroads and leased lines, all of which constitute a part of the Penn Central transportation system, including three rail investments of Clearfield Bituminous Coal Corporation (Clearfield). All other assets, including securities of Norfolk and Western Railway Company and Wabash Railroad Company, are classified as nonrail. A certain note and certain mortgage bonds of the transportation company, an advance and certain bonds of one of its subsidiaries and the common stock of, or any significant asset owned by, Clearfield are designated as "special" assets and are included in the nonrail category. The Trustees of the transportation company have a right of first refusal to purchase those special assets if such assets are offered for sale.

(b) Prior to the consummation of the agreement, the Company will cause Clearfield to transfer its rail assets to the Company and, in turn, the Company will transfer the stock it owns in each of the rail companies to a wholly-owned subsidiary of the transportation company in exchange for a series of that subsidiary's preferred stock. This preferred stock will be classified as a rail asset and, after the consummation of the agreement, the Company may not sell, pledge, or dispose of such stock or of its other remaining rail assets. All or any portion of this preferred

NOTES AND REMARKS

Divestiture (continued)

stock may be redeemed by the transportation company's subsidiary at any time prior to ultimate distribution following settlement of this agreement.

(c) Prior to consummation of the agreement the Secretary of Transportation of the United States will be granted two liens on the Company's rail assets, each of which shall be subject and subordinate to any rights of holders of the Company's debt obligations and preferred stock outstanding on the date of such consummation, to secure the Secretary of Transportation's guarantee of \$100,000,000 in principal amount of certificates issued by the Trustees. The amount of the guarantee secured by such liens is determined on the basis of a formula, but provides that the maximum amount covered will be \$13,010,000.

(d) The banks will cancel \$287,000,000 of the claim against the transportation company in exchange for 95-2/3% of the common stock of the Company. The banks will agree not to dispose of the common stock of the Company, without the consent of the Trustees of the transportation company, or cause the Company to make any dividend or other distribution to its common stockholders, for a period of five years following the closing.

(e) The banks will provide up to \$150,000,000 in equipment financing to the transportation company.

(f) Prior to the settlement date (the tenth anniversary of the closing), if distributions to the banks have aggregated \$287,000,000, further distributions will be shared equally by the banks and the transportation company.

(g) At the settlement date, the Company's stock will be valued (excluding any value attributable to rail assets). If the value of the Company's shares transferred to the banks plus distributions theretofor made to the banks exceeds \$287,000,000, the transportation company will receive one-half of the excess over \$287,000,000 (less amounts theretofor paid to the transportation company) and all rail assets.

(h) After settlement, if the transportation company receives no payment, the rail assets will be valued and conveyed in a manner to be agreed upon, whereby the banks shall receive rail assets having a dollar value equal to the lesser of (i) the amount by which the value of the Company's stock (excluding any value attributable to rail assets) at the settlement date plus distributions to the banks is less than \$287,000,000 or (ii) \$50,000,000; and the transportation company shall receive the remainder of the rail assets.

NOTE 2 - QUASI-REORGANIZATION:

The changes in nature and composition of a substantial portion of the Company's operations resulting from the reorganization proceedings of the transportation company have led to significant reductions in the carrying values of certain of the Company's investments in 1970 and 1971. The aggregate effect of the aforementioned write-downs would have resulted in a deficit in the retained earnings account. However, in view of these circumstances, the Board of Directors, with the consent of the Company's common shareholder, adopted a "quasi-reorganization" as of December 31, 1971. This is an accounting procedure whereby companies can achieve a "fresh start" for accounting purposes. The procedure involves a revaluation of a company's assets and liabilities, including increases as well as decreases, and the elimination of retained earnings by a transfer from (or to) capital surplus. While the aggregate effect of the aforementioned write-downs would have caused a deficit, the revaluation of all the assets, some of which were increased, caused a balance to remain in the retained earnings account. Accordingly, the balance remaining after the net write-down from revaluation of assets in connection with the quasi-reorganization was transferred to capital surplus.

NOTES AND REMARKS

NOTE 2 - QUASI-REORGANIZATION (continued)

As a part of the quasi-reorganization, each of the Company's investments was revalued as of December 31, 1971. The following describes the method of valuation used in connection with the respective investment categories:

(a) Investments in Arvida Corporation, Buckeye Pipe Line Company, and Clearfield Bituminous Coal Corporation, majority-owned nonrail subsidiaries of the Company, were revalued at the Company's equity in the underlying net assets of these companies as reflected in their audited financial statements for the year ended December 31, 1971. Because Great Southwest Corporation's liabilities exceed its assets as reflected in its financial statements, the investment in the common and preferred stocks of Great Southwest is reflected at nominal value.

This method of establishing the carrying values for these majority-owned companies does not purport to reflect realizable value in the event such investments should be sold or otherwise disposed of.

(b) The Company's investment in the common stock of Norfolk and Western Railway Company, (excluding shares required to be exchanged for Norfolk and Western debentures) and the preferred stock of Wabash Railroad Company, have been revalued at the closing prices of such stock on the New York Stock Exchange on December 31, 1971. The Norfolk and Western debentures and shares of common stock required to be exchanged for such debentures have been revalued at appraised value at December 31, 1971 as determined by Lehman Brothers, who was acting as the Company's financial advisor.

(c) The Company's investments in other nonrail assets, except as indicated in (e) below, have been revalued at appraised values as determined by Lehman Brothers at December 31, 1971.

(d) With respect to the rail assets which are involved directly or indirectly in the reorganization proceedings, it is extremely difficult to determine an appropriate carrying value for such investments since a comprehensive plan of reorganization has not been presented as yet to the reorganization court by the Trustees. On the other hand, it seems inappropriate to carry these investments at full historical cost. Appraisals of the fair market values of these assets at December 31, 1971 were obtained from Lehman Brothers, and in certain instances from other independent appraisers. Other estimates of value also exist, but these are based on various assumptions as to the ultimate results of reorganization of the transportation company. Because it is impossible to predict the outcome of the reorganization proceedings and because no other reliable estimate of value was available, the Company's investments in rail assets were revalued on the basis of fair market value at December 31, 1971 as determined by such independent appraisers. It should be noted, however, that there is no market for such interests and, during the pendency of the reorganization proceedings, it is extremely unlikely that such assets could be sold even if there were a willing buyer.

(e) Prior to the reorganization proceedings of the transportation company, the Company had loaned it \$49,000,000, had advanced \$20,305,000 to American Contract Company, a wholly-owned subsidiary of the transportation company, and had advanced \$33,174,000 to The Philadelphia, Baltimore & Washington Railroad Company, approximately one-third of which is owned by the Company and the remainder by the transportation company. During 1970, provision for loss was made in the entire amount of these advances. Because of the continuing uncertainties involved, no value has been attributed to these advances in connection with the quasi-reorganization. The Company's investments in certain other railroad securities, have been revalued at market value at December 31, 1971.

NOTES AND REMARKS

NOTE 2 - QUASI-REORGANIZATION (continued)

Management cautions that the values reflected for both nonrail and rail assets should not be construed as necessarily representative of realizable values either at December 31, 1971 or at the present time, or of ultimate values upon the sale or other disposition of those assets, including any realization on the rail assets in connection with any plan of reorganization of the transportation company.

As a result of the quasi-reorganization, the accounting policies of the Company have been revised from those of prior years. The related accounting and the effect on income and capital surplus in the 1972 accounts are indicated below:

(a) As described in Note 3d, the difference between the book value and the par value of the Norfolk and Western Railway Company debentures is not being amortized to income. Under pre-quasi accounting, \$1,082,716, reflecting such amortization, would have been recorded in income during 1972.

(b) Due to the revaluation of the carrying value of the Norfolk and Western Railway Company common stock in connection with the quasi-reorganization, the carrying value of the 21,373 shares exchanged for the Company's preferred stock, as described in Note 6, exceeded the market value at the time of exchange by \$20,247. Under pre-quasi accounting, the market value of such stock would have exceeded the carrying value by \$198,805.

(c) As described in Note 3b, the Company received cash dividends of \$1,072,500 during 1972 from Clearfield Bituminous Coal Corporation. Under pre-quasi accounting, the entire \$1,072,500 would have been credited against the carrying value of Clearfield as Clearfield has had negative earnings since the Company acquired it in March of 1970. Due to the revaluation of the carrying value of Clearfield in connection with the quasi-reorganization, dividends amounting to \$715,500 have been recognized as income during 1972.

(d) During 1972, capital surplus has been increased by \$2,734,000 reflecting an increase in the carrying value of Buckeye Pipe Line Company, as described in Note 3a. The cumulative effect of the quasi-reorganization as of December 31, 1972 has been an additional \$13,525,877 credited to capital surplus.

NOTE 3 - INVESTMENTS AND ADVANCES(a) Buckeye Pipe Line Company

Certain of the long-term debt agreements of Buckeye Pipe Line Company, the common stock of which is wholly-owned, contain provisions which, among other things, restrict the use of retained earnings, under certain conditions, for the declaration of dividends (other than stock dividends). At December 31, 1971 Buckeye's retained earnings were fully restricted for such purposes, thereby prohibiting the payment of dividends to the Company. In 1972, Buckeye refinanced its most restrictive loan agreement and under the new agreement Buckeye is permitted to pay a maximum of \$6,000,000 annually in cash dividends from earnings accumulated since December 31, 1971.

In 1972, Buckeye changed its tax policy and extended the lives it used for computing the depreciation deduction reported for 1971 Federal income tax purposes. Accordingly Buckeye's provision for deferred taxes for 1971 has been restated in its financial statements reducing it by \$2,734,000. The Company's investment in Buckeye has therefore been adjusted during 1972 to reflect this increase in the Company's equity in the underlying net assets of Buckeye as of December 31, 1971. Because this adjustment related to the Company's quasi-reorganization, capital surplus has been increased by the same amount.

NOTES AND REMARKS

NOTE 3 - INVESTMENTS AND ADVANCES (continued)(b) Clearfield Bituminous Coal Corporation

During 1972, the Company received cash dividends amounting to \$1,072,500 from Clearfield. These dividends, however, exceeded Clearfield's 1972 earnings by \$357,000. This excess has been credited against the carrying value of Clearfield as it is the intention of the Company that only dividends out of earnings after the quasi-reorganization are to be recognized as income when received.

(c) Great Southwest Corporation

By reason of the reorganization of the transportation company and for other reasons, Great Southwest was unable to obtain sufficient financing to support fully all of its projects and operations, as a result of which various projects and operations were discontinued in 1970 and 1971 and defaults occurred on substantial debt obligations. Substantially all of the debt obligations were refinanced in 1972 and at December 31, 1972 Great Southwest was not in default on any of its debt obligations.

During 1971, the Company advanced \$12,000,000 to Great Southwest and received demand notes. The advance was reduced to \$10,000,000 by a repayment of \$2,000,000 on February 29, 1972. On that date, the Company and Great Southwest entered into an agreement whereby the unpaid balance was exchanged for a convertible subordinated note maturing December 31, 1978. The new note is convertible into 5,714,285 shares of Great Southwest common stock at an initial conversion price of \$1.75 per share at any time from March 1, 1973 to an including December 31, 1978. The price and number of shares are subject to change pursuant to anti-dilution provisions in the note. This note is carried at full value because, in the opinion of management, nothing has occurred which would permanently impair its collectibility. Interest for the year 1972 and the first six months of 1973 is deferred and payable in 18 equal monthly installments commencing July 31, 1973. Consistent with the policy of not recognizing earnings of Great Southwest Corporation until its deficiency in shareholders' equity is eliminated, interest is being recognized as income by the Company only to the extent cash is received.

(d) Norfolk and Western Railway Company Securities

The securities of Norfolk and Western Railway Company owned by the Company are subject to various pledges, restrictions, and agreements as noted below:

On October 16, 1964, the Norfolk and Western - Nickel Plate - Wabash Unification Plan became effective pursuant to an order of the Interstate Commerce Commission. As ordered by the Commission, voting rights of the Norfolk and Western common stock have been placed with voting trustees until completion of the Company's divestiture of its Norfolk and Western common stock, which is required by October 15, 1974. During 1969, the Commission approved an extension to the original divestiture period until October 15, 1979 as to the shares reserved for exchange of the 9% debentures as described in Note 5. The Company intends to apply to the Interstate Commerce Commission for modification of the requirement for divestment.

Under on April 1966 agreement with Norfolk and Western, the Company agreed to exchange 800,000 shares of Norfolk and Western common stock which it owned in stipulated installments through June 1974 for \$104,000,000 principal amount of Norfolk and Western 4-5/8% debentures, convertible into Norfolk and Western common stock by any holder other than the transportation company or its affiliates (including the Company). The difference between the cost of the common stock and the

NOTES AND REMARKS

NOTE 3 - INVESTMENTS AND ADVANCES (continued)

(d) Norfolk and Western Railway Company Securities (cont'd)

par value of the debentures was being amortized to income ratably over the 15 year life of the debentures following each exchange. In 1971, income of \$867,924 was recognized under this agreement. At December 31, 1971, the \$22,500,000 par value of debentures and the shares remaining to be exchanged under the agreement were re-stated in the accounts at appraised value in connection with the quasi-reorganization and accordingly, the related amortization has been discontinued. At December 31, 1972 the Company's remaining obligation was to exchange 80,000 shares on June 1, 1973 and a similar amount on June 1, 1974.

The following shares of Norfolk and Western common stock (including shares reserved under the above exchange agreement) were pledged, deposited, or held in escrow at December 31, 1972.

<u>Obligation</u>	<u>Shares restricted</u>
5-1/4% collateral trust bonds	874,720
9% sinking fund debentures	352,916
4-5/8% cumulative preferred stock (as adjusted for the change in the exchange ratio described in note 7)	<u>156,421</u>
	<u>1,384,057</u>

In addition to the above shares of Norfolk and Western common stock, \$9,526,000 par value of the Norfolk and Western 4-5/8% debentures were pledged as security for the Company's Collateral trust serial bonds at December 31, 1972.

At December 31, 1972 there were 15,943 shares of Norfolk and Western common stock and \$23,374,000 par value of the Norfolk and Western 4-5/8% debentures owned by the Company and not pledged or in escrow for exchange.

In order to meet the obligation to exchange 80,000 Norfolk and Western shares on June 1, 1973 referred to above, during the first quarter of 1973 the Company purchased \$2,499,000 in principal amount of its 5-1/4% bonds which will release 99,960 Norfolk and Western shares from pledge.

The closing prices on the New York Stock Exchange at the end of December 1971, December 1972, and March 1973 for the Norfolk and Western shares were \$75.25, \$70.50 and \$66.75 respectively. In connection with the quasi-reorganization, the Company's investment in Norfolk and Western common stock (other than shares reserved for the 1966 exchange agreement) was revalued, to equal the closing price at the end of December 1971.

(e) Other Securities Pledged

Other securities pledged as security for obligations of the Company at December 31, 1972 were as follows:

<u>Obligation</u>	<u>Securities Pledged</u>
8-1/4% collateral trust bonds	100% of the common stock of Buckeye Pipe Line Company
Collateral trust serial bonds	22,650 shares of the 4.5% preferred stock of Wabash Railroad Company
	26,029 shares of the common stock of Detroit, Toledo & Ironton Railroad Company

NOTES AND REMARKS

NOTE 3 - INVESTMENTS AND ADVANCES (continued)(e) Other Securities Pledged (continued)ObligationSecurities Pledged

76,442 shares of the common stock of The Philadelphia, Baltimore & Washington Railroad Company

The 22,836 shares of Wabash Railroad Company preferred stock are also required to be divested by the Company by October 1, 1974 pursuant to the aforementioned 1964 order of the Interstate Commerce Commission. The Company also intends to seek modification of this requirement for divestment.

(f) Other Securities

The 1,462,109 shares of Madison Square Garden Corporation owned by the Company were appraised at a value of \$3.00 per share at December 31, 1971 in conjunction with the quasi-reorganization, resulting in their being carried at a value of \$4,400,000 on the Company's statements. The closing price of such shares on the New York Stock Exchange was \$3.625 per share on such date and was \$2.375 per share at the end of March 1973.

The Company's investment in Strick, Inc. preferred stock and warrants was appraised at a value of \$6,050,000 at December 31, 1971 in conjunction with the quasi-reorganization. Of this, \$1,000,000 is attributed to a warrant to purchase 375,000 shares of Strick, Inc. common stock at a price of \$6.67 per share, which expires December 31, 1973. The Company does not know whether it will exercise this warrant, or, if it does not, whether or at what price it will be able to sell the warrant.

(g) Penn Towers, Inc.

The Company's investment of 9,600 shares or 66-2/3% of the common stock of Penn Towers, Inc. which is carried at nominal value is considered to be temporary and, therefore, is not classified as a majority-owned company. The Company had guaranteed \$5,000,000 of debt of Penn Towers, Inc. As a result of a default on such debt in 1971 by Penn Towers, Inc., a provision was made in the 1971 financial statements for \$3,900,000 to reflect the Company's estimated losses in connection with satisfaction of the guarantee, if ultimately required. In 1972 such debt was refinanced and the Company has guaranteed \$3,900,000 of the new debt.

(h) Rail Assets

The reorganization court may permit the Trustees to disaffirm certain leases, including leases of properties of railroad companies owned by the Company. It is not possible to determine the effect, if any, disaffirmation of such leases would have on the carrying value of the Company's investments in such leased lines.

Certain rail assets of the Company currently are under effective control of, and are operated by, the transportation company. Because of their integral relationship to the Penn Central transportation system and to the reorganization proceedings, the Company believes such assets will continue to be effectively controlled by the transportation company.

NOTES AND REMARKS

NOTE 4 - PAYABLE TO BANK

The Company failed to pay a \$50,000,000 bank loan due in June 1970, a portion of the proceeds of which was loaned to a subsidiary of the transportation company and the remainder used to purchase Clearfield Bituminous Coal Corporation. The reduction of the principal amount to the present balance of \$45,200,000 resulted from the lenders offsetting funds of the Company on deposit with them. Two pending actions, instituted by security holders of the Company in which the Company is a nominal defendant, seek to have the loan declared not to be an obligation of the Company. The Company is paying interest currently on the loan, without prejudice to its rights as ultimately determined in such litigation.

NOTE 5 - LONG-TERM DEBT

Principal payments and sinking fund requirements (after deducting bonds which have been repurchased as of December 31, 1972) for the next five years are as follows:

1973	\$2,000,000
1974	1,800,000
1975	4,400,000
1976	2,000,000
1977	3,000,000

Investments with a carrying value of \$188,459,202 have been pledged as security for loans or are otherwise restricted (see note 3).

At the option of the holders of the 9% sinking fund debentures, each \$1,000 debenture may be exchanged for 12.2 shares of Norfolk and Western Railway Company common stock until April 15, 1979. This exchange rate is subject to adjustment under certain conditions specified in the indenture. In the opinion of counsel, no such adjustment is required. The Company is required under the terms of the indenture to maintain net tangible assets, as defined, of at least 300% of all funded debt which is not subordinated to such debentures. Net tangible assets at December 31, 1972 exceeded the amount which the Company was required to maintain.

The 4-5/8% cumulative preferred stock similarly limits the amount of funded debt which may be incurred by the Company, but in an amount which at December 31, 1972 was less restrictive than that described above.

NOTE 6 - PREFERRED STOCK

Beginning in 1974, the Company will be required to provide as an Annual Retirement Fund, a fund sufficient to retire 35,295 shares annually of its 4-5/8% cumulative preferred stock, \$100 par value at par plus unpaid dividends and a premium of \$5.00 per share in 1974, which decreases in equal annual amounts to \$2.50 per share in 1979. The Company is allowed a credit (at such redemption price) against any Annual Retirement Fund payment for any shares of preferred stock reacquired or redeemed which have not theretofore been used for such purpose. As of December 31, 1972, the accumulated credit was equivalent to 501,847 shares of preferred stock. In addition, the preferred stock is redeemable at the option of the Company at any time at par plus unpaid dividends and a premium of \$8.50 per share to July 1, 1973 which decreases in equal annual amounts to \$5.00 per share in 1979.

At the option of the holder, the preferred stock is exchangeable into shares of Norfolk and Western Railway Company common stock. The initial exchange rate was .7299 of a share of Norfolk and Western for each share of preferred stock. Pursuant to the anti-dilution provisions contained in the Company's certificate of incorporation, in June 1972 the Company's Board of Directors adjusted the exchange ratio (because of certain actions taken by Norfolk and Western in 1968) to .7663 of a share of Norfolk and Western for each share of preferred stock. This adjustment was based on an opinion of the Company's counsel, which reached a different conclusion than opinions previous counsel had given to the Company. The Company has placed an additional 6,704 shares of Norfolk and Western common stock into an escrow to satisfy future exchange requirements. Provision was made in 1971 for the estimated liability to shareholders who exchanged shares prior to December 31, 1971.

NOTES AND REMARKS

NOTE 6 - PREFERRED STOCK (continued)

During 1972, 28,478 (162,136 in 1971) shares of preferred stock were exchanged for 21,373 (118,212 in 1971) shares of Norfolk and Western common stock. A loss of \$20,247 was recognized through this exchange, which loss represents the aggregate amount by which the carrying value of the Norfolk and Western common stock exceeded the market value at the time of exchange. In 1971 a gain of \$1,220,297 was recognized. Additionally, the aggregate difference, \$1,255,257 (\$7,298,345 in 1971), between the par value of preferred shares tendered and the market value of Norfolk and Western common shares given in exchange was credited to capital surplus.

Five regular quarterly dividends on the Company's preferred stock were omitted commencing with the dividend payable on October 15, 1970. Dividends in arrears amounted to \$1,179,670 (\$5.78 per share) at December 31, 1972. In 1972, the Company paid the dividends on preferred stock when due. On March 1, 1973, the Company's Directors voted to make up one of the five quarterly dividends in arrears. It is the Board of Directors intention, insofar as the Company's situation permits, to make up one past dividend with each subsequent regular quarterly dividend until dividends in arrears have been made up.

Whenever dividends payable on preferred stock are in default for a total of six quarters, the holders of preferred shares then outstanding will have the right to elect two new members to the Board of Directors. This right shall continue until such time as all dividends accumulated on preferred stock are paid in full. As long as the Company is in arrears on dividends payable on preferred stock, no dividends, other than stock dividends, may be paid on common stock.

NOTE 7 - LITIGATION AND CONTINGENT LIABILITIES

The Company is a defendant in numerous lawsuits instituted since the transportation company entered into reorganization proceedings. In certain of these suits, Penn Central Company, the transportation company, other affiliated companies, and certain majority-owned companies are also defendants. There are generally four categories of legal actions in which the Company is a party: (a) actions by preferred shareholders or debt holders of the Company, some derivative and in effect on behalf of the Company, and others against it, charging that the former management of the Company, the transportation company, and others caused the Company to enter into various transactions which did not serve any proper Company purpose or wrongfully disadvantaged the Company; (b) actions against the Company, the transportation company, and others based on alleged misrepresentations or omissions in financial and other published information; (c) actions against the Company and others alleging improper conduct in connection with the Company's exercise of control over a majority-owned company to the detriment of such company and its minority stockholders or alleging that the Company is obligated to pay claims made against a majority-owned company; and (d) actions against the Company, a majority-owned company and others alleging misrepresentations or omissions in financial and other information furnished in connection with the offering of certain limited partnership interest and breach of contract. The aggregate amount of damages claimed against the Company substantially exceeds its total shareholders' equity.

The Company is aware of the possibility that claims may be asserted against it in connection with the nonpayment by The Pittsburgh, Youngstown & Ashtabula Railway Company of interest on its debt and dividends on its preferred stock. Such interest and dividends may be claimed to be payable out of funds allegedly owing to The Pittsburgh, Youngstown & Ashtabula by the Company. No suits have as yet been filed, and it is the Company's intention, based upon advice of counsel, to aggressively defend any such suits which may be filed.

NOTES AND REMARKS

NOTE 7 - LITIGATION AND CONTINGENT LIABILITIES (continued)

Investigations into a number of transactions and activities of Penn Central Company, its affiliates, its former officers and directors, and others, some of which relate to the Company and certain of its majority-owned companies, are being conducted by certain governmental agencies, including the Securities and Exchange Commission, and/or the Trustees of the transportation company.

There presently is not sufficient information to predict whether additional claims will be made against the Company based on actions by its former management or by the former management of its majority-owned companies or to predict the likely ultimate outcome of the litigation and investigations, or to determine the effect, if any, of such outcome on the financial condition of the Company. Consequently, no provision has been made therefor in the accompanying financial statements.

NOTE 8 - COMMISSION APPROVAL

By letter dated June 21, 1972 the Company requested approval of the Commission, Accounting and Valuation Board, for the following items in connection with its 1971 annual report:

1. Include a net adjustment from revaluation of assets in connection with a quasi-reorganization in the amount of (\$90,150,863) in account 570 extra-ordinary items.
2. Debit account 798 retained income unappropriated by an amount of \$10,791,877 (leaving a balance of zero as of the beginning of 1972) and credit account 795 paid in surplus to affect the quasi-reorganization.

The 1971 annual report was prepared and filed incorporating the above request and was subject to the Commission's approval.

The Commission, Accounting and Valuation Board, voted on August 16, 1972, to approve the Company's request subject to certain conditions. The Company is presently discussing these conditions with the Commission.

This 1972 Annual Report has been prepared assuming the Commission's approval of the values determined in connection with the quasi-reorganization.

201. ITEMS IN SELECTED CURRENT ASSET ACCOUNTS

Give brief description for each item or class of items of like description in accounts Nos. 702, "Temporary cash investments"; 703, "Special deposits"; 704, "Loans and notes receivable"; 709, "Accrued accounts receivable"; 711, Prepayments; and 713, "Other current assets," at the close of the year. Show description of the temporary cash investments, the names of depositories for the special deposits, the character of loans and notes, with name of debtor (or class of debtors), dates of issue and maturity, and appropriate description for each class of accrued accounts receivable and for the other current assets. Show each item (or

the aggregate of a class of items of like description) amounting to \$100,000 or more. Each item or class of items of like description amounting to less than \$100,000 may be combined into a single entry designated "Other items, each less than \$100,000." The entries for each account shall be listed and the account number and the total for each account shall be shown, corresponding to the amounts in schedule 200A. In case the character of any item is not fully disclosed by the entries in the columns hereunder, make a full explanation in a footnote.

Line No.	Account No. (a)	Item (b)	Amount (c)		
1	702	<u>Temporary Cash Investments</u>			
2		GMAC discount note due January 5, 1973	2	497	265
3	703	<u>Special Deposits</u>			
4		Other items, each less than \$100,000		68	045
5					
6	704	<u>Loans and Notes Receivable</u>			
7		Other items, each less than \$100,000		3	253
8					
9	709	None			
10					
11	711	<u>Prepayments</u>			
12		Other items, each less than \$100,000		13	742
13					
14	713	None			
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204. SINKING, CAPITAL, INSURANCE, AND OTHER RESERVE FUNDS

Give the particulars called for with respect to reserve funds included in accounts Nos. 715, "Sinking funds"; 716, "Capital and other reserve funds"; and 717, "Insurance and other funds."

In column (b) give the name by which the fund is designated in the respondent's records; the kind of fund, such as sinking, capital, property

insurance, pension, and relief; the rate of interest (if any); and the date of maturity.

Insert totals separately for each account. Such totals of columns (g) and (j) should be the same as those stated in short columns (b₁) and (b₂), respectively, in the comparative general balance sheet statement. Entries in column (g) should be the sums of corresponding entries in

Line No.	Account No.	Name, kind, and purpose of fund	Name of trustee or depository	Balance at beginning of year—Book value	
	(a)	(b)	(c)	(d)	
1		None		\$	
2					
3					
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			TOTAL		

¹Includes income of \$ _____ earned on earmarked incentive per diem funds.

204. SINKING, CAPITAL, INSURANCE, AND OTHER RESERVE FUNDS—Concluded

columns (d) and (e), less those shown in column (f), and the sum of entries in columns (h), (j), and (l) should equal those in column (g).

All conversions of cash into securities, or vice versa, shall be treated as withdrawals from the fund in column (f) and as additions to the fund in column (e).

Funds representing net credit balances of earmarked incentive per diem

should be reported separately for each year. The amount of income earned on these funds should be reported in footnote to this schedule.¹ Wholly owned Canadian subsidiary lines should subdivide the earmarked funds between monies received from Canadian parent companies as a result of incentive charges and the carrier's own credit balances.

Additions during the year—Book value			Withdrawals during the year—Book value			Balance at close of year—Book value			ASSETS IN FUNDS AT CLOSE OF YEAR								Line No.
									Cash	SECURITIES ISSUED OR ASSUMED BY RESPONDENT		OTHER SECURITIES AND INVESTED ASSETS					
										Par value (i)	Book value (j)	Par value (k)	Book value (l)				
(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)		
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GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 205 AND 206

1. Schedules 205 and 206 should give particulars of stocks, bonds, other secured obligations, unsecured notes, and investment advances of affiliated and nonaffiliated companies held by respondent at close of year specifically as investments including obligations of the United States, 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 respondent. 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 par value pledged, unpledged, and held in fund accounts. Under "pledged" include the par 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 par value of securities recorded in accounts Nos. 715, "Sinking funds"; 716, "Capital and other reserve funds"; and 717, "Insurance and other funds."

3. 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:

Symbol	Kind of industry
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.

9. Any balance in account 723, Reserve for adjustment of investment in securities - Credit, shall be disclosed by footnote to the securities against which such reserves were established.

See pages 19A and 19B for Schedule of Investments Reflecting Reserve for Adjustment of Investments.

Schedule of Investments
Reflecting Reserve for Adjustment of Investments

Name of Issuing Company and Description of Security Held	Account 723 - Reserve for Adjustment of Investments			Account 721 or 722		Total Investments at Close of Year
	Balance at Beginning of Year	Adjustment of the quasi- Reorganization Values Established at 12/31/71	Sales or Exchanges During the Year	Balance at Close of Year	Investments at Close of Year	
Account 721:						
Arvida Corporation - common stock	\$(20,774,108)	\$ -	\$ -	\$(20,774,108)	\$ 22,046,892	\$ 42,821,000
Buckeye Pipe Line Company - common stock	34,518,217	(2,734,000)	-	31,784,217	100,293,217	68,509,000
Clearfield Bituminous Coal Corporation - common stock	4,226,820	-	-	4,226,820	15,430,820	11,204,000
Great Southwest Corporation:						
Common stock	84,296,437	-	-	84,296,437	84,296,438	1
6% preferred stock - Series A	3,499,999	-	-	3,499,999	3,500,000	1
7% preferred stock - Series B	512,858	-	-	512,858	512,859	1
7.6% preferred stock - Series C	2,367,041	-	-	2,367,041	2,367,042	1
The Pullman Company - common stock	1,162,344	-	-	1,162,344	3,312,344	2,150,000
Penn Towers, Inc. - common stock	-	-	-	-	1	1
Detroit, Toledo & Ironton RR Co. - common stock	7,973,192	-	-	7,973,192	25,882,209	17,909,017
The Connecting Railway Co. - capital stock	11,176,492	-	-	11,176,492	15,855,859	4,679,367
Montour Railroad Company	5,620,000	-	-	5,620,000	6,365,000	765,000
Toledo, Peoria & Western RR Co. - common stock	2,875,000	-	-	2,875,000	5,575,000	2,700,000
The Philadelphia, Baltimore & Washington RR Co. - common stock	24,746,352	-	-	24,746,352	37,223,007	12,476,655
West Jersey & Seashore RR Co. - common stock	1,778,051	-	-	1,778,051	3,378,051	1,600,000
Pennsylvania Railroad Company:						
General Mortgage Bonds - Series F - 3-1/8%	1,942,214	-	-	1,942,214	2,262,696	320,482
General Mortgage Bonds - Series G - 3%	599,260	-	-	599,260	722,000	122,740
General Mortgage Bonds - Series H - 4-1/4%	7,192,780	-	-	7,192,780	8,666,000	1,473,220
Pittsburgh, Cincinnati, Chicago & St. Louis RR Company -						
General Mtg. Bond - Series D - 5%	2,385,367	-	-	2,385,367	3,149,000	763,633
Lehigh Valley Railroad Company:						
General Consol. Mtg. - Series A 4%	376,771	-	-	376,771	413,536	36,765
General Consol. Mtg. - Series B 4-1/2%	73,153	-	-	73,153	82,943	9,790
General Consol. Mtg. - Series C 5%	36,375	-	-	36,375	41,235	4,860
Lehigh Valley Railway Company:						
Consol. Mtg. - 4-1/2%	19,275	-	-	19,275	21,675	2,400
1st Mtg. - 4-1/2%	789,230	-	-	789,230	956,080	166,850
Lehigh & Lake Erie RR Co. - 1st Mtg. - 4-1/2%	47,712	-	-	47,712	52,273	4,561
Lehigh Valley Terminal Ry. Co. - 1st Mtg. - 5%	186,127	-	-	186,127	229,895	43,768
Lehigh Valley Harbor Terminal Ry. Co. - 1st Mtg. - 5%	301,530	-	-	301,530	375,711	74,181
Great Southwest Corporation - note	-	-	-	-	10,000,000	10,000,000
Penn Central Transportation Company - note	49,000,000	-	-	49,000,000	49,000,000	-
Philadelphia, Baltimore & Washington RR Co. - advance	33,173,893	-	-	33,173,893	33,173,893	-
Detroit, Toledo & Ironton RR Co. - advance	750,000	-	-	750,000	2,250,000	1,500,000
American Contract Company - advance	20,305,000	-	-	20,305,000	20,305,000	-
Total Account 721	281,157,382	(2,734,000)	-	278,423,382	457,762,676	179,339,294

Account 722:

Norfolk & Western Railway Company:

Common stock	(12,927,187)	-	219,052	(12,708,135)	80,601,864	93,309,999
Common stock with exchange rights	(8,188,920)	-	2,825,640	(5,363,280)	8,974,720	14,338,000
Madison Square Garden Corporation - common stock	11,797,244	-	-	11,797,244	16,197,244	4,400,000
Strick, Inc.:						
Preferred stock - Series A	1,976,000	-	-	1,976,000	6,776,000	4,800,000
Warrants to purchase Class A stock	502,485	-	-	502,485	1,752,485	1,250,000
Transport Pool Corporation - warrant to purchase Class A stock	2,987,400	-	(2,987,400)	-	-	-
Wabash Railroad Company - preferred stock	(409,527)	-	-	(409,527)	860,725	1,270,252
Norfolk & Western Railway Company 15 year 4-5/8% debentures due:						
June 1, 1984	(352,039)	-	-	(352,039)	899,961	1,252,000
June 1, 1985	(2,423,528)	-	-	(2,423,528)	5,111,472	7,535,000
June 1, 1986	(2,702,704)	-	-	(2,702,704)	4,717,296	7,420,000
June 1, 1987	-	-	(2,825,640)	(2,825,640)	4,487,360	7,313,000
Transport Pool Corporation - note	661,000	-	-	661,000	2,661,000	2,000,000

Total Account 722

(9,079,776) - (2,768,348) (11,848,124) 133,040,127 144,888,251

Grand Total - All Investments

\$272,077,606 \$(2,734,000) \$(2,768,348) \$266,575,258 \$590,802,803 \$324,227,545

205 INVESTMENTS IN AFFILIATED COMPANIES

1. 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."

2. 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).

3. 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.

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

5. 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.

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							
						PAR VALUE OF AMOUNT HELD AT CLOSE OF YEAR							
						Pledged		Unpledged		In sinking, insurance, and other funds		Total par value	
	(a)	(b)	(c)	(d)	(e)	(f)		(g)		(h)		(i)	
1	721	A		Nonrail (as defined):									
2				Majority-owned companies:									
3		A-3 VI		Arvida Corporation - common	58.37			3 529	277			3 529	277
4		A-1 VII		Buckeye Pipe Line Company - common (X-1)	100.00	(14 000	shs)					(14 000	shs)
5		A-1 VII		Clearfield Bituminous Coal Corporation - common	100.00			825	000			825	000
6		A-3 VI		Great Southwest Corporation: Common	81.09			2374	785			2 374	785
7				6% Preferred - Series A	100.00			3500	000			3 500	000
8				7% Preferred - Series B	100.00			3 650	000			3 650	000
9				7.6% Preferred - Series C	100.00			16 410	980			16 410	980
10	721	A		Total nonrail - majority-owned companies		(14 000	shs)	30 290	042			30 290	042
11				Other companies:									
12		A-1 VII		The Pullman Company - common				118	298			118	298
13		A-3 X		Penn Towers, Inc. - common	66.67			9	600			9	600
14	721	A		Total nonrail - other companies				127	898			127	898
15	721	A		Total nonrail		(14 000	shs)	30 417	940			30 417	940
16				Rail (as defined):									
17				Majority-owned companies:									
18		A-1 VII		Detroit, Toledo & Ironton Railroad Company-common (x)		2 602	900	21 930	000			24 532	900
19		A-1 VII		The Connecting Railway Company - capital stock				3 038	550			3 038	550
20	721	A		Total rail - majority-owned companies		2 602	900	24 968	550			27 571	450
21				50%-owned companies:									
22		A-1 VII		Montour Railroad Company - common				2 318	500			2 318	500
23		A-1 VII		Toledo, Peoria & Western Railroad Company - common				1 800	000			1 800	000
24	721	A		Total rail - 50% owned companies				4 118	500			4 118	500
25				Other companies:									
26		A-1 VII		The Philadelphia, Baltimore & Washington Railroad Company - common (x)		3 822	100	10 040	850			13 862	950
27		A-1 VII		West Jersey & Seashore Railroad Company - common				3 287	900			3 287	900
28	721	A		Total rail - other companies		3 822	100	13 328	750			17 150	850
29				Total rail		6 425	000	42 415	800			48 840	800
30				Total 721-A		6 425	000	72 833	740			79 258	740
31				See Lien References page 24									

205. INVESTMENTS IN AFFILIATED COMPANIES—Continued

6. 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.

7. For nonpar stock, show the number of shares in lieu of the par value in columns (f), (g), (h), (i), (k), and (m).

8. In reporting advances, columns (f), (g), (h), (i), (k), and (m) should be left blank. If any advances are pledged, give particulars in a footnote.

9. Particulars of investments made, disposed of, or written down during

the year should be given in columns (k) to (o), inclusive. If the cost of any investment made during the year differs from the book value reported in column (f), 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 (n), which represent a reduction in the book value of securities by symbol and give full explanation in a footnote in each case.

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

INVESTMENTS AT CLOSE OF YEAR			INVESTMENTS MADE DURING YEAR			INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR						DIVIDENDS OR INTEREST DURING YEAR			Line No.	
Total book value			Par value		Book value	Par value		Book value	Selling price		Rate	Amount credited to income				
(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)			
\$			\$		\$	\$		\$		\$		%	\$			
22	046	892														1
100	293	217										N/A	6	000	000	2
15	430	820						357	000*			N/A		715	500	3
84	296	438														4
3	500	000														5
	512	859														6
2	367	042														7
228	447	268						357	000				6	715	500	8
3	312	344														9
3	312	345														10
221	759	613						357	000				6	715	500	11
25	882	209														12
15	855	859														13
41	738	068														14
6	385	001														15
5	575	000										\$5.00		225	000	16
11	960	000												225	000	17
37	223	007														18
3	378	051										\$3.00		197	274	19
40	601	058												197	274	20
94	299	126												422	274	21
326	058	739						357	000				7	137	774	22
*Dividend received declared out																23

*Dividend received declared out

of earnings prior to quasi-reorganization

20b. 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			
						PAR VALUE OF AMOUNT HELD AT CLOSE OF YEAR			
						Pledged	Unpledged	In sinking, insurance, and other funds	Total par value
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
50	721	B		Nonrail (as defined) -	%				
51				Other securities:					
52		B-1 VII		Pennsylvania Railroad Company:					
53				Gen.Mtg. Series F 3-1/8%-1/1/85			2 249 000		2 249 000
54				Gen.Mtg. Series G 3%-5/1/85			722 000		722 000
55				Gen.Mtg. Series H 4%-4/1/85			8 666 000		8 666 000
56		B-1 VII		Pittsburgh, Cincinnati, Chicago & St. Louis Railroad Company:					
57				Gen. Mtg.-Series D 5%-8/1/75			3 149 000		3 149 000
58	721	B		Total nonrail -					
59				other securities			14 786 000		14 786 000
60									
61				Rail (as defined) -					
62				Other securities:					
63		B-1 VII		Lehigh Valley Railroad Company:					
64				Gen.Consol.Mtg.Series A-4%-5/1/03			817 000		817 000
65				Gen.Consol.Mtg.Series B-4%-5/1/03			176 000		176 000
66				Gen.Consol.Mtg.Series C-5%-5/1/03			81 000		81 000
67		B-1 VII		Lehigh Valley Railway Company:					
68				Consol.Mtg.-4%-4/1/89			30 000		30 000
69				1st Mtg.-4%-7/1/74			1 228 000		1 228 000
70				Lehigh & Lake Erie Railroad					
71				Company-1st Mtg.-4%-3/1/94			76 000		76 000
72				Lehigh Valley Terminal Railway					
73				Company-1st Mtg.-5%-10/1/79			287 000		287 000
74				Lehigh Valley Harbor Terminal					
75				Railway Company-1st Mtg.-					
76				5% - 2/1/84			471 000		471 000
77	721	B		Total rail -					
78				other securities			3 166 000		3 166 000
79									
80				Total 721-B			17 952 000		17 952 000
81									
82	721	D		Nonrail (as defined):					
83				Majority-owned companies -					
84		D-3 VI		Great Southwest Corporation-Notes					
85				which bear interest at 2 1/2% in					
86				excess of prime rate:					
87				Demand note receivable					
88				Convertible subordinated					
89				note due 12/31/78			10 000 000		10 000 000
90	721	D		Total nonrail -					
91				majority-owned companies			10 000 000		10 000 000
92				Other securities -					
93		D-1 VII		Penn Central Transportation					
94				Company-note due 11/30/94					
95				which bears interest at 9 1/2%			49 000 000		49 000 000
96	721	D		Total nonrail			59 000 000		59 000 000
97									
98									
99									
100									
101				See Lien References page 24					
102									
103									
104									
105									
106									
107									

205. INVESTMENTS IN AFFILIATED COMPANIES— Continued

INVESTMENTS AT CLOSE OF YEAR			INVESTMENTS MADE DURING YEAR						INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR						DIVIDENDS OR INTEREST DURING YEAR			Line No.
Total book value			Par value			Book value			Par value			Book value			Selling price	Rate	Amount credited to income	
(f)			(k)			(l)			(m)			(n)			(o)	(p)	(q)	
\$			\$			\$			\$			\$			\$	%	\$	
																		50
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* On February 29, 1972 the advance of \$12,000,000 was reduced to \$10,000,000 by a repayment of \$10,000,000. On that date, the Company and Great Southwest entered into an agreement whereby the unpaid balance was exchanged for floating rate convertible subordinated note maturing December 31, 1978.

205. 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							
						PAR VALUE OF AMOUNT HELD AT CLOSE OF YEAR							
						Pledged		Unpledged		In sinking, insurance, and other funds		Total par value	
	(a)	(b)	(c)	(d)	(e)	(f)		(g)		(h)		(i)	
50	721	E		Nonrail (as defined)-	%	\$		\$		\$		\$	
51				Other securities-									
52		E-1 VII		Philadelphia, Baltimore & Washington									
53				Railroad Company-advance which									
54				bears interest at 1% in excess									
55				of prime rate.									
56													
57	721	E		Total nonrail									
58													
59				Rail (as defined):									
60		E-1 VII		Majority-owned companies-									
61				Detroit, Toledo & Ironton Rail-									
62				road Company - advance which									
63				bears interest at 6%									
64													
65				Other securities-									
66		E-3 VI		American Contract Company									
67				advance which bears interest									
68				at 6%									
69													
70	721	E		Total rail									
71													
72				Total 721E									
73													
74				Grand Total 721		6 425 000		149 785 740				156 210 740	
75													
76													
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205. INVESTMENTS IN AFFILIATED COMPANIES—Concluded

INVESTMENTS AT CLOSE OF YEAR			INVESTMENTS MADE DURING YEAR						INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR						DIVIDENDS OR INTEREST DURING YEAR			Line No.
Total book value			Par value			Book value			Par value			Book value			Selling price	Rate	Amount credited to income	
(j)			(k)			(l)			(m)			(n)			(o)	(p)	(q)	
\$			\$			\$			\$			\$			\$	%	\$	
																		50
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206. OTHER INVESTMENTS

1. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and interest advances of others 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."

2. Entries on this schedule should be made in accordance with the definitions and general instructions given on page 13, classifying the investments by means of letters, figures, and symbols in columns (a), (b), and (c). Investment in U. S. Treasury obligations may be reported as one item.

3. 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.

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

5. 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

Line No.	Account 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							
				PAR VALUE OF AMOUNT HELD AT CLOSE OF YEAR							
				Pledged (e)		Unpledged (f)		In sinking, insurance, and other funds (g)		Total par value (h)	
1	722	A	Nonrail (as defined) -								
2			Other investments -								
3	A-1	V11	Norfolk & Western Railway Co.:								
4			Common (x-2)	30	601 425	398	575			31 000	000
5			Common with exchange rights (x-2)	4	000 000					4 000	000
6	A-3	X	Madison Square Garden Corporation -								
7			Common			1 462	109			1 462	109
8	A-1	V11	Strick Inc.:								
9			Preferred stock - Series A								
10			Warrants to purchase Class								
11			A stock								
12	A-1	V11	Transport Pool Corporation -								
13			Warrant to purchase Class A								
14			stock								
15	A-1	V11	Wabash Railroad Company -								
16			Preferred (X)	2	265 000	18	600			2 283	600
17			Total 722-A	36	866 425	1 879	284			38 745	709
18											
19	722	B	Nonrail (as defined) -								
20	B-1	V11	Norfolk & Western Railway Company -								
21			15 year 4-5/8% debentures due:								
22			June 1, 1984			1 700	000			1 700	000
23			June 1, 1985 (X)	9	526 000	874	000			10 400	000
24			June 1, 1986			10 400	000			10 400	000
25			June 1, 1987			10 400	000			10 400	000
26			Total 722-B	9	526 000	23 374	000			32 900	000
27											
28	722	D	Nonrail (as defined) -								
29	D-1	V11	Transport Pool Corporation -								
30			Subordinated promissory note,								
31			due 12/31/78 which bears interest								
32			at prime rate								
33			Total 722-D								
34											
35			Grand Total 722	46	392 425	25 253	284			71 645	709
36											
37			Lien References 721 & 722								
38	X		Girard Trust Bank Under Penna. Co.								
39			Coll. Tr. Serial Bonds 5-1-50	(6	200 000)						
40	X-1		Chemical Bank Under Penna. Co.								
41			Coll. Tr. Bonds 6-1-69	(35	000 000)						
42	X-2		874,720 Shs. First Penna Bank & Trust								
43			Under Penna Co. Coll. Tr. Bonds								
44			6-1-69	(21	868 000)						
45			352,916 Shs. Bankers Trust Under								
46			Penna Co Deb Bonds 12-1-69	(28	924 000)						
47			156,421 Shs. Chemical Bank - Escrow								
48			for Conversion of Pfd. Stock								
49											
50											
51											
52											
53											

206. OTHER INVESTMENTS—Continued

in common use in standard financial publications may be used where necessary on account of limited space.

6. For nonpar stock, show the number of shares in lieu of the par value in columns (e), (f), (g), (h), (i), and (j).

7. In reporting advances, columns (e), (f), (g), (h), (i), and (j) should be left blank. 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 (j) to (n), inclusive. If the cost of any investment made during the year differs from the book value reported in column (k), 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 (m) 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			INVESTMENTS MADE DURING YEAR			INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR						DIVIDENDS OR INTEREST DURING YEAR			Line No.			
Total book value			Par value		Book value		Par value		Book value		Selling price		Rate	Amount credited to income				
(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)		(u)		
\$			\$		\$		\$		\$		\$		%	\$				
																1		
																2		
80	601	864				534	325	1	389	267#			85.00	6	247	216	3	
8	974	720				2	000	000	4	487	360*		5.00	1	000	000	4	
																	5	
16	197	244															6	
																	7	
6	776	000															8	
																	9	
1	752	485															10	
																	11	
																	12	
																	13	
																	14	
																	15	
	860	725											84.50		102	762	16	
																	17	
115	163	038				2	534	325	9	364	027		500	000	7	349	978	18
																		19
																		20
																		21
																		22
	899	961											4-5/8		78	625	23	
5	111	472											4-5/8		481	000	24	
4	717	296											4-5/8		481	000	25	
4	487	360	10	400	000	4	487	360*					4-5/8		280	583	26	
																		27
15	216	089	10	400	000	4	487	360							1	321	208	28
																		29
																		30
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																		33
2	661	000														140	159	34
																		35
2	661	000														140	159	36
																		37
133	040	1270	10	400	000	4	487	360	2	534	325	9	364	027		500	000	38
																811	345	39
																		40
(Y)	Does not include reserve for impairment in the value of these investments. See item 9 on Page 19.																	41
																		42
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206. OTHER INVESTMENTS—Continued

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									
					PAR VALUE OF AMOUNT HELD AT CLOSE OF YEAR									
					Pledged		Unpledged		In sinking, insurance, and other funds		Total per value			
	(a)	(b)	(c)	(d)	(e)		(f)		(g)		(h)			
54														
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56														
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58														
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209. SECURITIES, ADVANCES, AND OTHER INTANGIBLES OWNED OR CONTROLLED THROUGH NONREPORTING CARRIER AND NONCARRIER SUBSIDIARIES

1. Give particulars of investments represented by securities and advances (including securities issued or assumed by respondent), and of other intangible property, indirectly owned or controlled by respondent through any subsidiary which does not report to the Commission under

the provisions of Part 1 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.

2. This schedule should include all securities, open account advances, and other intangible

Line No.	Class No.	Name of issuing company and security or other intangible thing in which investment is made	INVESTMENTS AT CLOSE OF YEAR		INVESTMENTS MADE DURING YEAR	
			Total per value (e)	Total book value (d)	Per value (e)	Book value (f)
1	A-1	Cambris & Indiana R.R. Co. ✓	\$ 600 000	\$ 1 350 000		
2		Ft. Wayne & Jackson R.R. Co. - Common	132 800	1 328		
3		Ft. Wayne & Jackson R.R. Co. - Preferred	49 100	41 003		
4		Mahoning Coal R.R. Co.	6 900	89 950		
5		Total A-1	788 800	1 482 281		
6	A-3	Arvida Investment Co.	50 000	50 000		
7		Arvida Mortgage Co.	50 000	50 000		
8		Arvida Realty Sales Inc.	5 000	5 000		
9		Frank B. Morgan & Co.	10 000	260 338		
10		51st Street Realty Corp.	1 000	3 000		
11		Total A-3	116 000	368 338		
12		Total A	904 800	1 850 619		
13	B-1	Boston & Albany P.R. Improvement 4-1/4%	352 000	276 988		
14		Carthage & Adirondack Ry. Co. - 1st Mtg. 4%	61 000	43 261		
15		C.C.C. & St. L. Ry. Co. - (C.W.&M. Div) 4%	27 000	19 095		
16		-Gen. Mtg. - 4%	53 000	40 302		
17		-St. Louis Div. 4%	94 000	82 117		
18		-R. & I. Mtg. - 4-1/2%	54 000	45 145		
19		Mohawk & Malone Ry. Cons. Mtg. - 3-1/2%	274 000	158 327		
20		N.Y.C. R.R. Coll. Trust 1/1/80 5-3/4%	2 000	11 220		
21		N.Y.C. R.R. Coll. Trust 4/15/90 6%	620 000	620 000		
22						
23						
24						
25						

NOTES AND REMARKS

209. SECURITIES, ADVANCES, AND OTHER INTANGIBLES OWNED OR CONTROLLED THROUGH NONREPORTING CARRIER AND NONCARRIER SUBSIDIARIES—Continued

property owned or controlled by nonreporting companies shown in schedules 104A, 104B, and 205, as well as those owned or controlled by any other organization or individual whose action respondent is able to determine.

3. Investments in U.S. Treasury obligations may be combined in a single item.

4. Column (a), Class No., should show classifications as provided in instructions 3 and 4, page 19.

INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR						Names of subsidiaries in connection with things owned or controlled through them	Line No.
Par value (g)		Book value (h)		Selling price (i)			
\$		\$		\$		(j)	
						Clearfield Bituminous Coal Corp.	1
						Clearfield Bituminous Coal Corp.	2
						Clearfield Bituminous Coal Corp.	3
						Clearfield Bituminous Coal Corp.	4
							5
						Arvida Corporation	6
						Arvida Corporation	7
						Arvida Corporation	8
						Arvida Corporation	9
						Clearfield Bituminous Coal Corp.	10
							11
							12
						Clearfield Bituminous Coal Corp.	13
						Clearfield Bituminous Coal Corp.	14
						Clearfield Bituminous Coal Corp.	15
						Clearfield Bituminous Coal Corp.	16
						Clearfield Bituminous Coal Corp.	17
						Clearfield Bituminous Coal Corp.	18
						Clearfield Bituminous Coal Corp.	19
						Clearfield Bituminous Coal Corp.	20
						Clearfield Bituminous Coal Corp.	21
							22
							23
						(Continued on attached schedule)	24
							25

NOTES AND REMARKS

209. SECURITIES, ADVANCES, AND OTHER INTANGIBLES OWNED OR CONTROLLED THROUGH NONREPORTING CARRIER AND NONCARRIER SUBSIDIARIES

1. Give particulars of investments represented by securities and advances (including securities issued or assumed by respondent), and of other intangible property, indirectly owned or controlled by respondent through any subsidiary which does not report to the Commission under

the provisions of Part 1 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.

2. This schedule should include all securities, open account advances, and other intangible

Line No.	Class No.	Name of issuing company and security or other intangible thing in which investment is made (b)	INVESTMENTS AT CLOSE OF YEAR		INVESTMENTS MADE DURING YEAR			
			Total par value (c)	Total book value (d)	Par value (e)	Book value (f)		
1	B-1	N. Y. Harlem R.R. 4% Ser. A	\$ 36 000	\$ 36 000				
2		N. Y. Harlem R.R. 4% Ser. B	1 211 375	1 211 375				
3		N. Y. Harlem R.R. 3-1/2% Gold	730 000	677 843				
4		St. Lawrence & Adirondack Ry. -2nd Mtg. 6%	4 000	2 930				
5		Total B-1	3 528 375	3 224 603				
6	B-3	U. S. Treasury Obligations	10 000	9 981	10 000		9 981	
7		CMAC Notes						
8		Allis Chalmers Notes						
9		Total B-3	10 000	9 981	10 000		9 981	
10		Total B	3 538 375	3 234 584	10 000		9 981	
11								
12	C-3	Employer Note						
13		Various Mtgs. & Notes Rec. - R.E. Sales		17 797 777				
14		Chem. Bk. N. Y. Tru. Co. CSR 6-1/4%		361 666				
15		CBC - DRL House						
16		CBC - DRL House						
17		Total C-3		18 159 443				
18								
19	D-3	Notes - R. E. Sales		261 000				
20		Cherry Hill Imp. Coal Co.		114 046				
21		Short Term Securities		1 400 000			1 400 000	
22		Trailer Train Co.		279 000				
23		Total D-3		2 054 046			1 400 000	
24								
25								

NOTES AND REMARKS

209. SECURITIES, ADVANCES, AND OTHER INTANGIBLES OWNED OR CONTROLLED THROUGH NONREPORTING CARRIER AND NONCARRIER SUBSIDIARIES—Continued

property owned or controlled by nonreporting companies shown in schedules 104A, 104B, and 205, as well as those owned or controlled by any other organization or individual whose action respondent is able to determine.

3. Investments in U.S. Treasury obligations may be combined in a single item.

4. Column (a), Class No., should show classifications as provided in instructions 3 and 4, page 209.

INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR			Names of subsidiaries in connection with things owned or controlled through them (1)	Line No.
Par value (a)	Book value (b)	Selling price (c)		
\$	\$	\$		
			Clearfield Bituminous Coal Corp.	1
			Clearfield Bituminous Coal Corp.	2
			Clearfield Bituminous Coal Corp.	3
			Clearfield Bituminous Coal Corp.	4
			Clearfield Bituminous Coal Corp.	5
125 000	124 805		Clearfield Bituminous Coal Corp.	6
800 000	800 000		Clearfield Bituminous Coal Corp.	7
925 000	924 805		Clearfield Bituminous Coal Corp.	8
925 000	924 805			9
				10
	229 290		Arvida Corporation	11
			Arvida Corporation	12
	27 166		Clearfield Bituminous Coal Corp.	13
	3 130		Clearfield Bituminous Coal Corp.	14
	32 784		Clearfield Bituminous Coal Corp.	15
	292 370			16
				17
	136 366		Arvida Corp.	18
	35 091		Clearfield Bituminous Coal Corp.	19
			Clearfield Bituminous Coal Corp.	20
			Clearfield Bituminous Coal Corp.	21
	171 457		Clearfield Bituminous Coal Corp.	22
				23
				24
				25

NOTES AND REMARKS

209. SECURITIES, ADVANCES, AND OTHER INTANGIBLES OWNED OR CONTROLLED THROUGH NONREPORTING CARRIER AND NONCARRIER SUBSIDIARIES

1. Give particulars of investments represented by securities and advances (including securities issued or assumed by respondent), and of other intangible property, indirectly owned or controlled by respondent through any subsidiary which does not report to the Commission under

the provisions of Part 1 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.

2. This schedule should include all securities, open account advances, and other intangible

Line No.	Class No.	Name of issuing company and security or other intangible thing in which investment is made (b)	INVESTMENTS AT CLOSE OF YEAR		INVESTMENTS MADE DURING YEAR			
			Total par value (c)	Total book value (d)	Par value (e)	Book value (f)		
1	E-1	Penn Central Transportation Co.	\$	5 129 098	\$			
2								
3	E-3	Arvida Mortgage Co.		5 879 411				
4		Arvida Investment Co.		6 910 412				
5		Arvida Corp.		751 786				
6		Arvida Corp.		62 429				
7		51st Street Realty Co.						
8		Total E-3		13 604 038				
9		Total E		18 733 136				
10								
11								
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14								
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NOTES AND REMARKS

Above schedule does not include Securities held by Great Southwest Corp. or its subs.

209. SECURITIES, ADVANCES, AND OTHER INTANGIBLES OWNED OR CONTROLLED THROUGH NONREPORTING CARRIER AND NONCARRIER SUBSIDIARIES—Continued

property owned or controlled by nonreporting companies shown in schedules 194A, 194B, and 205, as well as those owned or controlled by any other organization or individual whose action respondent is able to determine.

3. Investments in U.S. Treasury obligations may be combined in a single item.

4. Column (a), Class No., should show classifications as provided in instructions 3 and 4, page 19.

INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR			Names of subsidiaries in connection with things owned or controlled through them		Line No.
Par value (g)	Book value (h)	Selling price (i)	(j)		
\$	\$	\$			
			Clearfield Bituminous Coal Corp.		
			Arvida Corporation		2
			Arvida Corporation		3
			Arvida Realty Sales Inc.		4
	136,441		Frank B. Morgan & Co.		5
	145,000		Clearfield Bituminous Coal Corp.		6
	281,441				7
	281,441				8
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NOTES AND REMARKS

211. ROAD AND EQUIPMENT PROPERTY (See Instructions page 32)

Line No.	Account	Balance at beginning of year			Expenditures during the year for original road and equipment, and road extensions			Expenditures during the year for purchase of existing lines, reorganizations, etc.		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	(1) Engineering.....									
2	(2) Land for transportation purposes.....									
3	(2½) Other right-of-way expenditures.....									
4	(3) Grading.....	NONE								
5	(5) Tunnels and subways.....									
6	(6) Bridges, trestles, and culverts.....									
7	(7) Elevated structures.....									
8	(8) Ties.....									
9	(9) Rails.....									
10	(10) Other track material.....									
11	(11) Ballast.....									
12	(12) Track laying and surfacing.....									
13	(13) Fences, snowsheds, and signs.....									
14	(16) Station and office buildings.....									
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.....									
26	(29) Power plants.....									
27	(31) Power-transmission systems.....									
28	(35) Miscellaneous structures.....									
29	(37) Roadway machines.....									
30	(38) Roadway small tools.....									
31	(39) Public improvements—Construction.....									
32	(43) Other expenditures—Road.....									
33	(44) Shop machinery.....									
34	(45) Power-plant machinery.....									
35	Other (specify and explain).....									
36	Total expenditures for road.....									
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	(76) Interest during construction.....									
47	(77) Other expenditures—General.....									
48	Total general expenditures.....									
49	TOTAL.....									
50	(80) Other elements of investment (p. 33).....									
51	(90) Construction work in progress.....									
52	GRAND TOTAL.....									

211. ROAD AND EQUIPMENT PROPERTY (See Instructions page 32)

EXPENDITURES FOR ADDITIONS AND DEPRECIATIONS DURING THE YEAR				CREDITS FOR PROPERTY RETIRED DURING THE YEAR		Net changes during the year (i)	Balance at close of year (j)	Line No.
Made on owned property (e)	Made on leased property (f)	Owned property (g)	Leased property (h)					
			NONE					1
								2
								3
								4
								5
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INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 211 ON PAGES 30 and 31

1. Give particulars of balances at the beginning and close of the year and of all changes during the year in account No. 731, "Road and Equipment Property," and account No. 732, "Improvements on Leased Property," classified by primary accounts in accordance with the Uniform System of Accounts for Railroad Companies. The balances, by primary accounts, should, insofar as known, be stated in column (b) and all changes made during the year should be analyzed in columns (c) to (h), inclusive. Column (j) is the aggregate of columns (b) to (h), inclusive. Grand totals of columns (b) and (j) should equal the sum of accounts 731 and 732 for the respective periods; if not, full explanation should be made in a footnote.

2. In column (c) are to be shown disbursements made for the specific purpose of purchasing, constructing, and equipping new lines, and for the extension of old lines, as provided for in instruction 2-1, "Items to be charged," of the Uniform System of Accounts for Railroad Companies, for such items.

3. In column (d) is to be shown the cost of a railway or portion thereof, acquired as an operating entity or system by purchase, merger, consolidation, reorganization, receivership sale or transfer, or otherwise.

4. In columns (e) and (f), should be included all entries covering expenditures for additions and betterments, as defined, whether replacing other property or not.

5. In column (f) show particulars for improvements made on property held under lease or other form of long-term contract and not charged to the owning company.

6. In columns (g) and (h) should be entered all credits representing property sold, abandoned, or otherwise retired.

7. Both the debit and credit involved in each transfer, adjustment, or clearance, between road and equipment accounts, should be included in the column in which the item was initially included; also the transfer of prior years' debits or credits from investment in road and equipment to operating expenses or other accounts, or vice versa, should be included in the column applicable to current items of like nature. Each such transfer, adjustment, or clearance should be fully explained when in excess of \$100,000.

8. 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.

9. Report on line 35 amounts not includible in the primary road accounts. The items reported should be briefly identified and explained under "Notes and Remarks," below. 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.

10. If during the year a segment of transportation property was acquired, state in a footnote the name of the vendor, 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.

11. If an amount of less than \$500 is used as the minimum debit or credit for additions and betterments to property investment accounts as provided for in instruction 2-2, of the Uniform System of Accounts for Railroad Companies, state in a footnote the amount used.

NOTES AND REMARKS

211A. OTHER ELEMENTS OF INVESTMENT

1. Give particulars and explanation of all entries in account No. 80, "Other elements of investment," during the year.

2. In column (b) show the account number to which the entries in column (c) were credited and the account number to which the entries in

column (d) were charged. If more than one contra account is involved in an item, the amount applicable to each account and total for the item should be shown.

Line No.	Item (a)	Contra account number (b)	Charges during the year (c)			Credits during the year (d)		
	NONE		\$			\$		
1								
2								
3								
4								
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211B. DEPRECIATION BASE AND RATES—ROAD AND EQUIPMENT OWNED AND USED AND LEASED FROM OTHERS

1. Show in columns (b) and (e), for each primary account, the depreciation base used in computing the depreciation charges for the month of January and in columns (c) and (f) show the depreciation base used in computing the depreciation charges for the month of December; in columns (d) and (g) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 39 of these columns show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. The depreciation base should not include the cost of equipment, used but not owned, when the rents therefor are included in the rent for equipment accounts Nos. 536 to 540, inclusive. It should include the cost of equipment owned and leased to others when the rents therefrom are included in the rent for equipment accounts Nos. 503 to 507, inclusive. The composite rates used should be those prescribed or otherwise authorized by the Commission, except that where the use of component rates has been authorized, the composite rates to be

shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give full particulars in a footnote.

2. All leased properties may be combined and one composite rate computed for each primary account, or a separate schedule may be included for each such property.

3. Show in columns (e), (f), and (g), data applicable to property, used but not owned, when the rent therefor is included in account 542. Report data applicable to improvements to such property, the cost of which is included in account 732, in columns (b), (c) and (d).

4. If the depreciation base for accounts 1, 2 1/2, 3, 5, and 39 includes nondepreciable property, a statement to that effect should be made in a footnote.

5. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) affected.

Line No.	Account (a)	OWNED AND USED			LEASED FROM OTHERS			
		DEPRECIATION BASE		Annual composite rate (percent) (d)	DEPRECIATION BASE		Annual composite rate (percent) (g)	
		At beginning of year (b)	At close of year (c)		At beginning of year (e)	At close of year (f)		
1	ROAD							
2	(1) Engineering.....							
3	(2 1/2) Other right-of-way expenditures.....							
4	(3) Grading.....							
5	(5) Tunnels and subways.....							
6	(6) Bridges, trestles, and culverts.....							
7	(7) Elevated structures.....							
8	(13) Fences, snowsheds, and signs.....							
9	(16) Station and office buildings.....							
10	(17) Roadway buildings.....							
11	(18) Water stations.....							
12	(19) Fuel stations.....							
13	(20) Shops and enginehouses.....							
14	(21) Grain elevators.....							
15	(22) Storage warehouses.....							
16	(23) Wharves and docks.....							
17	(24) Coal and ore wharves.....							
18	(25) TOFC/COFC terminals.....							
19	(26) Communication systems.....							
20	(27) Signals and interlockers.....							
21	(29) Power plants.....							
22	(31) Power transmission systems.....							
23	(35) Miscellaneous structures.....							
24	(37) Roadway machines.....							
25	(39) Public improvements—Construction.....							
26	(44) Shop machinery.....							
27	(45) Power-plant machinery.....							
28	All other road accounts.....							
29	Amortization (other than defense projects).....							
30	Total road.....							
31	EQUIPMENT							
32	(52) Locomotives.....							
33	(53) Freight-train cars.....							
34	(54) Passenger-train cars.....							
35	(55) Highway revenue equipment.....							
36	(56) Floating equipment.....							
37	(57) Work equipment.....							
38	(58) Miscellaneous equipment.....							
39	Total equipment.....							
40	GRAND TOTAL.....							

211C. DEPRECIATION BASE AND RATES—ROAD AND EQUIPMENT LEASED TO OTHERS

1. This schedule is to be used in cases where the related depreciation reserve is carried in the accounts of the respondent and the rent therefrom is included in account No. 509.

2. Show in columns (b) and (c), for each primary account, the depreciation base used in computing the depreciation for the months of January and December, respectively, with respect to road and equipment owned by the respondent but leased to others, the depreciation charges for which are not includible in operating expenses of the respondent, but for which the depreciation reserve is recorded in the accounts of the respondent. If the base for road is other than the original cost or estimated original cost as found by the Commission's Bureau of Accounts, brought to a current date by the respondent from its Order No. 3 records and accounts, or is other than ledger value for equipment, a full explanation should be given.

3. In column (d) show the composite rates used in computing the depreciation for the month of December and on lines 29 and 38 of this column

show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary accounts composite rates to the depreciation base used in computing the depreciation for December and dividing the total so computed by the depreciation base.

4. If the depreciation base for accounts 1, 24, 3, 5, and 39 includes nondepreciable property, a statement to that effect should be made in a footnote.

5. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) affected.

Line No.	Account	DEPRECIATION BASE				ANNUAL composite rate (percent)
		Beginning of year		Close of year		
		(b)		(c)		
	(a)					
1	ROAD					
	NONE					
2	(1) Engineering.....					
3	(2½) Other right-of-way expenditures.....					
4	(3) Grading.....					
5	(5) Tunnels and subways.....					
6	(6) Bridges, trestles, and culverts.....					
7	(7) Elevated structures.....					
8	(13) Fences, snowsheds, and signs.....					
9	(16) Station and office buildings.....					
10	(17) Roadway buildings.....					
11	(18) Water stations.....					
12	(19) Fuel stations.....					
13	(20) Shops and enginehouses.....					
14	(21) Grain elevators.....					
15	(22) Storage warehouses.....					
16	(23) Wharves and docks.....					
17	(24) Coal and ore wharves.....					
18	(25) TOFC/COFC terminals.....					
19	(26) Communication systems.....					
20	(27) Signals and interlockers.....					
21	(29) Power plants.....					
22	(31) Power transmission systems.....					
23	(35) Miscellaneous structures.....					
24	(37) Roadway machines.....					
25	(39) Public improvements—Construction.....					
26	(44) Shop machinery.....					
27	(45) Power-plant machinery.....					
28	All other road accounts.....					
29	Total road.....					
30	EQUIPMENT					
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 equipment.....					
39	GRAND TOTAL.....					

211D. DEPRECIATION RESERVE—ROAD AND EQUIPMENT OWNED AND USED

1. Give the particulars called for hereunder with respect to credits and debits to account No. 735, "Accrued depreciation—Road and Equipment," during the year relating to road and equipment owned and used. This schedule should not include any entries for depreciation of equipment, used but not owned, when the rents therefor are included in the rent for equipment accounts Nos. 536 to 540, inclusive. It should include entries for depreciation of equipment owned but not used when the rents therefor are included in the rent for equipment accounts Nos. 503 to 507, inclusive. (See schedule 211F for the reserve relating to road and equipment owned but not used by the respondent.) If any

entries are made for "Other credits" or "Other debits," state the facts occasioning such entries. A debit balance in column (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."

2. If there is any inconsistency between the credits to the reserve as shown in column (c) and the charges to operating expenses, a full explanation should be given.

3. All credits or debits to the reserve representing amortization other than for defense projects, if a general amortization program has been authorized, should be entered on line 29.

Line No.	Account (A)	Balance at beginning of year (B)		CREDITS TO RESERVE DURING THE YEAR				DEBITS TO RESERVE DURING THE YEAR				Balance at close of year (G)	
				Charges to operating expenses (C)		Other credits (D)		Retirements (E)		Other debits (F)			
		\$		\$		\$		\$		\$		\$	
1	ROAD												
2	(1) Engineering												
3	(2) Other right-of-way expenditures												
4	(3) Grading												
5	(5) Tunnels and subways												
6	(6) Bridges, trestles, and culverts												
7	(7) Elevated structures												
8	(13) Fences, snow sheds, and signs												
9	(16) Station and office buildings												
10	(17) Roadway buildings												
11	(18) Water stations												
12	(19) Fuel stations												
13	(20) Shops and enginehouses												
14	(21) Grain elevators												
15	(22) Storage warehouses												
16	(23) Wharves and docks												
17	(24) Coal and ore wharves												
18	(25) TOFC/COPC terminals												
19	(26) Communication systems												
20	(27) Signals and interlockers												
21	(29) Power plants												
22	(31) Power-transmission systems												
23	(35) Miscellaneous structures												
24	(37) Roadway machines												
25	(39) Public improvements—Construction												
26	(44) Shop Machinery *												
27	(45) Power-plant machinery *												
28	All other road accounts												
29	Amortization (other than defense projects)												
30	Total road												
31	EQUIPMENT												
32	(52) Locomotives												
33	(53) Freight-train cars												
34	(54) Passenger-train cars												
35	(55) Highway revenue equipment												
36	(56) Floating equipment												
37	(57) Work equipment												
38	(58) Miscellaneous equipment												
39	Total equipment												
40	GRAND TOTAL												

*Chargeable to account 305.

211E. DEPRECIATION RESERVE—ROAD AND EQUIPMENT LEASED FROM OTHERS

1. Give full particulars called for hereunder with respect to credits and debits to account No. 785, "Accrued depreciation—Leased property," during the year relating to road and equipment leased from others, the depreciation charges for which are includible in operating expenses of the respondent.

2. Show in column (c) amounts which were charged to operating expenses, and in column (f) show payments made to the lessor in settlement thereof. A full explanation should be given of all entries in columns (d) and (f).

3. Any inconsistency between the credits to the reserve as shown in column (c) and the charges to operating expenses should be fully explained.

4. Show in column (e) the debits to the reserve arising from retirements.

5. If settlement for depreciation is made currently between lessee and lessor, and no debits or credits to account No. 785 are made by the accounting company, show in column (e) the charges to operating expenses and in column (f) show payments made to the lessor in settlement thereof.

Line No.	Account	Balance at beginning of year			CREDITS TO RESERVE DURING THE YEAR						DEBITS TO RESERVE DURING THE YEAR						Balance at close of year		
					Charges to operating expenses (c)			Other credits (d)			Retirements (e)			Other debits (f)					
(a)	(b)	(c)	(d)	(e)	(f)	(g)													
1	ROAD																		
2	(1) Engineering.....																		
3	(2)(4) Other right-of-way expenditures.....																		
4	(2) Grading.....																		
5	(5) Tunnels and subways.....	NONE																	
6	(6) Bridges, trestles, and culverts.....																		
7	(7) Elevated structures.....																		
8	(13) Fences, snow sheds, and signs.....																		
9	(16) Station and office buildings.....																		
10	(17) Roadway buildings.....																		
11	(18) Water stations.....																		
12	(19) Fuel stations.....																		
13	(20) Shops and enginehouses.....																		
14	(21) Grain elevators.....																		
15	(22) Storage warehouses.....																		
16	(23) Wharves and docks.....																		
17	(24) Coal and ore wharves.....																		
18	(25) TOFC/COFC terminals.....																		
19	(26) Communication systems.....																		
20	(27) Signals and interlockers.....																		
21	(29) Power plants.....																		
22	(31) Power transmission systems.....																		
23	(35) Miscellaneous structures.....																		
24	(37) Roadway machines.....																		
25	(39) Public improvements—Construction.....																		
26	(44) Shop machinery*.....																		
27	(45) Power-plant machinery*.....																		
28	All other road accounts.....																		
29	Total road.....																		
30	EQUIPMENT																		
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 equipment.....																		
39	GRAND TOTAL.....																		

*Chargeable to account 305.

211F. DEPRECIATION RESERVE--ROAD AND EQUIPMENT LEASED TO OTHERS

1. This schedule is to be used in cases where the depreciation reserve is carried in the accounts of the respondent, and the rent therefrom is included in account No. 509.

2. Give the particulars called for hereunder with respect to credits and debits to account No. 735, "Accrued depreciation--Road and Equipment," during the year relating to road and equipment leased to others, the depreciation charges for which are not includible in operating expenses

of the respondent. (See schedule 211D for the reserve relating to road and equipment owned and used by the respondent.)

3. If any entries are made for "Other credits" and "Other debits," state the facts occasioning such entries. A debit balance in column (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."

Line No.	Account	Balance at beginning of year	CREDITS TO RESERVE DURING THE YEAR				DEBITS TO RESERVE DURING THE YEAR				Balance at close of year	
			Charges to others		Other credits		Retirements		Other debits			
	(a)	(b)	(c)		(d)		(e)		(f)		(g)	
1	ROAD	NONE										
2	(1) Engineering											
3	(2) Other right-of-way expenditures											
4	(3) Grading											
5	(5) Tunnels and subways											
6	(6) Bridges, trestles, and culverts											
7	(7) Elevated structures											
8	(13) Fences, snow sheds, and signs											
9	(16) Station and office buildings											
10	(17) Roadway buildings											
11	(18) Water stations											
12	(19) Fuel stations											
13	(20) Shops and enginehouses											
14	(21) Grain elevators											
15	(22) Storage warehouses											
16	(23) Wharves and docks											
17	(24) Coal and ore wharves											
18	(25) TOFC/COFC terminals											
19	(26) Communication systems											
20	(27) Signals and interlockers											
21	(29) Power plants											
22	(31) Power transmission systems											
23	(35) Miscellaneous structures											
24	(37) Roadway machines											
25	(39) Public improvements—Construction											
26	(44) Shop machinery											
27	(45) Power-plant machinery											
28	All other road accounts											
29	Total road											
30	EQUIPMENT											
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 equipment											
39	GRAND TOTAL											

211G. AMORTIZATION OF DEFENSE PROJECTS—ROAD AND EQUIPMENT OWNED AND LEASED FROM OTHERS

1. Show in columns (b) to (e) the amount of base of road and equipment property for which amortization reserve is provided in account No. 736, "Accrued amortization of defense projects—Road and Equipment" of the respondent. If the amortization base is other than the ledger value stated in the investment account, a full explanation should be given.

2. Show in columns (f) to (i) the balance at the close of the

year and all credits and debits during the year in reserve account No. 736, "Accrued amortization of defense projects—Road and Equipment."

3. The information requested for "Road" by columns (b) through (i) may be shown by projects amounting to \$100,000 or more, or by single entries as "Total road" in line 28. If

reported by projects, each project should be briefly described, stating kind, location, and authorization date and number. Projects amounting to less than \$100,000 should be combined in a single entry designated "Minor items, each less than \$100,000."

4. Any amounts included in columns (b) and (f), and in column (h) affecting operating expenses, should be fully explained.

Line No.	Description of property or account (a)	BASE												RESERVE											
		Debits during year (b)			Credits during year (c)			Adjustments (d)			Balance at close of year (e)			Credits during year (f)			Debits during year (g)			Adjustments (h)			Balance at close of year (i)		
		\$			\$			\$			\$			\$			\$			\$			\$		
1	ROAD:	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
2																									
3																									
4																									
5																									
6																									
7																									
8																									
9																									
10																									
11																									
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18																									
19																									
20																									
21																									
22																									
23																									
24																									
25																									
26																									
27																									
28	TOTAL ROAD																								
29	EQUIPMENT:	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
30	(52) Locomotives																								
31	(53) Freight-train cars																								
32	(54) Passenger-train cars																								
33	(55) Highway revenue equipment																								
34	(56) Floating equipment																								
35	(57) Work equipment																								
36	(58) Miscellaneous equipment																								
37	TOTAL EQUIPMENT																								
38	GRAND TOTAL																								

NONE

NOTES AND REMARKS

211L. UNIT COST OF EQUIPMENT INSTALLED DURING THE YEAR

1. Give particulars as requested, separately, for the various classes of new units and rebuilt units of equipment installed by respondent during the year. If information regarding the cost of any units installed is not complete at time of filing of report, the units should be omitted, but reference to the number of units omitted should be given in a footnote, the details as to cost to be given in the report of the following year. The cost of units under construction at the close of the year should not be reflected in this schedule even though part of the cost appears in the property account for the year. Indicate in column (c) whether an installation represents equipment purchased (P), built or rebuilt by contract in outside railroad shops (C), or built or rebuilt in company or system shops (S).

2. In column (a) list each class or type of locomotive unit, car, or TOFC/COFC equipment on a separate line. By class is meant the standard classification used to distinguish types of locomotive units, freight cars or other equipment, adopted by the Association of American Railroads, and should include physical characteristics requested by Schedule 417; locomotive units should be identified as to power source, wheel arrangement, and horsepower per unit, and cars should be identified as to special construction or service characteristics, such as Multiple purpose diesel locomotive A units (B-B), 2500 HP,

Aluminum covered hopper cars, LO, Steel hoppers—special service, XAP, etc., for TOFC/COFC show type of equipment as enuc; rated in Schedule 417, lines 70-81, and type of construction.

3. In column (c) show the total weight in tons of 2,000 pounds. The weight of the equipment acquired should be the weight empty.

4. The cost should be the complete cost as entered on the ledger, including foreign line freight charges and handling charges.

5. Data for this schedule should be confined to the units reportable in columns (c), (d), (p), and (r) of schedule 417, showing returns for new units in the upper section of this schedule and showing returns for rebuilt units acquired and rebuilt units rewritten into respondent's property investment account in the lower section. The term "new" as used herein shall refer to and mean a unit of units placed in service for the first time on any railroad.

6. All unequipped box cars acquired in whole or in part with incentive per diem funds should be reported on separate lines and appropriately identified by footnote or sub-heading.

NEW UNITS

Line No.	Class of equipment (a)	Number of units (b)	Total weight (tons) (c)	Total cost (d)	Method of Acquisition (see instructions) (e)
1	NONE				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30	TOTAL	XXXX	XXXX	XXXX	XXXX

REBUILT UNITS

41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51					
52					
53					
54	TOTAL	XXXX	XXXX	XXXX	XXXX
55	GRAND TOTAL	XXXX	XXXX	XXXX	XXXX

211N-1. INVESTMENT IN RAILWAY PROPERTY USED IN TRANSPORTATION SERVICE (SEE INSTRUCTION 2)

1. Give particulars, as requested, of the investment in transportation property at the close of the year, as related to "Net railway operating income," of the respondent for the year.

2. The term "investment in railway property used in transportation service" means the aggregate of property owned, and property not owned but used by the respondent, in transportation service; (a) the investment in which is represented in accounts 731 and 732 of the respondent, including operating, lessor, and inactive railroads, (b) road and equipment property leased to or from others, the rentals of which are included in accounts 529 and 542, (c) equipment owned or leased, the lease-rental from which is included in accounts 529 to 547, inclusive, of the respondent, minus (d) investment in property leased to others the lease-rental from which is included in account 509. It does not include investment of others in equipment used by the respondent, rent for which is included in accounts 536 to 540, inclusive, nor does it include investment of other carriers in property jointly used by the respondent, such as trackage rights, rent for which is included in account 541 of the respondent. In column (a), classify each company in this schedule as respondent (R), lessor railroad (L), inactive or proprietary company (P), and other leased properties (O).

3. In columns (a) to (e), inclusive, first show the data requested for the respondent (R); next the data for companies whose entire properties are used in transportation service of the respondent, divided between lessor (L) and proprietary (P) companies; followed by data for carriers and others (O), portions of whose property are used in transportation service of the respondent.

Show a total for each class of company. Then show, as deductions, data for transportation property leased to carriers and others, rentals from which are included in account 509.

4. In column (c) line-haul carriers should report the miles of road used in line-haul service, and switching and terminal companies should report the miles of all tracks owned.

5. In column (d) show the amount applicable in accounts 731 and 732 on the books of the companies whose names appear in column (b). Values of property of other carriers segregated by estimate or otherwise should correspond in amount to the deductions made by the owners in their reports. If separate value is not available, explanation should be given. Differences between the amounts in column (d) of this schedule and the amounts shown in column (c), line 33, on the asset side of the comparative general balance sheet of each individual railway should be explained in a footnote. Book value included in accounts 731 and 732 of the owner should be reported in column (d) in reference to the investment of the respondent in the securities of the owner unless a good reason can be given for the contrary. Methods of estimating (by capitalizing rentals at 6 percent or otherwise) value of property of private owners, or portions of property of other carriers, should be explained.

6. In column (e) show the amount of depreciation and amortization accrued as of the close of the year in accounts 735, 736 and 785 that is applicable to the property of the carriers whose names are listed in column (b), regardless of where the reserves therefor are recorded.

Line No.	Class (See Ins. 2)	Name of company (b)	Miles of road owned (See Ins. 4) (c)	Investment in property (See Ins. 5) (d)	Depreciation and amortization of defense projects (See Ins. 6) (e)
1		NONE		\$	\$
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50		TOTAL			

211N-2. INVESTMENT IN RAILWAY PROPERTY USED IN TRANSPORTATION SERVICE—Continued

1. In columns (b) through (e) give, by primary accounts, the amount of investment at the close of the year in property of respondent and each group or class of companies and properties.

2. The amounts for respondent and for each group or class of companies and properties on line 53 herein, should correspond with the amount for respondent and with the aggregate amounts for each class of company and properties shown in schedule 211N-1 on page 42. Continuing records shall be maintained by respondent of the primary property accounts separately for each company or property included in this schedule.

3. Report on line 35 amounts representing capitalization of rentals for leased property based on 6 percent per year where property is not classified by accounts by non-carrier owners, or where cost of property

leased from other carriers is not ascertainable. Identify non-carrier owners, and briefly explain methods of estimating value of property of non-carriers or property of other carriers under "Notes and Remarks," page 40.

4. Report on line 36 amounts not includable in the accounts shown, or in line 35. The items reported should be briefly identified and explained under "Notes and Remarks," page 40. 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.

Line No.	Account (a)	Respondent (b)	Lessor railroads (c)	Inactive (proprietary) companies (d)	Other leased properties (e)
1	(1) Engineering.....				
2	(2) Land for transportation purposes.....				
3	(24) Other right-of-way expenditures.....				
4	(3) Grading.....				
5	(5) Tunnels and subways.....	NONE			
6	(6) Bridges, trestles, and culverts.....				
7	(7) Elevated structures.....				
8	(8) Fies.....				
9	(9) Rails.....				
10	(10) Other track material.....				
11	(11) Ballast.....				
12	(12) Track laying and surfacing.....				
13	(13) Fences, snowsheds, and signs.....				
14	(16) Station and office buildings.....				
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.....				
26	(29) Power plants.....				
27	(31) Power-transmission systems.....				
28	(35) Miscellaneous structures.....				
29	(37) Roadway machines.....				
30	(38) Roadway small tools.....				
31	(39) Public improvements—Construction.....				
32	(43) Other expenditures—Road.....				
33	(44) Shop machinery.....				
34	(45) Power-plant machinery.....				
35	Leased property capitalized rentals (explain).....				
36	Other (specify & explain).....				
37	Total expenditures for road.....				
38	(52) Locomotives.....				
39	(53) Freight-train cars.....				
40	(54) Passenger-train cars.....				
41	(55) Highway revenue equipment.....				
42	(56) Floating equipment.....				
43	(57) Work equipment.....				
44	(58) Miscellaneous equipment.....				
45	Total expenditures for equipment.....				
46	(71) Organization expenses.....				
47	(76) Interest during construction.....				
48	(77) Other expenditures—General.....				
49	Total general expenditures.....				
50	TOTAL.....				
51	(80) Other elements of investment.....				
52	(90) Construction work in progress.....				
53	GRAND TOTAL.....				

214. MISCELLANEOUS PHYSICAL PROPERTY

1. Give particulars of all investments of the respondent in physical property includible in account No. 737, "Miscellaneous physical property," together with the revenue, income, expenses, taxes, and depreciation data on such property, as requested.

2. Show in column (a) a description and location of the physical property, and, if operated, the kind of business in which engaged, 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. Each item of property investment amounting to \$1,000.00 or more should be separately stated and each item whose net profit or net loss for the year (as per column (f), regardless of amount of investment) is \$50.00 or more should also be separately stated. All other items may be combined in a single entry designated "All other items."

3. If any of the individual items of property shown in column (a) were acquired in consideration of stocks, or of bonds or other evidence of debt, or in exchange for other property, enter in column (c) only the amount at which carried in respondent's books and in a footnote give a full description of the consideration actually paid. Also if the actual money paid to respondent is different from that shown in column (c), give particulars in a footnote.

4. If any property investment includible in this schedule, amounting to \$250,000 or more, was disposed of during the year, give particulars in a footnote.

A. INVESTMENT (ACCOUNT 737)

Line No.	ITEM (Kind and location of property, and nature of business, if any) (a)	Year of acquisition (b)	Charges during the year (c)	Credits during the year (d)	Balance at close of year (See ins. 3) (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
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75					
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78					
79					
80					
81					
82					
83					
84					
85					
86					
87					
88					
89					
90					
91					
92					
93					
94					
95					
96					
97					
98					
99					
100					
TOTAL					

NOTES AND REMARKS

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214. MISCELLANEOUS PHYSICAL PROPERTY—Continued

5. In section B include in column (f) the gross amount of revenue or income included in accounts 502 and 511, in column (g) the gross amount of expenses (including depreciation) charged to accounts 511 and 534, in column (h) the amount of taxes charged to accounts 535 and 544 for the year, and in column (i) the net profit or loss of columns (f) minus (g) and (h).

6. Any differences between the total of column (h) and the totals of accounts 535 and 544, and differences between the total of column (i) and the net total of accounts 502, 511, 534, 535, and 544, of such accounts in Schedule 300, "Income Account for the Year," should be explained in a footnote.

7. In section C give an analysis of account 738, "Accrued depreciation—Miscellaneous physical property," for each item shown in column (a). Show in column (b) the percentage or composite rate used by the respondent for computing the amount of depreciation credited to the account during the year. Any adjustments of importance included in columns (j) and (k) should be fully explained in a footnote.

8. The word "item" as herein used means a unit or composite of an investment in or operation of property such as a powerplant, a mine, an amusement park, etc., together with ancillary property or operations.

B. REVENUES, INCOME, EXPENSES AND TAXES CREDITED AND DEBITED TO ACCOUNTS 502, 511, 534, 535 AND 544 DURING THE YEAR				C. DEPRECIATION RESERVE (ACCOUNT 738)					Line No.
Revenues or income (f)	Expenses (g)	Taxes (h)	Net profit for year after taxes (i) (loss)	Credits during the year (j)	Debits during the year (k)	Balance at close of year (l)	Base (m)	Rate (n)	
									1
									2
									3
			NONE						4
									5
									6
									7
									8
									9
									10
									11
									12
									13
									14
									15
									16
									17
									18
									19
									20
									21
									22

NOTES AND REMARKS

216. OTHER ASSETS AND DEFERRED CHARGES

Give description and particulars for each item or class of items of like description in accounts Nos. 741, "Other assets," and 743, "Other deferred charges," at the close of the year. Show debtor (or class of debtors) for deferred assets and appropriate description for items or class of items of deferred charges. Show each item (or the aggregate of a class of items of like description) amounting to \$100,000 or more. Each item or class of items of like description amounting to less than \$100,000 may be

combined into a single entry designated "Other items, each less than \$100,000." The entries for each account shall be listed and the account number and the total for each account shall be shown corresponding to the amounts in Schedule 200A. In case the character of any item is not fully disclosed by the entries in the columns hereunder, make a full explanation in a footnote.

Line No.	Account No. (a)	Item (b)	Amount (c)	
1	741	Other Assets	\$	
2		Interest Accrued on Investment - Transport Pool Corp.	719	042
3				
4	743	None		
5				
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INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 218 ON PARTS 48, 49, 50 AND 51

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. List entries under captions of account numbers and titles, and insert total for each account.

In column (a) show the symbol and name, and account number of each bond or other obligation according to the following designations in the numerical order given, and give a total for each such numerical alphabetical and each numerical group and for each account:

- (1) MORTGAGE BONDS:
 - (a) With fixed interest.
 - (b) With contingent interest.
- (2) COLLATERAL TRUST BONDS:
 - (c) With fixed interest.
 - (b) With contingent interest.
- (3) UNSECURED BONDS (Debentures):
 - (a) With fixed interest.
 - (b) With contingent interest.
- (4) EQUIPMENT OBLIGATIONS:
 - (a) Equipment securities (Corporation).
 - (b) Equipment securities (Receivers' and Trustees').
 - (c) Conditional or deferred payment contracts.
- (5) MISCELLANEOUS OBLIGATIONS.
- (6) RECEIVERS' AND TRUSTEES' SECURITIES (Other than equipment obligations).
- (7) SHORT-TERM NOTES IN DEFAULT.

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 obligations 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 (m) enter the amount of debt both nominally and actually issued up to the date of the report and not the amount authorized. In the event debt is assumed, column (m) should include the amount of debt issued by the original debtor.

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 228.

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.

The grand totals of columns (n) and (r), when combined, should equal the sum of the amounts stated in short column (b₂) for accounts Nos. 764, 765, 766, 767, and 768 in schedule 200L, "Comparative General Balance Sheet—Liabilities and Shareholders' Equity."

On page 51 give particulars of changes during the year in funded debt and other obligations. 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.

For each class of securities actually issued or assumed, 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 on pages 50 and 51, 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

218. FUNDED DEBT AND OTHER OBLIGATIONS

Line No.	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")		APPROXIMATE NUMBER OF MILES OF LINE DIRECTLY SUBJECT TO—	
				Rate percent per annum (current year)	Dates due	Con- version	Call prior to maturity, other than for sinking fund	Sinking fund	First lien	Junior to first lien	First lien	Junior to first lien
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
1	2A Collateral Trust											
2	Serial Bonds	5-1-50	5-1-75	4.35 - 4.5	5/1-11/1	No	Yes	No	Yes	No	None	None
3												
4	2A Collateral Trust Bonds	6-1-60	6-1-85	5.25	6/1-12/1	No	Yes	Yes	Yes	No	None	None
5												
6	2A Collateral Trust Bonds	6-1-69	6-1-89	8.25	6/1-12/1	No	Yes	Yes	Yes	No	None	None
7												
8	3A Sinking Fund Debentures	12-1-69	12-1-94	9.00	6/1-12/1	Yes	Yes	Yes	Yes	No	None	None
9												
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56												
GRAND TOTAL..									XXXX	XXXX	XXXX	XXXX

218. FUNDED DEBT AND OTHER OBLIGATIONS—Continued

Total amount nominally and actually issued	AMOUNT NOMINALLY ISSUED AND—		Total amount actually issued	AMOUNT REACQUIRED AND—		TOTAL AMOUNT ACTUALLY OUTSTANDING			Line No.
	Held in special funds or in treas- ury or pledged (Identify pledged securities by symbol "P"; matured by symbol "M")	Canceled		Canceled through sinking fund or otherwise canceled (Identify canceled through sinking fund by symbol "S")	Held in special funds or in treas- ury 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)	
(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	
\$	\$	\$	\$	\$	\$	\$	\$	\$	
60 000 000			60 000 000	53 800 000		4 200 000	2 000 000		1
									2
35 000 000			35 000 000	13 132 000		21 868 000			3
									4
35 070 000			35 000 000			35 000 000			5
									6
50 000 000			50 000 000	21 076 000		28 924 000			7
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180 000 000			180 000 000	88 008 000		89 992 000	2 000 000		55
									56

218. FUNDED DEBT AND OTHER OBLIGATIONS—Continued

Line No.	Name and character of obligation (List on same lines and in same order as on page 234)	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						
		(v)			(w)						
	(a)							(x)	(y)		
1	2A Collateral Trust Serial Bonds	\$	311	800	\$			\$	329 200	\$	
2											
3	2A Collateral Trust Bonds	1	148	070				1	148 070		
4											
5	2A Collateral Trust Bonds	2	887	500				2	887 500		
6											
7	3A Sinking Fund Debentures	2	603	160				2	603 160		
8											
9											
10											
11											
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56	GRAND TOTAL	6	950	530				6	967 930		

218. FUNDED DEBT AND OTHER OBLIGATIONS—Concluded

SECURITIES ISSUED OR ASSUMED DURING YEAR										SECURITIES REACQUIRED DURING YEAR					Line No.
Purpose of the issue and authority (a)	Par value (aa)		Net proceeds received for issue (cash or its equivalent) (bb)		Expense of issuing securities (cc)		AMOUNT REACQUIRED								
							Par value (dd)			Purchase price (ee)					
	\$		\$		\$		\$		\$						
								2 400 000		2 400 000		1			
												2			
												3			
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												54			
GRAND TOTAL								2 400 000		2 400 000		55			

219. EQUIPMENT COVERED BY EQUIPMENT OBLIGATIONS

Give the particulars called for regarding the equipment obligations included in schedule 218, "Funded Debt and Other Obligations" (accounts Nos. 764, "Equipment obligations and other debt due within 1 year" and 766, "Equipment obligations", at the close of the year. In column (a) show the name by which the equipment obligation is designated and in

column (b) show the classes of equipment and the number of units covered by the obligation. In column (c) show the contract price to the original debtor; in column (d) show the cash paid on acceptance of equipment by the original debtor; do not report the price paid on a subsequent sale and assumption of balance of debt.

Line No.	Designation of equipment obligation (List names in the same order as in schedule 218) (a)	Description of equipment covered (b)	Contract price of equipment acquired (c)			Cash paid on acceptance of equipment (d)		
		None	\$			\$		
1								
2								
3								
4								
5								
6								
7								
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220. 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 218, "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), (v), and (d), respectively, in schedule 218, for each security of the kind indicated. List the names of such securities in the same order as in schedule 218.

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.

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 (k) enter the maximum accumulation of unpaid interest as provided for in the bonds.

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

9. In the second section of this schedule show the particulars of the several items on the same line and in the same order as in the first section.

Line No.	Name of issue (from schedule 218)	Amount actually outstanding (from schedule 218)	Nominal rate of interest (from schedule 218)	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	NONE						
2							
3							
4							
5							
6							
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10							

AMOUNT OF INTEREST—Concluded

Line No.	Difference between Maximum Payable if Earned and Amount Actually Payable		TOTAL PAID WITHIN YEAR				Maximum period, or percentage, for which cumulative, if any	Total accumulated unearned interest plus earned interest unpaid at the close of year
	Current year (f)	All years to date (g)	In account of current year (h)	On account of prior years (i)	Total (j)			
1								
2		NONE						
3								
4								
5								
6								
7								
8								
9								
10								

222. AMOUNTS PAYABLE TO AFFILIATED COMPANIES

Give full particulars of amounts payable by the respondent to affiliated companies, as defined in connection with account No. 769, "Amounts payable to affiliated companies," in the Uniform System of Accounts for Railroad Companies. If any such amounts are evidenced by notes, each note should be separately shown in column (a). Entries in columns (e) and (f) 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. Show, also, in a footnote, particulars of interest charged to cost of property.

Line No.	Name of creditor company (a)	Rate of interest (b)	Balance at beginning of year (c)			Balance at close of year (d)			Interest accrued during year (e)			Interest paid during year (f)		
			%	\$		\$			\$			\$		
1	NONE													
2														
3														
4														
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8														
9														
10														
		TOTAL												

NOTES AND REMARKS

223. ITEMS IN SELECTED CURRENT LIABILITY ACCOUNTS

Give description and particulars for each item or class of items of like description in accounts Nos. 751, "Loans and notes payable"; 759, "Accrued accounts payable"; and 763, "Other current liabilities," at the close of the year. Show character of loans and notes, with name of creditor (or class of creditors), dates of issue and maturity, and appropriate description for each class of accrued accounts payable and for the other current liabilities. Show each item (or the aggregate of a class of items of like description) amounting to \$100,000 or more. Each item or class

of items of like description amounting to less than \$100,000 may be combined into a single entry designated "Other items, each less than \$100,000." The entries for each account shall be listed and the account number and the total for each account shall be shown corresponding to the amounts in Schedule 200L. In case the character of any item is not fully disclosed by the entries in the columns hereunder, make a full explanation in a footnote.

Line No.	Account No. (a)	Item (b)	Amount (c)		
1	751	Loans & Notes Payable			
2		Loan (Pursuant to credit agreement dated 3/2/70 with group of banks			
3		represented by Chemical Bank due June 21, 1970 and currently due and			
4		payable)	45	200	000
5					
6	759	Accrued Accounts Payable			
7		Other Items, each less than \$100,000		249	000
8					
9	763	None			
10					
11					
12					
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224. FEDERAL INCOME AND OTHER TAXES ACCRUED

Give the particulars called for with respect to the balances at close of year in accounts Nos. 760, "Federal income taxes accrued" and 761, "Other taxes accrued."

Line No.	Kind of tax (a)	Previous years (b)		Current year (c)		Balance at close of year (d)	
		\$		\$		\$	
1	Federal income taxes TOTAL (account 760)						
2	Railway property State and local taxes (532)						
3	Old-age retirement (532)						
4	Unemployment insurance (532)						
5	Miscellaneous operating property (535)						
6	Miscellaneous tax accruals (544)	146	800	139	393	7	407
7	All other taxes						
8	TOTAL (account 761)	146	800	139	393	7	407

NOTES AND REMARKS

225. ITEMS IN SELECTED RESERVE AND OTHER LIABILITY ACCOUNTS

Give description and particulars for each item or class of items of like description in accounts Nos. 771, "Pension and welfare reserves"; 772, "Insurance reserves"; 774, "Casualty and other reserves"; 782, "Other liabilities"; and 784, "Other deferred credits," at the close of the year. Show creditor (or class of creditors) for deferred liabilities, and appropriate description of each class of operating reserve and for items of deferred credits. Show each item (or the aggregate of a class

of items of like description) amounting to \$100,000 or more. Each item or class of items of like description amounting to less than \$100,000 may be combined into a single entry designated "Other items, each less than \$100,000." The entries for each account shall be listed and the account number and the total for each account shall be shown corresponding to the amounts in Schedule 206L. In case the character of any item is not fully disclosed by the entries in the columns hereunder, make a full explanation in a footnote.

Line No.	Account No. (a)	Item (b)	Amount (c)
1	782	Other Liabilities	\$
2		Liability for guaranteed debt of Penn Towers, Inc. (see note page 14g)	3 900 000
3			
4			
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NOTES AND REMARKS

228. CAPITAL STOCK

Give particulars of the various issues of capital stock of the respondent, distinguishing separate issues of any general class, if different in any respect.

In the second section list particulars of the various issues on the same lines and in the same order as in the first section.

Identify the entries in columns (m) to (s), inclusive, in a manner which will indicate whether par value or the number of shares is shown.

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 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.

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*.

Column (d) refers to the initial preference dividend payable before any common dividend; columns (k) and (l) to participations in excess of initial preference dividend; at a specified percentage or amount (nonpar stock) (column (k)) or a percentage or proportion of the profits (column (l)).

Line No.	Class of stock	Date issue was authorized	Par value per share (if nonpar, so state)	PREFERRED STOCK											
				Dividend rate specified in contract	Total amount of accumulated dividends			CUMULATIVE		Noncumulative ("Yes" or "No")	OTHER PROVISIONS OF CONTRACT				
								To extent earned ("Yes" or "No")	Fixed \$ rate or percent specified by contract		Convertible ("Yes" or "No")	Callable or redeemable ("Yes" or "No")	PARTICIPATING DIVIDENDS		
													Fixed amount or percent (Specify)	Fixed ratio with common (Specify)	
	(a)	(b)	(c)	(d)	(e)			(f)	(g)	(h)	(i)	(j)	(k)	(l)	
1	Common	7/24/64	\$ 25.	XXXXX	XX	XX	XX	XXXXX	XXXXXX	XXXXX	XXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
2				XXXXX	XX	XX	XX	XXXXX	XXXXXX	XXXXX	XXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
3				XXXXX	XX	XX	XX	XXXXX	XXXXXX	XXXXX	XXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
4				XXXXX	XX	XX	XX	XXXXX	XXXXXX	XXXXX	XXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
5	Preferred	7/24/64	100.	4-5/8	1	179	670	No	4-5/8%	No	Yes	Yes			
6															
7															
8	Debenture														
9															
10	Receipts outstanding for installments paid*														
11															
12															
13	Total			XXXXX	XXXXX	1	179	670	XXXXX	XXXXXX	XXXXX	XXXXX	XXXXXX	XXXXXX	XXXXXX

Line No.	PAR VALUE OF PAR-VALUE STOCK OR NUMBER OF SHARES OF NONPAR STOCK												STOCK ACTUALLY OUTSTANDING AT CLOSE OF YEAR												
	Authorized			Authenticated			NOMINALLY ISSUED AND			Actually issued			REACQUIRED AND			Number of shares		Par value of par-value stock		Book value of stock without par value					
							Held in special funds or in treasury or pledged (Identify pledged securities by symbol "P")						Canceled	Canceled								Held in special funds or in treasury or pledged (Identify pledged securities by symbol "P")			
							(m)	(n)	(o)					(p)	(q)								(r)	(s)	
1	140	000	000	124	625	000				124	625	000				4	985	000	124	625	000	\$			
2																									
3																									
4																									
5	73	000	000	70	589	800				70	589	800	50	184	700				204	051	20	405	100		
6																									
7																									
8																									
9																									
10																									
11																									
12																									
13	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	

*State the class of capital stock covered by the receipts.

229. 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.

In the second section of the schedule show the particulars of the several issues on the same lines and in the same order as in the first section.

In column (c) 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. If an issue of securities was authorized for more than one purpose, state amount applicable to each purpose. Also

give the number and 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 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 total par value or the book value represented by the total number of shares reported in column (d).

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

Line No.	Class of stock (a)	Date of issue (b)	Purpose of the issue and authority (c)	STOCKS ISSUED DURING YEAR				Par value (for nonpar stock show the number of shares) (d)		Net proceeds received for issue (cash or its equivalent) (e)	
1			None								
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
				TOTAL							

Line No.	STOCKS ISSUED DURING YEAR—Concluded						STOCKS REACQUIRED DURING YEAR						Remarks				
	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 (a)			Expense of issuing capital stock			Par value (For nonpar stock show the number of shares)				Purchase price			
	(f)			(g)			(h)			(i)				(j)			(k)
	\$			\$			\$			\$			\$				
1					None					2	847	800	1	592	543	28,478 shs. Pa. Co. 4-5/8% Cum.	
2																Pfd. par \$100 exchanged for 21,373	
3																shares of N&W Rwy. Common pursuant	
4																to agreement of merger dated	
5																February 26, 1964	
6																	
7																	
8																	
9																	
10																	
11																	
12																	
13																	
14																	
15																	

230. STOCK LIABILITY FOR CONVERSION OF SECURITIES OF OTHER COMPANIES

If at the close of the year respondent was subject to any liability to issue its own capital stock in exchange for outstanding securities of constituent of other companies, give full particulars thereof hereunder, including names of parties to contracts and abstracts of terms of contracts whereunder such liability exists.

231. CAPITAL SURPLUS

Give an analysis in the form called for below of capital surplus accounts. In column (a) give a brief description of the item added or deducted and in column (b) insert the contra account number to which the amount stated in column (c), (d) or (e) was charged or credited.

Line No.	Item (a)	Contra account number (b)	ACCOUNT No.					
			794. Premiums and Assessments on Capital Stock (c)			795. Paid-In Surplus (d)		
								796. Other Capital Surplus (e)
1	Balance at beginning of year.....	x x x	\$			\$	34 526 914	\$
2	Additions during the year (describe):							
3	Item described below	791				1 255 257		
4	Item described below	723				2 734 000		
5								
6								
7	Total additions during the year...	x x x				3 989 257		
8	Deductions during the year (describe):							
9	Adjustment for liability resulting from 1972							
10	change in exchange ratio of preferred stock							
11	for Norfolk & Western Railway Co. common stk.	763				32 817		
12	Total deductions...	x x x				32 817		
13	Balance at close of year.....	x x x				38 483 354		

232. RETAINED INCOME—APPROPRIATED

Give an analysis in the form called for below of account No. 797, "Retained income—Appropriated."

Line No.	Class of appropriation (a)	Credits during year (b)			Debits during year (c)			Balance at close of year (d)		
31	Additions to property through retained income									
32	Funded debt retired through retained income									
33	Sinking fund reserves									
34	Incentive per diem funds--									
35	Miscellaneous fund reserves									
36	Retained income—Appropriated not specifically invested									
37	Other appropriations (specify):									
38										
39										
40										
41										
42										
43										
44										
45										
46	TOTAL									

Line 3 - Excess of par value of preferred stock tendered for conversion over market value of Norfolk & Western Railway Company common stock issued therefor.

Line 5 - Adjustment in the value of the investment in Buckeye Pipe Line Company established in connection with the quasi-reorganization reflected in the 1971 accounts.

233. CONTINGENT ASSETS AND LIABILITIES

1. Give particulars with respect to contingent assets and liabilities at the close of the year, in accordance with Instruction 6-6 in the Uniform System of Accounts for Railroad Companies, that are not reflected in the accounts of the respondent and the value of the item amounts to \$100,000 or more. If an actual monetary amount is not known and an estimate of the amount of any item involved is not feasible, disclosure should be made describing the contingency and explaining why an estimate is not determinable.

Examples of contingent liabilities are items which may become obligations as a result of pending or threatened litigation, assessments or possi-

ble assessments of additional taxes, and agreements or obligations to repurchase securities or property.

2. Information concerning the guaranties and suretyships are to be shown in other schedules provided for those items and not in this schedule.

3. In column (a) give a description of each item of contingent assets and liabilities under an inserted caption "CONTINGENT ASSETS" or "CONTINGENT LIABILITIES," as appropriate, and in column (b) show the amount of each item.

Line No.	Item (a)	Amount (b)		
		\$		
1	None			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
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45				

300. INCOME ACCOUNT FOR THE YEAR

1. Give the Income Account of the respondent for the year in accordance with the rules prescribed in the Uniform System of Accounts for Railroad Companies.

2. In column (d) show against the appropriate account the amount of income that is offset by deductions in other income accounts of respondent so far as they relate to companies the operations of which are covered by this operating report, the amount of such deductions or dispositions to be also shown against appropriate accounts. For example, road (A) operates road (B) under lease for a

rental of \$1,000,000, but road (A) owns 50 percent of the stock of road (B) on which it receives \$250,000 in dividends. The entries in column (d) should be: Account No. 513, "Dividend income," \$250,000; Account No. 542, "Rent for leased roads and equipment," \$250,000. Again, if road (C) has issued its own securities to acquire a part or all of the securities of road (D), a separately operated carrier, no entries should be made in column (d) by road (C) even though dividends or interest be received on such securities held by road (C). But if road (D) is a

Line No.	Item	Amount for current year			Amount for preceding year			Offsetting debits and credits for current year		
	(a)	(b)			(c)			(d)		
	ORDINARY ITEMS	\$			\$			\$		
1	OPERATING INCOME	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx
2	RAILWAY OPERATING INCOME	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx
3	(501) Railway operating revenues (p. 69)-----									
4	(531) Railway operating expenses (p. 76)-----									
5	Net revenue from railway operations-----									
6	(532) Railway tax accruals (p. 82)-----									
7	Railway operating income-----									
8	RENT INCOME	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx
9	(503) Hire of freight cars and highway revenue equipment--									
10	Credit balance (p. 88)-----									
11	(504) Rent from locomotives (p. 89)-----									
12	(505) Rent from passenger-train cars (p. 89)-----									
13	(506) Rent from floating equipment-----									
14	(507) Rent from work equipment-----									
15	(508) Joint facility rent income-----									
16	Total rent income-----									
17	RENTS PAYABLE	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx
18	(536) Hire of freight cars and highway revenue equipment--									
19	Debit balance (p. 88)-----									
20	(537) Rent for locomotives (p. 89)-----									
21	(538) Rent for passenger-train cars (p. 89)-----									
22	(539) Rent for floating equipment-----									
23	(540) Rent for work equipment-----									
24	(541) Joint facility rents-----									
25	Total rents payable-----									
26	Net rents (lines 15, 23)-----									
27	Net railway operating income (lines 7, 24)-----									
28	OTHER INCOME	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx
29	(502) Revenues from miscellaneous operations (p. 45)-----									
30	(509) Income from lease of road and equipment (p. 86)-----									
31	(510) Miscellaneous rent income (p. 86)-----									
32	(511) Income from nonoperating property (p. 45)-----									
33	(512) Separately operated properties--Profit (p. 87)-----	14	487	752	9	194	725			
34	(513) Dividend income-----	1	732	902	2	834	697			
35	(514) Interest income-----									
36	(516) Income from sinking and other reserve funds-----									
37	(517) Release of premiums on funded debt-----									
38	(518) Contributions from other companies-----									
39	(519) Miscellaneous income (p. 92)-----				5	214	839			
40	Total other income-----	16	220	654	17	244	261			
41	Total income (lines 25, 38)-----	16	220	654	17	244	261			
42	MISCELLANEOUS DEDUCTIONS FROM INCOME	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx
43	(534) Expenses of miscellaneous operations (p. 45)-----									
44	(535) Taxes on miscellaneous operating property (p. 45)-----									
45	(543) Miscellaneous rents (p. 91)-----				1	622				
46	(544) Miscellaneous tax accruals (p. 45)-----		(25	464)	157	108				
47	(545) Separately operated properties--Loss (p. 87)-----									
48	(549) Maintenance of investment organization-----	2	082	814	2	206	325			
49	(550) Income transferred to other companies-----									
50	(551) Miscellaneous income charges (p. 92)-----		120	247	4	011	200			
51	Total miscellaneous deductions-----	2	177	597	6	376	255			
52	Income available for fixed charges (lines 39, 49)-----	14	043	057	10	868	006			

300. INCOME ACCOUNT FOR THE YEAR—Continued

"proprietary" company for which no separate operating report is rendered, appropriate entries in column (d) should be made by road (C). If a leased road is assigned to another company for operation, the rent paid should be offset by the rent received. The examples indicated should not be taken to exclude others of a similar nature.

3. Returns for the year reported on lines 1 to 25, inclusive, should be analyzed in columns (e) to (k) in accordance with the Commission's rules governing the separation of operating

expenses between freight and passenger service; railroads.

4. Any unusual accruals involving substantial amounts included in column (k) on lines 9 to 25, inclusive, should be fully explained in a footnote.

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

RAIL-LINE, INCLUDING WATER TRANSFERS																					
Related solely to freight service (e)			Apportioned to freight service (f)			Total freight service (g)			Related solely to passenger and allied services (h)			Apportioned to passenger and allied services (i)			Total passenger service (j)			Other items not related to either freight or to passenger and allied services (k)			Line No.
\$			\$			\$			\$			\$			\$			\$			
XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	1
XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	2
																					3
																					4
XX	XX	XX	XX	XX	XX				XX	XX	XX	XX	XX	XX							5
																					6
XX	XX	XX	XX	XX	XX				XX	XX	XX	XX	XX	XX							7
XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	8
																					9
																					10
																					11
																					12
																					13
																					14
XX	XX	XX	XX	XX	XX				XX	XX	XX	XX	XX	XX							15
XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	16
																					17
																					18
																					19
																					20
																					21
																					22
XX	XX	XX	XX	XX	XX				XX	XX	XX	XX	XX	XX							23
XX	XX	XX	XX	XX	XX				XX	XX	XX	XX	XX	XX							24
XX	XX	XX	XX	XX	XX				XX	XX	XX	XX	XX	XX							25

If this report is made for a system, list hereunder the names of all companies included in the system returns:

300. INCOME ACCOUNT FOR THE YEAR—Concluded

Line No.	Item (a)	Amount for current year (b)			Amount for preceding year (c)			Offsetting debits and credits for current year (d)		
		\$			\$			\$		
51	FIXED CHARGES	xx	xx	xx	xx	xx	xx	xx	xx	xx
52	(542) Rent for leased roads and equipment (p. 90)									
53	(546) Interest on funded debt:	xx	xx	xx	xx	xx	xx	xx	xx	xx
54	(a) Fixed interest not in default	6	950	530	7	028	798			
55	(b) Interest in default									
56	(547) Interest on unfunded debt	2	912	602	3	117	064			
57	(548) Amortization of discount on funded debt		47	171		205	619			
58	Total fixed charges	9	910	303	10	351	481			
59	Income after fixed charges (lines 50, 58)	4	132	754		516	525			
60	OTHER DEDUCTIONS	xx	xx	xx	xx	xx	xx	xx	xx	xx
61	(546) Interest on funded debt:	xx	xx	xx	xx	xx	xx	xx	xx	xx
62	(c) Contingent interest									
63	Ordinary income (lines 59, 62)	4	132	754		516	525			
64	EXTRAORDINARY AND PRIOR PERIOD ITEMS	xx	xx	xx	xx	xx	xx	xx	xx	xx
65	(570) Extraordinary items — Net Credit (Debit)(p. 92)				(90)	150	863			
66	(580) Prior period items — Net Credit (Debit)(p. 92)									
67	(590) Federal income taxes on extraordinary and prior period items— Debit (Credit)(p. 92)									
68	Total extraordinary and prior period items — Credit (Debit)				(90)	150	863			
69	Net income transferred to Retained Income-Unappropriated (lines 63, 68)	4	132	754	(89)	634	338			

NOTE.—See page 301B for explanatory notes, which are an integral part of the Income Account for the Year.

NOTES AND REMARKS

INCOME ACCOUNT FOR THE YEAR—EXPLANATORY NOTES

The space below is provided for the purpose of disclosing additional information concerning items of income for the current year. Each carrier shall give the particulars of items herein. Enter in separate notes with suitable explanation, amounts included in income accounts in connection with any unusual and material accrual or changeover in accounting practice, and other matters of the character commonly disclosed in financial statements under generally accepted accounting and reporting principles. Minor items which have no consequential

effect on net income for the year need not be reported. If carrier has nothing to report, insert the word "None". The tax consequences of use of accelerated depreciation and tax guideline service lives, the investment tax credit, as well as other unusual and significant tax items and matters, are to be disclosed in Schedule 350, under Section C pertaining to analysis of Federal income taxes. The explanation of items included in accounts 570, "Extraordinary items"; 580, "Prior period items"; and 590, "Federal income taxes on extraordinary and prior period items" are to be disclosed in Schedule 396, page 92.

(See Page 14)

305. RETAINED INCOME—UNAPPROPRIATED

1. Show hereunder the items of the Retained Income Accounts of the respondent for the year, classified in accordance with the Uniform System of Accounts for Railroad Companies.

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

Line No.	Item (a)	Amount (b)			Remarks (c)
	CREDITS				
1	(602) Credit balance transferred from Income (p. 66) -----	\$ 4	132	754	
2	(606) Other credits to retained income -----				Net of Federal income taxes ----- \$ _____
3	(622) Appropriations released -----				
4	Total -----	4	132	754	
	DEBITS				
5	(612) Debit balance transferred from Income (p. 66) -----				
6	(616) Other debits to retained income -----				Net of Federal income taxes ----- \$ _____
7	(620) Appropriations for sinking and other reserve funds -----				
8	(621) Appropriations for other purposes -----				
9	(623) Dividends (p. 68) -----		989	836	
10	Total -----		989	836	
11	Net increase during year* -----	3	142	918	
12	Balance at beginning of year (p. 11)* -----				
13	Balance at end of year (carried to p. 11)* -----	3	142	918	

* Amount in parentheses indicates debit balance.

Note.—See p. 92, schedule 396, for analysis of Retained Income accounts.

308. DIVIDEND APPROPRIATIONS

1. Give particulars of each dividend declared. For par value or nonpar stock, show in column (d) 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 (b) or (c). If any such dividend was payable in anything other than cash, explain the matter fully in a footnote.

2. If an 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 of the respondent after payment of any dividend, give full particulars in a footnote. If any class of stock received a return not reportable in this schedule, state the particulars of the case in a footnote.

3. The sum of the dividends stated in column (e) should equal the amount shown in schedule No. 305.

Line No.	Name of security on which dividend was declared (a)	Rate percent (par value stock) or rate per share (nonpar stock)		Total par value of stock or total number of shares of nonpar stock on which dividend was declared (d)	Dividends (account 623) (e)		DATES	
		Regular (b)	Extra (c)				Declared (f)	Payable (g)
41	Preferred	4-5/8%		\$ 22 500 500	\$ 260 162		3/31/72	4/15/72
42	Preferred	4-5/8%		21 905 300	253 280		6/23/72	7/15/72
43	Preferred	4-5/8%		20 796 600	240 460		9/26/72	10/15/72
44	Preferred	4-5/8%		20 405 100	235 934		12/29/72	1/15/73
45								
46								
47								
48								
49								
50								
51								
52								
53				TOTAL	989 836			

310. RAILWAY OPERATING REVENUES

1. State the railway operating revenues of the respondent for the year classifying them in accordance with the Uniform System of Accounts for Railroad Companies and distribute the amounts among the classes of service as indicated. In the absence of records separating revenues between freight and passenger trains, the distribution should be estimated on the basis of the best data available.

2. Assign rail-line revenues, including revenues from water transfers and highway motor vehicle operations, to "Freight service" or to "Passenger and allied services" according to the type of train (or other equipment) by which the traffic moved.

3. Incidental revenues should be assigned as provided for in the schedule.

4. Revenues which are not assignable to freight service or to passenger and allied services are includible in column (e) only in cases where the related operating expenses are reportable in column (i) of schedule No. 320. If the expenses are assigned to the classes of service mentioned, the revenues, likewise, should be distributed on an equitable basis.

5. Any unusual accruals involving substantial amounts included in column (b) should be fully explained in a footnote.

Line No.	Class of railway operating revenues	Amount of revenue for the year	RAIL-LINE REVENUES, INCLUDING WATER TRANSFERS						Other revenues not assignable to freight or to passenger and allied services	Remarks
			Assignable to freight service			Assignable to passenger and allied services				
			(a)	(b)	(c)	(d)	(e)	(f)		
	TRANSPORTATION—RAIL LINE	NONE								
1	(101) Freight*								XX XX XX	
2	(102) Passenger*								XX XX XX	
3	(103) Baggage								XX XX XX	
4	(104) Sleeping car								XX XX XX	
5	(105) Parlor and chair car								XX XX XX	
6	(106) Mail								XX XX XX	
7	(107) Express								XX XX XX	
8	(108) Other passenger-train†								XX XX XX	
9	(109) Milk								XX XX XX	
10	(110) Switching*								XX XX XX	
11	(113) Water transfers									
12	Total rail-line transportation revenue									
	INCIDENTAL									
13	(131) Dining and buffet								XX XX XX	
14	(132) Hotel and restaurant									
15	(133) Station, train, and boat privileges									
16	(135) Storage—Freight					XX XX XX	XX XX XX	XX XX XX		
17	(137) Demurrage					XX XX XX	XX XX XX	XX XX XX		
18	(138) Communication									
19	(139) Grain elevator					XX XX XX	XX XX XX	XX XX XX		
20	(141) Power									
21	(142) Rents of buildings and other property									
22	(143) Miscellaneous									
23	Total incidental operating revenue									
	JOINT FACILITY									
24	(151) Joint facility—Cr									
25	(152) Joint facility—Dr									
26	Total joint facility operating revenue									
27	Total railway operating revenue									

*Report hereunder the charges to these accounts representing:

A. Payments made to others for—

1. Terminal collection and delivery services when performed in connection with line-haul transportation of freight on the basis of freight tariff rates: \$

(a) Of the amount reported for item A. 1, _____ % (to nearest whole number) represents payments for collection and delivery of LCL freight either in TOFC trailers or otherwise. The percentage reported is (check one):
Actual () Estimated ()

2. Switching services when performed in connection with line-haul transportation of freight on the basis of switching tariffs and allowances out of freight rates, including the switching of empty cars in connection with a revenue movement \$

3. Substitute highway motor service in lieu of line-haul rail service performed under tariffs published by rail carriers (does not include traffic moved on joint rail-motor rates)

(a) Payments for transportation of persons \$

(b) Payments for transportation of freight shipments \$

† Governmental aid for providing passenger commuter or other passenger-train service included in account 108, as provided in item (d) of that account. \$

NOTE.—Gross charges for protective services to perishable freight, without deduction for any proportion thereof credited to account No. 101, "Freight" (not required from switching and terminal companies):

1. Charges for service for the protection against heat \$

2. Charges for service for the protection against cold \$

320. RAILWAY OPERATING EXPENSES

State the railway operating expenses on respondent's road for the year, classifying them in accordance with the Uniform System of Accounts for Railroad Companies, and analyzing them in accordance with the Commission's rules governing the separation of operating expenses between freight and passenger service; railroads. The returns to accounts 202-221 should be classified as provided for by instructions pertaining to those accounts in the effective rules. The designations shown in column (a) for these accounts are defined as follows:

Line No.	Name of railway operating expense account (a)	Amount of operating expenses for the year (b)			
		\$			
1	MAINTENANCE OF WAY AND STRUCTURES				
2	(201) Superintendence				
3	(202) Roadway maintenance—Yard switching tracks				
4	Roadway maintenance—Way switching tracks				
5	Roadway maintenance—Running tracks				
6	(206) Tunnels and subways—Yard switching tracks				
7	Tunnels and subways—Way switching tracks				
8	Tunnels and subways—Running tracks				
9	(208) Bridges, trestles, and culverts—Yard switching tracks				
10	Bridges, trestles, and culverts—Way switching tracks				
11	Bridges, trestles, and culverts—Running tracks				
12	(210) Elevated structures—Yard switching tracks				
13	Elevated structures—Way switching tracks				
14	Elevated structures—Running tracks				
15	(212) Ties—Yard switching tracks				
16	Ties—Way switching tracks				
17	Ties—Running tracks				
18	(214) Rails—Yard switching tracks				
19	Rails—Way switching tracks				
20	Rails—Running tracks				
21	(216) Other track material—Yard switching tracks				
22	Other track material—Way switching tracks				
23	Other track material—Running tracks				
24	(218) Ballast—Yard switching tracks				
25	Ballast—Way switching tracks				
26	Ballast—Running tracks				
27	(220) Track laying and surfacing—Yard switching tracks				
28	Track laying and surfacing—Way switching tracks				
29	Track laying and surfacing—Running tracks				
30	(221) Fences, snowsheds, and signs—Yard switching tracks				
31	Fences, snowsheds, and signs—Way switching tracks				
32	Fences, snowsheds, and signs—Running tracks				
33	(227) Station and office buildings				
34	(229) Roadway buildings				
35	(231) Water stations				
36	(233) Fuel stations				
37	(235) Shops and engine houses				
38	(247) Grain elevators				
39	(239) Storage warehouses				
40	(241) Wharves and docks				
41	(243) Coal and ore wharves				
42	(244) TOFC/COFC terminals				
43	(247) Communication systems				
44	(249) Signals and interlockers				
45	(253) Power plants				
46	(257) Power-transmission systems				
47	(265) Miscellaneous structures				
48	(266) Road property—Depreciation (p. 78)				
49	(267) Retirements—Road (p. 78)				
50	(269) Roadway machines				
51					
52					
53					

320. RAILWAY OPERATING EXPENSES—Continued

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

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

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

Any unusual accruals involving substantial amounts included in column (b) should be fully explained in a footnote.

RAIL-LINE EXPENSES, INCLUDING WATER TRANSFERS																		Line No.		
Expenses related solely to freight service (c)			Common expenses apportioned to freight service (d)			Total freight expense (e)			Related solely to passenger and allied services (f)			Common expenses apportioned to passenger and allied services (g)			Total passenger expense (h)				Other expenses not related to either freight or to passenger and allied services (i)	
\$			\$			\$			\$			\$			\$			\$		
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	x x	x x	x x
																				1
																				2
																				3
																				4
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320. RAILWAY OPERATING EXPENSES—Continued

Line No.	Name of railway operating expense account (a)	Amount of operating expenses for the year (b)		
		\$	XX	XX
MAINTENANCE OF WAY AND STRUCTURES—Continued				
54	(270) Dismantling retired road property.....			
55	(271) Small tools and supplies.....			
56	(272) Removing snow, ice, and sand.....			
57	(273) Public improvements—Maintenance.....			
58	(274) Injuries to persons.....			
59	(275) Insurance.....			
60	(276) Stationery and printing.....			
61	(277) Employees' health and welfare benefits.....			
62	(281) Right-of-way expenses.....			
63	(282) Other expenses.....			
64	(278) Maintaining joint tracks, yards, and other facilities—Dr.....			
65	(279) Maintaining joint tracks, yards, and other facilities—Cr.....			
66	Total—All road property depreciation (account 266).....			
67	Total—All other maintenance of way and structures accounts.....			
68	Total maintenance of way and structures.....			
MAINTENANCE OF EQUIPMENT				
69	(301) Superintendence.....			
70	(302) Shop machinery.....			
71	(304) Power-plant machinery.....			
72	(305) Shop and power-plant machinery—Depreciation (p. 80).....			
73	(306) Dismantling retired shop and power-plant machinery.....			
74	(311) Locomotives—Repairs, Diesel locomotives—Yard.....			
75	Locomotives—Repairs, Diesel locomotives—Other.....			
76	Locomotives—Repairs, Other than Diesel—Yard.....			
77	Locomotives—Repairs, Other than Diesel—Other.....			
78	(314) Freight-train cars—Repairs*.....			
79	(317) Passenger-train cars—Repairs.....			
80	(318) Highway revenue equipment—Repairs.....			
81	(323) Floating equipment—Repairs.....			
82	(326) Work equipment—Repairs.....			
83	(328) Miscellaneous equipment—Repairs.....			
84	(329) Dismantling retired equipment.....			
85	(330) Retirements—Equipment (p. 80).....			
86	(331) Equipment—Depreciation (p. 80).....			
87	(332) Injuries to persons.....			
88	(333) Insurance.....			
89	(334) Stationery and printing.....			
90	(335) Employees' health and welfare benefits.....			
91	(339) Other expenses.....			
92	(336) Joint maintenance of equipment expenses—Dr.....			
93	(337) Joint maintenance of equipment expenses—Cr.....			
94	Total—All equipment depreciation (accounts 305 and 331).....			
95	Total—All other maintenance of equipment accounts.....			
96	Total maintenance of equipment.....			
TRAFFIC				
97	(351) Superintendence.....			
98	(352) Outside agencies.....			
99	(353) Advertising**.....			
100	(354) Traffic associations.....			
101	(355) Fast freight lines.....			
102	(356) Industrial and immigration bureaus.....			
103	(357) Insurance.....			
104	(358) Stationery and printing.....			
105	(359) Employees' health and welfare benefits.....			
106	(360) Other expenses.....			
107	Total traffic.....			
108	*Includes debits of \$..... for charges on account of work done by others and includes credits of \$..... on account of work charged to others.			
109	**Value of transportation issued in exchange for advertising, \$.....			

320. RAILWAY OPERATING EXPENSES—Continued

RAIL-LINE EXPENSES, INCLUDING WATER TRANSFERS																									Line No.
Expenses related solely to freight service (c)			Common expenses apportioned to freight service (d)			Total freight expense (e)			Related solely to passenger and allied services (f)			Common expenses apportioned to passenger and allied services (g)			Total passenger expense (h)			Other expenses not related to either freight or to passenger and allied services (i)							
\$	XX	XX	XX	\$	XX	XX	XX	\$	XX	XX	XX	\$	XX	XX	XX	\$	XX	XX	XX	\$	XX	XX	XX		
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	XX	XX	XX		XX	XX	XX		XX	XX	XX		XX	XX	XX		XX	XX	XX		XX	XX	XX		
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320. RAILWAY OPERATING EXPENSES—Continued

Line No.	Name of railway operating expense account	Amount of operating expenses for the year		
	(a)	(b)		
	TRANSPORTATION—RAIL LINE	\$		
110	(371) Superintendence			
111	(372) Dispatching trains			
112	(373) Station employees			
113	(374) Weighing, inspection, and demurrage bureaus			
114	(375) Coal and ore wharves			
115	(376) Station supplies and expenses			
116	(377) Yardmasters and yard clerks			
117	(378) Yard conductors and brakemen			
118	(379) Yard switch and signal tenders			
119	(380) Yard enginemen			
120	(382) Yard switching fuel			
121	(383) Yard switching power produced			
122	(384) Yard switching power purchased			
123	(388) Servicing yard locomotives			
124	(389) Yard supplies and expenses			
125	(392) Train enginemen			
126	(394) Train fuel			
127	(395) Train power produced			
128	(396) Train power purchased			
129	(400) Servicing train locomotives			
130	(401) Trainmen			
131	(402) Train supplies and expenses*			
132	(403) Operating sleeping cars			
133	(404) Signal and interlocker operation			
134	(405) Crossing protection			
135	(406) Drawbridge operation			
136	(407) Communication system operation			
137	(408) Operating floating equipment			
138	(409) Employees' health and welfare benefits			
139	(410) Stationery and printing			
140	(411) Other expenses			
141	(414) Insurance			
142	(415) Clearing wrecks			
143	(416) Damage to property			
144	(417) Damage to livestock on right of way			
145	(418) Loss and damage—Freight			
146	(419) Loss and damage—Baggage			
147	(420) Injuries to persons			
148	(421) TOFC/COFC terminals			
149	(422) Other highway transportation expenses			
150	(390) Operating joint yards and terminals—Dr			
151	(391) Operating joint yards and terminals—Cr			
152	(412) Operating joint tracks and facilities—Dr			
153	(413) Operating joint tracks and facilities—Cr			
154	Total transportation—Rail line			
	*Includes gross charges and credits for heater and refrigerator service as follows:			
155	Freight train cars: Refrigerator—Charges			
156	—Credits			
157	Heater—Charges			
158	—Credits			
159	TOFC trailers: Refrigerator—Charges			
160	—Credits			
161	Heater—Charges			
162	—Credits			

320. RAILWAY OPERATING EXPENSES—Continued

RAIL-LINE EXPENSES, INCLUDING WATER TRANSFERS																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
Expenses related solely to freight service				Common expenses apportioned to freight service				Total freight expense				Related solely to passenger and allied services				Common expenses apportioned to passenger and allied services				Total passenger expense				Other expenses not related to either freight or to passenger and allied services				Line No.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
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320. RAILWAY OPERATING EXPENSES—Continued

Line No.	Name of railway operating expense account (A)	Amount of operating expenses for the year (B)			
		\$	1	1	1
	MISCELLANEOUS OPERATIONS				
163	(441) Dining and buffet service.....				
164	(442) Hotels and restaurants.....				
165	(443) Grain elevators.....				
166	(445) Producing power sold.....				
167	(446) Other miscellaneous operations.....				
168	(449) Employees' health and welfare benefits.....				
169	(447) Operating joint miscellaneous facilities—Dr.....				
170	(448) Operating joint miscellaneous facilities—Cr.....				
171	Total miscellaneous operations.....				
	GENERAL				
172	(451) Salaries and expenses of general officers.....				
173	(452) Salaries and expenses of clerks and attendants.....				
174	(453) General office supplies and expenses.....				
175	(454) Law expenses.....				
176	(455) Insurance.....				
177	(456) Employees' health and welfare benefits.....				
178	(457) Pensions.....				
179	(458) Stationery and printing.....				
180	(460) Other expenses.....				
181	(461) General joint facilities—Dr.....				
182	(462) General joint facilities—Cr.....				
183	Total general expenses.....				
184	Grand total railway operating expenses.....				
185	Operating ratio (ratio of operating expenses to operating revenues)..... percent. (Two decimal places required).....				

186 Amount of employee compensation† (applicable to the current year) chargeable to operating expenses: \$.....

*Give description and amount of charges to account No. 460, "Other expenses," for severance payments made to employees. This includes payments made as a result of agreements with employee organizations and awards pursuant to decisions of arbitration boards or by specific orders of this Commission or by voluntary action on the part of respondent. This also includes severance payments in cases relating to mergers and situations involving reduction in employees because of abandonment or consolidation of facilities.

Description of payments

Amount

NONE

†Includes "straight time paid for" in train and engine service, and "time actually worked and paid for at straight time rates" in other services; all overtime in train and engine service, and overtime paid for at punitive rates in other services; and "constructive allowances, including vacations and holidays" in train and engine service and "vacations, holidays, and other allowances" in other services. (Compensation chargeable to operating expenses applicable to prior years, which was paid or is payable under labor awards of the current year or for other reasons, should be shown in Schedule M1C and not included in this return.)

NONE

320. RAILWAY OPERATING EXPENSES—Concluded

RAIL-LINE EXPENSES, INCLUDING WATER TRANSFERS																Line No.				
Expenses related solely to freight service (c)			Common expenses apportioned to freight service (d)			Total freight expense (e)			Related solely to passenger and allied services (f)			Common expenses apportioned to passenger and allied services (g)			Total passenger expense (h)			Other expenses not related to either freight or to passenger and allied services (i)		
\$			\$			\$			\$			\$			\$			\$		
XX	XX	XX	XX	XX	XX	XX	XX	XX	NONE	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
																		</		

322. ROAD PROPERTY—DEPRECIATION

Give the particulars called for with respect to the amount charged to account 266, "Road property—Depreciation," for the year.

Line No.	Subaccount (a)	Amount of operating expenses for the year (b)		
		\$		
	NONE			
301	(1) Engineering.....			
302	(2½) Other right-of-way expenditures.....			
303	(3) Grading.....			
304	(5) Tunnels and subways.....			
305	(6) Bridges, trestles, and culverts.....			
306	(7) Elevated structures.....			
307	(13) Fences, snowsheds, and signs.....			
308	(16) Station and office buildings.....			
309	(17) Roadway buildings.....			
310	(18) Water stations.....			
311	(19) Fuel stations.....			
312	(20) Shops and enginehouses.....			
313	(21) Grain elevators.....			
314	(22) Storage warehouses.....			
315	(23) Wharves and docks.....			
316	(24) Coal and ore wharves.....			
317	(25) TOFC/COFC terminals.....			
318	(26) Communication systems.....			
319	(27) Signals and interlockers.....			
320	(29) Power plants.....			
321	(31) Power-transmission systems.....			
322	(35) Miscellaneous structures.....			
323	(37) Roadway machines.....			
324	(39) Public improvements—Construction.....			
325	All other road accounts.....			
326	Total (account 266).....			

324. RETIREMENTS—ROAD

Give the particulars called for with respect to the amount included in account 267, "Retirements—Road," for the year.

Line No.	Subaccount (a)	Amount of operating expenses for the year (b)		
		\$		
	NONE			
341	(1) Engineering.....			
342	(2½) Other right-of-way expenditures.....			
343	(3) Grading.....			
344	(5) Tunnels and subways.....			
345	(8) Ties.....			
346	(9) Rails.....			
347	(10) Other track material.....			
348	(11) Ballast.....			
349	(12) Track laying and surfacing.....			
350	(38) Roadway small tools.....			
351	(39) Public improvements—Construction.....			
352	(43) Other expenditures—Road.....			
353	(76) Interest during construction.....			
354	(77) Other expenditures—General.....			
355	(80) Other elements of investment.....			
356	All other road accounts.....			
357	Total (account 267).....			

322. ROAD PROPERTY—DEPRECIATION

RAIL-LINE EXPENSES, INCLUDING WATER TRANSFERS															Line No.									
Expenses related solely to freight service (e)			Common expenses apportioned to freight service (d)			Total freight expense (c)			Related solely to passenger and allied services (f)			Common expenses apportioned to passenger and allied services (g)				Total passenger expense (h)			Other expenses not related to either freight or to passenger and allied services (i)					
\$			\$			\$			\$			\$			\$			\$			\$			
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324. RETIREMENTS—ROAD

RAIL-LINE EXPENSES, INCLUDING WATER TRANSFERS															Line No.						
Expenses related solely to freight service (e)			Common expenses apportioned to freight service (d)			Total freight expense (c)			Related solely to passenger and allied services (f)			Common expense apportioned to passenger and allied services (g)				Total passenger expense (h)			Other expenses not related to either freight or to passenger and allied services (i)		
\$			\$			\$			\$			\$			\$			\$			
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326. SHOP AND POWER-PLANT MACHINERY—DEPRECIATION

Give the particulars called for with respect to the amount charged to account 305, "Shop and power-plant machinery—Depreciation," for the year.

Line No.	Subaccount (a)	Amount of operating expenses for the year (b)		
		\$		
391	(44) Shop machinery.....	NONE		
392	(45) Power-plant machinery.....			
393	Total (account 305).....			

328. RETIREMENTS—EQUIPMENT

Give the particulars called for with respect to the amount included in account 330, "Retirements—Equipment," for the year.

Line No.	Subaccount (a)	Amount of operating expenses for the year (b)		
		\$		
401	(52) Locomotives.....	NONE		
402	(53) Freight-train cars.....			
403	(54) Passenger-train cars.....			
404	(55) Highway revenue equipment.....			
405	(56) Floating equipment.....			
406	(57) Work equipment.....			
407	(58) Miscellaneous equipment.....			
408	(76) Interest during construction.....			
409	(77) Other expenditures—General.....			
410	(80) Other elements of investment.....			
411	Total (account 330).....			

330. EQUIPMENT—DEPRECIATION

Give the particulars called for with respect to the amount charged to account 331, "Equipment—Depreciation," for the year.

Line No.	Subaccount (a)	Amount of operating expenses for the year (b)		
		\$		
421	(52) Locomotives—Yard.....	NONE		
422	(52) Locomotives—Other.....			
423	(53) Freight-train cars.....			
424	(54) Passenger-train cars.....			
425	(55) Highway revenue equipment.....			
426	(56) Floating equipment.....			
427	(57) Work equipment.....			
428	(58) Miscellaneous equipment.....			
429	Total (account 331).....			

326. SHOP AND POWER-PLANT MACHINERY—DEPRECIATION—Continued

RAIL-LINE EXPENSES, INCLUDING WATER TRANSFERS												Other expenses not related to either freight or to passenger and allied services			Ltn. No.	
Expenses related solely to freight service (c)		Common expenses apportioned to freight service (d)		Total freight expense (e)		Related solely to passenger and allied services (f)		Common expenses apportioned to passenger and allied services (g)		Total passenger expense (h)						(i)
\$		\$		\$		\$		\$		\$		\$		\$		
						NONE										391
																392
																393

328. RETIREMENTS—EQUIPMENT—Continued

RAIL-LINE EXPENSES, INCLUDING WATER TRANSFERS																Other expenses not related to either freight or to passenger and allied services				Line No.								
Expenses related solely to freight service (c)				Common expenses apportioned to freight service (d)				Total freight expense (e)				Related solely to passenger and allied services (f)				Common expenses apportioned to passenger and allied services (g)				Total passenger expense (h)				(i)				
\$				\$				\$				\$				\$				\$				\$				
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330. EQUIPMENT—DEPRECIATION—Continued

RAIL-LINE EXPENSES, INCLUDING WATER TRANSFERS															Other expenses not related to either freight or to passenger and allied services		Line No.	
Expenses related solely to freight service (c)			Common expenses apportioned to freight service (d)			Total freight expense (e)			Related solely to passenger and allied services (f)			Common expenses apportioned to passenger and allied services (g)			Total passenger expense (h)			
\$			\$			\$			\$			\$			\$			
NONE																		431
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350. RAILWAY TAX ACCRUALS

1. In Sections A and B show the particulars called for with respect to net accruals of taxes on railroad property, and U.S. Government taxes charged to account 532, "Railway tax accruals" of the re-

spondent's Income account for the year.

2. In Section C show an analysis and distribution of Federal income taxes.

A. Other Than U.S. Government Taxes					B. U.S. Government Taxes				
Line No.	State (a)	Amount (b)			Kind of tax (c)	Amount (d)			Line No.
1	Alabama	NONE			Income taxes:	NONE			
2	Alaska				Normal tax and surtax	x x	x x	x x	58
3	Arizona				Excess profits				59
4	Arkansas				TOTAL--Income taxes				60
5	California				Old-age retirement*				61
6	Colorado				Unemployment insurance				62
7	Connecticut				All other United States taxes				63
8	Delaware				Total--U.S. Government taxes				64
9	Florida				GRAND TOTAL--Railway Tax Accruals				
10	Georgia				(account 532)				65
11	Hawaii				C. Analysis of Federal Income Taxes				
12	Idaho				Provision for income taxes based on taxable net income recorded in the accounts for the year	\$ NONE			66
13	Illinois				Net decrease (or increase) because of use of accelerated depreciation under section 167 of the Internal Revenue Code and guideline lives pursuant to Revenue Procedure 62-21 and different basis used for book depreciation				67
14	Indiana				Net increase (or decrease) because of accelerated amortization of facilities under section 168 of the Internal Revenue Code for tax purposes and different basis used for book depreciation				68
15	Iowa				Net decrease (or increase) because of investment tax credit authorized in Revenue Act of 1962				69
16	Kansas				Net decrease (or increase) because of accelerated amortization of certain rolling stock under section 184 of the Internal Revenue Code and basis used for book depreciation				70
17	Kentucky				Net decrease or (or increase) because of amortization of certain rights-of-way investment under section 185 of the Internal Revenue Code				71
18	Louisiana								72
19	Maine								73
20	Maryland								74
21	Massachusetts								75
22	Michigan								76
23	Minnesota								77
24	Mississippi								78
25	Missouri								79
26	Montana								80
27	Nebraska								81
28	Nevada								82
29	New Hampshire								83
30	New Jersey								84
31	New Mexico								85
32	New York								86
33	North Carolina								87
34	North Dakota								
35	Ohio								
36	Oklahoma								
37	Oregon								
38	Pennsylvania								
39	Rhode Island								
40	South Carolina								
41	South Dakota								
42	Tennessee								
43	Texas								
44	Utah								
45	Vermont								
46	Virginia								
47	Washington								
48	West Virginia								
49	Wisconsin								
50	Wyoming								
51	District of Columbia								
52	OTHER	x x	x x	x x					
53	Canada								
54	Mexico								
55	Puerto Rico								
56									
57	TOTAL--Other than U.S. Government taxes								

Note.--The amount shown on line 60 should equal line 83; the amount shown on line 82 should equal line 87.

*Includes taxes for hospital insurance (Medicare) and supplemental annuities as follows:

Hospital insurance	\$	88
Supplemental annuities		89

351. RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report hereunder a reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount.

2. If the respondent is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating however, intercompany amounts to be eliminated in such consolidated return.

Line No.		
1	Net income for year from Schedule 300 (p. 66)-----	\$-----
	Reconciling amounts (list additional income and unallowable deductions followed by additional deductions and nontaxable income)	
2	-----	-----
3	-----	-----
4	-----	-----
5	-----	-----
6	-----	-----
7	-----	-----
8	-----	-----
9	-----	-----
10	-----	-----
11	-----	-----
12	-----	-----
13	-----	-----
14	-----	-----
15	-----	-----
16	-----	-----
17	-----	-----
18	-----	-----
19	-----	-----
20	-----	-----
21	-----	-----
22	-----	-----
23	-----	-----
24	-----	-----
25	-----	-----
26	-----	-----
27	-----	-----
28	-----	-----
29	-----	-----
30	Federal tax net income-----	-----
31	Amount taxed as ordinary income -----	\$-----
32	Amount taxed as capital gains -----	-----
33	Total (should be same as line 30)-----	-----

352. COMPUTATION OF FEDERAL INCOME TAXES

All carriers who are not members of a group which files a consolidated Federal tax return shall complete parts 1 and 3. Carriers who are members of a group which files a consolidated Federal tax return shall complete parts 2 and 3. All carriers shall furnish information requested at bottom of schedule.

Line
No.

1. Computation of tax accrual on a separate return:

1	Tax on ordinary income	\$
2	Tax on capital gains .....	.....
3	Total tax .....	.....
4	Less tax credits .....	.....
5	Tax accrual for year .....	.....

2. If respondent is a member of an affiliated group which files a consolidated tax return, compute tax accrual in (a) as if filing on a separate return basis. Also compute tax accrual in (b) to reflect tax liability as allocated to respondent on consolidated tax return and complete Schedule 353.

(a) Computation of tax on separate return basis:

6	Tax on ordinary income	\$
7	Tax on capital gains .....	.....
8	Total tax .....	.....
9	Less tax credits .....	.....
10	Tax accrual for year .....	.....

(b) Allocation of tax on consolidated return:

11	Allocated tax on ordinary income	\$
12	Allocated tax on capital gains .....	.....
13	Total tax .....	.....
14	Less tax credits allocated to respondent .....	.....
15	Tax accrual for year .....	.....

3. Distribution of tax accrual:

16	Account 532	\$
17	Account 590 .....	.....
18	Other (Specify) .....	.....
19	.....	.....
20	Tax accrual for year .....	.....

21	Net decrease (or increase) in tax because of computing book depreciation under Commission rules and computing tax depreciation using the items listed below.....	\$
	-Accelerated depreciation under section 167 of the Internal Revenue Code.	
	-Guideline lives pursuant to Revenue Procedure 62-21.	
	-Guideline lives under Class Life System (Asset Depreciation Range) as provided in the Revenue Act of 1971.	

22	Net increase (or decrease) in tax because of accelerated amortization of facilities under Section 168 of the Internal Revenue Code for tax purposes and different basis used for book depreciation.....	\$
----	---	----------

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

Flow-through Deferral

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

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

26	Deduct amount of current year's investment tax credit applied to reduction of tax liability but deferred for accounting purposes.....	\$
----	---	----------

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

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

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

30	Net decrease (or increase) in tax because of accelerated amortization of certain rolling stock under Section 184 of the Internal Revenue Code and basis used for book depreciation.....	\$
----	---	----------

31	Net decrease (or increase) in tax because of amortization of certain rights-of-way investment under Section 185 of the Internal Revenue Code.....	\$
----	---	----------

353. CONSOLIDATED FEDERAL INCOME TAX INFORMATION

To be completed by carriers who are members of a group which files a consolidated Federal tax return. Give particulars for latest consolidated return filed.

Line No.					
1	1. Schedule of affiliated companies included in consolidated return and allocation of tax liability for tax year ended, 19....				
	Name of Company	Book Income	Taxable Income	Tax liability on separate return basis	Tax allocated on consolidated return
2	Carriers regulated by ICC:				
	Respondent	\$.....	\$.....	\$.....	\$.....
3	Other carriers:				
4	.....	.....	.....	.....	.....
5	.....	.....	.....	.....	.....
6	.....	.....	.....	.....	.....
7	.....	.....	.....	.....	.....
8	.....	.....	.....	.....	.....
9	.....	.....	.....	.....	.....
10	Totals-ICC regulated carriers	.....	.....	.....	.....
	Other affiliates:				
11	.....	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
12	.....	XXXX-XXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
13	.....	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
14	.....	XXLXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
15	.....	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
16	.....	.....	.....	.....	.....
17	Totals-Other affiliates	.....	.....	.....	.....
18	Grand totals	.....	.....	.....	.....
	2. Indicate method of allocating the consolidated tax liability to the affiliated companies as elected under the provisions of Internal Revenue Code Section 1552 by specifying subsection 1, 2, 3 or 4. If subsection 4 is designated, describe method of allocation.				
19	Consolidated tax liability is allocated under Section 1552 (a) (....)				
20	.....			
21	.....			
22	.....			
23	3. (a) Are tax loss companies paid by the group for the tax benefits arising from the inclusion of their losses in the consolidated return? Specify. Yes.... No....				
	(b) If loss companies are paid for tax benefits, describe method of allocating the tax savings and the method of payment.				
24	.....			
25	.....			

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. Properties leasing at less than \$100,000 per annum may be combined under a single entry designated, "Minor items, each less than \$100,000 per annum."

Line No.	Description of property (a)	Name of lessee (b)	Total rent accrued during year (account 509) (c)
1	NONE		
2			
3			
4			
5			
		Total	

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 date of the grant, (2) the chain of title (in case of assignment or subletting) and dates of transfer connecting the original parties with the present parties, (3) the basis on which the amount of the annual rent is determined, and (4) 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 Interstate Commerce 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.

If the respondent has any reversionary interest in railroad property from which it derives no rent, give the particulars hereunder; if it has no such reversionary interest, state that fact.

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

NONE

372. MISCELLANEOUS RENT INCOME

Give particulars of rents receivable accrued for use of all properties not otherwise specified under rents receivable. This account is for rent income from property not operated by the respondent but the cost of which is properly included in cost of road and equipment. It should not be confused with operating revenue account No. 142, "Rents of buildings and other property", which is for rent revenue from operated property

in road and equipment the cost of operation of which cannot be separately stated.

Properties renting at less than \$100,000 per annum may be combined under a single entry designated "Minor items, each less than \$100,000 per annum."

Line No.	Description of Property		Name of lessee (e)	Amount of rent (d)	
	Name (a)	Location (b)			
31	NONE				
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
			Total		

375. SEPARATELY OPERATED PROPERTIES—PROFIT OR LOSS

Give particulars of the several separately operated properties of companies having a corporate existence separate and distinct from that of the respondent, the profits or losses resulting from the operation of which are receivable or payable in whole or in part by the respondent, and for each such separately operated property state the amount of such profits or losses accrued to the respondent during the year. Separately operated prop-

erties, each having a profit or loss accrued to respondent of less than \$100,000 during the year, may be combined under a single entry designated "Minor items, each less than \$100,000."

No dividends or other returns on securities held by or for the respondent should be shown hereunder nor any interest on construction advances or other loans.

Line No.	Description of property operated (a)	Location of property (b)	Name of operator (c)	ACCRUED TO RESPONDENT					
				Profit (d)			Loss (e)		
1	NONE			\$			\$		
2									
3									
4									
5									
6									
7									
8									
9									
10			TOTAL						

375. HIRE OF FREIGHT CARS

1. Show a recapitulation of the total amounts credited and charged during the year to hire of freight cars on account of freight cars leased, freight cars interchanged, private and individual cars, auto racks and highway trailers. The difference between the total amount receivable and the total amount payable should be entered as a balance, receivable or payable as the case may be, and should be consistent with the entry for hire of freight cars in the Income Account, on page 300.

2. In column (b) show the total car-miles, both loaded and empty whether paid for on loaded and empty basis or loaded basis only. Car-miles, loaded and empty, reported in column (b), lines 1 through 4, relate to total car-miles incurred on lines of respondent by cars rented on a mileage basis, for which payments are reported in columns (d) and (f). Exclude from lines 1 through 4, data applicable to TOFC and COFC cars and cars rented on a combination mileage and per diem* basis. These exclusions should be reported in lines 5 and 6 through 16.

3. On line 5, column (b), enter the total miles, loaded plus empty, incurred on lines of respondent by TOFC and COFC cars for which payments are reported in columns (d) and (f). In columns (c) through (f), as applicable, enter the rentals paid for TOFC and COFC cars regardless of basis for charges.

4. On lines 6, 7, and 8 report data applicable to all cars the rentals for which are charged only on a combination mileage and per diem* basis. Car-miles loaded and empty, reported in column (b), lines 6, 7, and 8, relate to total car-miles incurred on lines of respondent by cars rented on a combination mileage and time basis* for which payments are reported in columns (d) and (f). Exclude from lines 6, 7, and 8, data reported on lines 1 through 5 and 9 through 16.

5. On lines 9 through 14 report the per diem (time portion) charges applicable to cars rented on a combination mileage and per diem* basis for which the mileage portion was reported on lines 6, 7, and 8. Report on line 15, columns (c) and (d), the car-days paid for and for which payments were received applicable to the unequipped boxcar charges reported on lines 9 through 12. Report on line 16, columns (c) and (d), the car-days paid for and for which payments were received applicable to cars, other than unequipped box cars, for which charges are reported on line 13.

6. Amounts payable to insurance companies and to other non-carrier companies for lease rental of cars should be included on line 17, column (f). Amounts receivable from railroads or other carriers for per diem rental of these cars should be reported on lines 6 through 16, column (c).

7. Line 21 refers to the auto racks separate and apart from the cars on which the racks are installed.

*Combination mileage and per diem refers to cars moving at rates per mile and per day prescribed by the Commission in Docket No. 31358 or updated computations thereof.

Line No.	Item (a)	Car-miles (loaded and empty) See Instructions 2, 3, and 4 (b)	CARS OF RESPONDENT OR OTHER CARRIERS (Excluding cars of private car lines)		CARS OF INDIVIDUALS AND COMPANIES NOT CARRIERS (Including cars of private car lines)	
			Gross amount receivable (c)	Gross amount payable (d)	Gross amount receivable (e)	Gross amount payable (f)
	FREIGHT CARS					
	<u>Mileage Basis:</u>	NONE				
1	Tank cars-----		\$-----	\$-----	\$-----	\$-----
2	Refrigerator cars-----					
3	All other cars-----					
4	Total (Lines 1-3)-----					
5	<u>TOFC and/or COFC Cars</u>					
	<u>Combination Mileage and</u>					
	<u>Per Diem Basis:</u>					
	<u>Mileage Portion:</u>					
6	Unequipped box cars-----					
7	All other per diem cars-----					
8	Total (Lines 6 and 7)-----					
	<u>Per Diem Portion:</u>					
	<u>Unequipped Box Cars:</u>					
	<u>U.S. Ownership:</u>					
9	Basic-----					
10	Incentive-----					
	<u>Canadian Ownership:</u>					
11	Basic-----					
12	Incentive-----					
13	All Other Per Diem Cars-----					
14	Total Per Diem Portion (Lines 9-13)-----					
15	Car-days Paid For Unequipped Box Cars-----					
16	Car-days Paid For, All Other Per Diem Cars-----					
17	Leased Rental-Railroad, Insurance and Other Companies-----		\$-----	\$-----	\$-----	\$-----
18	Other Basic-----					
	OTHER FREIGHT CARRYING EQUIPMENT					
19	Refrigerated Highway Trailers-----					
20	Other Highway Trailers-----					
21	Auto Racks-----					
22	GRAND TOTAL (Lines 4, 5, 8, 14 & 17-21)-----					
23	NET BALANCE CARRIED TO INCOME ACCOUNT: CREDIT \$			or	DEBIT \$	
	Net Balance of Unequipped box car rentals included in Line 23:					
24	Basic-----		Credit \$-----		or Debit \$-----	
25	Incentive-----		Credit \$-----		or Debit \$-----	

377. LOCOMOTIVE RENTALS

Give an analysis as requested of amounts credited to account 504, "Rent from locomotives," and amounts charged to account 537, "Rent for locomotives," on account of locomotives leased or otherwise rented.

Line No.	Item (a)	Amount receivable (b)			Amount payable (c)			Remarks (d)
		\$			\$			
1	Locomotives of respondent or other carriers: NONE	xx	xx	xx	xx	xx	xx	
2	Mileage basis.....							
3	Per diem basis.....							
4	Other basis.....							
5	Locomotives of individuals and companies not carriers:	xx	xx	xx	xx	xx	xx	
6	Mileage basis.....							
7	Per diem basis.....							
8	Lease rental—insurance and other companies.....							
9	Other basis.....							
10	Total.....							

378. PASSENGER-TRAIN CAR RENTALS

Show a recapitulation of the total amounts credited to account 505, "Rent from passenger-train cars," and amounts charged to account 538, "Rent for passenger-train cars," on account of passenger cars leased, passenger cars interchanged, and private or individual cars.

Line No.	Item (a)	Amount receivable (b)			Amount payable (c)			Remarks (d)
		\$			\$			
1	Cars of respondent or other carriers: NONE	xx	xx	xx	xx	xx	xx	
2	Mileage basis.....							
3	Per diem basis.....							
4	Other basis.....							
5	Cars of individuals and companies not carriers:	xx	xx	xx	xx	xx	xx	
6	Mileage basis.....							
7	Per diem basis.....							
8	Lease rental—insurance and other companies.....							
9	Other basis.....							
10	Total.....							

383. RENT 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. If the respondent held under lease during all or any part of the

year any road upon which no rent payable accrued, or if any portion of the charge shown hereunder is for construction on a line in which the respondent's leasehold interest will soon expire, give full particulars in a footnote.

4. Properties rented for less than \$100,000 per annum may be combined under a single entry designated, "Minor items, each less than \$100,000 per annum."

Line No.	Name of lessor or reversioner and description of property	Total rent accrued during year (Acct. 542)	CLASSIFICATION OF AMOUNT IN COLUMN (b)					
			Interest on bonds		Dividends on stocks		Cash	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	NONE							
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20	TOTAL							

383A. ABSTRACTS OF LEASEHOLD CONTRACTS

1. Give brief abstracts of the terms and conditions of the leases under which the respondent holds the properties above named, showing particularly (1) the date of the lease, (2) the chain of title and dates of transfers connecting the original lessee with the respondent in case of assignment or subletting, (3) the basis on which the amount of the annual rent is determined, and (4) the date 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 Interstate Commerce Commission's authority for the lease, if any. If none, state the reasons therefor.

2. In lieu of the abstracts here called for, the respondent may file copies of lease agreements and give specific references to copies heretofore filed with the Commission.

NOTE.—Only changes during the year are required.

384. MISCELLANEOUS RENTS

Give particulars of all properties the rents on which were charged by the respondent during the year to Income, under the head "Miscellaneous rents," showing for each item the total charge therefor to Income. Items amounting to less than \$100,000 for the year may be combined into a single entry designated "Minor items, each less than \$100,000."

Line No.	DESCRIPTION OF PROPERTY		Name of owner (c)	Amount charged to Income (d)		
	Name (a)	Location (b)		\$		
31						
32						
33	NONE					
34						
35						
36						
37						
38						
39						
40						
			TOTAL			

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

Give a brief description for all items, regardless of amount, included during the year in accounts 570, "Extraordinary items"; 580, "Prior period items"; 590, "Federal income taxes on extraordinary and prior period items"; 600, "Other credits to retained income"; 610, "Other debits to retained income"; 620, "Appropriations for sinking and other reserve funds"; 621, "Appropriations for other purposes"; and 622, "Appropriations released". Give brief description of each item amounting to \$100,000 or more included during the year in accounts 519,

"Miscellaneous income", and 551, "Miscellaneous income charges"; items less than \$100,000 may be combined into a single entry designated "Other items, each less than \$100,000." The entries for each account shall be listed and the total for each account shall be shown corresponding to the amounts in Schedules 300 and 305, as appropriate. In case the character of any item is not fully disclosed by the entries in the columns hereunder, make a full explanation in a footnote.

Line No.	Account No. (a)	Item (b)	Debits (c)		Credits (d)	
1	551	Miscellaneous Income Charges -				
2		Excess of carrying value over market value of Norfolk and				
3		Western Railway Company common stock exchanged for preferred	20	247		
4		Ray-Wynn Litigation Settlement stk.	100	000		
5			120	247		
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						

MEMORANDA RELATING TO SELECTED INCOME AND RETAINED INCOME ACCOUNTS

397. STATEMENT OF CHANGES IN FINANCIAL POSITION

Give the information as requested concerning the source and application of funds during the year. Funds for the purpose of this schedule shall include all assets or financial resources even though a transaction may not directly affect cash or working capital. For example, the purchase of property in exchange for shares of stock or bonds would be an application of funds for investment in property provided by the issue of securities. Sources and uses of funds should be individually disclosed. For example, outlays for fixed assets should not be reported net of retirements.

Line No.		
	Sources of funds:	
1	Net income (page 66, line 69)	\$ 4,132,754
	Add non-cash charges for -	
2	Depreciation and amortization	47,171
3	Retirements of nondepreciable property	
	Add non-cash charges for additions (deduct for decreases) to reserves:	
4	Pension and welfare reserves	
5	Insurance reserves	
6	Casualty and other reserves	
7	Interest in default	
8	Other important items (specify) <u>Deferral of interest accrued on investment</u>	(140,159)
9	.....
10	Funds provided by operations	\$ 4,039,766
11	Proceeds from sale of capital stock of own issue	
12	Proceeds from sale of funded debt and other obligations of own issue (except equipment obligations)	
13	Proceeds from sale of equipment obligations of own issue	
14	Book value of depreciable transportation property retired during year	\$
15	Less service value charged to accrued depreciation account	
16	Net book value of miscellaneous physical property disposed of during year	
17	Net book value of investment securities disposed of during year	2,465,319
18	Advances, notes and other debts repaid by affiliated companies	2,000,000
19	Advances, notes and other debts repaid by other companies	
20	Net decrease in sinking and other reserve funds	
21	Net decrease in working capital (total current assets less total current liabilities)*	
22	Other sources (specify) <u>Unpaid demand notes exchanged for convertible subordinated note</u>	10,000,000
23	<u>Increase in paid-in-surplus resulting from the exchange of preferred</u>	
24	<u>stock for Norfolk & Western Railway Company common stock</u>	1,255,257
25	.....
26	Total Sources of funds (should be same as line 43)	\$ 19,760,342
	Application of funds:	
27	Investment in transportation property (excluding donations and grants)	\$
28	Investment in miscellaneous physical property	
29	Investments and advances, affiliated ICC regulated carriers	10,000,000
30	Investments and advances, other affiliated companies	10,000,000
31	Investments in nonaffiliated companies	
32	Advances, notes and other debts repaid to other companies	
33	Capital stock of own issue reacquired	2,842,800
34	Funded debt and other obligations paid or reacquired, (except equipment obligations)	2,000,000
35	Equipment obligations paid or reacquired	
36	Net increase in sinking and other reserve funds	
37	Payment of dividends (other than stock dividends)	989,836
38	Net increase in working capital*	3,889,889
39	Other applications (specify) <u>Adjustment to capital surplus for liability resulting from</u>	
40	<u>1972 change in exchange ratio of preferred stock for Norfolk &</u>	
41	<u>Western Railway Company common stock</u>	
42	.....	32,817
43	Total Application of funds (should be same as line 26)	\$ 19,760,342

* For the purpose of this schedule, account 764, Long-term Debt Due Within One Year, shall be classified as a current liability in the determination of working capital.

INSTRUCTIONS CONCERNING RETURNS IN SCHEDULE 411

State particulars of all tracks *operated* by the respondent at the close of the year, according to the following classification:

- (1) Line owned by respondent;
- (2) Line owned by proprietary companies;
- (3) Line operated under lease for a specified sum, lessor being (A) an affiliated corporation, or (B) independent or not affiliated with respondent;
- (4) Line operated under contract or agreement for contingent rent, owner being (A) an affiliated corporation, or (B) independent or not affiliated with respondent;
- (5) Line operated under *trackage rights*.

Give subtotals for each of the several numbered classes, in the order listed above, as well as the total for all classes.

Lengths should be stated to the nearest hundredth of a mile.

In column (a) insert the figure (and letter, if any) indicating its class in accordance with the preceding classification.

In column (b) give the various proportions of each class owned or leased by respondent, listing each proportion once in any grouping. Canadian mileage should be segregated and identified on separate lines in the various groupings. For each listing, in column (d) give its entire length (the distances between termini of single or first main track), and in the following columns the lengths of second main track; all other main tracks; passing tracks, cross-overs and turn-outs; way switching tracks; and yard switching tracks. These 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 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.

The returns in columns (A) and (i) should include tracks serving industries, such as mines, mills, smelters, factories, etc., not classifiable under "branch lines" as defined below. Tracks belonging to an industry for which no rent is payable should not be included.

Tracks leading to and in gravel and sand pits and quarries, the cost of which is chargeable to a clearing account and which are used in getting out material for the respondent's use, should not be included.

Class (1) includes all lines operated by the respondent at the close of the year to which it has title in perpetuity.

In classifying line between *main* and *branch* (column (c)), use the distinction usually followed by respondent. Branch lines are distinguished from industrial tracks or yard tracks and sidings in that branch lines serve one or more stations beyond the point of junction with the main line or another branch line and to or from which stations train service, or its equivalent, is performed.

Class (2) includes each line full title to which is in an inactive proprietary corporation of the respondent (i.e., one all of whose outstanding stocks or obligations are held by or for the respondent, and which is operated by the respondent or an affiliated system corporation 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 set forth in a footnote. 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.

Class (3) includes all tracks operated under a lease or formal conveyance of less than the grantor's interest in the property, with a specific and unconditional rent reserved. The fact that the lessor does or does not maintain an independent organization for financial purposes is immaterial in this connection.

Class (4) is the same as class (3) except that the rent reserved is conditional upon earnings or other fact.

Class (5) includes all tracks operated and maintained by others but over which the respondent has the right to operate some or all of its trains. In the road of this class the respondent has no proprietary rights but only the rights of a licensee. Include in this class, also, all main tracks, industrial tracks and sidings owned by noncarrier companies and individuals when the respondent operates over them, but does not have exclusive possession of them.

Road held by the respondent as *joint or common owner* or a *joint lessee* or under any *joint arrangement* should be shown in its appropriate class and the entry of length should be of the entire length of the portion jointly held. The class symbol should have the letter (J) attached.

Road operated by the respondent as agent for another carrier should not be included in this schedule.

411. MILEAGE OPERATED AT CLOSE OF YEAR
(For other than switching and terminal companies)

Line No.	Class	Proportion owned or leased by respondent	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)	
1										
2										
3										
4		NONE								
5										
6										
7										
8										
9										
10										
11										
12										
13										
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411-A. MILEAGE OWNED BUT NOT OPERATED BY RESPONDENT AT CLOSE OF YEAR

If any of the tracks returned in this schedule are operated by other than the respondent, the name of the company or individual operating them and the conditions under which they are held for operation should be shown in a footnote. Tracks which have been permanently abandoned should not be included in this schedule.

Line No.	Class	Name of road or track	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)	
1										
2										
3		NONE								
4										
5										
6										
7										
8										
9										
10										
11		TOTAL								

412. MILES OF ROAD AT CLOSE OF YEAR—BY STATES AND TERRITORIES (SINGLE TRACK)

(For other than switching and terminal companies)

Give particulars, as of the close of the year, of all road operated and of all owned but not operated. The respondent's proportion of operated road held by it as joint or common owner, or under a joint lease, or under any joint arrangement,

should be shown in columns (b), (c), (e), or (f), as may be appropriate. The remainder of jointly operated mileage should be shown in column (g). Respondent's proportion of road jointly owned, not operated, should be shown in columns (i) and (j), as

may be appropriate. Tracks which have been permanently abandoned should not be included in columns (i) and (j).

Lengths should be stated to the nearest hundredth of a mile.

Line No.	State or territory (a)	ROAD OPERATED BY RESPONDENT								LINE OWNED, NOT OPERATED BY RESPONDENT				New line constructed during year (k)
		LINE OWNED		Line of proprietary companies (d)	Line operated under lease (e)	Line operated under contract, etc. (f)	Line operated under trackage rights (g)	Total mileage operated (h)	Main line (i)	Branch lines (j)				
		Main line (b)	Branch lines (c)											
1														
2														
3														
4				NONE										
5														
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414. TRACKS OPERATED AT CLOSE OF YEAR

(For switching and terminal companies only)

Give particulars of all tracks operated by the respondent at the close of the year.

Classify the tracks as follows:

- (1) Tracks owned by the respondent;
- (2) Tracks operated by the respondent but owned by the respondent's proprietary corporations;
- (3) Tracks operated under lease for a specified sum, lessor being (A) an affiliated corporation, or (B) independent or not affiliated with respondent;
- (4) Tracks operated under contract or agreement, or where the rent is contingent upon earnings or other consideration, owner being (A) an affiliated corporation, or (B) independent or not affiliated with respondent;
- (5) Tracks operated under trackage rights.

Name all the tracks of each class before any of a later class, and insert in column (a) before the name of each owner the figure (and letter, if any) indicating its class in accordance with the preceding classification.

Give subtotals for each of the several numbered classes.

Class (1) includes all tracks operated by the respondent at the close of the year to which it has title in perpetuity.

Class (2) includes each line full title to which is in an inactive proprietary corporation of the respondent (i. e., one all of whose outstanding stocks or obligations are held by or for the respondent, and which is operated by the respondent or an affiliated system corporation 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 set forth in a footnote. 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.

Class (3) includes all tracks operated under a lease or formal conveyance of less than the grantor's interest in the property, with a specific and unconditional rent reserved. The fact that the lessor does or does not maintain an independent organization for financial purposes is immaterial in this connection.

Class (4) is the same as class (3) except that the rent reserved is conditioned upon earnings or other fact.

Class (5) includes all tracks operated and maintained by another company but over which the respondent has the right to operate some or all of its trains. In the tracks of this class the respondent has no proprietary rights but only the rights of a licensee. Include in this class, also, all main tracks and sidings owned by noncarrier companies and individuals when the respondent operates over them but does not have exclusive possession of them.

Lengths should be stated to the nearest hundredth of a mile.

Tracks belonging to an industry for which no rent is payable should not be reported.

Tracks held by the respondent as joint or common owner or a joint lessee or under any joint arrangement should be shown in its appropriate class and the entry of length should be of the entire length of the portion jointly held. The class symbol should have the letter (J) attached, and full particulars showing all of the joint or common title holders, and the extent of their respective interests should be shown in a memorandum attached to the schedule.

Line No.	Class (a)	Name of owner (b)	Location (c)	Character of business (d)	Total mileage operated (e)	
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
				TOTAL		
				Miles of road or track electrified (included in each preceding total)		

TRACKS OPERATED AT COST FOR JOINT BENEFIT—INCLUDED ABOVE

14						
15						
16						
17						
18						
19						
20						
				TOTAL		

20 Are the tracks of the respondent operated primarily in the interest of any industrial, manufacturing, or other corporation, firm, or individual?

If so, give name, address, and character of business of corporation, firm, or individual. Name Address

Character of business

415. MILES OF TRACKS AT CLOSE OF YEAR—BY STATES AND TERRITORIES

(For switching and terminal companies only)

Give particulars, as of the close of the year, of all tracks operated and of all owned but not operated. The respondent's proportion of operated tracks held by it as joint or common owner, or under a joint lease, or under any joint arrangement, should be shown in columns (b), (d), or (e), as may be appro-

priate. The remainder of jointly operated mileage should be shown in column (f). Tracks owned, not operated by respondent (including respondent's proportion of jointly owned tracks, not operated), should be shown in column (h). If any of the tracks returned in column (h) are operated by other than

the respondent, the name of the company or individual operating them and the conditions under which they are held for operation should be shown in a footnote. Tracks which have been permanently abandoned should not be included in column (h). Lengths should be stated to the nearest hundredth of a mile.

Line No.	State or Territory (a)	TRACKS OPERATED						Tracks owned, not operated by respondent (h)	New tracks constructed during year (i)
		Tracks owned (b)	Tracks of proprietary companies (c)	Tracks operated under lease (d)	Tracks operated under contract, etc. (e)	Tracks operated under trackage rights (f)	Total mileage operated (g)		
1	NONE								
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16	TOTAL MILEAGE								

417. INVENTORY OF EQUIPMENT

Instructions for reporting locomotive and passenger-train car data, pages 100 and 101:

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.
2. In column (c) give the number of units purchased new or built in company shops. In column (d) give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.
3. Units leased to others for a period of one year or more are reportable in column (i); units temporarily out of respondent's service and rented to others for less than one year are to be included in column (h); units rented from others for a period less than one year should not be included in column (i).
4. For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to

an "A" unit, but not equipped for use singly or as a lead locomotive unit. A "B" unit may be equipped with hostler controls for independent operating at terminals.

5. A "self-propelled car" is a rail motor car propelled by electric motors receiving power from third rail or overhead, or internal combustion engines located on the car itself. Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment.

6. A "Diesel" unit includes all units propelled by diesel internal combustion engines irrespective of final drive, and whether power may at times be supplied from external conductor. Units other than diesel-electric, e.g., diesel-hydraulic, should be identified in a footnote giving the number and a brief description. An "Electric" unit includes all units which receive electric power from an overhead contact wire or third rail, and use the power to drive one or more electric motors that propel the vehicle. An "Other" unit includes all units other than die-

sel or electric, e.g., steam, gas turbine. Show the type of unit, service and number, as appropriate, in a brief description sufficient for positive identification.

7. Column (k) should show aggregate capacity for all units reported in column (j), as follows: For locomotive units, report the manufacturers' rated horsepower (the maximum continuous power output from the diesel engine or engines delivered to the main generator or generators for tractive purposes), or tractive effort of steam locomotive units; for passenger-train cars report the number of passenger seats available for revenue service, counting one passenger to each berth in sleeping cars.

8. Passenger-train car types and service equipment car types correspond to AAR Mechanical Division designations. Descriptions of car codes and designations are published in The Official Railway Equipment Register.

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No.	Type or design of units	Units in service of respondent at beginning of year	CHANGES DURING THE YEAR					UNITS AT CLOSE OF YEAR				
			UNITS INSTALLED				Units retired from service of respondent whether owned or leased, including reclassification	Owned and used	Leased from others	Total in service of respondent (col. (h)+(i))	Aggregate capacity of units reported in col. (j) (see ins. T)	Leased to others
			New units purchased or built	New units leased from others	Rebuilt units acquired and rebuilt units rewritten into property accounts	All other units, including reclassification and second hand units purchased or leased from others						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Locomotive Units												
1	Diesel-Freight-----A units-----				NONE						(H.P.)	
2	Diesel-Freight-----B units-----											
3	Diesel-Passenger-----A units-----											
4	Diesel-Passenger-----B units-----											
5	Diesel-Multiple purpose--A units-----											
6	Diesel-Multiple purpose--B units-----											
7	Diesel-Switching-----A units-----											
8	Diesel-Switching-----B units-----											
9	Total (lines 1 to 8)-----											
10	Electric-Freight-----											
11	Electric-Passenger-----											
12	Electric-Multiple purpose-----											
13	Electric-Switching-----											
14	Total (lines 10 to 13)-----											
15	Other-----											
16	Grand total (lines 9, 14, 15)-----										XXXX	

DISTRIBUTION OF LOCOMOTIVE UNITS IN SERVICE OF RESPONDENT AT CLOSE OF YEAR, ACCORDING TO YEAR BUILT, DISREGARDING YEAR OF REBUILDING

DEPENDENT BY CLOSE-UP YEAR, ACCORDING TO YEAR BUILT, DISREGARDING YEAR OF REBUILDING											
Type or design of units (a)	Before Jan. 1, 1950 (b)	Between Jan. 1, 1950, and Dec. 31, 1954 (c)	Between Jan. 1, 1955, and Dec. 31, 1959 (d)	Between Jan. 1, 1960, and Dec. 31, 1964 (e)	Between Jan. 1, 1965, and Dec. 31, 1969 (f)	DURING CALENDAR YEAR					TOTAL (l)
		1970 (g)	1971 (h)	1972 (i)	1973 (j)	1974 (k)					
17 Diesel-----											
18 Electric-----											
19 Other-----											
20 Total (lines 17 to 19)-----											

417. INVENTORY OF EQUIPMENT—Continued

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No.	Class of equipment and car designations	Units in service of respondent at beginning of year	CHANGES DURING THE YEAR					UNITS AT CLOSE OF YEAR				
			UNITS INSTALLED			Units retired from service of respondent, whether owned or leased, including reclassification		Owned and used	Leased from others	Total in service of respondent (col. (h)) + (i)	Aggregate capacity of units reported in col. (i) (see ins. 7)	Leased to others
			New units purchased or built	New units leased from others	Rebuilt units acquired and rebuilt units rewritten into property accounts							
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	PASSENGER-TRAIN CARS <i>Non-Self-Propelled</i>										(Seating capacity)	
21	Coaches [PA, PB, PBO]				NONE							
22	Combined cars [All class C, except CSB]											
23	Parlor cars [PBC, PC, PL, PO]											
24	Sleeping cars [PS, PT, PAS, PDS]											
25	Dining, grill and tavern cars [All class D, PD]										XXXX	
26	Postal cars [All class M]										XXXX	
27	Non-passenger carrying cars [All class B, CSB, PSA, IA]										XXXX	
28	Total (lines 21 to 27)											
	<i>Self-Propelled Rail Motorcars</i>				NONE							
29	Electric passenger cars [EP, ET]											
30	Electric combined cars [EC]											
31	Internal combustion rail motorcars [ED, EG]											
32	Other self-propelled cars (Specify types)											
33	Total (lines 29 to 32)											
34	Total (lines 28 and 33)											
	COMPANY SERVICE CARS				NONE							
35	Business cars [PV]										XXXX	
36	Boarding outfit cars [MWX]										XXXX	
37	Derrick and snow removal cars [MWU, MWV, MWW, MWK]										XXXX	
38	Dump and ballast cars [MWB, MWD]										XXXX	
39	Other maintenance and service equipment cars										XXXX	
40	Total (lines 35 to 39)										XXXX	

417. INVENTORY OF EQUIPMENT—Continued

Instructions for reporting freight-train car data, pages 102 and 103:

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.
 2. In column (p) give the number of units purchased or built in company shops. In column (q) give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.

3. Units leased to others for a period of one year or more are reportable in column (x); units temporarily out of respondent's service and rented to others for less than one year are to be included in column (u); units rented from others for a period less than one year should not be included in column (v).

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No.		Class of equipment and car designations (m)	Units in service of respondent at beginning of year		CHANGES DURING THE YEAR				Units retired from service of respondent whether owned or leased, including reclassification	
					UNITS INSTALLED					
			Per diem (n)	Non-per diem (o)	New units purchased or built ¹ (p)	New units leased from others (q)	Rebuilt units acquired and rebuilt units rewritten into property accounts ¹ (r)	All other units, including reclassification and second hand units purchased or leased from others (s)		(t)
FREIGHT-TRAIN CARS										
41	Box-General Service (unequipped) (All B, L070, R-06, R-01)-----			NONE						
42	Box-General Service (equipped) (A-20, A-30, A-40, A-50, R-06, R-07)-----									
43	Box-Special Service (A-00, A-10)-----									
44	Gondola-General Service (All G (except G-9))-----									
45	Gondola-Special Service (G-9, J-00, all C, all E)-----									
46	Hopper (open top)-General Service (All H (except H-70))-----									
47	Hopper (open top)-Special Service (H-70, J-10, J-20, all K)-----									
48	Hopper (covered) (L-5)-----									
49	Tank, under 12,000 gallons (T-0, T-1, T-2, T-3)-----									
50	Tank, 12,000-18,999 gallons (T-4)-----									
51	Tank, 19,000-24,999 gallons (T-5, T-6)-----									
52	Tank, 25,000 gallons and up (T-7, T-8, T-9)-----									
53	Refrigerator (meat)-Mechanical (R-11, R-12)-----									
54	Refrigerator (other than meat) -Mechanical (R-04, R-10)-----									
55	Refrigerator (meat)-Non-Mechanical (R-02, R-08, R-09, R-14, R-15, R-17)-----									
56	Refrigerator (other than meat) -Non-Mechanical (R-03, R-05, R-13, R-16)-----									
57	Stock (All S)-----									
58	Autorack (F-5, F-6)-----									
59	Flat-General Service (F-4)-----									
60	Flat-Special Service (F-1, F-20, F-30, F-40, F-9, L-2, L-3)-----									
61	Flat-TOFC (F-7, F-8)-----									
62	All other (L-0, L-1, L-4, L080, L090)-----									
63	Total (lines 41 to 62)-----									
64	Caboose (All N)-----	XXXX								
65	Total (lines 63 and 64)-----									
66	Grand total, all classes of cars (lines 34, 40 and 65)-----									
			New units purchased or built		Units rebuilt or acquired					
			General funds		Incentive funds		General funds		Incentive funds	
¹ Box, unequipped (which relates to incentive per diem order)										

417. INVENTORY OF EQUIPMENT--Continued

4. Column (y) should show aggregate capacity for all units reported in columns (w) and (x), as follows: for freight-train cars, report the nominal capacity (in tons of 2,000 lbs.) as provided for in Rule 86 of the AAR Code of Rules Governing Cars in Interchange. Convert the capacity of tank cars to capacity in tons of the commodity which the car is intended to carry customarily.

5. Freight-train car type codes shown in column (m) correspond to the AAR Multilevel Per Diem Master List. Dashes are used in appropriate places to

permit a single code to represent several car type codes. Descriptions of car codes and designations are published in *The Official Railway Equipment Register*.

6. Per diem cars, as used herein, refers to freight cars other than cabooses owned or held under lease arrangement by U. S. Class I line-haul railroads, whose interline rental is settled on a per diem basis under the code of per diem rules, or would be so settled if used by another railroad.

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

UNITS AT CLOSE OF YEAR

Owned and used (u)	Leased from others (v)	Total in service of respondent (col. (u) + (v))		Aggregate capacity of units reported in col. (w) + (x) (see ins. 4) (y)	Leased to others (z)	Line No.
		Per diem (w)	Non- per diem (x)			
		NONE		Tons		
						41
						42
						43
						44
						45
						46
						47
						48
						49
						50
						51
						52
						53
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						61
						62
						63
		xxxx		xxxxxxxxxxxxxx		64
						65
						66

417. INVENTORY OF EQUIPMENT—Concluded

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

Line No.	Class of equipment and car designations (m)	Units in service of respondent at beginning of year		CHANGES OF THE YEAR					Units retired from service of respondent whether owned or leased, including reclassification (t)
		Per diem (n)	Non-per diem (o)	UNITS INSTALLED					
				New units purchased or built ¹ (p)	New units leased from others (q)	Rebuilt units acquired and rebuilt units rewritten into property accounts (r)	All other units, including reclassification and second hand units purchased or leased from others (s)		
		(n)	(o)	(p)	(q)	(r)	(s)	(t)	
FLOATING EQUIPMENT									
67	Self-propelled vessels (Tugboats, car ferries, etc.)-----	XXXX							
68	Non-self-propelled vessels (Car floats, lighters, etc.)-----	XXXX							
69	Total (lines 67 and 68)-----	XXXX							
HIGHWAY REVENUE EQUIPMENT									
70	Bogie-chassis-----	XXXX							
71	Dry van-----	XXXX							
72	Flat bed-----	XXXX							
73	Open top-----	XXXX							
74	Mechanical refrigerator-----	XXXX							
75	Bulk-----	XXXX							
76	Insulated-----	XXXX							
77	Platform, removable sides-----	XXXX							
78	Other trailer or container-----	XXXX							
79	Tractor-----	XXXX							
80	Truck-----	XXXX							
81	Total (lines 70 to 80)-----	XXXX							

NOTES AND REMARKS

417. INVENTORY OF EQUIPMENT—Concluded

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS

UNITS AT CLOSE OF YEAR

Owned and used (u)	Leased from others (v)	Total in service of respondent (col. (u) + (v))		Aggregate capacity of units reported in col. (w) + (x) (see ins. 4) (v)	Leased to others (z)	Line No.
		Per diem (w)	Non- per diem (x)			
	NONE			(Tons)		
		XXXX				67
		XXXX				68
		XXXX				69
	NONE					
		XXXX				70
		XXXX				71
		XXXX				72
		XXXX				73
		XXXX				74
		XXXX				75
		XXXX				76
		XXXX				77
		XXXX				78
		XXXX				79
		XXXX				80
		XXXX				81

NOTES AND REMARKS

421. HIGHWAY MOTOR VEHICLE OPERATIONS

Give particulars of highway motor vehicles operated by respondent in revenue and nonrevenue service and of revenue traffic handled for the respondent by others under contractual arrangements.

In reporting highway motor vehicle miles in line-haul service, show the mileage of buses and combination bus-trucks on line 8; the mileage of trucks and of bogies, trailers and semitrailers with trucks on line 9; and the mileage of tractors and of bogies, trailers and semitrailers with tractors on line 10. Vehicle miles in terminal service should be reported on lines 12 and 13.

In reporting traffic carried and traffic handled 1 mile on lines 14 to 21, and on lines 40 to 45, both inclusive, show the total number of tons and ton-miles of revenue freight in column (f) and the total number of passengers carried and passenger-miles in column (c), regardless of the class of vehicle used to perform the transportation service.

In reporting highway motor vehicles in nonrevenue service include those used in maintenance, shops, and storehouses, and transportation of company material; also buses used for transportation of company employees. Exclude automobiles used by officials and employees.

A. OPERATED BY RESPONDENT
(Revenue and nonrevenue service)

Line No.	Item (a)	Bogies (b)	Buses (c)	Chassis (d)
	REVENUE SERVICE			
1	Vehicles owned or leased: NONE			
2	Number available at beginning of year			
3	Number installed during the year			
4	Number retired during the year			
5	Number available at close of year			
6	Vehicle miles (including loaded and empty):			
7	Line haul (station to station):			
8	Passenger vehicle miles	XXXXXX		XXXXXX
9	Truck miles		XXXXXX	XXXXXX
10	Tractor miles		XXXXXX	XXXXXX
11	Terminal service:			
12	Pick-up and delivery			
13	Transfer service			
14	Traffic carried:			
15	Tons—Revenue freight—Line haul	XXXXXX	XXXXXX	XXXXXX
16	Tons—Revenue freight—Terminal service only	XXXXXX	XXXXXX	XXXXXX
17	Revenue passengers—Line haul	XXXXXX		XXXXXX
18	Revenue passengers—Terminal service only	XXXXXX		XXXXXX
19	Traffic handled 1 mile:			
20	Ton-miles—Revenue freight—Line haul	XXXXXX	XXXXXX	XXXXXX
21	Revenue passenger-miles—Line haul	XXXXXX		XXXXXX
	NONREVENUE SERVICE			
22	Vehicles owned or leased:			
23	Number available at beginning of year			
24	Number installed during the year			
25	Number retired during the year			
26	Number available at close of year			

*When performed by vehicles other than those used for line haul.

B. OPERATED BY OTHERS
(Revenue service)

Line No.	Item (a)	Bogies (b)	Buses (c)	Chassis (d)
40	Traffic carried: NONE			
41	Tons—Revenue freight	XXXXXX	XXXXXX	XXXXXX
42	Revenue passengers	XXXXXX		XXXXXX
43	Traffic handled 1 mile:			
44	Ton-miles—Revenue freight	XXXXXX	XXXXXX	XXXXXX
45	Revenue passenger-miles	XXXXXX		XXXXXX

421. HIGHWAY MOTOR VEHICLE OPERATIONS - Concluded

"Trailers" means trailer bodies used in TOFC/COFC service which are permanently mounted on running gear. "Containers" means trailer bodies used in TOFC/COFC service which

are not permanently mounted on wheels or chassis, but are separated from such running gear before being loaded on flat cars.

A. OPERATED BY RESPONDENT - Concluded
(Revenue and nonrevenue service)

Containers (e)	Semitrailers (f)	Tractors (g)	Trailers (h)	Trucks (i)	Combination bus-trucks (j)	Line No.
		NONE				1
						2
						3
						4
						5
						6
						7
XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX		8
XXXXXX		XXXXXX			XXXXXX	9
XXXXXX				XXXXXX	XXXXXX	10
						11
						12
						13
XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX	14
XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX	15
XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	16
XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	17
XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	18
XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX		19
XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX		20
XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	21
						22
						23
						24
						25
						26

OPERATED BY OTHERS - Concluded
(Revenue service)

Containers (e)	Semitrailers (f)	Tractors (g)	Trailers (h)	Truck (i)	Combination bus-trucks (j)	Line No.
		NONE				40
XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX	41
XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	42
						43
XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX	44
XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	45

422. HIGHWAY MOTOR-VEHICLE ENTERPRISES IN WHICH THE RESPONDENT HAD A DIRECT OR INDIRECT FINANCIAL INTEREST DURING THE YEAR

Give particulars of highway motor-vehicle enterprises (excluding Railway Express Agency, Inc.) in which the respondent had a financial interest, either directly or indirectly, during the year.

In column (a) identify each motor-vehicle enterprise by name and address, and in column (b) state whether the respondent's interest in

such enterprise was direct or indirect. If the interest was indirect, give the names of all intermediaries.

In column (c) give the date on which respondent first acquired its direct or indirect interest in the enterprise.

Line No.	Name and address of highway motor-vehicle enterprise (a)	Nature of respondent's interest (b)	Date on which respondent's direct or indirect interest was originally acquired (c)
1			
2	NONE		
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

510. GRADE CROSSINGS A—RAILROAD WITH RAILROAD

1. A crossing of a railroad with a railroad means the intersection of all the tracks on one right-of-way with all of the tracks on another right-of-way, whether or not owned or operated by the same company; thus, the intersection of one double-track line with another double-track line shall be reported as one crossing. Each such crossing shall be reported only by the carrier who performs the actual maintenance of the signal or interlocking protection, if so provided, or by the carrier who maintains the crossing frogs where no protection exists. The carrier which actually performs the maintenance shall be the reporting carrier, even though other party, or parties, assume a part or all of the expense of such maintenance. Where portions of the apparatus are maintained by two or more companies, as for example—the condition where one crossing frog is maintained by one company and the second frog by the other company, agreement should be made between carriers as to which shall report. Report should be made of each crossing, whether main line, branch line, or switching tracks are involved, so long as separate rights-of-way are involved, regardless of whether or not the rights-of-way involved are owned or leased

by the same company. A cross-over from one track to another on the same right-of-way, or the use of a crossing frog for the intersection of two tracks in the same right-of-way, is not to be considered as a crossing in this connection. If one right-of-way intersects two or more rights-of-way in the same vicinity a separate crossing shall be reported for each such intersection, even though all are controlled by one interlocking plant. In such case, this fact should be explained in a footnote in order that the interlocking plant may not be counted more than once.

2. The term "Protection" as used in this connection should include all signalling or derailing devices which may restrict the use of the crossing by either carrier. It shall not include stationary or other cautionary signs which merely indicate the proximity of a crossing. Where crossings are protected by more than one of the types of protection shown in columns (b) to (i) inclusive, the kind of protection, etc., should be reported in only one classification and that of the more elaborate type.

Line No.	Number of crossings (a)	Interlocking (b)	Automatic signals (automatic interlocking) (c)	Derails on one line, no protection on other (d)	Hand-operated signals, without interlocking (e)	Gates (f)	Total specially protected (g)	Total not specially protected (h)	Grand total (i)
1	Number at beginning of year.....								
2	Crossings added: New crossings.....								
3	Change in protection.....								
4	Crossings eliminated: Separation of grade.....								
5	Change in protection.....								
6	Other causes.....								
7	Number at close of year.....								
	NUMBER AT CLOSE OF YEAR BY STATES:								
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									

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510. GRADE CROSSINGS - Continued

B-RAILROAD WITH HIGHWAY

1. A highway grade crossing is to be regarded as a single crossing of all of the tracks within the adjacent owned or leased right(s) of way of the railroad(s) at the point of intersection with a publicly maintained highway, street or avenue at the same grade to the extent that the tracks are located within the limits of a single set of grade crossing signs or protective devices having an integrated set of actuating circuits.

2. Not to be included are crossings of tracks with private roads leading to or within industrial plants, or with other roads or driveways not dedicated to public use. All crossings of tracks at grade with public roads and streets should be included if any railroad operations are conducted thereover by the reporting company whether or not the track is located on railroad right-of-way.

3. A private grade crossing which becomes public during the year should be reported as a new grade crossing. A grade crossing of a dual or multi-lane highway should be reported as one crossing. In the classification of protection, a crossing having more than one of the classes of protection listed below should be reported once only, using the furthest left column that

applies. To avoid duplicate reporting of jointly owned, jointly maintained or jointly used crossings, one railroad shall be designated the reporting road by mutual agreement of the interested parties.

4. In columns (b) and (c) include grade crossings with or without audible signals. In columns (d) and (e) include grade crossings with or without any type of audible or visible supplemental device. Exclude from columns (f) and (g) those crossings where train movement is protected only by a member of the train crew. Audible signals reportable in column (h) include any train-actuated bell, whistle, siren or other audible device located adjacent to the crossing. Other automatic signals reportable in column (i) include wigwags, Highway Traffic Signals or special types of train-activated devices with or without audible supplements. Include in column (j), in addition to "Railroad Crossing" crossbuck, any other static sign (except "Number of Tracks" sign) or any non-train-actuated signal such as amber continuous-flashing lights. In column (m) report other than railroad crossbuck. Totals in column (o), lines 38 and 39, should be equal, resulting in no change in the total number of crossings.

Line No.	Item of Annual Change	TYPES OF PROTECTION FOR, AND NUMBERS OF CROSSINGS AT GRADE													
		Automatic gates with flashing lights	Automatic flashing light signals	Gates manually operated		Watchmen only		Audible signals only	Other automatic signals	Total indicating warning of train approach	"Railroad Crossing" crossbuck signs only	Crossbuck signs with other fixed signs	Other fixed signs only	No signs or signals	Total crossings at grade
				24 hours per day	Less than 24 hours per day	24 hours per day	Less than 24 hours per day								
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
30	Number at beginning of year -----														
31	Added: By new, extended or relocated highway -----														
32	By new, extended or relocated railroad -----														
33	Total added -----														
34	Eliminated: By closing or relocation of highway -----														
35	By relocation or abandonment of railroad -----														
36	By separation of grades -----														
37	Total eliminated -----														
38	Changes in protection: Number of each type added -----														
39	Number of each type deducted -----														
40	Net of all changes -----														
41	Number at close of year -----														
42	Number at close of year by States:														
43															
44															
45															
46															
47															
48															
49															
50															
51															
52															
53															
54															
55															
56															

511. GRADE SEPARATIONS

HIGHWAY-RAILROAD

1. (a) A highway-railroad grade separation is to be regarded as a single crossing of all of the tracks within the owned or leased right-of-way or contiguous rights-of-way of the railroad(s) at this point of intersection with a publicly maintained highway, street or avenue at separate grades.

(b) Not to be included are structures which serve some major purpose other than the avoidance of conflict of railway movements with highway movements and which contain no design features required for accommodation of the intersecting traffic flow as in the case of major tunnels.

(c) In order to avoid duplicate reporting and possible confusion, in reporting grade separations used or maintained by more than one railroad, the interested parties in each case should designate one line to

be the reporting railroad.

2. All separated crossings of tracks with public roads and streets should be included if any railroad operations are conducted thereover by the reporting company whether or not the track is located on railroad owned right-of-way.

3. Not to be included are crossings of tracks with private roads leading to or within industrial plants, or with other roads not dedicated to public use.

4. A private crossing which becomes public during the year should be reported as a new crossing.

5. A crossing of a dual or multi-lane highway should be reported as one crossing.

Line No.	Items of Annual Change (a)	Types and numbers of highway-railroad grade separations		
		Overpass (Highway above railroad) (b)	Underpass (Railroad above highway) (c)	TOTAL (d)
	NCNE			
1	Number at beginning of year -----			
2	Added: By new, extended or relocated highway -----			
3	By new, extended or relocated railroad -----			
4	By elimination of grade crossing -----			
5	Total added -----			
6	Deducted: By closing or relocation of highway -----			
7	By relocation or abandonment of railroad -----			
8	Total deducted -----			
9	Net of all changes -----			
10	Number at close of year -----			
	Number at close of year by States:			
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				

1 Total in column (d) should correspond to total number of grade crossings eliminated "By separation of grades", Schedule 510-B, line 36, column (c).

513. TIES LAID IN REPLACEMENT

Give particulars of ties laid during the year in previously constructed tracks maintained by the respondent. Do not include any ties used in any new tracks or in track extensions.

In column (a) classify the ties as follows:

- (U) Wooden ties untreated when applied.
 (T) Wooden ties treated before application.
 (S) Ties other than wooden (steel, concrete, etc.). Indicate type in column (h).

Report new and second-hand (relay) ties separately, indicating in column (h) which ties are new.

In columns (d) and (g) should be shown the total cost, including transportation charges on foreign lines, tie trains, loading, inspection, and the cost of handling ties in general supply, storage, and seasoning yards; and, in the case of treated ties, also the cost of handling at treating plants and the cost of treatment. The cost of unloading, hauling over carrier's own lines and placing the ties in track, and of train service, other than that necessary in connection with loading or treatment, should not be included in this schedule.

The sum of entries on lines 21, 22, and 23 should equal the total of columns (d) and (g).

Any material difference between the return on line 22 and the charge to operating expense account No. 212, or between the sum of charges to additions and betterments shown in schedules Nos. 513 and 514 and the related charge to investment account No. 8, should be explained in a footnote.

Line No.	Class of ties	CROSSTIES						SWITCH AND BRIDGE TIES						Remarks							
		Total number of ties applied			Average cost per tie			Total cost of crossties laid in previously constructed tracks during year			Number of feet (board measure) applied				Average cost per M feet (board measure)			Total cost of switch and bridge ties laid in previously constructed tracks during year			
		(b)			(c)			(d)			(e)				(f)			(g)			(h)
				\$			\$							\$			\$				
1																					
2																					
3																					
4																					
5																					
6																					
7																					
8																					
9																					
10																					
11																					
12																					
13																					
14																					
15																					
16																					
17																					
18																					
19																					
20	TOTAL																				

- 21 Amount of salvage on ties withdrawn..... \$.....
 22 Amount chargeable to operating expenses..... \$.....
 23 Amount chargeable to additions and betterments..... \$.....
 24 Estimated number of crossties in all maintained tracks:

	Numt	Percent of Total
(a) Wooden ties.....		
(b) Other than wooden ties (steel, concrete, etc.).....		
TOTAL.....		100.00

514. TIES LAID IN ADDITIONAL TRACKS AND IN NEW LINES AND EXTENSIONS

Give particulars of ties laid during the year in new construction, following the instructions given in the preceding schedule, so far as applicable.

		CROSSTIES						SWITCH AND BRIDGE TIES										
Line No.	Class of ties	Total number of ties applied			Average cost per tie		Total cost of cross-ties laid in new tracks during year			Number of feet (board measure) laid in tracks			Average cost per M feet (board measure)		Total cost of switch and bridge ties laid in new tracks during year			Remarks
		(b)			(c)		(d)			(e)			(f)		(g)				(h)
	(a)				\$		\$					\$		\$				
1																		
2																		
3																		
4																		
5																		
6																		
6																		
7																		
8																		
9																		
10																		
11																		
12																		
13																		
14																		
15																		
16																		
17																		
18																		
19																		
20	TOTAL																	

NONE

21 Number of miles of new running tracks, passing tracks, cross-overs, etc., in which ties were laid

22 Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid

515. RAILS LAID IN REPLACEMENT

Give particulars of all rails applied during the year in connection with replacement of rails in previously constructed tracks maintained by the respondent.

In column (a) classify the kind of rail applied as follows:

- (1) New steel rails, Bessemer process.
- (2) New steel rails, open-hearth process.
- (3) New rails, special alloy (describe more fully in a footnote).
- (4) Relay rails.

Returns in columns (c) and (g) should be reported in whole numbers. Fractions of less than one-half should be disregarded, and fractions of one-half or more reckoned as one.

The returns in columns (d) and (h) should include the cost of loading at the point of purchase ready for shipment, the freight charges paid foreign lines, and the cost of handling rails in general supply and storage yards. The cost of unloading, hauling over carrier's own lines, and placing the rails in tracks, and of train service in connection with the distribution of the rails, should not be included in this schedule.

The sum of entries on lines 22, 23, and 24 should equal the total of columns (d) and (h).

Any material difference between the return on line 23 and the charge to operating expense account No. 214, or between the sum of charges to additions and betterments shown in schedules Nos. 515 and 516 and the related charge to investment account No. 9, should be explained in a footnote.

Line No.	Class of rail (a)	RAIL APPLIED IN RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				RAIL APPLIED IN YARD, STATION, TEAM, INDUSTRY, AND OTHER SWITCHING TRACKS			
		WEIGHT OF RAIL		Total cost of rail applied in running tracks, passing tracks, cross-overs, etc., during year (d)	Average cost per ton (2,000 lb.) (e)	WEIGHT OF RAIL		Total cost of rail applied in yard, station, team, industry, and other switching tracks during year (h)	Average cost per ton (2,000 lb.) (i)
		Pounds per yard of rail (b)	Number of tons (2,000 lb.) (c)			Pounds per yard of rail (f)	Number of tons (2,000 lb.) (g)		
1	NONE								
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20	TOTAL	XXXX				XXXX			

NONE

- 21 Number of tons (2,000 lb.) of relays and scrap rail taken up.....
- 22 Salvage value of rails released..... \$.....
- 23 Amount chargeable to operating expenses..... \$.....
- 24 Amount chargeable to additions and betterments..... \$.....
- 25 Miles of new rails laid in replacement (all classes of tracks) †..... (rail-miles).
- 26 Miles of new and second-hand rails laid in replacement (all classes of tracks) ‡..... (rail-miles).
- 27 Average weight per yard of new rails laid in replacement (running, passing, and cross-over tracks, etc.) *..... (pounds).
- 28 Tons of rail sold as scrap and amount received therefor..... (tons of 2,000 lb.); \$.....
- 29 Track-miles of welded rail installed this year.....; total to date.....

†Classes 1, 2, and 3 rails.—Reduce tonnage in columns (c) and (g) to pounds; divide each result by the respective pounds per yard to obtain the number of yards of each weight of new rail laid in all classes of tracks; divide the total number of yards of new rails laid in all classes of tracks by 1,760; state the quotient with two decimal places.

‡Classes 1, 2, 3, and 4 rails.—Reduce tonnage in columns (c) and (g) to pounds; divide each result by the respective pounds per yard to obtain the number of yards of each weight of new and second-hand rail laid in all classes of tracks; divide the total number of yards of new and second-hand rails laid in all classes of tracks by 1,760; state the quotient with two decimal places.

*Classes 1, 2, and 3 rails.—Reduce tonnage in column (c) to pounds; divide each result by the respective pounds per yard to obtain the number of yards of each weight of new rail laid in running, passing, and cross-over tracks, etc.; divide the total number of pounds of new rails laid in running tracks, etc. by the total number of yards of new rails laid in such tracks.

516. RAILS LAID IN ADDITIONAL TRACKS AND IN NEW LINES AND EXTENSIONS

Give particulars of rails applied during the year in the construction of new tracks, following the instructions given in the preceding schedule, so far as applicable.

Line No.	Class of rail (a)	RAIL APPLIED IN RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				RAIL APPLIED IN YARD, STATION, TEAM, INDUSTRY, AND OTHER SWITCHING TRACKS			
		WEIGHT OF RAIL		Total cost of rail applied in running tracks, passing tracks, cross-overs, etc., during year (d)	Average cost per ton (2,000 lb.) (e)	WEIGHT OF RAIL		Total cost of rail applied in yard, station, team, industry, and other switching tracks during year (h)	Average cost per ton (2,000 lb.) (i)
		Pounds per yard of rail (b)	Number of tons (2,000 lb.) (c)			Pounds per yard of rail (f)	Number of tons (2,000 lb.) (g)		
1	NONE			\$				\$	
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20		TOTAL	X X X X			X X X X			

21 Number of miles of new running tracks, passing tracks, cross-overs, etc., in which rails were laid

22 Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid

517. GAGE OF TRACK AND WEIGHT OF RAIL

Give the particulars below called for concerning the road and track operated by the respondent at the close of the year. Only the respondent's proportion of jointly-owned mileage should be included. Under "Weight of rail," the various weights of rails should be given. If any part of the road operated at the close of the year is other than standard

gage, 4 feet 8½ inches, show the gage of each part in column (d). Road and track occupied under trackage right or other form of license should not be included herein, but all road and track held under any form of lease (granting exclusive possession to the lessee) should be included.

Line No.	Weight of rails per yard (a)	Line-haul companies (miles of main track) (b)	Switching and terminal companies (miles of all tracks) (c)	NONE	Remarks (d)
	Pounds				
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

531. STATISTICS OF RAIL-LINE OPERATIONS

1. Give the various statistical items called for concerning the rail-line operations of respondent's road during the year. Train-miles, car-miles and other particulars are to be reported in accordance with the classification of train-miles and car-miles prescribed in the Uniform System of Accounts for Railroad Companies (Mileage Accounts 800 to 805 and 820 to 825). Locomotive unit-miles should include all miles made by each locomotive unit.

2. Per diem cars, as used herein, refers to freight cars other than cabooses owned or held under lease arrangement by U.S. class I line-haul railroads, whose interline rental is settled on a per diem basis under the code of per diem rules, or would be so settled if used by another railroad.

3. Item No. 1 includes miles of road operated under trackage rights.

4. For gross ton-miles compute from conductors' or dispatchers' train reports weight in tons (2,000 pounds). Item 27 includes weight of all locomotive units moved one mile in transportation trains. Ton-miles of motorcars should be excluded. Items 28 and 29 represent tons behind locomotive units (cars and contents, company-service equipment and cabooses) moved one mile in transportation trains. Include ton-miles of exclusive work service equipment and motorcars moving in transportation trains. Use 150 pounds as the

average weight per passenger and four tons as the average weight of contents of each head-end car.

5. Item No. 35 should represent the ton-miles of revenue freight in water transfer service on the Great Lakes involving a rail-line haul, the revenue from which is includible in account No. 101, "Freight." Ton-miles of revenue freight in water transfer service which was moved on the basis of lawful local tariff rates, the revenue from which is creditable to account No. 113, "Water transfers," should be excluded. Item 36, Total ton-miles—Revenue freight, should correspond to the ton-miles reported on Form OS-B, Item 2.

6. For net ton-miles, Item 40, compute from conductors' train reports. This item represents the number of tons of revenue and non-revenue freight moved one mile in transportation trains. Include a reasonable proportion of the weight of exclusive work equipment moved one mile. Include net ton-miles in motorcar trains. Exclude LCL shipments handled in mixed baggage-express cars.

7. The mileage of company service equipment, designed exclusively for work service and moved in transportation trains, should be classed as loaded freight car-miles.

8. Highway vehicle operations should not be included in Schedule 531 but particulars thereof given in a footnote on page 117.

Item No.	Item (a)	Freight trains (b)			Passenger trains (c)			Total transportation service (d)			Work trains (e)		
1	Average mileage of road operated (State in whole numbers) TRAIN-MILES										XX	XX	XX
2	Diesel locomotives										XX	XX	XX
3	Other locomotives										XX	XX	XX
4	Total locomotives												
5	Motorcars												
6	Total train-miles LOCOMOTIVE UNIT-MILES												
7	Road service										XX	XX	XX
8	Train switching										XX	XX	XX
9	Yard switching										XX	XX	XX
10	Total locomotive unit-miles CAR-MILES										XX	XX	XX
11	Total motorcar car-miles										XX	XX	XX
12	Loaded per diem freight cars										XX	XX	XX
13	Loaded non-per diem freight cars										XX	XX	XX
14	Empty per diem freight cars										XX	XX	XX
15	Empty non-per diem freight cars										XX	XX	XX
16	Caboose										XX	XX	XX
17	Total freight car-miles (lines 12, 13, 14, 15 and 16)										XX	XX	XX
18	Passenger coaches										XX	XX	XX
19	Combination passenger cars (mail, express, or baggage, etc., with passenger)										XX	XX	XX
20	Sleeping and parlor cars										XX	XX	XX
21	Dining, grill and tavern cars										XX	XX	XX
22	Head-end cars										XX	XX	XX
23	Total (lines 18, 19, 20, 21, and 22)										XX	XX	XX
24	Business cars										XX	XX	XX
25	Crew cars (other than caboose)										XX	XX	XX
26	Grand total car-miles (lines 11, 17, 23, 24 and 25)										XX	XX	XX
	GROSS TON-MILES AND TRAIN-HOURS IN ROAD SERVICE												
27	Gross ton-miles of locomotives and tenders (thousands)										XX	XX	XX
28	Gross ton-miles of freight-train cars, contents, and cabooses (thousands)										XX	XX	XX
29	Gross ton-miles of passenger-train cars and contents (thousands)										XX	XX	XX
30	Train-hours—Total										XX	XX	XX
	REVENUE AND NONREVENUE FREIGHT TRAFFIC												
31	Tons of revenue freight	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
32	Tons of nonrevenue freight	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
33	Total tons revenue and nonrevenue freight	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
34	Ton-miles—Revenue freight in road service (thousands)	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
35	Ton-miles—Revenue freight in lake transfer service (thousands)	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
36	Total ton-miles—Revenue freight (thousands)	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
37	Ton-miles—Nonrevenue freight in road service (thousands)	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
38	Ton-miles—Nonrevenue freight in lake transfer service (thousands)	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
39	Total ton-miles—Nonrevenue freight (thousands)	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
40	Net ton-miles of freight—Revenue and nonrevenue (thousands)										XX	XX	XX
	REVENUE PASSENGER TRAFFIC												
41	Passengers carried—Total	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
42	Passenger miles—Total	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX

532. SWITCHING AND TERMINAL TRAFFIC AND CAR STATISTICS

(For switching and terminal companies only)

1. Give particulars of cars handled during the year. For descriptions of kinds of services included in switching operations, and in terminal operations, reference is made to the "Notice" on the inside of the front cover of this form. With respect to the term "cars handled" it should be observed that, when applied to switching operations, the movement of a car from the point at which a switching company receives it, whether loaded or empty, to the point where it is loaded or unloaded or delivered to another connecting line is to be counted as one car handled. The return of a car, whether loaded or empty, from the point where it is loaded or unloaded, to

the point of delivery is to be counted as one car handled. No incidental movement is to be considered, unless such incidental movement involves the receipt of additional revenue. When applied to terminal operations, such as union station, bridge, ferry, or other joint facility terminal operations, the term "cars handled" includes all cars for which facilities are furnished.

2. The number of locomotive-miles in yard switching service should be computed in accordance with account No. 316, "Yard Switching Locomotive-miles."

Item No.	Item (a)	Switching operations (b)			Terminal operations (c)			Total (d)		
	FREIGHT TRAFFIC									
201	Number of cars handled earning revenue—Loaded.....	NONE								
202	Number of cars handled earning revenue—Empty.....									
203	Number of cars handled at cost for tenant companies—Loaded.....									
204	Number of cars handled at cost for tenant companies—Empty.....									
205	Number of cars handled not earning revenue—Loaded.....									
206	Number of cars handled not earning revenue—Empty.....									
207	Total number of cars handled.....									
	PASSENGER TRAFFIC									
208	Number of cars handled earning revenue—Loaded.....									
209	Number of cars handled earning revenue—Empty.....									
210	Number of cars handled at cost for tenant companies—Loaded.....									
211	Number of cars handled at cost for tenant companies—Empty.....									
212	Number of cars handled not earning revenue—Loaded.....									
213	Number of cars handled not earning revenue—Empty.....									
214	Total number of cars handled.....									
215	Total number of cars handled in revenue service (items 207 and 214).....									
216	Total number of cars handled in work service.....									

Number of locomotive-miles in yard switching service: Freight,; passenger,

561C. COMPENSATION APPLICABLE TO PRIOR YEARS

Show hereunder, for each group of employees, the amount of compensation applicable to prior years, which was paid or is payable under labor awards of the current year or for other reasons. Additional compensation for the current year under labor awards or for other reasons is includible in I.C.C. Wage Statistics Form A and B, "Report of Employees, Service, and Compensation," for the calendar year. For purposes of this report, labor awards are intended to cover adjustments resulting from the decisions of Wage Boards and voluntary awards by the respondent incident thereto. Explain the nature of any amounts in excess of \$10,000 included in column (c) in a footnote.

Line No.	Group No.	Class of employees (a)	AMOUNT OF COMPENSATION								
			Under labor awards (b)			Other back pay (c)			Total (d)		
			\$			\$			\$		
1	I	Executives, officials, and staff assistants.....									
2	II	Professional, clerical, and general.....									
3	III	Maintenance of way and structures.....									
4	IV	Maintenance of equipment and stores.....									
5	V	Transportation (other than train, engine, and yard).....									
6	VI (a)	Transportation (yardmasters, switch tenders, and hostlers).....									
7	VI (b)	Transportation (train and engine service).....									
8		TOTAL.....									

9 Amount of foregoing compensation that is chargeable to operating expenses: \$.....

562. COMPENSATION OF OFFICERS, DIRECTORS, ETC.

1. In columns (a) and (b) enter the name and position of each of the five persons named in Schedules 102 and 103 of this report to whom the respondent paid the largest amount during the year as compensation for current or past service over and above necessary expenses incurred in discharge of duties. In addition, list all other officers, directors, pensioners or employees, if any, to whom the respondent paid \$40,000 or more in total compensation during the year.

2. The salary per annum to be entered in column (c) is the annual rate at which an employee is paid rather than the amount actually paid for a part of a year. If the salary of an individual was increased or decreased during the year, show salary before each change as well as at close of year.

3. If an officer, director, etc., receives compensation from one or more of the affiliated companies listed in Schedule 104, reference to this fact should be made if the aggregate compensation from all companies amounts to \$40,000 or more. The detail as to division of the compensation should be reported in schedule 564.

4. Other compensation to be entered in column (d) includes, but is not limited to, commissions; bonuses; shares in profits; contingent compensation; moneys paid, set aside or accrued pursuant to any pension, retirement, savings, deferred compensation, or similar plan including premiums paid for retirement annuities, or life insurance where the respondent is not the beneficiary (Premiums on group life insurance for benefits less than \$50,000 need not be reported.), or any other arrangement which constitutes a form of compensation. Give the details of any plan not previously reported, the basis of determining the ultimate benefits payable, and the payments or provisions made during the year.

5. Also include in column (d) all remuneration paid, directly or indirectly, in the form of securities, options, warrants, rights or other property. Furnish particulars concerning any options, warrants, or rights issued or granted during the year including prices, expiration dates and other information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by each officer, director, etc.

Line No.	Name of person	Position or Title	Salary per annum as of close of year (see instructions)		Other compensation during the year	
	(a)	(b)	(c)		(d)	
1	Detail of compensation paid to officers, directors, etc.		\$		\$	
2	was supplied to Interstate Commerce Commission in separate letter					
3						
4						
5						
6						
7						
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Pennsylvania Company

Annual Report

Schedule 562 - Compensation of Officers, Directors, Etc.

<u>Name of Person</u>	<u>Position or Title</u>	<u>Salary per annum as of close of year</u>	<u>Other Compensation during year</u>
Victor H. Palmieri	President		\$123,334 (6)
Alfred W. Martinelli	Senior Vice President - Administration	\$55,000 50,000 (3) 20,000 (4)	8,462 (5)
Charles R. Lee	Vice President - Finance and Treasurer	\$32,000 36,700 (1) 12,000 (4)	3,692 (5)
Paul M. Ostergard	Corporate Secretary and Counsel	\$29,000 33,000 (2) 20,000 (3) 19,000 (4)	2,788 (5)
George K. Whitney	Director		28,250 (7)

(1) Effective February 1, 1972

(2) Effective April 1, 1972

(3) Effective November 14, 1972

(4) Paid by Buckeye Pipe Line Company effective November 14, 1972

(5) Bonus paid

(6) Reimbursement to Great Southwest Corporation for services as President and Chief Executive Officer of Pennsylvania Company

(7) Fees paid during year

563. PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES AND AFFILIATES

1. In the form below give information concerning payments, fees, retainers, commissions, gifts, contributions, assessments, bonuses, pensions, subscriptions, allowance for expenses, or any form of payments amounting in the aggregate to \$50,000 or more during the year to any corporation, institution, association, firm, partnership, committee, or any person, except:

(a) Payments to employees of the respondent shall be reported in Schedule 502.

(b) Payments for services rendered by affiliates shall be reported in Schedule 564.

2. The aggregate of payments to be reported in column (c) shall include amounts paid and/or accrued during the year which are applicable to the year.

3. When contributions under \$50,000 are made in common with other carriers under a joint arrangement in payment for the performance of services or as a donation, each such contribution shall be reported, irrespective of the amount thereof, if the total amount paid by all contributors for the performance of the particular service is equal to the sum of \$100,000 or more.

4. Payments to the independent public accountant reporting on the respondent's annual report shall be subdivided to show separately the amount paid for auditing and the total amount paid for other types of management services such as, but not limited to, compensation plans, pension plans, forecasts and budgets, and tax advice. All carriers, whether payments aggregate more or less than \$50,000, shall answer the following question.

Did the independent accountant reporting on the respondent's annual report provide any management services other than auditing?

Specify. Yes... No...

See item #5 below

5. To be included are, among others, payments, directly or indirectly, for legal, medical, engineering, advertising, valuation, accounting, statistical, financial, educational, entertainment, charitable, advisory, defensive, detective, developmental, research, appraisal, registration, purchasing, architectural, and hospital services; payments for expert testimony and for handling wage disputes; and payments for services of banks, bankers, trust companies, insurance companies, brokers, trustees, promoters, solicitors, consultants, actuaries, investigators, inspectors, and efficiency engineers. Payments to the various railroad associations, commissions, committees, bureaus, boards, and other organizations maintained jointly by railroads shall also be included. The enumeration of these kinds of payments should not be understood as excluding other payments for services not excluded below.

6. To be excluded are: Rent of buildings or other property, taxes payable to the Federal, State, or local Governments, payments for heat, light, power, telegraph, and telephone services, and payments to other carriers on the basis of lawful tariff charges or for the interchange of equipment between carriers, as well as other 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, but any special and unusual payments for services should be reported. Payments of \$50,000 or more to organizations maintained jointly by railroads with other railroads are not to be excluded even if their services are regarded as routine.

7. 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 in the system, with references thereto in the reports of the other roads.

8. If any doubt exists in the mind of the reporting officer as to the reportability of any type of payment, request should be made for a ruling before filing this report.

Line No.	Name of recipient (a)	Description of service (b)	Amount of payment (c)
1	Lehman Brothers	Consultant	\$ 128 000
2	O'Melveny & Myers	Legal	423 475
3	Wachtell, Lipton Rosen & Katz	Legal	84 002
4	Price Waterhouse & Company	Accrual for 1972 audit expense	85 000
5	Price Waterhouse & Company	Consultant to preparation of 1971 financial statements	91 000
6	Peat, Marwick, Mitchell & Co.	Under accrual of 1971 audit expense	56 613
7			
8			
9			
10			
11			
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564. TRANSACTIONS BETWEEN RESPONDENT AND COMPANIES OR PERSONS AFFILIATED WITH RESPONDENT FOR SERVICES RECEIVED OR PROVIDED

1. Furnish the information called for below concerning each contract, agreement or arrangement (written or unwritten) in effect at any time during the year between the respondent and the affiliated companies listed in Schedule 104, or persons affiliated with the respondent including officers, directors, stockholders, owners, partners or their wives and other close relatives, or their agents. Examples of transactions are, but not restricted to, management, legal, accounting, purchasing or other type of service including the furnishing of materials, supplies, purchase of equipment, leasing of structures, land and equipment, and agreements relating to allocation of officers salaries and other common costs between affiliated companies.

To be excluded are payments for the following types of services:

- (a) Lawful tariff charges for transportation services.
- (b) Payments to or from other railroads for interline services and interchange of equipment.
- (c) Payments to or from other railroads for services which may reasonably be regarded as ordinarily connected with routine operation, maintenance, or construction of a railroad, but any special or unusual transactions should be reported.
- (d) Agreements relating to allocation of Federal income taxes between affiliated companies should be reported in Schedule 353 (p. 85)
- (e) Agreements relating to joint pension plans with affiliated companies should be reported in explanatory notes section of Schedule 200 (p. 13)

2. In column (a) enter the name of the affiliated company, person, or agent with which respondent received or provided services aggregating \$30,000 or more for the year. If an affiliated company provides services to more than one affiliate, and the aggregate compensation amounts to \$30,000 or more for the year, list all the affiliates included in the agreement and describe the allocation of charges in column (d). If the respondent provides services to more than one affiliate, and the aggregate compensation amounts to \$30,000 or more for the year, reference to this fact should be made and the detail as to the allocation of charges should be stated. For those affiliates providing services to the respondent, also enter in column (a) the percent of affiliate's gross income derived from transactions with respondent.

Attach a balance sheet and income statement for each affiliate with which respondent had reportable transactions during the year. These statements should be prepared on the same accounting year basis and in conformity with the balance sheet and income statement in annual report form A, and should be noted to indicate method of depreciating property, if any, furnished to the respondent. Balance sheet and income statement are not required for affiliated carriers filing annual reports with the Commission.

3. In column (b) indicate form of affiliation or control between the respondent and the company or person identified in column (a) as follows:

- (a) If respondent directly controls affiliate insert the word "direct".
- (b) If respondent controls through another company insert the word "indirect".
- (c) If respondent is under common control with affiliate insert the word "common".
- (d) If respondent is controlled directly or indirectly by the company listed in column (a) insert the word "controlled".
- (e) If control is exercised by other means such as a management contract or other arrangement of whatever kind insert the word "other" and footnote to describe such arrangements.

4. In column (c) fully describe the character of service involved such as management fees, lease of building, purchase of material, etc. When the affiliate listed in column (a) provides more than one type of service in column (c), list each type of service separately and show total for the affiliate. When services are both provided and received between the respondent and an affiliate they should be listed separately and the amounts shown separately in column (g).

5. In column (d) fully describe the basis for computing charges under each contract, agreement, etc.

6. In columns (e) and (f) indicate the date and term of each contract or arrangement. If oral contract, indicate with symbol "O".

7. In column (g) report the total amount received, paid, or accrued during the year which is applicable to the year, for each type of service listed in column (c). Indicate purchase items with the symbol "P" and sales items with the symbol "S". Do not report net figures when services are both provided and received between the respondent and an affiliate.

Line No.	Name of Company or Individual and percent of gross income from respondent carrier		Form of Affiliation	Character of Service	Basis of Charge	Contract		Total Charges for Year (g)	
	(a)	%				Date (e)	Term (f)	(P)(S)	
1.	Buckeye Pipe Line Co.	None	Direct	Accounting & Secretarial	Direct Cost	1/1/72	1 yr.	P	\$180,230
2.									
3.									
4.									
5.									
6.									
7.									
8.									
9.									
10.									
11.									
12.									
13.									
14.									
15.									

565. OTHER TRANSACTIONS BETWEEN RESPONDENT AND COMPANIES OR PERSONS AFFILIATED WITH RESPONDENT

1. Furnish the information called for below concerning transactions between the respondent and the affiliated companies listed in Schedule 104, or persons affiliated with the respondent including officers, directors, stockholders, owners, partners or their wives and other close relatives, or their agents. Examples of transactions are, but not limited to, purchase, sale or transfer of equipment, land, structures, securities or other assets aggregating \$30,000 in value for the year.
2. In column (a) enter the name of the affiliated company, person, or agent with which respondent transacted purchase, sale or transfer.
3. In column (b) indicate form of affiliation or control between the respondent and company or person identified in column (a) in accord with instruction No. 3 to Schedule 564.
4. In column (c) briefly describe the kind of asset purchased, sold or transferred.
5. In column (d) report the total of all purchases, sales or transfers of property with a value of \$30,000 or more. If individual items are less than that amount, report the total of all purchases or sales with the company or individual named in column (a) when the aggregate of such items is \$30,000 for the year. Indicate purchase items with the symbol "P" and sales items with the symbol "S".
6. In column (e) summarize the book cost, less accrued depreciation if applicable, for each item reported in column (d).
7. In column (f) report the net profit or loss for each item (column (d) less column (e)).
8. Answer all questions at bottom of schedule.

Line No.	Name of Company or Individual (a)	Form of Affiliation (b)	Description of Item (c)	Sales or Purchase Price (d)	Net Book Value (e)	Gain or (Loss) (f)
1	Great Southwest Corporation	Direct	Reimbursement of cash for expenses of respondent paid by affiliate	\$123,334	\$123,334	None
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						

With respect to the transactions listed above, were any gains or losses incurred by other affiliated companies in the six (6) accounting years preceding this report year on the transfer of the item to the company or individual named in column (a)? Specify. Yes.... No.... If yes, give particulars of prior transaction such as sales price, and gain or loss.

Where any services provided or assets transferred between respondent and affiliated companies or individuals during the year for which no charges were assessed? Specify. Yes.... No^X.... If yes, explain.

**566 A. TRANSACTIONS BETWEEN NONCARRIER SUBSIDIARIES OF RESPONDENT AND OTHER AFFILIATED COMPANIES OR PERSONS
FOR SERVICES RECEIVED OR PROVIDED**

1. Furnish the information called for below concerning transactions between noncarrier subsidiaries of the respondent and other affiliated companies for services received or provided in accord with instruction No. 1 to Schedule 564.
2. In column (a) enter the name of the noncarrier subsidiary of respondent.
3. In column (b) enter the name of other affiliated company with which the noncarrier subsidiary received or provided services aggregating \$30,000 or more for the year.
4. In column (c) indicate form of affiliation or control between noncarrier subsidiary and other affiliated company identified in column (b) in accord with instruction No. 3 to Schedule 564.
5. In column (d) fully describe the character of service involved such as management fees, lease of building, purchase of material, etc. If more than one type of service is provided, list each type of service separately. When services are both provided and received between the noncarrier subsidiary and other affiliate they should be listed separately and the amounts shown separately in column (h).
6. In column (e) fully describe the basis for computing charges under each contract, agreement, etc.
7. In columns (f) and (g) indicate the date and term of each contract or arrangement. If oral contract, indicate with symbol "O".
8. In column (h) report the total amount received, paid, or accrued during the year which is applicable to the year, for each type of service listed in column (d). Indicate purchase items with the symbol "P" and sales items with the symbol "S". Do not report net figures when services are both provided and received between the noncarrier subsidiary and other affiliate.

Line No.	Name of Respondent's Noncarrier Subsidiary Company (a)	Name of Other Affiliated Company (b)	Form of Affiliation (c)	Character of Service (d)	Basis of Charge (e)	Contract		Total Charges for Year	
						Date (f)	Term (g)	(P)(S)	(h)
1	NONE								
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
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23									
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25									
26									
27									
28									
29									
30									

566 B. OTHER TRANSACTIONS BETWEEN NONCARRIER SUBSIDIARIES OF RESPONDENT AND OTHER AFFILIATED COMPANIES OR PERSONS

1. Furnish the information called for below concerning other transactions between noncarrier subsidiaries of the respondent and other affiliated companies in accord with instruction No. 1 to Schedule 565.
2. In column (a) enter the name of the noncarrier subsidiary of respondent.
3. In column (b) enter the name of other affiliated company with which the noncarrier subsidiary transacted a purchase, sale or transfer of equipment, land, structures, securities or other assets aggregating \$30,000 in value for the year.
4. In column (c) indicate form of affiliation or control between noncarrier subsidiary and other affiliated company identified in column (b) in accord with instruction No. 3 to Schedule 564.
5. In column (d) briefly describe the kind of asset purchased, sold or transferred.
6. In column (e) report the total of all purchases, sales or transfers of property with a value of \$30,000 or more. If individual items are less than that amount, report the total of all purchases or sales when the aggregate of such items is \$30,000 for the year. Indicate purchase items with the symbol "P" and sales items with the symbol "S".
7. In column (f) summarize the book cost, less accrued depreciation if applicable, for each item reported in column (e).
8. In column (g) report the net profit or loss for each item (column (e) less column (f)).
9. Answer all questions at bottom of schedule.

Line No.	Name of Respondent's Noncarrier Subsidiary Company (a)	Name of Other Affiliated Company (b)	Form of Affiliation (c)	Description of Item (d)	Sales or Purchase Price (e)	Net Book Value (f)	Gain or (Loss) (g)
1	NONE						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							

With respect to the transactions listed above, were any gains or losses incurred by other affiliated companies in the six (6) accounting years preceding this report year on the transfer of the item to the company or individual named in column (b)? Specify. Yes.... No.... If yes, give particulars of prior transaction such as sales price, and gain or loss.

Were any services provided or assets transferred between noncarrier subsidiaries of respondent and other affiliated companies or individuals for which no charges were assessed? If so, explain.

571. CONSUMPTION OF FUEL BY MOTIVE-POWER UNITS

Show hereunder the amounts of the various kinds of fuel consumed by locomotive units and motor or other self-propelled rail cars in the service of the respondent during the year, and the number of kilowatt-hours for such tractive equipment as was propelled by electricity. The ton of 2,000 pounds should be used.

Kilowatt-hours, for entry in column (c) of section A, and column (A) of section B, are to be figures at high-tension taps (point of production or point of purchase), and divided among the several classes of service, the division being made on the respondent's best estimate if actual figures are not available.

A. LOCOMOTIVES

Line No.	Kind of locomotive service (a)	DIESEL	ELECTRIC	OTHER (STEAM, GAS TURBINE, ETC.)	
		Diesel oil (gallons) (b)	Kilowatt-hours (c)	Coal (tons) (d)	Fuel oil (gallons) (e)
1	Freight..... NONE				
2	Passenger.....				
3	Yard switching.....				
4	Total.....				
5	Work train.....				
6	GRAND TOTAL.....				
7	Total cost of fuel*.....				

B. RAIL MOTORCARS

Line No.	Kind of locomotive service (f)	DIESEL	ELECTRIC	GASOLINE
		Diesel oil (gallons) (g)	Kilowatt-hours (h)	Gasoline (gallons) (i)
11	Freight..... NONE			
12	Passenger.....			
13	Yard switching.....			
14	Total.....			
15	Work train.....			
16	GRAND TOTAL.....			
17	Total cost of fuel*.....			

*Show cost of fuel charged to train and yard service (accounts Nos. 382 and 384, for other than electric, and accounts Nos. 383, 384, 385, and 386, for electric). The cost stated for the various kinds of fuel should be the total charges in the accounts specified, including freight charges and handling expenses. The cost stated for electric current should be the total charges in the accounts enumerated. Fuel and power consumed by mixed and special trains that are predominantly freight should be included in freight service, but where the service of mixed or special trains is predominantly passenger, the fuel and power used should be included in passenger service.

NOTES AND REMARKS

581. CONTRACTS, AGREEMENTS, ETC.

1. 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:

- (a) Express companies.
- (b) Mail.
- (c) Sleeping, parlor, and dining-car companies.
- (d) Freight or transportation companies or lines.
- (e) Other railway companies.
- (f) Steamboat or steamship companies.
- (g) Telegraph companies.
- (h) Telephone companies.
- (i) Equipment purchased under conditional sales contracts.
- (j) Routing traffic of affiliated companies.
- (k) Other contracts.

2. Under item 1(e), include particulars of joint facility arrangements entered into during the year by the respondent, including those maintained or operated by other carriers as well as those maintained or operated by respondent. For each joint facility, give a brief statement of the basis or bases on which revenues, expenses, taxes, interest on investment, and other items, if any, related to the facility are apportioned among the carriers using the facility or otherwise deriving benefit therefrom.

3. Under item 1(i), 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 num-

ber of units of each class of equipment covered, and the terms and conditions of payment.

4. Under item 1(j) give particulars of arrangements, written or oral with affiliated companies for routing of traffic. Through route arrangements for handling of traffic interchanged with carrier affiliates should not be reported.

5. Under item 1(k), Other contracts, describe briefly the particulars of all contracts or agreements, including estimated amounts receivable, under which a government agency, or instrumentality thereof, seeks to assist respondent with grants or aid for providing passenger commuter or other passenger-train services.

6. 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 \$25,000 per year, and which, by its terms, is otherwise unimportant.

7. 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.

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

9. 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."

NONE

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. For each railroad property used in respondent's transportation service, show 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.

(Class 3) Line operated under lease for a specified sum.

(Class 4) Line operated under contract or agreement for contingent rent.

(Class 5) Line operated under trackage rights.

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. Other important changes not elsewhere provided for involving more than \$50,000, giving full particulars.

INCREASES IN MILEAGE

Line No.	Class	Main (M) or branch (B) line	RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.						Miles of way switching tracks	Miles of yard switching tracks	Total	Remarks	
			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)
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													

DECREASES IN MILEAGE

21										
22										
23										
24										
25										
26										
27										
28										
29										
30										
31										
32										
TOTAL DECREASE										

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

Owned by respondent:

Miles of road constructed Miles of road abandoned

Owned by proprietary companies:

Miles of road constructed Miles of road abandoned

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 respondent. It should be verified, also, by the oath of the president or other chief officer of the respondent, unless the respondent states on the last preceding page of this report that such chief officer has no control over the accounting of the respondent. 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.

OATH

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

State of New York
County of New York ss:

Charles R. Lee

(Insert here the name of the affiant)

makes oath and says that he is Vice President - Finance & Treasurer

(Insert here the official title of the affiant)

of Pennsylvania Company
(Insert here the exact legal title or name of the respondent)

that it is his duty to have supervision over the books of account of the respondent 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 respondent during the period of time from and including

January 1, 19⁷², to and including December 31, 19⁷²

Charles R. Lee
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public, in and for the State and

county above named, this 14th day of May, 19⁷³

My commission expires March 30, 1974

Use an
L. S.
Impression seal

Alice A. Wood

(Signature of officer authorized to administer oaths)

ALICE A. WOOD
NOTARY PUBLIC, State of New York
No. 31-9731450
Qualified in New York County
Commission Expires March 30, 1974

SUPPLEMENTAL OATH
(By the president or other chief officer of the respondent)

State of New York
County of New York ss:

A. W. Martinelli

(Insert here the name of the affiant)

makes oath and says that he is Senior Vice President

(Insert here the official title of the affiant)

of Pennsylvania Company
(Insert here the exact legal title or name of the respondent)

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 respondent and the operations of its property during the

period of time from and including January 31, 19⁷², to and including December 31, 19⁷²

A. W. Martinelli
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public, in and for the State and

county above named, this 14th day of May, 19⁷³

My commission expires March 30, 1974

Use an
L. S.
Impression seal

Alice A. Wood

(Signature of officer authorized to administer oaths)

ALICE A. WOOD
NOTARY PUBLIC, State of New York
No. 31-9731450
Qualified in New York County
Commission Expires March 30, 1974

RAILROAD CORPORATION—OPERATING—A

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