

426101

ANNUAL REPORT 1975 R-4 RAILROAD LESSOR 1 of 2
SOUTHERN RAILWAY COMPANY

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ORIGINAL

R-4

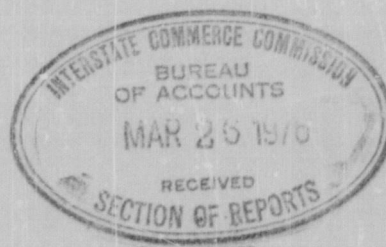
RAILROAD LESSOR

APPROVED BY GAO

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EXPIRES 12-31-78

annual report

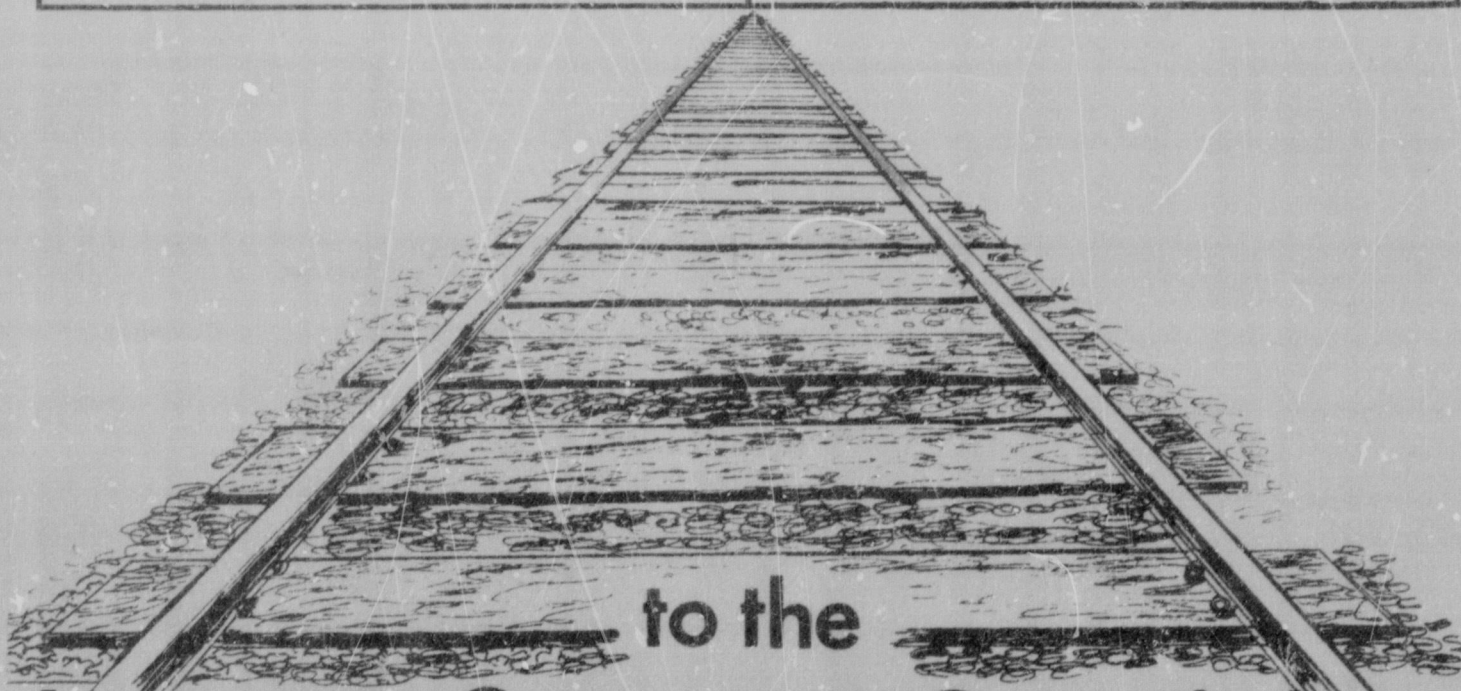


Lessors of the Southern Railway Co. 426101
Southern Railway Company
920 15th Street, N.W.
Washington, D. C. 20005

R-4 LESSORS

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.)



to the
Interstate Commerce Commission

FOR THE YEAR ENDED DECEMBER 31, 1975

NOTICE

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

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

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

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

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

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

The respondent is further required to send to the Bureau of Accounts, immediately upon publication, two copies of its latest printed annual report to stockholders. See Schedule 108A, Page 3.

2. The instructions in this Form should be carefully observed, and each question should be answered fully and accurately, whether it has been answered in a previous annual report or not. Except in cases where they are specifically authorized, cancellations, arbitrary check marks, and the like should not be used either as partial or as entire answers to inquiries. If any inquiry, based on a preceding inquiry in the present report form, is, because of the answer rendered to such preceding inquiry, inapplicable to the person or corporation in whose behalf the report is made, such notation as "Not applicable; see page . . . , Schedule (or line) number . . ." should be used in answer thereto, giving precise ref-

erence to the portion of the report showing the facts which make the inquiry inapplicable. Where the word "None" truly and completely states the fact, it should be given as the answer to any particular inquiry or any particular portion of an inquiry. Where dates are called for, the month and day should be stated as well as the year. Customary abbreviations may be used in stating dates.

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

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

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

Money items, except averages, throughout the annual report form should be shown in WHOLE DOLLARS adjusted to accord with footings. Totals for amounts reported in subsidiary accounts included in supporting schedules must be in agreement with related primary accounts.

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

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

Commission means The Interstate Commerce Commission. **Respondent** means the person or company in whose behalf the report is made. **The year** means the year ended December 31 for which the report is made. **The close of the year** means the close of business on December 31 of the year for which the report is made; or, in case the report is made for a shorter period than one year, it means the close of the period covered by the report. **The beginning of the year** means the beginning of business on January 1 of the year for which the report is made; or, in case the report is made for a shorter period than one year, it means the beginning of the period covered by the report. **The preceding year** means the year ended December 31 of the year next preceding the year for which the report is made. **The Uniform System of Accounts for Pipe Lines** means the system of accounts in Part 1204 of Title 49, Code Federal Regulations, as amended.

ANNUAL REPORT

OF

LESSORS OF THE SOUTHERN RAILWAY COMPANY

(FULL NAME OF THE RESPONDENT)

TO THE

INTERSTATE COMMERCE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1975

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

(Name) F. A. Lockett (Title) Assistant Comptroller

(Telephone number) 202 628-4460 Ext. 2209
(Area code) (Telephone number)

(Office address) 920 - 15th Street, N.W., Washington, D.C. 20005
(Street and number, City, State, and ZIP code)

SPECIAL NOTICE

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

Page 8: Schedule 200. General Balance Sheet - Asset Side

Provision has been made for reporting accrued depreciation on improvements to leasehold property.

Page 10: Schedule 200. General Balance Sheet - Liability Side

Provision has been made for reporting treasury stock.

Page 17C: Schedule 202. Compensating Balances and Short-Term Borrowing Arrangements

Page 17D: Schedule 203. Special Deposits

These are new schedules providing for reporting of compensating balances and certain short-term borrowing arrangements between carriers and financial institutions.

Page 60: Schedule 411. Tracks Owned at Close of Year

Page 61: Schedule 411A. Tracks Owned at Close of Year (For Lessors to Switching and Terminal Companies)

Instructions have been revised to require reporting mileages in whole miles rather than in hundredths.

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

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

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

[illegible]

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:

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

101. IDENTITY OF LESSOR COMPANIES INCLUDED IN THIS REPORT

Give hereunder the exact corporate name and other particulars called for concerning each lessor company included in this report. The corporate name should be given in full, exactly as it appears in the articles of incorporation, using the words "The" and "Company" only when they are parts of the corpo-

rate name. Be careful to distinguish between *railroad* and *railway*.

If receivers, trustee, or a committee of bondholders are in possession of the property of any of the lessor companies, state their names and the court of jurisdiction in column (a) and give the date when such receivership, trusteeship, or other posses-

sion began, in addition to the date of incorporation, in column (b).

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

Line No.	Exact name of lessor company (a)	INCORPORATION		CORPORATE CONTROL OVER RESPONDENT			Total number of stockholders (f)	Total voting power of all security holders at close of year (g)
		Date of incorporation (b)	Name of State or Territory in which company was incorporated (c)	Name of controlling corporation (d)	Extent of control (percent) (e)			
1	The Atlanta and Charlotte	5-17-1877	Georgia					
2	Air Line Railway Company	5-21-1877	N.Carolina	Southern Railway Company	99.22	17	17,000	
3			&S.Carolina					
4								
5	Elberton Southern Railway Company	12-02-1908	Georgia	Southern Railway Company	100.0	2	2,000	
6								
7								
8	The Georgia Midland Railway Company	3-27-1896	Georgia	Southern Railway Company	100.0	1	10,000	
9								
10								
11	Mobile and Birmingham Railroad Company	7-02-1895	Alabama	Southern Railway Company	99.83	11	17,952	
12								
13								
14	The North Carolina Midland Railroad Company	4-12-1883	N.Carolina	Southern Railway Company	97.2	33	9,240	
15								
16								
17	Southern Railway-Carolina Division	6-23-1902	S.Carolina	Southern Railway Company	100.0	6	41,762	
18								
19								
20	Transylvania Railroad Company	4-24-1899	N.Carolina	Southern Railway Company	97.16	2	3,700	
21								
22								
23	Virginia and Southwestern Railway Company	2-21-1899	Virginia	Southern Railway Company	100.0	1	20,000	
24								
25								
26								
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28								
29								
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32								
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Lessor Initials
500
Year 19 72

109. STOCKHOLDERS AND VOTING POWERS

1. Give the names of the five security holders who had the highest voting powers in each lessor company included in this report. This information should be given as of the close of the

year, or, if not available, at the date of the latest compilation of a list of stock-holders. If any holder held in trust, give particulars of the trust in a footnote. In the case of voting trust agreements

give, as supplemental information on page 12 the names and addresses of the 30 largest holders of the voting trust certificates and the amount of their individual holdings.

Line No.	Name of lessor company (a)	Name of stockholder (b)	Voting power (c)	Name of stockholder (d)	Voting power (e)	Name of stockholder (f)	Voting power (g)	Name of stockholder (h)	Voting power (i)	Name of stockholder (j)	Voting power (k)
1	The Atlanta and	Southern	16,854	Way & Co.	100	Agnew & Co.	23	Scott &	10	Robert D.	1
2	Charlotte Air Line	Railway						Stringfellow		Allen	
3	Railway Company	Company									
4											
5	Elberton Southern	Milton M.	1,020	Southern	980						
6	Railway Company	Davenport		Railway Co.							
7											
8	The Georgia Midland	Southern									
9	Railway Company	Railway Co.	10,000								
10											
11	Mobile and Birmingham	Central Trust	8,804	Southern	8,976	Southern	150	The English	15	Robert D.	1
12	Railroad Company	Co. of N.Y. *%		Railway Co. #		Railway Co.		Association @		Allen	
13											
14	The North Carolina	Central Trust	7,876	Southern	1,105	Leaksville	160	Madison	30	Leaksville	10
15	Midland Railroad Co.	Co. of N.Y. *		Railway Co.		Township		Township		Toll Bridge	
16											
17	Southern Railway-	Southern	41,757	W. Graham	1	Milton M.	1	Mahlon D.	1	Karl A.	1
18	Carolina Division	Railway Co.		Claytor, Jr.		Davenport		Edwards		Stoecker	
19											
20	Transylvania RR Co.	Sou. Ry. Co.	3,595	T.H. Shipman	105						
21											
22	Virginia and South-	Southern	20,000								
23	western Ry. Co.	Railway Co.									
24											
25	% As Trustee under the First Consolidated Mortgage Deed of Southern Railway Company dated October 2, 1894.										
26											
27	# Representing the holders of preferred stock under the terms of Voting Agreement dated March 20, 1899.										
28	Thomas Greene Bush for himself and other holders with Southern Railway Company.										
29											
30	@ The English Association of American Bond and Shareholders Limited.										
31											
32	* Now Manufacturers Hanover Trust Company.										

INITIALS OF RESPONDENT COMPANIES

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

	The A&CAL	Elb. Sou.	The Ga. Mid.	Mob & Bgham.	N.C. Mid.	SR-C. Div.	Transylv.	V&SW Ry.
State total number of votes cast at latest general meeting for election of directors of respondent	16,854	2,000	10,000	17,930	8,975	41,757	3,595	20,000
Give the date of such meeting	4/2/75	9/18/75	9/17/75	5/14/75	5/5/75	6/9/75	5/29/75	9/16/75
Give the place of such meeting	Greenv. SC.	Atla. Ga.	Col. Ga.	Mobile, Ala.	Wash. DC	Col., S.C.	Wash. D.C.	Wash. DC.

112. DIRECTORS

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

Line No.	Item	The Atlanta and Charlotte Air Line Railway Company	Elberton Southern Railway Company	The Georgia Midland Railway Company
1	Name of director	W.Graham Claytor, Jr.	W.Graham Claytor, Jr.	W.Graham Claytor, Jr.
2	Office address	Washington, D.C.	Washington, D.C.	Washington, D.C.
3	Date of beginning of term	April 2, 1975	September 18, 1975	September 17, 1975
4	Date of expiration of term	*	*	*
5	Name of director	Robert D. Allen	Even J. Allen	Milton M. Davenport
6	Office address	Washington, D.C.	Washington, D.C.	Washington, D.C.
7	Date of beginning of term	April 2, 1975	September 18, 1975	September 17, 1975
8	Date of expiration of term	*	*	*
9	Name of director	Milton M. Davenport	Milton M. Davenport	Mahlon D. Edwards
10	Office address	Washington, D.C.	Washington, D.C.	Washington, D.C.
11	Date of beginning of term	April 2, 1975	September 18, 1975	September 17, 1975
12	Date of expiration of term	*	*	*
13	Name of director	Mahlon D. Edwards	Mahlon D. Edwards	Karl A. Stoecker
14	Office address	Washington, D.C.	Washington, D.C.	Washington, D.C.
15	Date of beginning of term	April 2, 1975	September 18, 1975	September 17, 1975
16	Date of expiration of term	*	*	*
17	Name of director	Robert C. Guthy	Karl A. Stoecker	Robert W. Van Ness
18	Office address	Washington, D.C.	Washington, D.C.	Washington, D.C.
19	Date of beginning of term	April 2, 1975	September 18, 1975	September 17, 1975
20	Date of expiration of term	*	*	*
21	Name of director	John R. Kibler		
22	Office address	Washington, D.C.		
23	Date of beginning of term	April 2, 1975		
24	Date of expiration of term	*		
25	Name of director	Frank J. Miller, Jr.		Mobile and
26	Office address	Washington, D.C.		Birmingham
27	Date of beginning of term	April 2, 1975		Railroad Company
28	Date of expiration of term	*		
29	Name of director	E. A. Roth		W.Graham Claytor, Jr.
30	Office address	Washington, D.C.		Washington, D.C.
31	Date of beginning of term	April 2, 1975		May 14, 1975
32	Date of expiration of term	*		*
33	Name of director	Karl A. Stoecker		Robert D. Allen
34	Office address	Washington, D.C.		Washington, D.C.
35	Date of beginning of term	April 2, 1975		May 14, 1975
36	Date of expiration of term	*		*
37	Name of director	Robert W. Van Ness		Milton M. Davenport
38	Office address	Washington, D.C.		Washington, D.C.
39	Date of beginning of term	April 2, 1975		May 14, 1975
40	Date of expiration of term	*		*
41	Name of director	C. O. Wagner		Mahlon D. Edwards
42	Office address	Washington, D.C.		Washington, D.C.
43	Date of beginning of term	April 2, 1975		May 14, 1975
44	Date of expiration of term	*		*
45	Name of director	L. R. Weber		John R. Kibler
46	Office address	Washington, D.C.		Washington, D.C.
47	Date of beginning of term	April 2, 1975		May 14, 1975
48	Date of expiration of term	*		*
49	Name of director			Karl A. Stoecker
50	Office address			Washington, D.C.
51	Date of beginning of term			May 14, 1975
52	Date of expiration of term			*
53	Name of director			Robert W. Van Ness
54	Office address			Washington, D.C.
55	Date of beginning of term			May 14, 1975
56	Date of expiration of term			*

112. DIRECTORS--Concluded

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

The North Carolina Midland Railroad Company	Southern Railway- Carolina Division	Transylvania Railroad Company	Virginia and Southwestern Railway Company	Line No.
W.Graham Claytor, Jr.	W.Graham Claytor, Jr.	W.Graham Claytor, Jr.	W.Graham Claytor, Jr.	1
Washington, D.C.	Washington, D.C.	Washington, D.C.	Washington, D.C.	2
May 5, 1975	June 9, 1975	May 29, 1975	September 16, 1975	3
*	*	*	*	4
Robert D. Allen	Milton M. Davenport	Robert D. Allen	Milton M. Davenport	5
Washington, D.C.	Washington, D.C.	Washington, D.C.	Washington, D.C.	6
May 5, 1975	June 9, 1975	May 29, 1975	September 16, 1975	7
*	*	*	*	8
Milton M. Davenport	Mahlon D. Edwards	Milton M. Davenport	Mahlon D. Edwards	9
Washington, D.C.	Washington, D.C.	Washington, D.C.	Washington, D.C.	10
May 5, 1975	June 9, 1975	May 29, 1975	September 16, 1975	11
*	*	*	*	12
Mahlon D. Edwards	Karl A. Stoecker	Mahlon D. Edwards	Karl A. Stoecker	13
Washington, D.C.	Washington, D.C.	Washington, D.C.	Washington, D.C.	14
May 5, 1975	June 9, 1975	May 29, 1975	September 16, 1975	15
*	*	*	*	16
R. C. Guthy	Robert W. Van Ness	Karl A. Stoecker	Robert W. Van Ness	17
Washington, D.C.	Washington, D.C.	Washington, D.C.	Washington, D.C.	18
May 5, 1975	June 9, 1975	May 29, 1975	September 16, 1975	19
*	*	*	*	20
John R. Kibler		Robert W. Van Ness		21
Washington, D.C.		Washington, D.C.		22
May 5, 1975		May 29, 1975		23
*		*		24
Frank J. Miller		G. M. Williams		25
Washington, D.C.		Washington, D.C.		26
May 5, 1975		May 29, 1975		27
*		*		28
E. F. Neagle				29
Washington, D.C.				30
May 5, 1975				31
*				32
Edward A. Roth				33
Washington, D.C.				34
May 5, 1975				35
*				36
Karl A. Stoecker				37
Washington, D.C.				38
May 5, 1975				39
*				40
Robert W. Van Ness		*Directors are elected at annual meeting for ensuing year or until their successors shall have been elected and qualified.		41
Washington, D.C.				42
May 5, 1975				43
*				44
C. O. Wagner				45
Washington, D.C.				46
May 5, 1975				47
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113. PRINCIPAL GENERAL OFFICERS OF CORPORATION, RECEIVER, OR TRUSTEE

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

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

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

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

				Line No.
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200. GENERAL BALANCE SHEET—ASSET SIDE

Show hereunder the asset side of the balance sheet at close of each lessor company included in this report, entering the name of each lessor company in the column headed by its name.

026101 026102 026103 026104

Line No.	Account (a)	The A&C Ry. (b) Co.	Elberton Ry. (c) Co.	The Ga. Mid Ry. (d) Co.	Mob. & B. RR (e) Co.
CURRENT ASSETS					
1	(701) Cash	\$ 871	\$ 17,427	\$	\$
2	(702) Temporary cash investments		198,449		
3	(703) Special deposits				
4	(704) Loans and notes receivable				
5	(705) Traffic, car-service and other balances—Debit				
6	(706) Net balance receivable from agents and conductors				
7	(707) Miscellaneous accounts receivable	34,169			34,074
8	(708) Interest and dividends receivable		193		
9	(709) Accrued accounts receivable	80,426	25,341	29,167	
10	(710) Working fund advances				
11	(711) Prepayments				257
12	(712) Material and supplies				
13	(713) Other current assets				
14	(714) Deferred income tax charges (p. 55)				
15	Total current assets	115,466	241,410	29,167	34,331
16	(715) Sinking funds	5,868			
17	(716) Capital and other reserve funds				
18	(717) Insurance and other funds				
19	Total special funds	5,868			
INVESTMENTS					
20	(721) Investments in affiliated companies (pp. 24 to 27)	1	43,313	1,504	65,697
21	Undistributed earnings from certain investments in account 721 (27A and 27B)				
22	(722) Other investments (pp. 28 and 29)				
23	(723) Reserve for adjustment of investment in securities—Credit				
24	Total investments (accounts 721, 722 and 723)	1	43,313	1,504	65,697
PROPERTIES					
(731) Road and equipment property (pp. 18 and 19):					
25	Road	21,683,489	463,699	1,755,069	3,786,205
26	Equipment				
27	General expenditures	1,817,594	20,675	96,965	127,303
28	Other elements of investment	(3,335,712)	(41,534)	699,632	(517,500)
29	Construction work in progress	375			
30	Total road and equipment property	20,165,746	442,840	2,551,666	3,396,008
(732) Improvements on leased property (pp. 18 and 19):					
31	Road				
32	Equipment				
33	General expenditures				
34	Total improvements on leased property				
35	Total transportation property (accounts 731 and 732)	20,165,746	442,840	2,551,666	3,396,008
36	(733) Accrued depreciation—Improvements on leased property	(966,882)	(17,527)		
37	(735) Accrued depreciation—Road and Equipment				
38	(736) Amortization of defense projects—Road and Equipment				
39	Recorded depreciation and amortization (accts 733, 735 and 736)	(966,882)	(17,527)		
40	Total transportation property less recorded depreciation and amortization (line 35 less line 39)	19,198,864	425,313	2,551,666	3,396,008
41	(737) Miscellaneous physical property	1,452			
42	(738) Accrued depreciation—Miscellaneous physical property				
43	Miscellaneous physical property less recorded depreciation	1,452			
44	Total properties less recorded depreciation and amortization (line 40 plus line 43)	19,200,316	425,313	2,551,666	3,396,008
OTHER ASSETS AND DEFERRED CHARGES					
45	(741) Other assets	194,025		76,150	180,857
46	(742) Unamortized discount on long-term debt	121,408			
47	(743) Other deferred charges	8,292	3,758		
48	(744) Accumulated deferred income tax charges (p. 55)				
49	Total other assets and deferred charges	323,705	3,758	76,150	180,857
50	TOTAL ASSETS	19,645,356	713,794	2,558,487	3,676,893

For compensating balances not legally restricted, see Schedule 202.

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

GENERAL BALANCE SHEET—ASSET SIDE—CONTINUED ON PAGES 9A and 9B

200. GENERAL BALANCE SHEET—ASSET SIDE—Continued

200. GENERAL BALANCE SHEET—ASSET SIDE—Continued									
All contra entries hereunder should be indicated									
026105		026106		026107		026108			
The N. C. RR.	Mid. Co.	Southern Ry. Co. Div.	Transylvania RR. Co.	Va. and South Western Ry. Co.	(j)	(k)	Line No.		
\$	3,986	\$ 23,429	\$ 9,271	\$ 6,131	\$	\$	1		
		25,000	350,000	425,000			2		
							3		
							4		
							5		
							6		
							7		
		39	5,191	1,484			8		
	964	137,601	1,179	92,364			9		
							10		
	1,767		2,851				11		
							12		
							13		
							14		
	6,617	186,069	368,492	524,979			15		
				17,075			16		
	3,181	140,913		12,112			17		
							18		
	3,181	140,913		29,187			19		
							20		
	10,145	64,598	249,753	5,975			21		
							22		
		2					23		
	10,145	64,600	249,753	5,975			24		
							25		
	1,259,590	16,249,435	446,408	7,113,810			26		
							27		
	63,865	870,839	21,312	419,557			28		
	397,438	(3,226,175)	(260,825)	(1,010,213)			29		
							30		
	1,720,893	13,894,099	206,895	6,523,154			31		
							32		
							33		
							34		
	1,720,893	13,894,099	206,895	6,523,154			35		
		(891,418)	(63,274)	(1,161,438)			36		
							37		
		(891,418)	(63,274)	(1,161,438)			38		
							39		
							40		
	1,720,893	13,002,681	143,621	5,561,716			41		
		550,092		13,953			42		
		(60,438)					43		
		489,654		13,953			44		
	1,720,893	13,492,335	143,621	5,375,669			45		
							46		
		612,841	18,565	322,041			47		
				8,893			48		
		132,205	39,870				49		
							50		
		745,046	52,435	330,934			51		
	1,740,836	14,628,963	820,301	6,266,744			52		
							53		
							54		
							55		
							56		
							57		
							58		
							59		
							60		

200. GENERAL BALANCE SHEET—ASSET SIDE (Concluded)

Line No.	Account (a)	The A&CAL Ry (b) Co.	Elberton SO Ry. (c) Co.	The Ga. Mid Ry. (d) Co.	Mob&Bghm RR (e) Co.
		\$	\$	\$	\$
	ITEMS EXCLUDED ABOVE				
	The above returns exclude respondent's holdings of its own issues of securities as follows:				
51	(765) Sinking funds				
52	(716) Capital and other reserve funds				
53	(703) Special deposits				
54	(717) Insurance and other funds				

REMARKS

200. GENERAL BALANCE SHEET—ASSET SIDE (Concluded)

<i>026105</i> The N.C. RR	<i>026106</i> Mid. Co.	<i>026107</i> Southern Ry. Caro. Div.	<i>026108</i> Transylvania RR Co.	<i>026108</i> Va. and South. Western Ry. Co.	(j)	(k)	Line No.
\$	\$	\$	\$	\$			51
							52
							53
							54

REMARKS

200. GENERAL BALANCE SHEET—LIABILITY SIDE

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

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

Line No.	Account (a)	The A&CAL Ry. (b) Co.	Elberton Southern Ga. Ry. (c) Co.	Mid. & Bghm. RR (d) Co.	HR (e) Co.
CURRENT LIABILITIES					
55	(751) Loans and notes payable	\$	\$	\$	\$
56	(752) Traffic, car-service and other balances—Credit				
57	(753) Audited accounts and wages payable				
58	(754) Miscellaneous accounts payable		13		
59	(755) Interest matured unpaid				
60	(756) Dividends matured unpaid	7,578			
61	(757) Unmatured interest accrued	69,153		12,375	
62	(758) Unmatured dividends declared	99			
63	(759) Accrued accounts payable				
64	(760) Federal income taxes accrued		15,589		
65	(761) Other taxes accrued		1,548		
66	(762) Deferred income tax credits (p. 55)				
67	(763) Other current liabilities				
68	Total current liabilities (exclusive of long-term debt due within one year)	76,830	17,150	12,375	
LONG-TERM DEBT DUE WITHIN ONE YEAR					
69	(764) Equipment obligations and other debt (pp. 38, 39, 40, and 41)				
LONG-TERM DEBT DUE AFTER ONE YEAR					
70	(765) Funded debt unmatured	10,814,000	250,000	1,650,000	1,800,000
71	(766) Equipment obligations { pp. 38				
72	(767) Receivers' and Trustees' securities { 39, 40				
73	(768) Debt in default { and 41				
74	(769) Amounts payable to affiliated companies (pp. 42 and 43)	4,659,216			
75	Total long-term debt due after one year	15,473,216	250,000	1,650,000	1,800,000
RESERVES					
76	(771) Pension and welfare reserves				
77	(772) Insurance reserves				
78	(774) Casualty and other reserves		3,098		
79	Total reserves		3,098		
OTHER LIABILITIES AND DEFERRED CREDITS					
80	(781) Interest in default (p. 40)				
81	(782) Other liabilities				
82	(783) Unamortized premium on long-term debt				
83	(784) Other deferred credits	404,124			
84	(785) Accrued liability—Leased property				
85	(786) Accumulated deferred income tax credits (p. 55)		1,440		
86	Total other liabilities and deferred credits	404,124	1,440		
SHAREHOLDERS EQUITY					
Capital stock (Par or stated value)					
(791) Capital stock issued:					
87	Common stock (pp. 32 and 33)	1,699,900	200,000	1,000,000	897,600
88	Preferred stock (pp. 32 and 33)				897,600
89	Total capital stock issued	1,699,900	200,000	1,000,000	1,795,200
90	(792) Stock liability for conversion (pp. 34 and 35)				
91	(793) Discount on capital stock				
92	Total capital stock	1,699,900	200,000	1,000,000	1,795,200
Capital Surplus					
93	(794) Premiums and assessments on capital stock				
94	(795) Paid-in surplus				
95	(796) Other capital surplus				
96	Total capital surplus				
Retained Income					
97	(797) Retained income—Appropriated				
98	(798) Retained income—Unappropriated (pp. 17A and 17B)	1,991,286	242,106	(3,888)	81,693
99	Total retained income	1,991,286	242,106	(3,888)	81,693
TREASURY STOCK					
100	(798.5) Less: Treasury stock				
101	Total shareholders' equity	3,691,186	442,106	996,112	1,876,893
102	TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	19,645,356	713,794	2,658,487	3,676,893

200. GENERAL BALANCE SHEET—LIABILITY SIDE—Continued

On page 22, give an abstract of the provisions of the lease bearing on the leased railroad property. If the leasehold contract contains no such respondent's liability to reimburse the lessee for improvements made on provisions, state that fact.

026105 The N.C. Mid. RR (f) Co.		026106 Southern Ry. Caro. Div.		026107 Transylvania RR (h) Co.		026108 Va. and South. Ry. Co.		(j)	(k)	Line No.
\$		\$		\$		\$		\$		55
										56
		177,933								57
		100,150								58
										59
		56,379				63,669				60
										61
		15,000				96				62
				23,172		51,281				63
		100				160				64
										65
										66
										67
		349,562		23,172		115,206				68
						200,000				69
801,000		1,000,000		106,000		3,162,000				70
										71
										72
										73
		5,680,684								74
801,000		6,680,684		196,000		3,162,000				75
										76
				3,757		4,190				77
				3,757		4,190				78
										79
										80
										81
		193				173,091				82
										83
		51,840		1,440		77,280				84
		52,033		1,440		250,371				85
										86
924,000		4,176,200		370,000		2,000,000				87
924,000		4,176,200		370,000		2,000,000				88
										89
										90
924,000		4,176,200		(345,000)		2,000,000				91
				25,000						92
										93
		5,000,000								94
		45,000								95
		5,045,000								96
										97
15,836		(1,674,516)		570,932		534,977				98
15,836		(1,674,516)		570,932		534,977				99
										100
939,836		7,546,684		595,932		2,534,977				101
1,740,836		14,628,963		820,301		6,266,744				102

200. GENERAL BALANCE SHEET—LIABILITY SIDE—Continued

Line No.	Account (a)	The A&A Ry. (b) Co.	Liberton Sou. Ry. (c) Co.	The Ga. Ry. (d) Co.	Mild Mob. & RR (e) Co.
	The above returns exclude respondent's holdings of its own issues as follows:				
101	(765) Funded debt unmatured	604,000			
102	(767) Receivers' and trustees' securities				
103	(768) Debt in default				
104	(791) Capital stock				
	SUPPLEMENTARY ITEMS				
	Amount of interest matured unpaid in default for as long as 90 days:				
105	Amount of interest				
106	Amount of principal involved				
107	Investment carried in account No. 732, "Improvements on leased property," on the books of the lessee with respect to respondent's property	43,588,929	344,420	623,440	5,701,575

Note: Provision has not been made for Federal income taxes which may be payable in future years as a result of deductions during the period December 31, 1949, to close of the year of this report for accelerated amortization in excess of recorded depreciation. The amounts by which Federal income taxes have been reduced during the indicated period aggregated \$ None

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

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

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 \$ None

NOTES AND REMARKS

200. GENERAL BALANCE SHEET—LIABILITY SIDE—Concluded

The N.C. Mid- land (f) RR Co.	Southern Ry. Caro- (g) Div.	Transylvania RR (h) Co.	Va. & South Western (i) Ry. Co.	(j)	(k)	Line No.
\$	\$	\$	\$	\$	\$	
		237,000				101
						102
						103
						104
						105
						106
1,227,997	16,506,763	381,559	3,416,557			107

300. INCOME ACCOUNT FOR THE YEAR

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

2. All contra entries hereunder should be indicated in parenthesis.
3. Any unusual accruals involving substantial amounts included on lines 6 to 53, inclusive, should be fully explained in a footnote.

Line No.	Item (a)	Schedule No.	The A&CAL Ry. (b) Co.	Elberton Sou. Ry. Co. (c)	The Ga. Mid. Ry. Co. (d)	Mob. & Bghm. RR (e) Co.
	ORDINARY ITEMS		\$	\$	\$	\$
	RAILWAY OPERATING INCOME					
1	(501) Railway operating revenues					
2	(531) Railway operating expenses					
3	Net revenue from railway operations					
4	(532) Railway tax accruals (p. 54)	350		20,562		
5	(533) Provision for deferred taxes (p. 55)			480		
6	Railway operating income			(21,042)		
	RENT INCOME					
7	(503) Hire of freight cars and highway revenue freight equipment-credit balance					
8	(504) Rent from locomotives					
9	(505) Rent from passenger-train cars					
10	(506) Rent from floating equipment					
11	(507) Rent from work equipment					
12	(508) Joint facility rent income					
13	Total rent income					
	RENTS PAYABLE					
14	(536) Hire of freight cars and highway revenue freight equipment-debit balance					
15	(537) Rent for locomotives					
16	(538) Rent for passenger-train cars					
17	(539) Rent for floating equipment					
18	(540) Rent for work equipment					
19	(541) Joint facility rents					
20	Total rents payable					
21	Net rents (lines 13, 20)					
22	Net railway operating income (lines 6, 21)			(21,042)		
	OTHER INCOME					
23	(502) Revenues from miscellaneous operations (p. 53)					
24	(509) Income from lease of road and equipment (p. 56)	371	573,349	37,500	49,500	78,000
25	(510) Miscellaneous rent income					
26	(511) Income from nonoperating property					
27	(512) Separately operated properties—profit					
28	(513) Dividend income (from investments under cost only)					
29	(514) Interest income		6,860	16,065		
30	(516) Income from sinking and other reserve funds					
31	(517) Release of premiums on funded debt					
32	(518) Contributions from other companies					
33	(519) Miscellaneous income		190,812			19,060
34	Dividend income (from investments under equity only)					
35	Undistributed earnings (losses)					
36	Equity in earnings (losses) of affiliated companies (lines 34, 35)					
37	Total other income		771,021	53,565	49,500	97,080
38	Total income (lines 22, 37)		771,021	32,523	49,500	97,080
	MISCELLANEOUS DEDUCTIONS FROM INCOME					
39	(534) Expenses of miscellaneous operations (p. 53)					
40	(535) Taxes on miscellaneous operating property (p. 53)					
41	(543) Miscellaneous rents					
42	(544) Miscellaneous tax accruals					
43	(545) Separately operated properties—loss					
44	(549) Maintenance of investment organization					
45	(550) Income transferred to other companies					
46	(551) Miscellaneous income charges		255	92	4,185	
47	Total miscellaneous deductions		255	92	4,185	
48	Income available for fixed charges (lines 38, 47)		770,766	32,431	45,315	97,080

300. INCOME ACCOUNT FOR THE YEAR—Continued

4. Line 28 includes only dividends from investments accounted for under the cost method. Line 34 includes only dividends accounted for under the equity method. Line 35 includes the undistributed earnings from investments accounted for under the equity method. Line 36 represents the earnings (losses) of investee companies accounted for under the equity method. Lines 34 and 35 should be included only once in the total on line 37.

The N.C. Mid-land (f) RR Co.	Southern Ry. Caro. (g) Div.	Pennsylvania RR (h) Co.	Va. & South Western Ry. Co.	(j)	(k)	Line No.
\$	\$	\$	\$	\$	\$	1
						2
	(3,107)	25,491	28,246			3
	16,800	480	26,400			4
	(13,693)	(25,971)	(54,646)			5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
	(13,693)	(25,971)	(54,646)			21
						22
75,780	120,380	30,000	184,135			23
						24
						25
						26
		9,974				27
	8,597	28,577	32,185			28
	7,754		1,082			29
						30
						31
	9,934		8,725			32
						33
						34
						35
75,780	146,665	68,551	226,127			36
75,780	132,972	42,580	171,481			37
						38
						39
						40
						41
						42
						43
						44
	5,318	275	1,840			45
	5,318	275	1,840			46
75,780	127,654	42,305	169,641			47
						48

300. INCOME ACCOUNT FOR THE YEAR—Continued

Line No.	Item (a)	Schedule No.	The A&CAL Ry. Co. (b)	Elberton Southern Ry. Co. (c)	The Georgia Midland Ry. Co. (d)	Mob. & BGM RR Co. (e)
	FIXED CHARGES		\$	\$	\$	\$
49	(54) Rent for leased roads and equipment (pp. 58 and 59)	383				
	(54) Interest on funded debt:					
50	(a) Fixed interest not in default		580,497	12,500	49,500	78,000
51	(b) Interest in default					
52	(547) Interest on unfunded debt					
53	(548) Amortization of discount on funded debt		9,713			
54	Total fixed charges		590,210	12,500	49,500	78,000
55	Income after fixed charges (lines 48, 54)		180,556	19,931	(4,185)	19,080
	OTHER DEDUCTIONS					
	(546) Interest on funded debt:					
56	(c) Contingent interest					
57	Ordinary income (lines 55, 56)		180,556	19,931	(4,185)	19,080
	EXTRAORDINARY AND PRIOR PERIOD ITEMS					
58	(570) Extraordinary items - Net Credit (Debit) (p. 58)	396				
59	(580) Prior period items - Net Credit (Debit) (p. 58)	396				
60	(590) Federal income taxes on extraordinary and prior period items - Debit (Credit) (p. 58)	396				
61	(591) Provision for deferred taxes:					
	Extraordinary and prior period items					
62	Total extraordinary and prior period items Cr. (Dr.)					
63	Net Income transferred to Retained Income					
	Unappropriated (lines 57, 52)	305	180,556	19,931	(4,185)	19,080

INCOME ACCOUNT FOR THE YEAR - EXPLANATORY NOTES

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

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

Flow-through ☒ Deferral _____

(2) If flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit _____ \$ None

(3) If deferral method was elected, indicate amount of investment tax credit utilized as a reduction of tax liability for current year _____ \$ None

Deduct amount of current year's investment tax credit applied to reduction of tax liability but deferred for accounting purposes _____ \$ None

Balance of current year's investment tax credit used to reduce current year's tax accrual _____ \$ None

Add amount of prior years' deferred investment tax credits being amortized and used to reduce current year's tax accrual _____ \$ None

Total decrease in current year's tax accrual resulting from use of investment tax credits _____ \$ None

NOTES AND REMARKS

In accordance with Docket No. 34178 (Sub-No. 2), show below the effect of deferred taxes on prior years net income as reported in annual reports to the Commission. Debit amounts in columns (b) and (d), and credit amounts in column (c) should be indicated by parentheses.

Atlanta & Charlotte Air Line Railway Company

Year (a)	Net income as reported (b)	Provision for deferred taxes (c)	Adjusted net income (d)
1973	\$ 18,660	\$ -	\$ 18,660
1972	240,015	-	240,015
1971	25,140	-	25,140

Elberton Southern Railway Company

Year (a)	Net income as reported (b)	Provision for deferred taxes (c)	Adjusted net income (d)
1973	18,731	480	18,251
1972	17,313	-	17,313
1971	18,748	-	18,748

300. INCOME ACCOUNT FOR THE YEAR—Concluded

The N.C. Mid Land RR (f) Co.	Southern Ry. Caro. (g) Div.	Transylvania RR (h) Co.	Va. & South Western Ry. Co. (i)	(j)	(k)	Line No.
\$	\$ 30,000	\$	\$	\$	\$	49
48,060	77,966	9,800	157,390			50
						51
						52
			2,431			53
48,060	107,966	9,800	159,821			54
27,720	19,688	32,505	9,820			55
27,720	19,688	32,505	9,820			56
						57
						58
						59
						60
						61
						62
27,720	19,688	32,505	9,820			63

NOTES AND REMARKS - Concluded

The Georgia Midland Railway Company

Year (a)	Net income as reported (b)	Provision for deferred taxes (c)	Adjusted net income (d)
1973	\$ 340	\$ -	\$ 340
1972	(18)	-	(18)
1971	-	-	-

Mobile and Birmingham Railroad Company

Year (a)	Net income as reported (b)	Provision for deferred taxes (c)	Adjusted net income (d)
1973	\$ 933	\$ -	\$ 933
1972	863	-	863
1971	1,279	-	1,279

The North Carolina Midland Railroad Company

Year (a)	Net income as reported (b)	Provision for deferred taxes (c)	Adjusted net income (d)
1973	\$30,342	\$ -	\$30,342
1972	10,165	-	10,165
1971	10,165	-	10,165

305. RETAINED INCOME- UNAPPROPRIATED

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

for Railroad Companies.

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

Line No.	Item (a)		The Atl. & Charlotte Air Line (b) Ry. Co.		Elberton Southern Ry. (c) Co.	
			(1)	(2)	(1)	(2)
1	Unappropriate retained income (1) and equity in undistributed earnings (losses) of affiliated companies (2) at beginning of year*		\$ 1,811,627	NONE	\$ 222,175	NONE
CREDITS						
2	(602) Credit balance transferred from income (pp. 16 and 17)	300	180,556		19,931	
3	(606) Other credits to retained income (p. 58)	396				
4	(622) Appropriations released					
5	Total		180,556		19,931	
DEBITS						
6	(612) Debit balance transferred from income (pp. 16 and 17)	300				
7	(616) Other debits to retained income (p. 58)	396				
8	(620) Appropriation for sinking and other reserve funds					
9	(621) Appropriations for other purposes					
10	(623) Dividends (pp. 52 and 53)	308	897			
11	Total		897			
12	Net increase (decrease) during year*		179,659		19,931	
13	Unappropriated retained income (1) and equity in undistributed earnings (losses) of affiliated companies (2) at end of year*		1,991,286		242,106	
14	Balance from line 13(2)*			x x x x x		x x x x x
15	Total unappropriated retained income and equity in undistributed earnings (losses) of affiliated companies at end of year*		1,991,286	x x x x x	242,106	x x x x x
Remarks						
16	Amount of assigned Federal income tax consequences:					
17	Account 606			x x x x x		x x x x x
	Account 616			x x x x x		x x x x x

*Amount in parentheses indicates debit balance.

NOTES AND REMARKS**Southern Railway-Carolina Division**

Year (a)	Net Income as reported (b)	Provision for deferred taxes (c)	Adjusted net income (d)
1973	\$18,940	\$17,760	\$ 1,180
1972	13,409	-	13,409
1971	(91,919)	-	(91,919)

Transylvania Railroad Company

Year (a)	Net income as reported (b)	Provision for deferred taxes (c)	Adjusted net income (d)
1973	\$32,061	\$ 480	\$31,581
1972	26,425	-	26,425
1971	30,503	-	30,503

Virginia and Southwestern Railway Company

Year (a)	Net income as reported (b)	Provision for deferred taxes (c)	Adjusted net income (d)
1973	\$57,697	\$24,000	\$33,697
1972	30,548	-	30,548
1971	59,552	-	59,552

305. RETAINED INCOME—UNAPPROPRIATED—Concluded

4. Segregate in column (2) all amounts applicable to the equity in undistributed earnings (losses) of affiliated companies based on the equity method of accounting.

schedule 300. The total of columns (1) and (2), lines 2 and 6, should agree with line 63, schedule 300.

6. Include in column (1) only amounts applicable to Retained Income

The Georgia Midland Ry. (d) Co.		Mobile & Birmingham RR (e) Co.		The North Carolina Midland (f) RR Co.		Southern Railway - Carolina (g) Division		Line No.
(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	
297	NONE	62,613	NONE	15,836	NONE	(1,694,204)	NONE	1
		19,080		27,720		19,688		2
								3
		19,080		27,720		19,688		4
								5
4,185								6
								7
								8
				27,720				9
4,185				27,720				10
(4,185)		19,080		-		19,688		11
								12
(3,888)		81,693		15,836		(1,674,516)		13
	x x x x x		x x x x x		x x x x x		x x x x x	14
(3,888)	x x x x x	81,693	x x x x x	15,836	x x x x x	(1,674,516)	x x x x x	15
	x x x x x		x x x x x		x x x x x		x x x x x	16
	x x x x x		x x x x x		x x x x x		x x x x x	17

Transylvania

RR (h) Co.

(1) (2)

538,427 NONE

32,505

32,505

32,505

570,932

- XXX

570,932 XXX

XXX

XXX

NOTES AND REMARKS

Virginia and South

Western (i) Ry.Co.

(1) (2)

725,157 NONE

9,820

9,820

200,000

200,000

(190,180)

534,977

- XXX

534,977 XXX

XXX

XXX

SCHEDULE 202.—COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS

Using the following notes as a guideline, show the requirements of compensating balances and short-term borrowing arrangements. For note disclosure is required even though the arrangement is not reduced to writing.

1. Disclose compensating balances not legally restricted, lines of credit used and unused, average interest rate of short-term borrowings outstanding at balance sheet date, maximum amount of outstanding borrowings during the period and the weighted average rate of those borrowings.
2. Time deposits and certificates of deposit where not included elsewhere as part of compensating balances should be disclosed.
3. Compensating balance arrangements need only be disclosed for the latest fiscal year.
4. Compensating balances under an agreement which legally restricts the use of such funds should be included in Schedule 203, account 703, Special deposits.
5. Compensating balance arrangements are sufficiently material to require disclosure or segregation when the aggregate of written and oral agreement balances amount to 15 percent or more of liquid assets (current cash balanced, restricted and unrestricted plus marketable securities).
6. When a carrier is not in compliance with a compensating balance requirement that fact should be disclosed along with stated and possible sanctions whenever such possible sanctions may be immediate (not vague or unpredictable) and material.

NONE

The company reporting to the Interstate Commerce Commission in this report is a part of the Southern Railway Company and Consolidated Subsidiaries, which is comprised of 33 regulated carriers and 22 other companies. Financial reporting to shareholders and the general public is made on a consolidated basis and the following balance sheet is included in this report in order to put the financial data of the reporting company into proper perspective relative to the Southern Consolidated System.

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Southern Railway
Company and
Consolidated Subsidiaries

Balance
Sheet

	December 31 (Thousands of Dollars)	
	1975	1974
Assets		
Current assets:		
Cash and marketable securities at lower of cost or market	\$ 95,811	\$ 127,422
Accounts receivable	147,006	133,151
Materials, supplies and other	77,448	36,508
	<u>320,265</u>	<u>297,081</u>
Investments in and advances to affiliates	8,866	9,396
Other assets	30,120	32,261
Properties	1,752,572	1,684,960
	<u>\$2,111,823</u>	<u>\$2,023,698</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 205,884	\$ 196,229
Income taxes	21,306	31,662
Current maturities of long-term debt	59,976	56,462
	<u>287,166</u>	<u>284,353</u>
Long-term debt	632,394	618,516
Reserve for income taxes	10,759	10,759
Deferred income taxes	262,917	239,240
Reserves and other liabilities	21,576	17,737
	<u>1,214,812</u>	<u>1,170,605</u>
Shareholders' equity:		
Preferred stock	58,000	58,560
Serial preference stock	18,729	18,730
Common stock	145,412	144,769
Capital surplus	20,503	17,803
Income retained in the business	654,367	613,231
	<u>897,011</u>	<u>853,093</u>
	<u>\$2,111,823</u>	<u>\$2,023,698</u>

Certain 1974 data have been changed
for comparability.

The company reporting to the Interstate Commerce Commission in this report is a part of the Southern Railway Company and Consolidated Subsidiaries, which is comprised of 33 regulated carriers and 22 other companies. Financial reporting to shareholders and the general public is made on a consolidated basis and the following income statement is included in this report in order to put the financial data of the reporting company into proper perspective relative to the Southern Consolidated System.

**Southern Railway
Company and
Consolidated Subsidiaries**

**Statement
Of Income**

	(Thousands of Dollars)	
	Year 1975	Year 1974
Railway operating revenues:		
Freight	\$639,651	\$876,240
Demurrage	8,976	16,740
Passenger	5,137	5,852
Other	9,926	10,493
	<u>863,690</u>	<u>909,325</u>
Other income:		
Interest	7,507	16,149
Gain on sale of properties	5,662	10,097
Other	9,799	12,172
Total income	<u>886,658</u>	<u>947,743</u>
Railway operating expenses:		
Maintenance of way and structures	138,449	169,159
Maintenance of equipment	141,237	146,167
Transportation	286,731	285,277
Other	56,250	59,480
	<u>622,667</u>	<u>660,083</u>
State and local taxes, principally property	25,245	25,737
Payroll taxes	45,979	46,799
Net freight car rent income based on time and mileage	(12,836)	(20,961)
Other equipment rent expense	30,748	35,553
Joint facility rent expense	771	1,286
Miscellaneous deductions from income	4,821	7,409
Fixed charges, principally interest	49,629	49,385
Total expenses	<u>767,024</u>	<u>805,291</u>
Income before income taxes	<u>119,634</u>	<u>142,452</u>
Federal and state income taxes:		
Current	18,267	23,632
Deferred	23,042	30,714
Total income taxes	<u>41,309</u>	<u>54,346</u>
Net consolidated income for the year	<u>\$ 78,325</u>	<u>\$ 88,106</u>
Per average share of common stock outstanding	\$5.12	\$5.83

Certain 1974 data have been changed for comparability.

Schedule 203.—SPECIAL DEPOSITS

Show separately each cash deposit of \$10,000 or more reflected in account 703 at the close of the year. Items of less than \$10,000 may be combined in a single entry and described as "Minor items less than \$10,000." Report dollars in thousands.

Line No.	Purpose of deposit (a)	Balance at close of year (b)
	Interest special deposits:	\$
1		
2		
3	NONE	
4		
5		
6	Total	
	Dividend special deposits:	
7		
8		
9	NONE	
10		
11		
12	Total	
	Miscellaneous special deposits:	
13		
14		
15	NONE	
16		
17		
18	Total	
	Compensating balances legally restricted:	
19		
20		
21		
22	NONE	
23		
24	Total	

211. ROAD AND EQUIPMENT PROPERTY

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

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

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

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

Line No.	Account (a)	The A&CAL Ry. Co.		El. Sou. Ry. Co.		The Ga. Ml. Ry. Co.	
		Gross charges during year (b)	Net charges during year (c)	Gross charges during year (d)	Net charges during year (e)	Gross charges during year (f)	Net charges during year (g)
1	(1) Engineering _____	\$	\$ (1,087)	\$	\$	\$	\$ (161)
2	(2) Land for transportation purposes _____	27,525	27,417				
3	(2 1/2) Other right-of-way expenditures _____						
4	(3) Grading _____						
5	(5) Tunnels and subways _____						
6	(6) Bridges, trestles, and culverts _____						(41)
7	(7) Elevated structures _____						
8	(8) Ties _____		(1,098)				
9	(9) Rails _____		(1,090)				
10	(10) Other track material _____		(21,962)				
11	(11) Ballast _____		(553)				
12	(12) Track laying and surfacing _____		(968)				
13	(13) Fences, snowsheds, and signs _____						
14	(16) Station and office buildings _____						(3,978)
15	(17) Roadway buildings _____		(1,137)				
16	(18) Water stations _____						
17	(19) Fuel stations _____			N			
18	(20) Shops and enginehouses _____			O			
19	(21) Grain elevators _____			N			
20	(22) Storage warehouses _____				E		
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 _____		(17)				
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 & explain) _____						
36	Total expenditures for road _____	27,508	(495)				(4,180)
37	(52) Locomotives _____						
38	(53) Freight-train cars _____						
39	(54) Passenger-train cars _____			N			
40	(55) Highway revenue equipment _____			O			
41	(56) Floating equipment _____				N		
42	(57) Work equipment _____				E		
43	(58) Miscellaneous equipment _____						
44	Total expenditure for equipment _____						
45	(71) Organization expenses _____						
46	(76) Interest during construction _____		(3,430)				(254)
47	(77) Other expenditures—General _____		(411)				(63)
48	Total general expenditures _____		(3,841)				(317)
49	Total _____	27,508	(4,336)				(4,497)
50	(90) Construction work in progress _____		1,374				
51	Grand total ¹ _____	27,508	(2,962)	N O	N E		(4,497)

¹ Do not include in road and equipment accounts, including Account No. 80, "Other elements of investments," adjustments which were made pursuant to the Commission's order, dated Apr. 17, 1963.

211. ROAD AND EQUIPMENT PROPERTY—Continued

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

5. Notes referring to entries in this schedule should be shown on page 22.

6. Report on line 35 amounts not includable in the primary road accounts. The items reported

should be briefly identified and explained in a footnote on page 22. 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.

Mob. & Bghm. R.R. Co.		The N.C. Midland RR Co		Sou. Ry. Caro. Div.		Transylvania R.R. Co.		Line No.
Gross charges during year (h)	Net charges during year (i)	Gross charges during year (j)	Net charges during year (k)	Gross charges during year (l)	Net charges during year (m)	Gross charges during year (n)	Net charges during year (o)	
\$	\$	\$	\$	\$	\$	\$	\$	1
	(7,687)		67	310 (32,824)	(4,150) (4,430)		(128)	2
								3
								4
								5
								6
			(13)		(763)		(111)	7
			(11)		(541)		(63)	8
			(5)		(1,629)		(57)	9
			(5)		(280)			10
			(13)		(641)		(94)	11
					(11)			12
			1,676		(17,310)		(2,872)	13
								14
								15
								16
								17
								18
								19
								20
								21
								22
							(19)	23
			50		(150)			24
								25
								26
								27
								28
								29
								30
								31
								32
								33
								34
	(7,687)		1,746	(32,514)	(29,905)		(3,344)	35
								36
								37
								38
								39
								40
								41
								42
								43
								44
			(4)		(2,197)		(152)	45
			(1)		(334)		(50)	46
			(5)		(2,531)		(202)	47
	(7,687)		1,741	(32,514)	(32,436)		(3,546)	48
								49
	(7,687)		1,741	(32,514)	(32,436)		(3,546)	50
								51

212. PROPRIETARY COMPANIES

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

clude 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

Line No.	Item (a)	(b)	(c)	(d)	(e)
1	Mileage owned: Road _____				
2	Second and additional main tracks _____				
3	Passing tracks, cross-overs, and turn-outs _____				
4	Way switching tracks _____				
5	Yard switching tracks _____				
6	Road and equipment property: Road _____	\$	\$	\$	\$
7	Equipment _____				
8	General expenditures _____				
9	Other property accounts* _____				
10	Total (account 731) _____		NONE		
11	Improvements on leased property: Road _____				
12	Equipment _____				
13	General expenditures _____				
14	Total (account 732) _____				
15	Depreciation and amortization (accounts 735, 736, and 785) _____				
16	Funded debt unmatured (account 765) _____				
17	Long-term debt in default (account 768) _____				
18	Amounts payable to affiliated companies (account 769) _____				
19	Capital stock (account 791) _____				

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

211. ROAD AND EQUIPMENT PROPERTY

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

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

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

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

Line No.	Account (a)	Va. and So. Western Ry.					
		Gross charges during year (b)	Net charges during year (c)	Gross charges during year (d)	Net charges during year (e)	Gross charges during year (f)	Net charges during year (g)
1	(1) Engineering _____	\$ (60)		\$	\$	\$	\$
2	(2) Land for transportation purposes _____	(12,517)					
3	(2 1/2) Other right-of-way expenditures _____						
4	(3) Grading _____	(543)					
5	(5) Tunnels and subways _____						
6	(6) Bridges, trestles, and culverts _____						
7	(7) Elevated structures _____						
8	(8) Ties _____	(113)					
9	(9) Rails _____	(66)					
10	(10) Other track material _____	(1,130)					
11	(11) Ballast _____	(54)					
12	(12) Track laying and surfacing _____	(368)					
13	(13) Fences, snowsheds, and signs _____	(20)					
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 & explain) _____						
36	Total expenditures for road _____	(14,871)					
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 expenditure for equipment _____						
45	(71) Organization expenses _____						
46	(76) Interest during construction _____	(14)					
47	(77) Other expenditures—General _____	(8)					
48	Total general expenditures _____	(22)					
49	Total _____	(14,893)					
50	(90) Construction work in progress _____	11,371					
51	Grand total ¹ _____	(3,522)					

¹ Do not include in road and equipment accounts, including Account No. 80, "Other elements of investments," adjustments which were made pursuant to the Commission's order, dated April 17, 1963.

212. PROPRIETARY COMPANIES—Concluded

forth in a footnote. The separation of accounts 731 and 732 into "Road," "Equipment," and "General expenditures" should be estimated, if not actually shown on respondent's books. Assign to "General Expenditures" only such amounts as are not included in "Road" or "Equip-

ment." Enter brief designation of the several proprietary companies at the heads of their respective columns and state in footnotes the names of the lessor companies that control them.

(f)	(g)	(h)	(i)	(j)	(k)	Line No.
						1
						2
						3
						4
						5
\$	\$	\$	\$	\$	\$	6
						7
						8
						9
		NONE				10
						11
						12
						13
						14
						15
						16
						17
						18
						19

NOTES AND REMARKS REGARDING RETURNS IN SCHEDULE NO. 211 ON PAGES 18 AND 19

ABSTRACT OF THE PROVISIONS OF THE LEASE BEARING ON RESPONDENT'S LIABILITY TO REIMBURSE THE LESSEE FOR
IMPROVEMENTS MADE ON THE LEASED RAILROAD PROPERTY

(See instructions on page 11)

GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 217 AND 218

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

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

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

(A) Stocks:

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

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

(C) Other secured obligations:

(D) Unsecured notes:

(E) Investment advances:

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

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

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.
- VIII. Transportation, communications, and other public utilities.
- VIII. Services.
- IX. Government.
- X. All other.

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

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

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

217. INVESTMENTS IN AFFILIATED COMPANIES

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

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

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

tions given on page 23, classifying the investments by means of letters, figures, and symbols in columns (a), (b), and (c).

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

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

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

Line No.	Ac-count No. (a)	Class No. (b)	Kind of industry (c)	Name of issuing company and description of security held, also lien reference, if any (d)	Extent of control (e)	INVESTMENTS AT CLOSE OF YEAR BOOK VALUE OF AMOUNT HELD AT CLOSE OF YEAR	
						Pledged (f)	Unpledged (g)
					% \$		\$
1				The Atlanta and Charlotte Air Line Railway Company			
2	721A	A1	VII	Elberton Southern Ry. Co. Com.	51.00#		1
3							
4	721A	A2	VII	Atlanta & Richmond Air Line Ry.			
5				Co. Com.	Not Available		-
6							
7				Lawrenceville Branch R.R. Co. Com.	57.20		-
8							
9				Roswell R.R. Co. Com.	50.70		-
10				Total A-2			-
11				Total 721-A			1
12							
13							
14	721B	B2	VI	Roswell R.R. Co. 1st Mtge.			
15				5% Gold Bonds, Due 1-15-53			-
16							
17				Total 721-B			-
18							
19				Total 721			1
20							
21				#Other party to joint control-Southern Railway Company			
22							
23							
24				ELBERTON SOUTHERN RAILWAY COMPANY			
25	721B	B1	VII	Southern Ry. Co. 1st & Gen'l Mtge.	1-5/8% Bonds		43,313
26				Total 721-B			43,313
27							
28				THE GEORGIA MIDLAND RAILWAY COMPANY			
29	721E	E1	VII	Southern Ry. Co.			1,504
30				Total 721-E			1,504
31							
32				MOBILE AND BIRMINGHAM RAILROAD COMPANY			
33	721E	E1	VII	Southern Ry. Co.			65,697
34				Total 721-E			65,697
35							
36				THE NORTH CAROLINA MIDLAND RAILROAD COMPANY			
37	721E	E1	VII	Southern Ry. Co.			10,145
38				Total 721-E			10,145
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							
49							
50							

217. INVESTMENTS IN AFFILIATED COMPANIES—Continued

reported as "Serially 19₁ to 19₂" in making entries in this column, abbreviations in common use in standard financial publications may be used where necessary on account of limited space.

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

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

Particulars of investments made, disposed of, or written down during the year should be given

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

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

INVESTMENTS AT CLOSE OF YEAR		Book value of inve- stments made during year (j)	INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		DIVIDENDS OR INTEREST DURING YEAR		Line No.
BOOK VALUE OF AMOUNT HELD AT CLOSE OF YEAR			Book value (k)	Selling price (l)	Rate (m) %	Amount credited to income (n) \$	
In sinking, insurance, and other funds (h)	Total book value (i)	\$	\$	\$			
							1
	1						2
							3
							4
	-						5
							6
	-						7
							8
	-						9
							10
	1						11
							12
							13
							14
	-						15
							16
	-						17
							18
	1						19
							20
							21
							22
							23
							24
	43,313				4-5/8	2,313	25
	43,313					2,313	26
							27
							28
	1,504						29
	1,504						30
							31
							32
	65,697						33
	65,697						34
							35
							36
	10,145						37
	10,145						38
							39
							40
							41
							42
							43
							44
							45
							46
							47
							48
							49
							50

217. INVESTMENTS IN AFFILIATED COMPANIES—Continued

Line No.	Ac-count No.	Class No.	Kind of industry	Name of issuing company and description of security held, also lien reference, if any	Extent of control	INVESTMENTS AT CLOSE OF YEAR	
						BOOK VALUE OF AMOUNT HELD AT CLOSE OF YEAR	
						Pledged	Unpledged
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
					% \$		\$
51				<u>SOUTHERN RAILWAY-CAROLINA DIVISION</u>			
52	721A	A2	VII	Sumter & Wateree Riv. RR Co.-Stock		1	
53				Total 721-A		1	
54							
55	721B	B1	VII	Southern Railway Co. 1st &			
56				Gen. Mtge. 4-5/8% Bonds			
57				Due 6/1/88			6,350
58				Total 721-B			6,350
59							
60	721D	D2	VII	Sumter & Wateree Riv. RR Co.			
61				Ctfs of Indebt-Demand			1
62				Total 721-D			1
63							
64	721E	E1	VII	Southern Ry. Co.			58,246
65				Total 721		1	64,597
66							
67				<u>TRANSYLVANIA RAILROAD COMPANY</u>			
68	721A	A1	VII	Southern Railway Co.			
69				\$10 par Preferred stock			67,159
70							
71				Southern Railway Co.			
72				Common stock			25,619
73							
74				Richmond, Fredericksburg & Potomac			
75				RR Co. Dividend Obligations			27,900
76				Total 721-A			120,678
77							
78	721B	B1	VII	Southern Railway Co. 1st &			
79				Gen. Mtge. 4-5/8% Bonds			
80				Due 6/1/88			92,325
81							
82				Southern Railway Co. 1st Mtge.			
83				Collateral Trust 4-1/2% Bonds			36,750
84				Due 8/1/88			
85				Total 721-B			129,075
86							
87				Total 721			249,753
88							
89				<u>VIRGINIA AND SOUTHWESTERN RAILWAY COMPANY</u>			
90	721E	E3	VI	Southern Region Industrial Realty, Inc.			
91				Advance			5,975
92							
93				Total 721			5,975
94							
95							
96							
97							
98							
99							
100							
101							
102							
103							
104							
105					Total		

217. INVESTMENTS IN AFFILIATED COMPANIES—Concluded

INVESTMENTS AT CLOSE OF YEAR		Book value of investments made during year (j)	INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		DIVIDENDS OR INTEREST DURING YEAR		Line No.
BOOK VALUE OF AMOUNT HELD AT CLOSE OF YEAR			Book value (k)	Selling price (l)	Rate (m)	Amount credited to income (n)	
In sinking, insurance, and other funds (h)	Total book value (i)						
\$	\$	\$	\$	\$	%	\$	
							51
	1						52
	1						53
							54
							55
							56
	6,350	6,350			4.625	104	57
	6,350	6,350				104	58
							59
							60
	1						61
	1						62
							63
	58,246						64
	64,598	6,350					65
							66
							67
							68
	67,159				5	3,700	69
							70
							71
	25,619				\$2.12	1,810	72
					per share		73
					\$12.40		74
	27,900				per share	4,464	75
	120,678					9,974	76
							77
							78
							79
	92,325				4.625	5,596	80
							81
							82
	36,750				4.50	2,250	83
							84
	129,075					7,846	85
							86
	249,753					17,820	87
							88
							89
							90
	5,975						91
							92
	5,975						93
							94
							95
							96
							97
							98
							99
							100
							101
							102
							103
							104
					x x		105

217A INVESTMENTS IN COMMON STOCKS OF AFFILIATED COMPANIES

Undistributed Earnings From Certain Investments in Affiliated Companies

1. Report below the details of all investments in common stocks included in Account 721. Investments in Affiliated Companies, which qualify for the equity method under instruction 6-2 in the Uniform System of Accounts for Railroad Companies.

2. Enter in column (c) the amount necessary to retroactively adjust those investments qualifying for the equity method of

accounting in accordance with instruction 6-2 (b) (11) of the Uniform System of Accounts for Railroad Companies.

3. Enter in column (d) the share of undistributed earnings (i.e., less dividends) or losses.

4. Enter in column (e) the amortization for the year of the excess of cost over equity in net assets (equity over cost) at date

of acquisition. See instructions 6-2 (b) (4).

5. The total of column (g) must agree with line 21, schedule 200.

6. For definitions of "carrier" and "noncarrier", see general instructions 6 and 7 on page 23.

Line No.	Name of issuing company and description of security held (a)	Balance at beginning of year (b)	Adjustment for investments qualifying for equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization during year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)
	Carriers: (List specifics for each company)	\$	\$	\$	\$	\$	\$
1							
2							
3							
4							
5	NONE						
6							
7							
8							
9							
10							
11							
12							
13							

217A INVESTMENTS IN COMMON STOCKS OF AFFILIATED COMPANIES-Concluded

Undistributed Earnings From Certain Investments in Affiliated Companies

Line No.	Names of issuing company and description of security held (a)	Balance at beginning of year (b)	Adjustment for investments qualifying equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)
	Carriers: (List specifics for each company)	\$	\$	\$	\$	\$	\$
14							
15							
16							
17							
18	NONE						
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40	Total						
41	Noncarriers: (Show totals only for each column)						
42	Total (lines 40 and 41)						

Lessor Initials

SOU

Year 1975

218. OTHER INVESTMENTS

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

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

3. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 23, classifying the investments by means of letters, figures, and symbols in columns (a), (b), and (c). Investments in U.S. Treasury bills and notes may be reported as one item.

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

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

Line No.	Ac-count No. (a)	Class No. (b)	Kind of industry (c)	Name of issuing company or government and description of security held, also lien reference, if any (d)	INVESTMENTS AT CLOSE OF YEAR	
					BOOK VALUE OF AMOUNT HELD AT CLOSE OF YEAR	
					Pledged (e)	Unpledged (f)
1				<u>The Atlanta and Charlotte Air Line Ry. Co.</u>	\$	\$ -
2						
3				<u>Elberton Southern Railway Co.</u>		-
4						
5				<u>The Georgia Midland Railway Co.</u>		-
6						
7				<u>Mobile and Birmingham Railroad Co.</u>		-
8						
9				<u>The North Carolina Midland Railroad Co.</u>		-
10						
11				<u>Southern Railway-Carolina Division</u>		
12	722 A-2	VII		<u>Augusta Gibson & Sandersville R.R. Co. Stock</u>		1
13				<u>Augusta Southern R.R. Co. - Stock</u>		1
14				<u>Total 722-A</u>		2
15						
16						
17				<u>Transylvania Railroad Company</u>		-
18						
19				<u>Virginia and Southwestern Railway Co.</u>		-
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
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31						
32						
33						
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35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48						
49						
50				Total		

218. OTHER INVESTMENTS—Concluded

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

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

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

INVESTMENTS AT CLOSE OF YEAR		Book value of investments made during year (i)	INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		DIVIDENDS OR INTEREST DURING YEAR		Line No.
BOOK VALUE OF AMOUNT HELD AT CLOSE OF YEAR			Book value (j)	Selling price (k)	Rate (l)	Amount credited to income (m)	
In sinking, insurance, and other funds (g)	Total book value (h)						
\$	\$ NONE	\$	\$	\$	%	\$	1
	NONE						2
	NONE						3
	NONE						4
	NONE						5
	NONE						6
	NONE						7
	NONE						8
	NONE						9
							10
	1						11
	1						12
	2						13
							14
							15
							16
	NONE						17
							18
	NONE						19
							20
							21
							22
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**221. SECURITIES, ADVANCES, AND OTHER INTANGIBLES OWNED OR CONTROLLED THROUGH
NONREPORTING CARRIER OR NONCARRIER SUBSIDIARIES**

Give particulars of investments represented by securities and advances (including securities issued or assumed by the respondent), and of other intangible property, indirectly owned or controlled by the lessor companies included in this report through any subsidiary which does not re-

port to the Commission under the provisions of Part I of the Interstate Commerce Act, without regard to any question of whether the company issuing the securities, or the obligor, is controlled by the subsidiary.

Line No.	Class No. (a)	Name of lessor company (b)	Name of nonreporting carrier or noncarrier subsidiary that owns the securities, advances, or other intangible property (c)	Name of issuing company and security or other intangible thing in which investment is made (d)
1				
2				
3				
4				
5				
6				
7				
8			NONE	
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
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51				
52				
53				

**221. SECURITIES, ADVANCES, AND OTHER INTANGIBLES OWNED OR CONTROLLED THROUGH
NONREPORTING CARRIER OR NONCARRIER SUBSIDIARIES—Concluded**

This schedule should include all securities, open account advances, and other intangible property owned or controlled through nonreporting carrier and noncarrier subsidiaries, as well as those

of other organizations or individuals whose actions respondent is able to determine. Investments in U.S. Treasury obligations may be combined in a single item.

Total book value of investments at close of the year (e)	Book value of investments made during the year (f)	INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		Remarks (i)	Line No.
		Book value (g)	Selling price (h)		
\$	\$	\$	\$		1
					2
					3
					4
					5
					6
					7
		NONE			8
					9
					10
					11
					12
					13
					14
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					44
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					50
					51
					52
					53

251. CAPITAL STOCK

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

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

Common.
Preferred.
Debenture.
Receipts outstanding.

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

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

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

WITH PAR VALUE

Line No.	Name of lessor company (a)	Class of stock (b)	Par value per share (c)	Date issue was authorized (d)	Par value of amount authorized (e)	Total par value outstanding at close of year (f)	Total par value nominally issued and nominally outstanding at close of year		
							In treasury (g)	Pledged as collateral (h)	In sinking or other funds (i)
1	The Atla. & Char. Air		\$	\$	\$	\$	\$	\$	\$
2	Line Ry. Co.	Common	100	Apr. 4, 1877	1700,000	1700,000	100		
4	Elberton Sou. Ry. Co.	Common	100	Dec. 2, 1908	200,000	200,000			
8	The Georgia Mid. Ry. Co.	Common	100	Mar. 27, 1896	1000,000	1000,000			
11	Mobile and Bghm RR Co.	Common	100	Jul. 2, 1895	1000,000	897,600			
12		Preferred			1000,000	897,600			
13				Total	2000,000	1795,200			
15	The N.C. Mid-land RR Co.	Common	100	Dec. 9, 1880	1500,000	924,000			
18	Sou. Ry. - Caro. Division	Common	100	Jun. 23, 1902	7798,700	4176,200			
21	Transylvania RR Co.	Common	100	4.12.1898	320,000	320,000			
22		Common	100	1903	100,000	50,000			
23				Total	420,000	370,000			
25	Virginia & Southwestern Ry. Co.	Common	100	Feb. 18, 1899	10000,000	2000,000			

251. CAPITAL STOCK—Concluded

and ratification of the stockholders has been obtained, state, in a footnote, the particulars of such condition and of the respondent's compliance therewith. It should be noted that section 20a of the Interstate Commerce Act makes it unlawful for a carrier to issue or assume any securities, unless and until, and then only to the extent that, the Commission by order authorizes such issue or assumption.

Entries in columns (f) and (n) should include stock nominally issued, nominally outstanding, and actually outstanding. For the purposes of this report, capital stock and other securities are considered to be *nominally issued* when certificates are signed and sealed and placed with the

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

Total par value actually outstanding (j)	Without Par Value							Cash value of consid- eration received for stocks actually out- standing (r)	Line No.
	Class of stock (k)	Date issue was authorized (l)	Number of shares au- thorized (m)	Number of shares outstanding at close of year (n)	Number of shares nominally issued and nominally outstanding at close of year				
					In treasury (o)	Pledged as collat- eral (p)	In sinking or oth- er funds (q)		
\$								\$	1
									2
1699,900									3
									4
200,000									5
									6
									7
1000,000									8
									9
897,600									10
897,600									11
1795,200									12
									13
									14
924,000									15
									16
									17
4176,200									18
									19
									20
320,000									21
50,000									22
370,000									23
									24
									25
									26
2000,000									27
									28
									29
									30
									31
									32
									33
									34
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									36
									37
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									44
									45
									46
									47
									48
									49

253. CAPITAL STOCK CHANGES DURING THE YEAR

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

they appear on the balance sheet. In column (c) state whether issued for construction of new properties, for additions and betterments, for purchase of railway or other property, for conversion, for acquisition of securities, for reorganization, or for other corporate purposes. Also give the number and date of the authorization by the public authority under whose control such issue

Line No.	Class of stock	STOCKS ISSUED DURING YEAR			
		Date of issue	Purpose of the issue and authority	Par value*	Net proceeds received for issue (cash or its equivalent)
	(a)	(b)	(c)	(d)	(e)
1				\$	\$
2					
3					
4					
5					
6					
7					
8			NONE		
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					
			Total		

*For nonpar stock, show the number of shares.

254. STOCK LIABILITY FOR CONVERSION OF SECURITIES OF OTHER COMPANIES

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

NONE

253. CAPITAL STOCK CHANGES DURING THE YEAR—Concluded

was made, naming such authority. In column (e) include as cash all money, checks, drafts, bills of exchange, and other commercial paper payable at par on demand. For nominally issued stock, show returns in columns (a), (b), (c), and (d) only. For each class of par stock actually issued the sum of the entries in columns (e), (f), and (h), plus discounts or less premiums in column (g).

should equal the entry in column (d).

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

STOCKS ISSUED DURING YEAR—Continued			STOCKS REACQUIRED DURING YEAR		Remarks (k)	Line No.
Cash value of other property acquired or services received as consideration for issue (f)	Net total discounts (in black) or premiums (in red). Excludes entries in column (h) (g)	Expense of issuing capital stock (h)	AMOUNT REACQUIRED			
			Par value* (i)	Purchase price (j)		
\$	\$	\$	\$	\$		1
						2
						3
						4
						5
						6
						7
						8
		NONE				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

*For nonpar stock, show the number of shares.

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

abstracts of terms of contracts whereunder such liability exists.

NOTES AND REMARKS

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 261 ON PAGES 38, 39, 40, AND 41

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

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

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

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

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

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

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

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

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

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

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

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

On page 41, give particulars of changes during the year in funded debt and other obligations, following the same order in which they appear in the prior pages of this schedule.

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

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

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

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

NOTES AND REMARKS

261. FUNDED DEBT AND OTHER OBLIGATIONS

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

261. FUNDED DEBT AND OTHER OBLIGATIONS—Continued

261. FUNDED DEBT AND OTHER OBLIGATIONS—Continued											Line No.	
APPROXIMATE NUMBER OF MILES OF LINE DIRECTLY SUBJECT TO—		Total amount nominally and actually issued (m)	AMOUNT NOMINALLY ISSUED AND—		Total amount actually issued (p)	AMOUNT REACQUIRED AND—		TOTAL AMOUNT ACTUALLY OUTSTANDING				
First lien (k)	Junior to first lien (l)		Held in special funds or in treasury or pledged securities by symbol "P"; matured by symbol "M" (n)	Canceled (o)		Canceled through sinking fund or otherwise canceled (Identify canceled through sinking fund by symbol "S") (q)	Held in special funds or in treasury or pledged securities by symbol "P"; matured by symbol "M" (r)	Unmatured (accounts 765, 766, and 767) (s)	Unmatured (account 764) (t)	Matured and no provision made for payment (account 768) (u)		
		\$	\$	\$	\$	\$	\$	\$	\$	\$		
		15,000,000			15,000,000	3,582,000	604,000	10,814,000				1
												2
												3
												4
		250,000			250,000			250,000				5
												6
												7
		1,650,000			1,650,000			1,650,000				8
												9
												10
		600,000			600,000			600,000				11
		1,200,000			1,200,000			1,200,000				12
		1,800,000			1,800,000			1,800,000				13
												14
												15
		801,000			801,000			801,000				16
												17
												18
												19
		1,000,000			1,000,000			1,000,000				20
												21
												22
												23
		434,000		1,000	433,000		237,000	196,000				24
												25
												26
		2,000,000			2,000,000	255,000		1,745,000				27
		5,000,000			5,000,000	3,383,000		1,417,000	200,000			28
		7,000,000			7,000,000	3,638,000		3,162,000	200,000			29
												30
												31
												32
												33
												34
												35
												36
												37
												38
												39
												40
												41
												42
												43
												44
												45
												46
												47
												48
												49
												50
												51
												52
												53
												54

261. FUNDED DEBT AND OTHER OBLIGATIONS—Continued

Line No.	Name of lessor company and name and character of obligation (List on same lines and in same order as on page 38)	AMOUNT OF INTEREST ACCRUED DURING YEAR		Amount of interest paid during year	Total amount of interest in default
		Charged to income	Charged to investment accounts		
	(a)	(v)	(w)	(x)	(y)
1	THE ATLANTA AND CHARLOTTE AIR LINE RAILWAY COMPANY	\$	\$	\$	\$
2	(1a) First & Gen. Mtge. 4-5/8% Bonds	514,331		516,579	
3					
4					
5	ELBERTON SOUTHERN RAILWAY COMPANY				
6	(1a) First Mtge. 5% Gold Bonds	12,500		12,500	
7					
8	THE GEORGIA MIDLAND RAILWAY COMPANY				
9	(1a) First Mtge. Bonds	49,500		49,500	
10					
11	MOBILE AND BIRMINGHAM RAILROAD COMPANY				
12	(1a) Prior Lien Gold Bonds	30,000		30,000	
13	First Mtge. Gold Bonds	48,000		48,000	
14	Total	78,000		78,000	
15					
16	NORTH CAROLINA MIDLAND RAILROAD CO.				
17	(1a) First Mtge. Gold Bonds	48,060		48,060	
18					
19	SOUTHERN RAILWAY-CAROLINA DIVISION				
20	(1a) Spartanburg Union and Columbia				
21	R.R. Co. First Mtge. Bonds	40,000		40,000	
22					
23					
24	TRANSYLVANIA RAILROAD COMPANY				
25	(1a) First Mtge. Bonds	9,800		9,800	
26					
27	VIRGINIA AND SOUTHWESTERN RAILWAY CO.				
28	(1a) First Mtge. Bonds	87,250		43,625	
29	General Mtge. Bonds	70,140		71,910	
30	Total	157,390		115,535	
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51					
52					
53					
54	Grand Total				

261. FUNDED DEBT AND OTHER OBLIGATIONS—Concluded

SECURITIES ISSUED DURING YEAR				SECURITIES REACQUIRED DURING YEAR		Line No.
Purpose of the issue and authority (z)	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)	
	\$	\$	\$	\$	\$	1
				583,000	392,206	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
				200,000	195,500	29
				200,000	195,500	30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
						41
						42
						43
						44
						45
						46
						47
						48
						49
						50
						51
						52
						53
Grand Total						54

266. INTEREST ON INCOME BONDS

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

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

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

2. In columns (a), (b), and (c) state the name, amount, and nominal rate of interest shown in

Line No.	Name of issue (from schedule 261) (a)	Amount actually outstanding (from schedule 261) (b)	Nominal rate of interest (from schedule 261) (c)	AMOUNT OF INTEREST	
				Maximum amount payable, if earned (d)	Amount actually payable under contingent interest provisions, charged to income for the year (e)
1		\$		\$	\$
2					
3					
4	None				
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

268. AMOUNTS PAYABLE TO AFFILIATED COMPANIES

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

Line No.	Name of debtor company (a)	Name of creditor company (b)
1	THE ATLANTA AND CHARLOTTE AIR LINE RAILWAY CO.	Southern Railway Co. - Advances
2		
3	ELBERTON SOUTHERN RAILWAY COMPANY	None
4		
5	THE GEORGIA MIDLAND RAILWAY COMPANY	None
6		
7	MOBILE AND BIRMINGHAM RAILROAD CO.	None
8		
9	THE NORTH CAROLINA MIDLAND R.R. CO.	None
10		
11	SOUTHERN RAILWAY-CAROLINA DIVISION	Southern Railway Company -
12		Demand Note Dated 7/1/16
13		Demand Note Dated 7/1/17
14		Advances
15		Interest on Advances
16		Certificate of Indebtedness
17	Total	
18		
19	TRANSYLVANIA RAILROAD COMPANY	None
20		
21	VIRGINIA AND SOUTHWESTERN RAILWAY CO.	None
22		
23	(a) 3-3/4% on \$1,760,380	
24	Non-Interest bearing \$2,898,836	

266. INTEREST ON INCOME BONDS—Concluded

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

applicable to past accruals.

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

AMOUNT OF INTEREST—Continued

DIFFERENCE BETWEEN MAXIMUM PAYABLE IF EARNED AND AMOUNT ACTUALLY PAYABLE		TOTAL PAID WITHIN YEAR			Period for, or percentage of, for which cumulative, if any (k)	Total accumulated un- earned interest plus earned interest unpaid at the close of the year (l)	Line No.
Current year (f)	All years to date (g)	On account of current year (h)	On account of prior years (i)	Total (j)			
\$	\$	\$	\$	\$		\$	1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14
							15
							16
							17
							18
							19
							20

268. AMOUNTS PAYABLE TO AFFILIATED COMPANIES—Concluded

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

BALANCE AT CLOSE OF YEAR			Rate of interest (f)	INTEREST ACCRUED DURING YEAR		Interest paid during year (i)	Line No.
Notes (c)	Open accounts (d)	Total (e)		Charged to income (g)	Charged to construction or other investment account (h)		
\$	\$ 4,659,216	\$ 4,659,216	(a) %	\$ 66,166	\$	\$ 66,287	1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
480,940		480,940	5	24,048			12
270,776		270,776	5	13,538			13
	3,228,107	3,228,107					14
	1,691,361	1,691,361					15
9,500		9,500	4	380		380	16
761,216	4,919,468	5,680,684		37,966		380	17
							18
							19
							20
							21
							22
							23
							24

282. DEPRECIATION BASE—EQUIPMENT OWNED

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

year, respectively. If the depreciation base is other than the ledger value a full explanation should be given, together with a statement by primary accounts reconciling the

difference between the figures used as the depreciation base and those carried in the ledger as investment in equipment.

Line No.	Name of lessor company (a)	Account (b)	Balance at beginning of year (c)	DEBITS DURING THE YEAR			CREDITS DURING THE YEAR			Balance at close of year (j)
				Additions and betterments (d)	Other debits (e)	Total debits (f)	Property retired (g)	Other credits (h)	Total credits (i)	
1		(52) Locomotives	\$	\$	\$	\$	\$	\$	\$	\$
2		(53) Freight-train cars								
3		(54) Passenger-train cars								
4		(55) Highway revenue equipment		None						
5		(56) Floating equipment								
6		(57) Work equipment								
7		(58) Miscellaneous equipment								
8		Total								
9		(52) Locomotives								
10		(53) Freight-train cars								
11		(54) Passenger-train cars								
12		(55) Highway revenue equipment								
13		(56) Floating equipment								
14		(57) Work equipment								
15		(58) Miscellaneous equipment								
16		Total								
17		(52) Locomotives								
18		(53) Freight-train cars								
19		(54) Passenger-train cars								
20		(55) Highway revenue equipment								
21		(56) Floating equipment								
22		(57) Work equipment								
23		(58) Miscellaneous equipment								
24		Total								
25		(52) Locomotives								
26		(53) Freight-train cars								
27		(54) Passenger-train cars								
28		(55) Highway revenue equipment								
29		(56) Floating equipment								
30		(57) Work equipment								
31		(58) Miscellaneous equipment								
32		Total								
33		(52) Locomotives								
34		(53) Freight-train cars								
35		(54) Passenger-train cars								
36		(55) Highway revenue equipment								
37		(56) Floating equipment								
38		(57) Work equipment								
39		(58) Miscellaneous equipment								
40		Total								

285. ACCRUED DEPRECIATION—ROAD AND EQUIPMENT

Give the particulars called for hereunder of the credits and debits made to account 735, "Accrued depreciation—Road and Equipment," during the year which relate to

equipment by each lessor company included in this report. A debit balance in column (c) and (j) for any primary account should be preceded by the abbreviation "Dr."

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

41		(52) Locomotives																		
42		(53) Freight-train cars																		
43		(54) Passenger-train cars																		
44		(55) Highway revenue equipment			None															
45		(56) Floating equipment																		
46		(57) Work equipment																		
47		(58) Miscellaneous equipment																		
48		Total																		
49		(52) Locomotives																		
50		(53) Freight-train cars																		
51		(54) Passenger-train cars																		
52		(55) Highway revenue equipment																		
53		(56) Floating equipment																		
54		(57) Work equipment																		
55		(58) Miscellaneous equipment																		
56		Total																		
57		(52) Locomotives																		
58		(53) Freight-train cars																		
59		(54) Passenger-train cars																		
60		(55) Highway revenue equipment																		
61		(56) Floating equipment																		
62		(57) Work equipment																		
63		(58) Miscellaneous equipment																		
64		Total																		
65		(52) Locomotives																		
66		(53) Freight-train cars																		
67		(54) Passenger-train cars																		
68		(55) Highway revenue equipment																		
69		(56) Floating equipment																		
70		(57) Work equipment																		
71		(58) Miscellaneous equipment																		
72		Total																		
73		(52) Locomotives																		
74		(53) Freight-train cars																		
75		(54) Passenger-train cars																		
76		(55) Highway revenue equipment																		
77		(56) Floating equipment																		
78		(57) Work equipment																		
79		(58) Miscellaneous equipment																		
80		Total																		

41		(52) Locomotives _____								
42		(53) Freight-train cars _____								
43		(54) Passenger-train cars _____								
44		(55) Highway revenue equipment _____		None						
45		(56) Floating equipment _____								
46		(57) Work equipment _____								
47		(58) Miscellaneous equipment _____								
48		Total _____								
49		(52) Locomotives _____								
50		(53) Freight-train cars _____								
51		(54) Passenger-train cars _____								
52		(55) Highway Revenue Equipment _____								
53		(56) Floating equipment _____								
54		(57) Work equipment _____								
55		(58) Miscellaneous equipment _____								
56		Total _____								
57		(52) Locomotives _____								
58		(53) Freight-train cars _____								
59		(54) Passenger-train cars _____								
60		(55) Highway revenue equipment _____								
61		(56) Floating equipment _____								
62		(57) Work equipment _____								
63		(58) Miscellaneous equipment _____								
64		Total _____								
65		(52) Locomotives _____								
66		(53) Freight-train cars _____								
67		(54) Passenger-train cars _____								
68		(55) Highway revenue equipment _____								
69		(56) Floating equipment _____								
70		(57) Work equipment _____								
71		(58) Miscellaneous equipment _____								
72		Total _____								
73		(52) Locomotives _____								
74		(53) Freight-train cars _____								
75		(54) Passenger-train cars _____								
76		(55) Highway revenue equipment _____								
77		(56) Floating equipment _____								
78		(57) Work equipment _____								
79		(58) Miscellaneous equipment _____								
80		Total _____								

Lessor Initials

SOU

Year 1975

286. DEPRECIATION RESERVE—ROAD AND MISCELLANEOUS PHYSICAL PROPERTY

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

Line No.	Item (a)	The A&CAL Ry. (b) Co.	Elberton Sou. Ry. (c) Co.	Sou. Ry-Caro. (d) Div.	Transylvania RR (e) Co.
	Credits	\$	\$	\$	\$
1	Balances at beginning of year	815,097	16,534	801,129	59,410
2	Accrued depreciation-Road				
	Accrued depreciation-Miscellaneous physical property				
3	Road property (specify):				
4	1-Engineering	2,981	110	3,682	
5	3-Grading	2,376	49	2,346	2,212
6	5-Tunnels and subways				
7	6-Bridges, trestles & culverts	38,796	81	60,037	2,498
8	13-Fences, snow sheds & signs	542	69	774	
9	16-Station and office bldgs.	12,830	504	3,007	704
10	17-Roadway buildings	2,881			13
11	18-Water stations	86			
12	19-Fuel stations	456		917	
13	20-Shops and enginehouses	952		7,211	
14	23-Wharves and docks			414	
15	26-Communication systems	8,434		6,874	170
16	27-Signals and interlockers	74,756		11,986	
17	29-Power plants	32		130	
18	31-Power-transmission systems	681		3,249	
19	35-Miscellaneous structures	1,043		834	
20	37-Roadway machines				
21	39-Public improvements-Constr.	4,867	179	1,817	1,259
22	45-Power plant machinery	20			
23	Miscellaneous physical property (specify):				
24					
25	TOTAL CREDITS	151,783	992	108,278	6,856
	Debits				
26	Road property (specify):				
27	1-Engineering			697	116
28	3-Grading			(24)	(15)
29	5-Tunnels and subways				
30	6-Bridges, trestles & culverts				
31	13-Fences, snow sheds & signs			11	
32	16-Station and office bldgs.	(2)	(1)	17,155	2,872
33	17-Roadway buildings				
34	18-Water stations				
35	19-Fuel stations				
36	20-Shops and enginehouses				
37	23-Wharves and docks				
38	26-Communication systems				19
39	27-Signals and interlockers			150	
40	29-Power plants				
41	31-Power-transmission systems				
42	35-Miscellaneous structures				
43	37-Roadway machines				
44	39-Public improvements-Constr.				
45	Miscellaneous physical property (specify):				
46	16-Station and office bldgs.				
47	39-Public improvements-Constr.				
48					
49	TOTAL DEBITS	(2)	(1)	17,939	2,992
50	Balances at close of year	966,882	17,527	891,418	63,274
51	Accrued depreciation-Road				
	Accrued depreciation-Miscellaneous physical property			60,438	

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

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

Virginia and Southwestern (f)	(g)	(h)	(i)	(j)	(k)	Line No.
\$ 1,098,599	\$	\$	\$	\$	\$	1
						2
1,490						3
26,589						4
73						5
27,017						6
						7
1,213						8
167						9
8						10
96						11
768						12
						13
2,025						14
1,791						15
						16
						17
450						18
187						19
55						20
930						21
						22
						23
						24
62,859						25
						26
						27
						28
						29
20						30
						31
						32
						33
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						37
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						42
						43
						44
						45
						46
						47
						48
20						49
1,161,438						50
						51

287. DEPRECIATION RATES—ROAD AND MISCELLANEOUS PHYSICAL PROPERTY

Give a statement of the percentages used by each lessor company for computing the amounts accrued for depreciation during the

year on various classes of road and miscellaneous physical property, together with the estimated life of the property upon which such

percentages are based.

Line No.	Name of lessor company	Class of property on which depreciation was accrued	Estimated life (in years)	Annual rate of depreciation	Name of lessor company	Class of property on which depreciation was accrued	Estimated life (in years)	Annual rate of depreciation
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	The Atlanta and Charlotte Air Line Ry. Co.			%	Southern Railway-Carolina Division			%
2								
3	1	Engineering	-	.0153	3	Grading	-	.0006
4	3	Grading	-	.0004	6	Bridges, trestles & culverts	74	.0135
5	6	Bridges, trestles & culverts	74	.0135	13	Fences, snow sheds and signs	50	.0200
6	13	Fences, snow sheds and signs	50	.0200	16	Station and office buildings	52	.0192
7	16	Station and office buildings	52	.0192	19	Fuel stations	23	.0430
8	17	Roadway buildings	42	.0238	20	Shops and enginehouses	35	.0286
9	18	Water stations	30	.0345	23	Wharves and docks	32	.0313
10	19	Fuel stations	23	.0430	26	Communication systems	25	.0400
11	20	Shops and enginehouses	35	.0286	27	Signals and interlockers	41	.0243
12	26	Communication systems	25	.0400	29	Power plants	38	.0263
13	27	Signals and interlockers	41	.0243	31	Power-transmission systems	42	.0240
14	29	Power plants	38	.0263	35	Miscellaneous structures	31	.0323
15	31	Power-transmission systems	42	.0240	39	Public improvements-Constr.	-	.0065
16	35	Miscellaneous structures	31	.0323				
17	39	Public improvements-Constr.	-	.0065	Virginia and Southwestern Railway Company			
18	45	Power-plant machinery	31	.0324				
19								
20	Elberton Southern Railway Company				3	Grading	-	.0112
21					5	Tunnels and subways	-	.0045
22	1	Engineering	-	.0153	6	Bridges, trestles & culverts	74	.0135
23	3	Grading	-	.0006	16	Station and office buildings	52	.0192
24	6	Bridges, trestles & culverts	74	.0135	17	Roadway buildings	42	.0238
25	13	Fences, snow sheds and signs	50	.0200	19	Fuel stations	23	.0430
26	16	Station and office buildings	52	.0192	20	Shops and enginehouses	35	.0286
27	39	Public improvements-Constr.	48	.0207	26	Communication systems	25	.0400
28					27	Signals and interlockers	41	.0243
29	Transylvania Railroad Company				31	Power-transmission systems	42	.0240
30					35	Miscellaneous structures	31	.0323
31	3	Grading	37	.0267	37	Roadway machines	-	-
32	6	Bridges, trestles & culverts	74	.0135	39	Public improvements-Constr.	48	.0209
33	16	Station and office buildings	52	.0192				
34	17	Roadway buildings	42	.0238	Note:- Depreciation of Road Property on all other lines			
35	26	Communication systems	25	.0400	accrued by Southern Railway Company			
36	39	Public improvements-Constr.	16	.0618				
37					Miscellaneous Physical Property on Southern Rail-			
38					way-Carolina Division transferred from Road			
39					Property as fully depreciated. No accruals were			
					made.			

308. DIVIDENDS DECLARED

Give particulars of each dividend declared by each lessor company included in this report. For par value or nonpar stock, show in column (e) the respective total par value or total number of shares on which dividend was declared and the corresponding rate percent or per share in column (c) and (d). If any such dividend was payable in

anything other than cash; or, if any obligation of any character has been incurred for the purpose of procuring funds for the payment of any dividend or for the purpose of replenishing the treasury after such payment; or, if any class of stock received a return not reportable in this schedule, explain the matter fully in the remarks column. For

nonpar stock, show the number of shares in column (e) and the rate per share in column (c) or (d). The dividends in column (f) should be totaled for each company. The sum of the dividends stated in column (f) should equal the amount shown in schedule No. 305.

Line No.	Name of lessor company (a)	Name of security on which dividend was declared (b)	RATE PERCENT (PAR VALUE STOCK) OR RATE PER SHARE (NONPAR STOCK)		Total par value of stock or total number of shares of nonpar stock on which dividend was declared (e)	Dividends (Account 623) (f)	DATE		Remarks (i)
			Regular (c)	Extra (d)			Declared (g)	Payable (h)	
1	THE ATLANTA AND CHARLOTTE AIR LINE RAILWAY COMPANY								
2		Common	1-1/2%		13,300	199	4/3/46	3/1/75	
3		Common	4-1/2%		13,300	599	4/3/46	9/1/75	
4		Common	3%		3,300	99	4/3/46	3/1/76	
5						897			
6									
7	ELBERTON SOUTHERN RAILWAY COMPANY				None				
8									
9	THE GEORGIA MIDLAND RAILWAY COMPANY				None				
10									
11	MOBILE AND BIRMINGHAM RAILROAD COMPANY				None				
12									
13	THE NORTH CAROLINA MIDLAND RAILROAD COMPANY								
14		Capital	3%		924,000	27,720	(A)		
15									
16	SOUTHERN RAILWAY-CAROLINA DIVISION				None				
17									
18	TRANSYLVANIA RAILROAD COMPANY				None				
19									
20	VIRGINIA AND SOUTHWESTERN RY. COMPANY								
21		Capital			2,000,000	200,000	(B)		
22									
23	(A) By resolution of Board of Directors adopted at Meeting November 27, 1918, annual dividend of 3% upon								
24	Capital Stock of this company was declared payable on the 20th day of December in each year during								
25	the continuation of lease of February 5th, 1916, out of rents as and when received from Southern								
26	Railway Company.								
27									
28	No obligation incurred for purpose of procuring funds for payment of any dividends or replenishing								
29	Treasury after payment thereof.								
30									
31	(B) By resolution of Board of Directors adopted at meeting June 20, 1975, there was declared payable								
32	June 25, 1975, a dividend of \$10.00 per share on 20,000 shares of Capital Stock to Stockholders								
33	of this Company.								
34									
35									
36									

37									
38									
39									
40									
41									
42									
43									
44									
45									
46									
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51									
52									
53									
54									
55									
56									
57									
58									
59									
60									
61									

340. MISCELLANEOUS PHYSICAL PROPERTIES OPERATED DURING THE YEAR

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

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

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

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

350. RAILWAY TAX ACCRUALS

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

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

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

the United States).

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

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

026102 026196 026107 026108

Line No.	Name of State and kind of tax (a)	The Atla. & Charlotte Air Line Ry. Company	Elberton Southern Railway Company	Southern Railway-Carolina Division	Transylvania Railroad Company	Virginia & Southwestern Railway Co.
		Amount	Amount	Amount	Amount	Amount
	A. Other than U. S. Government Taxes (Enter names of States)	\$	\$	\$	\$	\$
1	Georgia		1,722			
2						
3	North Carolina				3,632	
4						
5	South Carolina			(1,013)		
6						
7	Tennessee					161
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26	Total—Other than U. S. Government taxes		1,722	(1,013)	3,632	161
	B. U. S. Government Taxes					
27	Income taxes		18,840	(2,094)	21,859	28,085
28	Old-age retirement					
29	Unemployment insurance					
30	All other United States taxes					
31	Total—U. S. Government taxes		18,840	(2,094)	21,859	28,085
32	GRAND TOTAL—Railway Tax Accruals (account 532)		20,562	(3,107)	23,491	28,246

426101

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SOUTHERN RAILWAY COMPANY

NOTES AND REMARKS

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 included in account No. 509, "Income from lease of road and equipment."

2. If the respondent leased to others during all or any part of the year any road and equipment upon which no rent receivable

accrued, give particulars in a footnote.

Line No.	DESCRIPTION OF ROAD			Name of present leaseholder (d)	RENT ACCRUED DURING YEAR		
	Name of lessor company (a)	Terminals (b)	Length (c)		Total (e)	Depreciation (f)	All other (Account 509) (g)
1	THE ATLANTA AND CHARLOTTE AIR LINE RAILWAY COMPANY				\$	\$	\$
2	Charlotte, N.C. - Atlanta, Ga.		254.99	Southern Railway Co.	573,349		573,349
3							
4	ELBERTON SOUTHERN RAILWAY COMPANY						
5	Toccoa, Ga. - Elberton, Ga.		50.04	Southern Railway Co.	37,500		37,500
6							
7	THE GEORGIA MIDLAND RAILWAY COMPANY						
8	McDonough, Ga. - Columbia, Ga.		95.01	Southern Railway Co.	49,500		49,500
9							
10	MOBILE AND BIRMINGHAM RAILROAD COMPANY						
11	Marion Jct., Ala. - Mobile, Ala.		147.12	Southern Railway Co.	78,000		78,000
12							
13	THE NORTH CAROLINA MIDLAND RAILROAD COMPANY						
14	Moorestville Jct., N.C. -						
15	Winston Jct., N.C.		53.50	Southern Railway Co.	75,780		75,780
16							
17	SOUTHERN RAILWAY-CAROLINA DIVISION						
18	Various		666.59	Southern Railway Co.	120,380		120,380
19							
20	TRANSYLVANIA RAILROAD COMPANY						
21	Hendersonville, N.C. -						
22	Rosman, N.C.		32.12	Southern Railway Co.	30,000		30,000
23							
24	VIRGINIA AND SOUTHWESTERN RAILWAY COMPANY						
25	St. Charles, Va. - Coran, Tenn.		99.46				
26	Mocassin Gap, Va. - Bristol, Va.		28.15				
27	Bristol, Va. - Bristol, Tenn.		1.01				
28			128.62	Southern Railway Co.	184,135		184,135
29							
30							
31							
32							
33							
34							
35							
36							
37							

350. RAILWAY TAX ACCOUNTS-Continued

C. Analysis of Federal Income Taxes

1. In column (a) are listed the particulars which most often cause a differential between taxable income and pretax accounting income. Other particulars which cause such a differential should be listed under the caption "Other", including State and other taxes deferred if computed separately. Minor items each less than \$100,000 may be combined in a single entry under "Other".

2. Indicate in column (b) the beginning of the year total of accounts 714, 744, 762 and 786 applicable to each particular item in column (a).

3. Indicate in column (c) the net change in accounts 714, 744, 762 and 786 for the net tax effect of timing differences originating and reversing in the current accounting period.

4. Indicate in column (d) any adjustments, as appropriate, including adjustments to eliminate or reinstate deferred tax effects (credits or debits) due to applying or recognizing a loss carry-forward or a loss carry-back.

5. The total of line 10 in columns (c) and (d) should agree with the total of the contra charges (credits) to account 533, Provision for deferred taxes and account 591, Provision for deferred taxes - extraordinary and prior period items, for the current year.

6. Indicate in column (e) the cumulative total of columns (b), (c), and (d). The total of column (e) must agree with the total of accounts 714, 744, 762 and 786.

Name of Lessor The Atlanta and Charlotte Air Line Railway Company

Line No.	Particulars (a)	Beginning of Year Balance (b)	Net Credits (Charges) for Current Year (c)	Adjustments (d)	End of Year Balance (e)
1	Accelerated depreciation, Sec. 167 I.R.C.: Guideline lives pursuant to Rev. Proc. 62-21				
2	Accelerated amortization of facilities Sec. 168 I.R.C.				
3	Accelerated amortization of rolling Stock, Sec. 184 I.R.C.				
4	Amortization of rights of way, Sec. 185 I.R.C.				
5	Other (Specify)				
6					
7					
8					
9	Investment tax credit				
10	TOTALS	- 0 -	- 0 -	- 0 -	- 0 -

Name of Lessor Elberton Southern Railway Company

Line No.	Particulars (a)	Beginning of Year Balance (b)	Net Credits (Charges) for Current Year (c)	Adjustments (d)	End of Year Balance (e)
1	Accelerated depreciation, Sec. 167 I.R.C.: Guideline lives pursuant to Rev. Proc. 62-21	960	480		1,440
2	Accelerated amortization of facilities Sec. 168 I.R.C.				
3	Accelerated amortization of rolling Stock, Sec. 184 I.R.C.				
4	Amortization of rights of way, Sec. 185 I.R.C.				
5	Other (Specify)				
6					
7					
8					
9	Investment tax credit				
10	TOTALS	960	480		1,440

350. RAILWAY TAX ACCRUALS-Continued

Name of Lessor <u>Southern Railway-Carolina Division</u>					
Line No.	Particulars (a)	Beginning of Year Balance	Net Credits (Charges) for Current Year	Adjustments	End of Year Balance
		(b)	(c)	(d)	(e)
1	Accelerated depreciation, Sec. 167 I.R.C.: Guideline lives pursuant to Rev. Proc. 62-21	35,040	16,800		51,840
2	Accelerated amortization of facilities Sec. 168 I.R.C.				
3	Accelerated amortization of rolling Stocks, Sec. 184 I.R.C.				
4	Amortization of rights of way, Sec. 185 I.R.C.				
5	Other (Specify)				
6					
7					
8					
9	Investment tax credit				
10	TOTALS	35,040	16,800		51,840

Name of Lessor <u>Transylvania Railroad Company</u>					
Line No.	Particulars (a)	Beginning of Year Balance	Net Credits (Charges) for Current Year	Adjustments	End of Year Balance
		(b)	(c)	(d)	(e)
1	Accelerated depreciation, Sec. 167 I.R.C.: Guideline lives pursuant to Rev. Proc 62-21	960	480		1,440
2	Accelerated amortization of facilities Sec. 168 I.R.C.				
3	Accelerated amortization of rolling Stock, Sec. 184 I.R.C.				
4	Amortization of rights of way, Sec. 185 I.R.C.				
5	Other (Specify)				
6					
7					
8					
9	Investment tax credit				
10	TOTALS	960	480		1,440

Name of Lessor <u>Virginia and Southwestern Railway Company</u>					
Line No.	Particulars (a)	Beginning of Year Balance	Net Credits (Charges) for Current Year	Adjustments	End of Year Balance
		(b)	(c)	(d)	(e)
1	Accelerated depreciation, Sec. 167 I.R.C.: Guideline lives pursuant to Rev. Proc 62-21	50,830	26,400		77,280
2	Accelerated amortization of facilities Sec. 168 I.R.C.				
3	Accelerated amortization of rolling Stock, Sec. 184 I.R.C.				
4	Amortization of rights of way, Sec. 185 I.R.C.				
5	Other (Specify)				
6					
7					
8					
9	Investment tax credit				
10	TOTALS	50,880	26,400		77,280

371A. ABSTRACT OF TERMS AND CONDITIONS OF LEASES

Give brief abstracts of the terms and conditions of the leases under which the above stated rents are derived, showing particularly (1) the name of lessor, (2) the name of lessee, (3) the date of the grant, (4) the chain of title (in case of assignment or subletting) and dates of transfer connecting the original parties with the

present parties, (5) the basis on which the amount of the annual rent is determined, and (6) the date when the lease will terminate, or, if the date of termination has not yet been fixed, the provisions governing the termination of the lease. Also give reference to the Commission's authority for the lease, if any. If none, state

the reasons therefor.

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

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

383. RENTS FOR LEASED ROADS AND EQUIPMENT

1. Give particulars called for with respect to roads and equipment leased from others during the year, the rent for which is includible in account No. 542, "Rent for leased roads and equipment."

2. Rents payable which are not classifiable under one of the three heads provided should be explained in a footnote.

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

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

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

383A. ABSTRACT OF LEASEHOLD CONTRACTS

Give brief abstracts of the terms and conditions of the leases under which the above-named properties are held, showing particularly (1) the name of lessee, (2) the name of lessor, (3) the date of the lease, (4) the chain of title and dates of transfer connecting the original parties with the

NOTE.—Only changes during the year are required.

present parties in case of assignment or subletting, (5) the basis on which the amount of the annual rent is determined, and (6) the date 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 Com-

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

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

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

383. RENTS FOR LEASED ROADS AND EQUIPMENT—Concluded

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

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

5. If the reporting companies held under lease, during all or any part of

CLASSIFICATION OF RENT			Remarks (g)	Line No
Guaranteed interest on bonds (d)	Guaranteed dividends on stocks (e)	Cash (f)		
\$	\$	\$		1
				2
				3
				4
				5
21,650		8,350		6
				7
				8
				9
				10

383A. ABSTRACT OF LEASEHOLD CONTRACTS—Concluded

mission's authority for the lease, if any. If none, state the reasons therefor.

be filed. Reference to copies filed in prior years should be given in connection with any changes in terms and conditions of the leasehold contracts.

In lieu of the abstracts here called for, copies of lease agreements may

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

Each item recorded in accounts 606 and 616 amounting to \$10,000 or more should be stated; items less than \$10,000 may be combined in a single entry, designated "Minor items, each less than \$10,000."

Line No.	Name of lessor company (a)	Account No. (b)	Item (c)	Debit (d)	Credits (e)
31				\$	\$
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51					
52					
53					
54					
55					
56					
57					

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

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

The classes of tracks are defined as follows:

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

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

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

tracks switched by yard locomotives.

In the lower table, classify the mileage of road owned at close of year by States and Territories. The figures should apply to single-track mileage only. Enter names of States or Territories in the column headings. Lengths should be stated to the nearest WHOLE mile adjusted to accord with footings, i.e.: counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

Line No.	Name of road (a)	Termini between which road named extends (b)	RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				Miles of way switching tracks (g)	Miles of yard switching tracks (h)	Total (i)
			Miles of road (c)	Miles of second main track (d)	Miles of all other main tracks (e)	Miles of passing tracks, cross-overs, etc. (f)			
1	The Atlanta & Char. A. L. Ry. Co.	Charlotte, N.C. to Atla. Ga. (Armour)	255	149	2	26	63	98	593
2	Elberton Southern Ry. Co.	Toccoa, Ga. to Elberton, Ga.	50			2	4		56
3	Georgia Midland Ry. Co.	Griffin, Ga. To Columbus, Ga.	78			5	10		93
4	(Owned but not operated)	McDonough, Ga. to Griffin, Ga.	12						12
5	Mobile & Birmingham RR Co.	Marion Jct., Ala. to Mobile, Ala.	147			15	14	11	187
6	The North Caro. Midland RR Co.	Mooresville, N.C. to Winst. Jct, NC	54			3	7	1	65
7	Sou. Ry. - Carolina Div.	Hayne, S.C. to Biltmore, N.C.	66	1		13	10	19	109
8		Cayce, S.C. to Furman, S.C.	101			3	6		110
9		Branchville, S.C. to Aiken, S.C.	57			2	4		63
10		Warrenville, S.C. to Hamburg, S.C.	10			1	1	2	14
11		Charleston, S.C. to Columbia, S.C.	122	1	1	9	29	64	226
12		Spartanburg, S.C. to Alston, S.C.	68			9	10	6	93
13		Gaffney, S.C.					2		2
14		Charleston, S.C. (SCL)						1	1
15		Childs, S.C. (SCL)					3		3
16		Columbia, S.C. (SCL)						3	3
17		Kingville, S.C. to Marion, N.C.	209			6	19	5	239
18		Total (Sou. Ry. - Caro. Div.)	633	2	1	43	84	100	863
19	Transylvania RR Co.	Hendersonville, N.C. to Rosman, NC.	32			1	4		37
20									
21	Virginia & Southwestern Ry. Co.	St. Charles, Va. to Coran, Tenn.	99			8	39		146
22									
23									
24									

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

Line No.	Name of road	(Enter names of States or Territories in the column headings)							Total
			Va.	N. Caro.	S. Caro.	Georgia	Alabama	Tenn.	
25	The Atlanta & Charlotte Air Line Ry. Co.			122	122	91			255
26	Elberton Southern Ry. Co.					50			50
27	The Georgia Midland Ry. Co.					78			78
28	Mobile & Birmingham R.R. Co.						147		147
29	The North Carolina Midland RR Co.			54					54
30	Southern Railway - Carolina Div.			107	526				633
31	Transylvania RR Co.			32					32
	Virginia & Southern Ry. Co.		68					31	99

61

in a footnote.

In the lower table, classify the mileage of tracks owned at close of year by States and Territories. Enter names of States or Territories in the col-

unm headings. Lengths should be stated to the nearest WHOLE mile adjusted to accord with footings, i.e.: counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

Not Applicable

(Enter names of States or Territories in the column headings)

[illegible]

561. EMPLOYEES AND COMPENSATION

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

counts.

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

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

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

562. COMPENSATION OF OFFICERS, DIRECTORS, ETC.

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

and shown only in the report of the principal road of the system with a reference thereto in this report.

Any large "Other compensation" should be explained.

If more convenient, this schedule may be filled out for a group of roads considered as one system.

Line No.	Name of lessor company (a)	Name of person (b)	Title (c)	Salary per annum as of close of year (d)	Other compensation during the year (e)	Remarks (f)
1				\$	\$	
2						
3						
4	Included in Report of					
5						
6	Southern Railway Company					
7						
8						
9						
10						

563. PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Give particulars concerning payments, fees, retainers, commissions, gifts, contributions, assessments, bonuses, pensions, subscriptions, allowances for expenses, or any form of payments amounting in the aggregate to \$10,000 or more during the year to any corporation, institution, association, firm, partnership, committee, or any person (other than one of respondents' employees covered in schedule 562 in this annual report) for services or as a donation.

ordinarily connected with the routine operation, maintenance, or construction of a railroad should be excluded, but any special or unusual payments for services should be reported.

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

Payments for services which both as to their nature and amount may reasonably be regarded as

Line No.	Name of lessor company (a)	Name of recipient (b)	Nature of service (c)	Amount of payment (d)	Remarks (e)
1				\$	
2					
3		NONE			
4					
5					
6					
7					
8					
9					
10					

581. CONTRACTS, AGREEMENTS, ETC.

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

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

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

Information concerning contracts of minor importance may be omitted. A contract of minor importance is defined as one involving receipts or payments of less than \$10,000 per year, and which by its terms is otherwise unimportant.

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

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

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

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

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.

- 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.

- For changes in miles of road, give dates of beginning or abandonment of operation. 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.
- 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.

- Adjustments in the book value of securities owned, and reasons therefor.
- Other financial changes of more than \$50,000, not elsewhere provided for, giving full particulars.

INCREASES IN MILEAGE

Line No.	Class	Name of lessor company	Main (M) or branch (B) line	RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				Miles of way switching tracks	Miles of yard switching tracks	Total
				Miles of road	Miles of second main track	Miles of all other main tracks	Miles of passing tracks, cross-overs, and turn-outs			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1		Elberton Southern Ry. Co.	B				0.06			0.06
2		Georgia Midland Ry. Co.	B				0.09			0.09
3		Mobile & Birmingham R.R. Co.	M					0.05		0.05
4		Transylvania R.R. Co.	B				0.06	0.17		0.23
5		Va. & Southwestern Ry. Co.	B				0.03	0.07		0.10
6		Sou. Ry. - Carolina Div.							0.20	0.20
7										
8										
9										
10										
11										
12										
13										
14		Total Increase					0.24	0.29	0.20	0.73

DECREASES IN MILEAGE

15										
16		A&CAL Ry. Co.	M				0.07	0.49	0.25	0.81
17		Mobile & Birmingham R.R. Co.	M				0.05			0.05
18		N. C. Midland R.R. Co.	B					0.02		0.02
19		Sou. Ry. - Carolina Div.					0.10	0.01		0.11
20										
21										
22										
23										
24										
25										
26										
27										
28										
29		Total Decrease					0.22	0.52	0.25	0.99

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

Line No.	OWNED BY RESPONDENT			OWNED BY PROPRIETARY COMPANIES		
	Name of lessor company (a)	MILES OF ROAD		Name of proprietary company (d)	MILES OF ROAD	
		Constructed (b)	Abandoned (c)		Constructed (e)	Abandoned (f)
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						

The item "miles of road constructed" is intended to show the mileage of first main track laid to extend respondent's road, and should not include tracks relocated and tracks laid to shorten the

distance between two points, without serving any new territory. By "road abandoned" is meant permanently abandoned, the cost

of which has been or is to be written out of the investment accounts.

VERIFICATION

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

OATH

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

State of DISTRICT OF COLUMBIA

County of CITY OF WASHINGTON

ss:

F. A. Lockett

(Insert here the name of the affiant)

makes oath and says that he is

Assistant Comptroller

(Insert here the official title of the affiant)

of

LESSORS OF THE SOUTHERN RAILWAY COMPANY

(Insert here the exact legal titles or names of the respondents)

The Atlanta and Charlotte Air Line Railway Company

Elberton Southern Railway Company

The Georgia Midland Railway Company

Mobile and Birmingham Railroad Company

The North Carolina Midland Railroad Company

Southern Railway - Carolina Division

Transylvania Railroad Company

Virginia and Southwestern Railway Company

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

January 1, 19 75, to and including December 31, 19 75

F. A. Lockett
(Signature of affiant)

Subscribed and sworn to before me, a NOTARY PUBLIC, in and for the State and county above named, this 20 day of March, 19 76

My commission expires

August 31, 1977

[Use an
L. S.
impression seal]

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

VERIFICATION—Concluded**SUPPLEMENTAL OATH**

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

State of _____
County of _____ } ss:_____
(Insert here the name of the affiant) Makes oath and says that he is _____
(Insert here the official title of the affiant)
of _____
(Insert here the exact legal titles or names of the respondents)

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

_____, 19____, to and including _____, 19____

(Signature of affiant)

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

My commission expires _____

[Use an
L. S.
impression seal]

(Signature of officer authorized to administer oaths)

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