

426101

ANNUAL REPORT 1977 CLASS 1

1 of 2

SOUTHERN RY CO. LESSORS

426101  
ORIGINAL

R-4

RAILROAD LESSOR

APPROVED BY GAO  
B-180230 (R0255)  
EXPIRES 12-31-78

# annual report

	<p>RC290100 SOUTHERY 1 0 1 426101 SOUTHERN RY. CO. LESSORS 920 15TH ST NW WASHINGTON DC 20005</p>
<p>Correct name and address if different than shown.</p>	<p>Full name and address of reporting carrier. (Use mailing label on original, copy in full on duplicate.)</p>



to the  
**Interstate Commerce Commission**

FOR THE YEAR ENDED DECEMBER 31, 1977



# 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. \* \* \*

Each respondent is further required to send to the Bureau of Accounts, immediately upon preparation, two copies of its latest annual report to stockholders. See schedule 108, page 1.

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

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

4. If it be necessary or desirable to insert additional statements, 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.

6. 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.

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

8. Railroad corporations, mainly distinguished as operating companies and lessor companies, are for the purpose of report to the Interstate Commerce Commission divided into classes. An operating company is one whose officers direct the business of transportation and whose books contain operating as well as financial accounts; and a lessor company, the property of which being leased to and operated by another company, is one that maintains a separate legal existence and keeps financial but not operating accounts. (In making reports, lessor companies use Annual Report Form R-4).

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

Class I companies are those having annual operating revenues of \$10,000,000 or more. (For this class, Annual Report Form R-1 is provided.)

Class II companies are those having annual operating revenues below \$10,000,000. (For this class, Annual Report Form R-2 is provided.)

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

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

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

FOR THE INDEX SEE THE INSIDE OF BACK COVER

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

# ANNUAL REPORT

OF

LESSORS OF THE SOUTHERN RAILWAY COMPANY

(FULL NAME OF THE RESPONDENT)

TO THE

## INTERSTATE COMMERCE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1977

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.

---

Pages 8 thru 13: Schedule 200, General Balance Sheet

Provision has been made for reporting (1) marketable equity securities; (2) reclassification of long-term debt discount and premium; and, (3) capitalized lease obligations.

# Table of Contents

Schedule No.	Page	Schedule No.	Page
Instructions Regarding the Use of this Report Form .....	1	Amounts Payable to Affiliated Companies .....	268 42
Stockholders Report .....	108 1	Depreciation Base—Equipment Owned .....	282 44
Identity of Lessor Companies Included in this Report .....	101 2	Accrued Depreciation—Road and Equipment .....	285 46
Stockholders and Voting Power .....	109 3	Depreciation Reserve—Road and Miscellaneous Physical Property .....	286 48
Directors .....	112 4	Depreciation Rates—Road and Miscellaneous Physical Property .....	287 50
Principal General Officers of Corporation, Receiver, or Trustee .....	113 6	Dividends Declared .....	308 52
General Balance Sheet: .....	200 8	Miscellaneous Physical Properties Operated During the Year .....	340 53
Income Account for the Year .....	300 14	Railway Tax Accruals .....	350 54
Retained Income—Unappropriated .....	305 16	Income from Lease of Road and Equipment .....	371 56
Special deposits .....	203 17D	Abstract of Terms and Conditions of Lease .....	371A 57
Road and Equipment Property .....	211 18	Rents for Leased Roads and Equipment .....	383 58
Proprietary Companies .....	212 20	Abstract of Leasehold Contracts .....	383A 58
Abstract of the Provisions of the Lease Bearing on Respondent's Liability to Reimburse the Lessee for Improvements made on the Leased Railroad Property .....	22	Selected Items In Income and Retained Income Accounts for the Year .....	396 58
General Instructions Concerning Returns in Schedules 217 and 218 .....	23	Tracks Owned at Close of Year (For Lessors to Other than Switching and Terminal Companies) .....	411 60
Investments in Affiliated Companies .....	217 24	Tracks Owned at Close of Year (For Lessors to Switching and Terminal Companies) .....	411A 61
Investments in Common Stocks of Affiliated Companies .....	217A 27A	Employees and Compensation .....	561 62
Other Investments .....	218 28	Compensation of Officers, Directors, Etc. ....	562 62
Securities, Advances, and Other Intangibles Owned or Controlled Through Non-reporting Carrier or Noncarrier Subsidiaries .....	221 30	Payments for Services Rendered by Other Than Employees .....	563 62
Capital Stock .....	251 32	Contracts, Agreements, Etc. ....	581 63
Capital Stock Changes During the Year .....	253 34	Changes During the Year .....	591 64
Stock Liability for Conversion of Securities of other Companies .....	254 34	Competitive Bidding—Clayton Anti-Trust Act .....	595 66
Instructions Concerning Returns to be made in Schedule 261 .....	37	Verification and Oath .....	68
Funded Debt and Other Obligations .....	261 38	Supplemental Oath .....	69
Interest on Income Bonds .....	266 42	Index .....	Back Cover



## INSTRUCTIONS REGARDING THE USE OF THIS REPORT FORM

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

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

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

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

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

Names of lessor companies included in this report

The Atlanta and Charlotte Air Line  
Railway Company ✓

Elberton Southern Railway Company ✓

The Georgia Midland Railway Company ✓

Mobile and Birmingham Railroad Company ✓

The North Carolina Midland Railroad Company ✓

Southern Railway-Carolina Division ✓

Transylvania Railroad Company ✓

Virginia and Southwestern Railway Company ✓

Name of lessor companies that file separate reports

Lockhart Railroad *Small*

The North Carolina Railroad Company ✓

## 108. STOCKHOLDERS REPORTS

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

Check appropriate box:

☐ Two copies are attached to this report.

☐ Two copies will be submitted \_\_\_\_\_ (date)

☒ No annual report to stockholders is prepared.

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 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)	Total number of stockholders (f)	
1	The Atlanta and Charlotte	5-17-1877	Georgia				
2	Air Line Railway Company	5-21-1877	N. Carolina	Southern Railway Company	100.0	13	16,999
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	97.3	31	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							
27							
28							
29							
30							
31							
32							
33							
34							
35							



## 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	16,987	R.D. Allen	1	L. Stanley	1	M.M. Davenport	1	M.D. Edwards	1
2	Charlotte Air Line	Railway				Crane					
3	Railway Company	Company									
4											
5	Elberton Southern	Milton M.	1,020	Southern	880						
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	1,117	Leaksville	160	Madison	30	Leaksville	10
15	Midland Railroad Co.	Co. of N.Y. %		Railway Co.		Township		Township		Tol. Bridge	
16											
17	Southern Railway-	Southern	41,757	L. Stanley	1	Milton M.	1	Mahlon D.	1	Karl A.	1
18	Carolina Division	Railway Co.		Crane		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.										

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

## INITIALS OF RESPONDENT COMPANIES

State total number of votes cast at latest general meeting for election of directors of respondent	The A&CAL	Elb. Sou.	The Ga. Mid.	Mob & Bgham.	N.C. Mid.	SR-C. Div.	Transylv.	V&SW Ry.
Give the date of such meeting	16,987	2,000	10,000	17,930	8,993	41,757	3,595	20,000
Give the place of such meeting	4/6/77	9/22/77	9/21/77	5/11/77	5/2/77	6/13/77	5/26/77	9/20/77
	Greenv. S.C.	Atla. Ga.	Col. Ga.	Mobile, Ala.	Wash. DC	Col., SC	Wash. DC	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	L. Stanley Crane	E. Stanley Crane	L. Stanley Crane
2	Office address	Washington, D.C.	Washington, D.C.	Washington, D.C.
3	Date of beginning of term	April 6, 1977	September 22, 1977	September 21, 1977
4	Date of expiration of term	*	*	*
5	Name of director	Robert D. Allen	Evan J. Allen	Milton M. Davenport
6	Office address	Washington, D.C.	Washington, D.C.	Washington, D.C.
7	Date of beginning of term	April 6, 1977	September 22, 1977	September 21, 1977
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 6, 1977	September 22, 1977	September 21, 1977
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 6, 1977	September 22, 1977	September 21, 1977
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 6, 1977	September 22, 1977	September 21, 1977
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 6, 1977		
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 6, 1977		Railroad Company
28	Date of expiration of term	*		
29	Name of director	E. A. Roth		L. Stanley Crane
30	Office address	Washington, D.C.		Washington, D.C.
31	Date of beginning of term	April 6, 1977		May 11, 1977
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 6, 1977		May 11, 1977
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 6, 1977		May 11, 1977
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 6, 1977		May 11, 1977
44	Date of expiration of term	*		*
45	Name of director	L. R. Weber		John R. Kobler
46	Office address	Washington, D.C.		Washington, D.C.
47	Date of beginning of term	April 6, 1977		May 11, 1977
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 11, 1977
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 11, 1977
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	Pennsylvania Railroad Company	Virginia and Southwestern Railway Company	Line No.
L. Stanley Crane	L. Stanley Crane	L. Stanley Crane	L. Stanley Crane	1
Washington, D.C.	Washington, D.C.	Washington, D.C.	Washington, D.C.	2
May 2, 1977	June 13, 1977	May 26, 1977	September 20, 1977	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 2, 1977	June 13, 1977	May 26, 1977	September 20, 1977	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 2, 1977	June 13, 1977	May 26, 1977	September 20, 1977	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 2, 1977	June 13, 1977	May 26, 1977	September 20, 1977	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 2, 1977	June 13, 1977	May 26, 1977	September 20, 1977	19
*	*	*	*	20
John R. Kibler		Robert W. Van Ness		21
Washington, D.C.		Washington, D.C.		22
May 2, 1977		May 26, 1977		23
*		*		24
Frank J. Miller		G. M. Williams		25
Washington, D.C.		Washington, D.C.		26
May 2, 1977		May 26, 1977		27
*		*		28
E. F. Neagle				29
Washington, D.C.				30
May 2, 1977				31
*				32
Edward A. Roth				33
Washington, D.C.				34
May 2, 1977				35
*				36
Karl A. Stoecker				37
Washington, D.C.				38
May 2, 1977				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 2, 1977				43
*				44
C. O. Wagner				45
Washington, D.C.				46
May 2, 1977				47
*				48
				49
				50
				51
				52
				53
				54
				55
				56

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

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

Line No.	Item	
		The Atlanta and Charlotte Air Line Railway Company
		Elberton Southern Railway Company
		The Georgia Midland Railway Company
1	Name of general officer	Mobile and Birmingham Railroad Company
2	Title of general officer	The North Carolina Midland Railroad Company
3	Office address	Southern Railway-Carolina Division
4	Name of general officer	Transylvania Railroad Company
5	Title of general officer	Virginia and Southwestern Railway Company
6	Office address	
7	Name of general officer	L. Stanley Crane
8	Title of general officer	President
9	Office address	Washington, D. C.
10	Name of general officer	Robert S. Ham lton
11	Title of general officer	Vice President
12	Office address	Washington, D.C.
13	Name of general officer	George S. Paul
14	Title of general officer	Vice President
15	Office address	Washington, D.C.
16	Name of general officer	Harold H. Hall
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	Harvey H. Bradley
23	Title of general officer	Vice President
24	Office address	Washington, D.C.
25	Name of general officer	Edward T. Breathitt, Jr.
26	Title of general officer	Vice President
27	Office address	Washington, D.C.
28	Name of general officer	Earl L. Dearhart
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, Ga.
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	Donald R. McArdle
38	Title of general officer	VP & Comptroller
39	Office address	Washington, D.C.
40	Name of general officer	William D. McLean
41	Title of general officer	Vice President
42	Office address	Washington, D.C.
43	Name of general officer	Walter W. Simpson
44	Title of general officer	Vice President
45	Office address	Washington, D.C.
46	Name of general officer	Karl A. Stoecker
47	Title of general officer	Vice President
48	Office address	Washington, D.C.
49	Name of general officer	Milton M. Davenport
50	Title of general officer	Secretary
51	Office address	Washington, D.C.
52	Name of general officer	G. M. Williams
53	Title of general officer	Treasurer
54	Office address	Washington, D.C.
55	Name of general officer	
56	Title of general officer	
57	Office address	



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

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

				Line No.
				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
				35
				36
				37
				38
				39
				40
				41
				42
				43
				44
				45
				46
				47
				48
				49
				50
				51
				52
				53
				54
				55
				56
				57

## 200. GENERAL BALANCE SHEET—ASSET SIDE

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

Line No.	Account (a)	The A&CAL Ry. (b) Co.	Elberton Sou. Ry. (c) Co.	The Ga. Mid. Ry. (d) Co.	Mob. & Bghm. RR (e) Co.
<b>CURRENT ASSETS</b>					
1	(701) Cash	\$ 2,460	\$ 9,927	\$	\$
2	(702) Temporary cash investments		250,000		
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				33,850
8	(708) Interest and dividends receivable				
9	(709) Accrued accounts receivable	82,369	2,765	30,933	
10	(710) Working fund advances		26,361		
11	(711) Prepayments				481
12	(712) Material and supplies				
13	(713) Other current assets				
14	(714) Deferred income tax charges (p. 55)				
15	Total current assets	84,829	289,054	30,933	34,331
<b>SPECIAL FUNDS</b>					
16	(715) Sinking funds	6,074			
17	(716) Capital and other reserve funds				
18	(717) Insurance and other funds				
19	Total special funds	6,074			
<b>INVESTMENTS</b>					
20	(721) Investments in affiliated companies (pp. 24 to 27)	1	43,313	20,559	185,671
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	(724) Allowance for net unrealized loss on noncurrent marketable equity securities—Cr.				
25	Total investments (accounts 721, 722, 723, and 724)	1	43,313	20,559	185,671
<b>PROPERTIES</b>					
(731) Road and equipment property (pp. 18 and 19):					
26	Road	21,668,423	463,591	1,753,529	3,785,841
27	Equipment				
28	General expenditures	1,815,763	20,668	96,856	127,303
29	Other elements of investment	(3,335,712)	(41,534)	699,632	(517,500)
30	Construction work in progress	2,875			
31	Total road and equipment property	20,151,349	442,725	2,550,017	3,395,644
(732) Improvements on leased property (pp. 18 and 19):					
32	Road				
33	Equipment				
34	General expenditures				
35	Total improvements on leased property				
36	Total transportation property (accounts 731 and 732)	20,151,349	442,725	2,550,017	3,395,644
37	(733) Accrued depreciation—Improvements on leased property				
38	(735) Accrued depreciation—Road and Equipment	(1,275,906)	(19,661)		
39	(736) Amortization of defense projects—Road and Equipment				
40	Recorded depreciation and amortization (accts 733, 735 and 736)	(1,275,906)	(19,661)		
41	Total transportation property less recorded depreciation and amortization	18,875,443	423,064	2,550,017	3,395,644
42	(737) Miscellaneous physical property	392,540			
43	(738) Accrued depreciation—Miscellaneous physical property				
44	Miscellaneous physical property less recorded depreciation	392,540			
45	Total properties less recorded depreciation and amortization	19,267,983	423,064	2,550,017	3,395,644
<b>OTHER ASSETS AND DEFERRED CHARGES</b>					
46	(741) Other assets	194,005		76,150	180,857
47	(743) Other deferred charges	54,774			
48	(744) Accumulated deferred income tax charges (p. 55)				
49	Total other assets and deferred charges	248,779		76,150	180,857
50	TOTAL ASSETS	19,607,666	755,431	2,677,659	3,796,503

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

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

The N.C. Mid. RR	Southern Ry. Caro. (g) Div.	Pennsylvania RR. (h)	Va. and Sou. Western Ry. Co.	(j)	(k)	Line No.
\$ 4,553	\$ 6,032	\$ 17,181	\$ 250	\$	\$	1
	682,370	415,000	550,000			2
						3
						4
						5
						6
1,100	142	7,073	737			7
1,213	61,097	1,414	66,116			8
						9
						10
						11
						12
						13
						14
6,866	749,641	440,668	617,101			15
			17,075			16
3,181	131,409					17
3,181	131,409		17,075			18
						19
10,145	64,598	249,753	5,975			20
	2					21
						22
						23
						24
10,145	64,600	249,753	5,975			25
1,259,361	16,463,311	446,408	7,076,229			26
63,846	894,224	21,312	419,558			27
397,437	(3,226,175)	(260,825)	(1,010,214)			28
1,720,644	14,131,360	206,895	6,485,573			29
						30
						31
						32
						33
						34
1,720,644	14,131,360	206,895	6,485,573			35
	(1,069,262)	(72,676)	(1,226,536)			36
	(1,069,262)	(72,676)	(1,226,536)			37
1,720,644	13,062,098	134,219	5,259,037			38
	510,597		13,953			39
	(54,280)					40
	456,317		13,953			41
1,720,644	13,518,415	134,219	5,272,990			42
	612,841	18,565				43
	167,941	41,568	1,301			44
	780,782	60,133	1,301			45
1,740,836	15,244,847	884,773	5,914,444			46
						47
						48
						49
						50

## 200. GENERAL BALANCE SHEET—ASSET SIDE (Concluded)

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

## REMARKS



**290. GENERAL BALANCE SHEET—ASSET SIDE (Concluded)**

The N.C. Midland RR (h) Co.	Southern Ry. (g) Caro. Div.	Transylvania (m) RR Co.	Va. and South (h) 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 Sou. Ry. (c) Co.	The Ga. Mid. Ry. (d) Co.	Mob&Bghm. RR (e) Co.
<b>CURRENT LIABILITIES</b>					
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	624,620			
59	(755) Interest matured unpaid				
60	(756) Dividends matured unpaid				
61	(757) Unmatured interest accrued	71,972		12,375	
62	(758) Unmatured dividends declared				
63	(759) Accrued accounts payable				
64	(760) Federal income taxes accrued		16,519		
65	(761) Other taxes accrued		1,075		
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)	696,592	17,594	12,375	
<b>LONG-TERM DEBT DUE WITHIN ONE YEAR</b>					
69	(764) Equipment obligations and other debt (pp. 38, 39, 40, and 41)				
<b>LONG-TERM DEBT DUE AFTER ONE YEAR</b>					
70	(765) Funded debt unmatured	10,112,000	250,000	1,650,000	1,800,000
71	(766) Equipment obligations (pp. 38-41)				
72	(766.5) Capitalized lease obligations				
73	(767) Receivers' and Trustees' securities (pp. 38-41)				
74	(768) Debt in default (pp. 38-41)				
75	(769) Amounts payable to affiliated companies (pp. 42 and 43)	4,499,938			
76	(770.1) Unamortized discount on long-term debt	(51,547)			
77	(770.2) Unamortized premium on long-term debt				
78	Total long-term debt due after one year	14,560,391	250,000	1,650,000	1,800,000
<b>RESERVES</b>					
79	(771) Pension and welfare reserves				
80	(774) Casualty and other reserves		3,098		
81	Total reserves		3,098		
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>					
82	(781) Interest in default (p. 40)				
83	(782) Other liabilities				
84	(784) Other deferred credits	464,066	942		
85	(785) Accrued liability—Leased property				
86	(786) Accumulated deferred income tax credits (p. 55)		3,360		
87	Total other liabilities and deferred credits	464,066	4,302		
<b>SHAREHOLDERS EQUITY</b>					
Capital stock (Par or stated value)					
(791) Capital stock issued:					
88	Common stock (pp. 32 and 33)	1,699,900	200,000	1,000,000	897,600
89	Preferred stock (pp. 32 and 33)				897,600
90	Total capital stock issued	1,699,900	200,000	1,000,000	1,795,200
91	(792) Stock liability for conversion (pp. 34 and 35)				
92	(793) Discount on capital stock				
93	Total capital stock	1,699,900	200,000	1,000,000	1,795,200
Capital Surplus					
94	(794) Premiums and assessments on capital stock				
95	(795) Paid-in surplus				
96	(796) Other capital surplus				
97	Total capital surplus				
Retained Income					
98	(797) Retained income—Appropriated				
99	(798) Retained income—Unappropriated (pp. 17A and 17B)	2,186,717	280,437	15,284	201,303
100	(798.1) Net unrealized loss on noncurrent marketable equity securities				
101	Total retained income	2,186,717	280,437	15,284	201,303



## 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.

26105 The N.C. Mid. RR (f) Co.		26106 Southern Ry. Caro. (g) Div.		26107 Transylvania RR (h) Co.		26108 Va. and South Western Ry. Co.		(j)	(k)	Line No.
\$		\$		\$		\$		\$		55
										56
		90								57
		100,150								58
										59
		131,930				15,086				60
										61
		15,000								62
		53,089		19,452		99,629				63
		3,365		3,300						64
										65
										66
										67
		303,624		22,752		114,715				68
						200,000				69
801,000		1,000,000		196,000		2,762,000				70
										71
										72
										73
		5,680,684								74
						(3,658)				75
801,000		6,680,684		196,000		2,758,342				76
										77
										78
										79
				3,757		4,190				80
				3,757		4,190				81
										82
		221,925				326,467				83
										84
		124,320		3,360		153,120				85
		346,245		3,360		479,587				86
										87
924,000		4,176,200		370,000		2,000,000				88
924,000		4,176,200		370,000		2,000,000				89
										90
				(345,000)						91
924,000		4,176,200		25,000		2,000,000				92
										93
		5,000,000								94
		45,000								95
924,000		5,045,000								96
										97
15,836		(1,306,906)		633,904		357,610				98
										99
15,836		(1,306,906)		633,904		357,610				100
										101

## 200. GENERAL BALANCE SHEET—LIABILITY SIDE—Continued

Line No.	Account (a)	The A&CAL Ry. (b) Co.	Elberton Sou. Ry. (c) Co.	The Ga. Md. Ry. (d) Co.	Mob & Bghm. RR (e) Co.
	<b>TREASURY STOCK</b>	\$	\$	\$	\$
102	(798.5) Less: Treasury stock				
103	Total shareholders' equity	3,886,617	480,437	1,015,284	1,996,503
104	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	19,607,666	755,431	2,677,659	3,796,503
	The above returns exclude respondent's holdings of its own issues as follows:				
105	(765) Funded debt unmatured	708,000			
106	(767) Receivers' and trustees' securities				
107	(768) Debt in default				
108	(791) Capital stock				
	<b>SUPPLEMENTARY ITEMS</b>				
	Amount of interest matured unpaid in default for as long as 90 days:				
109	Amount of interest				
110	Amount of principal involved				
111	Investment carried in account No. 732, "Improvements on leased property," on the books of the lessee with respect to respondent's property	45,433,461	362,642	649,809	7,101,250

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

Show the amount of investment tax credit carryover at year end \$ None

Show amount of past service pension costs determined by actuaries at year end \$ None

Total pension costs for year:

Normal costs \$ None

Amortization of past service costs \$ None

State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610). YES NO See footnote on page 14 of Southern Railway Company Annual Report Form R-1.

## NOTES AND REMARKS



## 200. GENERAL BALANCE SHEET—LIABILITY SIDE—Concluded

The N.C.Mid. RR (f) Co.		Southern Ry. Caro. (g) Div.		Transylvania RR (h) Co.		Va. & South Western Ry. Co.		(j)	(k)	Line No.
\$		\$		\$		\$		\$		
	939,836		7,914,294		658,904		2,357,610			102
	1,740,836		15,244,847		884,773		5,914,444			103
					237,000					104
										105
										106
										107
										108
										109
										110
	1,342,053		18,116,863		384,897		3,866,723			111

## 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&C Ry. (b) Co.	Elberton Sou (c) Ry Co	The Ga. Mid (d) Ry Co	Mob. & Bghm RR (e) Co.
	<b>ORDINARY ITEMS</b>		\$	\$	\$	\$
	<b>RAILWAY OPERATING INCOME</b>					
1	(501) Railway operating revenues					
2	(531) Railway operating expenses					
3	Net revenue from railway operations					
4	(532) Railway tax accruals (p. 54)	350	(100)	20,776		
5	(533) Provision for deferred taxes (p. 55)			1,440		
6	Railway operating income		100	(22,216)		
	<b>RENT INCOME</b>					
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					
	<b>RENTS PAYABLE</b>					
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)		100	(22,216)		
	<b>OTHER INCOME</b>					
23	(502) Revenues from miscellaneous operations (p. 53)					
24	(509) Income from lease of road and equipment (p. 56)	371	540,360	37,500	49,500	78,000
25	(510) Miscellaneous rent income					
26	(511) Income from nonoperating property		7,250			
27	(512) Separately operated properties—profit					
28	(513) Dividend income (from investments under cost only)					
29	(514) Interest income		194	16,038		
30	(516) Income from sinking and other reserve funds		1,711			
31	(517) Release of premiums on funded debt					
32	(518) Contributions from other companies					
33	(519) Miscellaneous income		151,586		6,472	74,929
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		701,101	53,538	55,972	152,929
38	Total income (lines 22, 37)		701,201	31,322	55,972	152,929
	<b>MISCELLANEOUS DEDUCTIONS FROM INCOME</b>					
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	5	19	
47	Total miscellaneous deductions		255	5	19	
48	Income available for fixed charges (lines 38, 47)		700,946	31,317	55,953	152,929



## 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. RR (f) Co.	Southern Ry. Caro. (g) Div.	Transylvania RR (h) Co.	Va. & South Western Ry. Co.	(j)	(k)	Line No.
\$	\$	\$	\$	\$	\$	1
						2
						3
	163,324	25,741	52,991			4
	56,640	1,440	49,920			5
	(219,964)	(27,181)	(102,911)			6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
	(219,964)	(27,181)	(102,911)			21
						22
75,780	120,380	30,000	243,790			23
			360			24
						25
						26
		11,801				27
	5,372	29,396	27,185			28
	27,020		376			29
						30
						31
	318,788					32
						33
						34
						35
75,780	471,560	71,197	271,711			36
75,780	251,596	44,016	168,800			37
						38
						39
						40
						41
						42
						43
						44
	40,197	350	3,634			45
	40,197	350	3,634			46
75,780	211,399	43,666	165,166			47
						48

## 300. INCOME ACCOUNT FOR THE YEAR—Continued

Line No.	Item (a)	Sched. No.	The Ry. Co. (b)	A&CAL Ry. Co. (c)	Elberton Sou. Ry. Co. (d)	The Ga. Mid. Ry. Co. (e)	Mob. & Bghm. RR Co. (f)
	<b>FIXED CHARGES</b>						
49	(542) Rent for leased roads and equipment (pp. 58 and 59)	383					
	(546) Interest on funded debt:						
50	(a) Fixed interest not in default		548,253	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		9,784				
54	Total fixed charges		558,037	12,500	49,500	78,000	
55	Income after fixed charges (lines 48, 54)		142,909	18,817	6,453	74,929	
	<b>OTHER DEDUCTIONS</b>						
	(546) Interest on funded debt:						
56	(c) Contingent interest						
	<b>UNUSUAL OR INFREQUENT ITEMS</b>						
57	(555) Unusual or infrequent items-Net-(Debit) credit*		142,909	18,817	6,453	74,929	
58	Income (loss) from continuing operations (lines 55-57)						
	<b>DISCONTINUED OPERATIONS</b>						
59	(560) Income (loss) from operations of discontinued segments*						
60	(562) Gain (loss) on disposal of discontinued segments*						
61	Total income (loss) from discontinued operations (lines 59, 60)		142,909	18,817	6,453	74,929	
62	Income (loss) before extraordinary items (lines 58, 61)						
	<b>EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES</b>						
63	(570) Extraordinary items-Net-(Debit) credit (p. 58)						
64	(590) Income taxes on extraordinary items-Debit (credit) (p. 58)						
65	(591) Provision for deferred taxes - Extraordinary items						
66	Total extraordinary items (lines 63-65)						
67	(592) Cumulative effect of changes in accounting principles*						
68	Total extraordinary items and accounting changes-(Debit) credit-(lines 66,67)						
69	Net income (loss) transferred to Retained Income Unappropriated (lines 62,68)		142,909	18,817	6,453	74,929	
	* Less applicable income taxes of:		\$	\$	\$	\$	
	555 Unusual or infrequent items-Net (Debit) credit						
	560 Income (loss) from operations of discontinued segments						
	562 Gain (loss) on disposal of discontinued segments						
	592 Cumulative effect of changes in accounting principles						

## INCOME ACCOUNT FOR THE YEAR - EXPLANATORY NOTES

Deductions because of accelerated amortization of emergency facilities in excess of recorded depreciation resulted in reduction of Federal income taxes for the year of this report in the amount of \$ None

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

Flow-through X 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

Show the amount of investment tax credit carryover at year end \_\_\_\_\_ \$ \_\_\_\_\_



300. INCOME ACCOUNT FOR THE YEAR—Concluded						Line No.
The N.C. Mid. RR (f)	Southern Ry. Caro. Div. (g)	Transylvania RR Co. (h)	Va. & South Western Ry. Co. (i)	(j)	(k)	
\$	\$	\$	\$	\$	\$	
	30,000					49
48,060	77,966	9,800	139,681			50
						51
						52
			1,797			53
48,060	107,966	9,800	141,478			54
27,720	103,433	33,866	23,688			55
						56
						57
27,720	103,433	33,866	23,688			58
						59
						60
						61
27,720	103,433	33,866	23,688			62
						63
						64
						65
						66
						67
						68
27,720	103,433	33,866	23,688			69

## NOTES AND REMARKS

## 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 heading. For instructions covering this schedule, see text pertaining to Retained Income Accounts in the Uniform System of Accounts

for Railroad Companies.

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

3. Indicate under "Remarks" the amount of assigned Federal income tax consequences, accounts 606 and 616.

Line, No.	Item (a)		The Atlanta & Charlotte Air Line (b) Ry. Co.	Liberton Southern Ry. (c) Co.
1	Unappropriated retained income (1) and equity in undistributed earnings (losses) of affiliated companies (2) at beginning of year*		(1) 26 101 (2) \$ 2,043,908	(1) 26 112 (2) \$ None
2	(601.5) Prior period adjustments to beginning retained income			
	<b>CREDITS</b>			
3	(602) Credit balance transferred from income (pp. 16 and 17)	300	142,909	18,817
4	(606) Other credits to retained income (p. 58)	396		
5	(622) Appropriations released			
6	Total		142,909	18,817
	<b>DEBITS</b>			
7	(612) Debit balance transferred from income (pp. 16 and 17)	300		
8	(616) Other debits to retained income (p. 58)	396		
9	(620) Appropriation for sinking and other reserve funds			
10	(621) Appropriations for other purposes			
11	(623) Dividends (pp. 52 and 53)	308		
12	Total			
13	Net increase (decrease) during year*		142,909	18,817
14	Unappropriated retained income (1) and equity in undistributed earnings (losses) of affiliated companies (2) at end of year*		2,186,817	280,437
15	Balance from line 13(2)*		x x x x x	x x x x x
16	Total unappropriated retained income and equity in undistributed earnings (losses) of affiliated companies at end of year*		2,186,817 x x x x x	280,437 x x x x x
	Remarks			
	Amount of assigned Federal income tax consequences:			
17	Account 606		x x x x x	x x x x x
18	Account 616		x x x x x	x x x x x

\*Amount in parentheses indicates debit balance.

## NOTES AND REMARKS



# Balance Sheet

## SOUTHERN RAILWAY COMPANY AND CONSOLIDATED SUBSIDIARIES

	December 31	
	1977	1976
	(Thousands of Dollars)	
<b>Assets</b>		
Current assets:		
Cash and short term securities .....	\$ 165,415	\$ 195,313
Accounts receivable .....	172,409	161,930
Materials, supplies and other .....	88,217	75,707
	<u>426,041</u>	<u>432,950</u>
Investments in and advances to affiliates .....	11,786	10,095
Other assets .....	37,197	39,880
Properties, net of accumulated depreciation .....	1,929,771	1,822,741
	<u>\$2,404,795</u>	<u>\$2,305,666</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued expenses .....	\$ 238,345	\$ 229,223
Income taxes .....	18,066	21,718
Current maturities of long-term debt .....	65,385	77,421
	<u>321,796</u>	<u>328,362</u>
Long-term debt .....	714,362	703,694
Reserve for income taxes .....	10,759	10,759
Deferred income taxes .....	310,033	286,167
Reserves and other liabilities .....	30,111	26,692
	<u>1,387,061</u>	<u>1,355,674</u>
Shareholders' equity:		
Preferred stock .....	54,850	57,675
Serial preference stock .....	18,468	18,658
Common stock .....	147,125	146,020
Capital surplus .....	29,422	23,511
Income retained in the business .....	767,869	704,128
	<u>1,017,734</u>	<u>949,992</u>
	<u>\$2,404,795</u>	<u>\$2,305,666</u>

Certain 1976 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 37 regulated carriers and 18 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.

# Statement of Income

## SOUTHERN RAILWAY COMPANY AND CONSOLIDATED SUBSIDIARIES

	Year 1977	Year 1976
	(Thousands of Dollars)	
Railway operating revenues:		
Freight .....	\$1,109,447	\$1,002,186
Other .....	30,571	25,806
	<u>1,140,018</u>	<u>1,027,992</u>
Other income .....	28,850	24,793
Total income .....	<u>1,168,868</u>	<u>1,052,785</u>
Railway operating expenses:		
Maintenance of way and structures .....	200,876	175,185
Maintenance of equipment .....	192,923	177,977
Transportation .....	362,383	325,997
Other .....	73,203	66,504
	<u>829,390</u>	<u>745,663</u>
State and local taxes, principally property .....	26,227	24,965
Payroll taxes .....	62,592	55,712
Net freight car rent (income) based on time and mileage .....	(16,672)	(14,817)
Other equipment rent expense .....	47,056	40,314
Joint facility rent expense .....	1,187	1,012
Miscellaneous deductions from income .....	6,981	7,373
Fixed charges, principally interest .....	60,924	54,383
Total expenses .....	<u>1,017,685</u>	<u>914,605</u>
Income before income taxes .....	<u>151,183</u>	<u>138,180</u>
Federal and state income taxes:		
Current .....	20,227	25,754
Deferred .....	23,866	23,185
Total income taxes .....	<u>44,093</u>	<u>48,939</u>
Net consolidated income for the year .....	<u>\$ 107,090</u>	<u>\$ 89,241</u>
Per average share of common stock outstanding .....	\$7.04	\$5.85

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 37 regulated carriers and 18 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.



**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.

5. Line 3 (line 7 if debit balance), column (2), should agree with line 36,

schedule 300. The total of columns (1) and (2), lines 3 and 7, should agree with line 63, schedule 300.

6. Include in column (1) only amounts applicable to Retained Income exclusive of any amounts included in column (2).

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) 26 103 (2)	(1) 26 104 (2)	(1) 26 105 (2)	(1) 26 106 (2)	
8,831 None	126,374 None	15,836 None	(1,410,339) None	1
				2
6,453	74,929	27,720	103,433	3
				4
6,453	74,929	27,720	103,433	5
				6
				7
				8
				9
		27,720		10
		27,720		11
6,453	74,929	15,836	103,433	12
				13
15,284	201,303	15,836	(1,306,906)	14
x x x x x	x x x x x	x x x x x	x x x x x	15
15,284 x x x x x	201,303 x x x x x	15,836 x x x x x	(1,306,906) 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
x x x x x	x x x x x	x x x x x	x x x x x	18

**NOTES AND REMARKS**

Transylvania  
RR (h) Co.

(1) (2)  
600,038 NONE

33,866

33,866

~~33,866~~

33,866

633,904 XXX

XXX

633,904 XXX

XXX

Virginia and South  
Western (i) Ry. Co.

(1) (2)  
433,922 NONE

23,688

23,688

100,000

100,000

(76,312)

357,610

XXX

XXX

357,610

XXX

XXX

## NOTES AND REMARKS



## Schedule 203.—SPECIAL DEPOSITS

For other than compensating balances, state separately each item of \$10,000 or more reflected in account 703, Special deposits, 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". For compensating balances, state separately the total amounts held on behalf of respondent and held on behalf of others.

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		
10	None	
11		
12	Total	
	Miscellaneous special deposits:	
13		
14		
15		
16	None	
17		
18	Total	
	Compensating balances legally restricted:	
19	Held on behalf of respondent	None
20	Held on behalf of others	
21	Total	

## 211. ROAD AND EQUIPMENT PROPERTY

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

2. Gross charges during the year should include disbursements made for the specific purpose of purchasing, constructing, and equipping new lines, extensions of old lines, and for additions and betterments. This column should also include both the debits and credits involved in each transfer, adjustment, or clearance between road and equipment accounts and all adjustments applicable to expenditures for new lines and extensions and additions and betterments. Adjustments in excess of \$100,000 should be explained. Net charges is the difference between gross charges and credits for property retired. All changes made during the year should be analyzed by primary accounts.

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

Line No.	Account (a)	A&CAL		Elb. Sou		Ga. Midland	
		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 _____	\$	(279)	\$	(4)	\$	( )
2	(2) Land for transportation purposes _____		(350)				(5)
3	(2 1/2) Other right-of-way expenditures _____		(74)				
4	(3) Grading _____						
5	(5) Tunnels and subways _____						
6	(6) Bridges, trestles, and culverts _____						
7	(7) Elevated structures _____						
8	(8) _____		(231)		(38)		(12)
9	(9) Rails _____		(170)		(25)		(7)
10	(10) Other track material _____		(3,543)		(12)		(3)
11	(11) Ballast _____		(79)				
12	(12) Track laying and surfacing _____		(157)		(29)		(9)
13	(13) Fences, snowsheds, and signs _____		(8)				
14	(16) Station and office buildings _____		(5,747)				
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) TCC/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 _____		(229)				
32	(43) Other expenditures—Road _____						
33	(44) Shop machinery _____						
34	(45) Power-plant machinery _____						
35	Other (Specify & explain) _____						
36	Total expenditures for road _____		(10,867)		(108)		(37)
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 _____		(878)		(5)		(2)
47	(77) Other expenditures—General _____		(109)		(2)		
48	Total general expenditures _____		(987)		(7)		(2)
49	Total _____		(11,854)		(115)		(39)
50	(90) Construction work in progress _____						
51	Grand total <sup>1</sup> _____		(11,854)		(115)		(39)

<sup>1</sup> 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.



## 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.

M&B		N.C. Midland		SR CD		Transylvania		Line No.
Gross charges during year	Net charges during year	Gross charges during year	Net charges during year	Gross charges during year	Net charges during year	Gross charges during year	Net charges during year	
(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	
\$	\$	\$	\$	\$	\$	\$	\$	1
	(364)				(428)			2
					(22,325)			3
					(47)			4
					(208)			5
					(810)			6
					(656)			7
					(5,560)			8
					(193)			9
					(760)			10
								11
								12
								13
								14
								15
								16
		N				N		17
		O				O		18
		N				N		19
		E				E		20
								21
								22
								23
								24
								25
								26
								27
					(2,369)			28
								29
					(37)			30
								31
								32
								33
								34
	(364)				(33,393)			35
								36
								37
		N				N		38
		O				O		39
		N				N		40
		E				E		41
								42
								43
								44
								45
					(1,098)			46
					(167)			47
					(1,265)			48
	(364)				(34,658)			49
								50
	(364)	NONE			(34,658)	NONE		51

## 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 ending

able 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 _____						
2	(2) Land for transportation purposes _____	4,566	4,566				
3	(2 1/2) Other right-of-way expenditures _____						
4	(3) Grading _____						
5	(5) Tunnels and subways _____						
6	(6) Bridges, trestles, and culverts _____						
7	(7) Elevated structures _____						
8	(8) Ties _____						
9	(9) Rails _____						
10	(10) Other track material _____						
11	(11) Ballast _____						
12	(12) Track laying and surfacing _____						
13	(13) Fences, snowsheds, and signs _____						
14	(16) Station and office buildings _____						
15	(17) Roadway buildings _____						
16	(18) Water stations _____						
17	(19) Fuel stations _____						
18	(20) Shops and enginehouses _____						
19	(21) Grain elevators _____						
20	(22) Storage warehouses _____						
21	(23) Wharves and docks _____						
22	(24) Coal and ore wharves _____						
23	(25) TOFC/COFC terminals _____						
24	(26) Communication systems _____						
25	(27) Signals and interlockers _____						
26	(29) Power plants _____						
27	(31) Power-transmission systems _____						
28	(35) Miscellaneous structures _____						
29	(37) Roadway machines _____						
30	(38) Roadway small tools _____		(1,943)				
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 _____	4,566	2,623				
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 _____						
47	(77) Other expenditures—General _____						
48	Total general expenditures _____						
49	Total _____	4,566	2,623				
50	(90) Construction work in progress _____	(4,566)	(4,566)				
51	Grand total <sup>1</sup> _____		(1,943)				

<sup>1</sup> 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

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 _____		None		
8	General expenditures _____				
9	Other property accounts* _____				
10	Total (account 731) _____				
11	Improvements on leased property: Road _____				
12	Equipment _____				
13	General expenditures _____				
14	Total (account 732) _____				
15	Depreciation and amortization (accounts 735, 736, and 785) _____				
16	Funded debt unmatured (account 765) _____				
17	Long-term debt in default (account 768) _____				
18	Amounts payable to affiliated companies (account 769) _____				
19	Capital stock (account 791) _____				

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

212. PROPRIETARY COMPANIES—Concluded

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
		None				7
						8
						9
						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 in 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 instructions

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 obligation in footnotes.

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

Entries in columns (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.	Account 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. Co.	Com. Not Available		
5							
6							
7				Lawrenceville Branch R.R. Co. Com.			
8							
9				Roswell R.R. Co.			
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 721B			
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. 4-5/8% Bonds			43,313
26				Total 721B			43,313
27							
28				The Georgia Midland Railway Company			
29	721E	E1	VII	Southern Ry. Co.			20,559
30				Total 721-E			20,559
31							
32				Mobile and Birmingham Railroad Company			
33	721E	E1	VII	Southern Ry. Co.			185,671
34				Total 721E			185,671
35							
36				The North Carolina Midland Railroad Company			
37	721E	E1	VII	Southern Railway Co.			10,145
38				Total 721E			10,145
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							
49							
50							

**217. INVESTMENTS IN AFFILIATED COMPANIES—Continued**

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

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

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

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

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

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

INVESTMENTS AT CLOSE OF YEAR		Book value of investments made during year (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
	1						10
							11
							12
							13
							14
							15
							16
							17
	1						18
							19
							20
							21
							22
							23
	43,313				4-5/8%	2,313	24
	43,313						25
							26
							27
	20,559	6,534					28
	20,559	6,534					29
							30
							31
	185,671	75,334					32
	185,671	75,334					33
							34
							35
	10,145						36
	10,145						37
							38
							39
							40
							41
							42
							43
							44
							45
							46
							47
							48
							49
							50



## 217. INVESTMENTS IN AFFILIATED COMPANIES—Continued

Line No.	Account No.	Class No.	Kind of industry	Name of issuing company and description of security held, also lien reference, if any	Extent of control	INVESTMENTS AT CLOSE OF YEAR	
						BOOK VALUE OF AMOUNT HELD AT CLOSE OF YEAR	
						Pledged	Unpledged
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
					% \$	\$	\$
51				Southern Railway-Carolina Division			
52	721A	A2	VII	Sumter & Wateree Riv. RR Co. -Stock		1	
53				Total 721A		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 Railway Co.			58,246
65				Total 721		1	64,597
66							
67				Transylvania Railroad Company			
68	721A	A1	VII	Southern Railway Company			
69				\$10 par Preferred stock			67,159
70							
71				Southern Railway Company			
72				Common Stock			25,619
73							
74				Richmond Fredericksburg & Potomac			
75				RR Co. Dividend Obligations			27,900
76				Total 721A			120,678
77							
78	721B	B1	VII	Southern Railway 1st & Gen.			
79				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			
84				Due 8/1/88			36,750
85				Total 721-B			129,075
86							
87				Total 721			249,753
88							
89				Virginia and Southwestern Railway Company			
90	721E	E3	VI	Southern Region Industrial Realty, Inc.			
91				Advance			5,975
92				Total 721			5,975
93							
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)						
\$	\$	\$	\$	\$	%	\$	
	1						51
	1						52
							53
							54
							55
	6,350					463	56
	6,350					463	57
							58
							59
	1						60
	1						61
							62
	58,246						63
	64,598					463	64
							65
							66
							67
	67,159				5%	3,700	68
							69
							70
	26,619				\$2.53 sh.	2,161	71
							72
							73
					\$16.50		74
	27,900				per share	5,940	75
	120,678					11,801	76
							77
							78
							79
	92,325				4-5/8%	5,596	80
							81
							82
	36,750				4-1/2%	2,250	83
	129,075					7,846	84
							85
	249,753					19,647	86
							87
							88
							89
							90
	5,975						91
	5,975						92
							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							
6	NONE						
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 for equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization year during (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	NONE						
18							
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 19 77

27B



## 218. OTHER INVESTMENTS

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

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

3. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 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.	Account No.	Class No.	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				<u>Elberton Southern Railway Company</u>		
3				<u>The Georgia Midland Railway Company</u>		
4				<u>Mobile and Birmingham Railroad Co.</u>		
5				<u>The North Carolina Midland Railroad Co.</u>		
6				<u>Southern Railway-Carolina Division</u>		
7				<u>Augusta Gibson &amp; Sanderville RR Co. Stock</u>		1
8				<u>Augusta Southern RR Co. Stock</u>		1
9				<u>Total 722-A</u>		2
10				<u>Transylvania Railroad Company</u>		
11				<u>Virginia and Southwestern Railway Co.</u>		
12	722 A-2	VII				
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48						
49						
50				Total		

## 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						5
	None						6
	None						7
	None						8
	None						9
							10
	1						11
	1						12
	2						13
							14
							15
	None						16
							17
	None						18
							19
							20
							21
							22
							23
							24
							25
							26
							27
							28
							29
							30
							31
							32
							33
							34
							35
							36
							37
							38
							39
							40
							41
							42
							43
							44
							45
							46
							47
							48
							49
					X X		50



**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				
9				
10				
11				
12			None	
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				
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
					15
					16
					17
					18
					19
					20
					21
					22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
					33
					34
					35
					36
					37
					38
					39
					40
					41
					42
					43
					44
					45
					46
					47
					48
					49
					50
					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.  
Debtenture.

Receipts outstanding.

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

In case any "Preferred" or "Debtenture" stock is outstanding, the rate of dividend requirements should be shown in column (b), and it should be stated whether the dividends are cumula-

tive 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

Line No.	Name of lessor company (a)	Class of stock (b)	WITH PAR VALUE						Total par value nominally issued and nominally outstanding at close of year		
			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)	In treasury (g)	Pledged as collateral (h)	In sinking or other funds (i)		
1	The Atla. &										
2	Char. Air			Apr. 4,							
3	Line Ry. Co.	Common	100	1877	1700,000	1700,000	100				
4											
5	Elberton			Dec. 2,							
6	Sou. Ry. Co.	Common	100	1908	200,000	200,000					
7											
8	The Georgia			Mar. 27,							
9	Mid. Ry. Co.	Common	100	1896	1000,000	1000,000					
10											
11	Mobile and	Common	100	Jul. 2,	1000,000	897,600					
12	Bghm RR Co.	Preferred		1895	1000,000	897,600					
13				Total	2000,000	1795,200					
14											
15	The N.C. Mid-			Dec. 9,							
16	land RR Co.	Common	100	1880	1500,000	924,000					
17											
18	Sou. Ry. - Caro.			June 23,							
19	Division	Common	100	1902	7798,700	4176,200					
20				4-12							
21	Transylvania	Common	100	1890	320,000	320,000					
22	RR Co.	Common	100	5-18	100,000	50,000					
23				1903							
24				Total	420,000	370,000					
25	Virginia &										
26	Southwestern			Feb. 18,							
27	Ry. Co.	Common	100	1899	10000,000	2000,000					
28											
29											
30											
31											
32											
33											
34											
35											
36											
37											
38											
39											
40											
41											
42											
43											
44											
45											
46											
47											
48											
49											

## 251. CAPITAL STOCK—Concluded

al 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	Without Par Value							Line No.	
	Class of stock	Date issue was authorized	Number of shares authorized	Number of shares outstanding at close of year	Number of shares nominally issued and nominally outstanding at close of year				Cash value of consideration received for stocks actually outstanding
					In treasury	Pledged as collateral	In sinking or other funds		
(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	
\$								\$	1
									2
1,699,900									3
									4
									5
200,000									6
									7
									8
1,000,000									9
									10
897,600									11
897,600									12
1,795,200									13
									14
									15
924,000									16
									17
									18
4,176,200									19
									20
320,000									21
50,000									22
370,000									23
									24
									25
									26
									27
2,000,000									28
									29
									30
									31
									32
									33
									34
									35
									36
									37
									38
									39
									40
									41
									42
									43
									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					
9					
10					
11					
12					
13					
14			None		
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	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
						9
						10
						11
		None				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.

None



NOTES AND REMARKS

Lessor Initials

SOU

Year 19 77

## 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) SUB- JECT TO LIEN OF THE OBLIGATION? (ANS- WER "YES or NO"	
				Rate per cent per annum (current year)	Date due	Conver- sion	Call prior to maturity, other than for sinking fund	Sinking fund	First lien	Junior to first lien
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	THE ATLANTA AND CHARLOTTE AIR LINE 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 Bonds	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	Jan. 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	1/1/2003	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

APPROXIMATE NUMBER OF MILES OF LINE DIRECTLY SUBJECT TO—		Total amount nominally and actually issued	AMOUNT NOMINALLY ISSUED AND—		Total amount actually issued	AMOUNT REACQUIRED AND—		TOTAL AMOUNT ACTUALLY OUTSTANDING			Line No.
First lien	Junior to first lien		Held in special funds or in treasury or pledged (Identify symbol "P"; matured by symbol "M")	Canceled		Canceled through sinking fund or otherwise canceled (Identify canceled through sinking fund by symbol "s")	Held in special funds or in treasury or pledged (Identify pledged securities by symbol "P"; matured by symbol "M")	Unmatured (accounts 765, 766, and 767)	Unmatured (account 764)	Matured and no provision made for payment (account 768)	
(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	
		15,000,000			15,000,000	4,180,000	708,000	10,112,000	(1)		1
											2
											3
											4
		250,000			250,000			250,000	(1)		5
											6
		1,650,000			1,650,000			1,650,000	(1)		7
											8
		600,000			600,000			600,000			9
		1,200,000			1,200,000			1,200,000			10
		1,800,000			1,800,000			1,800,000	(1)		11
											12
		801,000			801,000			801,000	(1)		13
											14
		1,000,000			1,000,000			1,000,000	(1)		15
											16
		434,000		1,000	433,000		237,000	196,000	(1)		17
											18
		2,000,000			2,000,000	255,000		1,745,000			19
		5,000,000			5,000,000	3,783,000		1,017,000	200,000		20
		7,000,000			7,000,000	4,038,000		2,762,000	200,000	(1)	21
											22
											23
											24
											25
											26
											27
											28
											29
											30
											31
											32
											33
											34
											35
											36
											37
											38
											39
											40
											41
											42
											43
											44
											45
											46
											47
											48
											49
											50
											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	482,239		484,505	
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	48,000		48,000	
13	First Mtge. Gold Bonds	30,000		30,000	
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		49,000	
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		130,875	
29	General Mtge. Bonds	52,431		54,910	
30	Total	139,681		185,785	
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
				588,000	449,050	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	200,400	29
				200,000	200,400	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), (c), and (d), 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					
5					
6					
7					
8					
9					
10					
11	None				
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. - Advance
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 \$2,739,558.	

## 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)		
\$	\$ 4,499,938	\$ 4,499,938	(a) %	\$ 66,014	\$	\$ 93,500	1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14
							15
							16
							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								

426101

ANNUAL REPORT 1977 CLASS 1 2 of 2

SOUTHERN RY. CO. LESSORS



[illegible]

## 285. ACCRUED DEPRECIATION—ROAD AND EQUIPMENT

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

equipment by each lessor company included in this report. A debit balance in column (c) and (i) 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 _____			NONE					
4		(55) Highway revenue equipment _____								
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 _____								
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 _____								

## 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)	Atlanta and Charlotte AL (b)	Elberton Sou (c)	Sou. Rwy. Caro. (d) Div.	Transylvania RR (e) Co.
	Credits	\$	\$	\$	\$
1	Balances at beginning of year	1,124,283	18,594	984,728	67,968
2	Accrued depreciat.on-Road				
	Accrued depreciation-Miscellaneous physical property			53,403	
	Road property (specify):				
3	1- Engineering	10,116	224	7,123	210
4	3- Grading	2,376	49	2,440	2,212
5	5- Tunnels and Subways				
6	6- Bridges, Trestle & culverts	43,646	87	33,007	659
7	13- Fences, snowsheds & signs	282	70	412	42
8	16- Station & office bldgs.	13,312	458	7,349	192
9	17- Roadway Bldgs.	3,189			5
10	18- Water stations	110			
11	19- Fuel stations	643		2,215	
12	20- Shops and enginehouses	1,472		10,469	
13	23- Wharves & docks			584	
14	26- Communication systems	16,555		8,935	123
15	27- Signals and interlocker	59,560		9,485	6
16	29- Power plants	67		262	
17	31- Power transmission systems	460		2,197	
18	35- Miscellaneous structures	887		860	
19	39- Public improvements	4,865	179	1,876	1,259
20	45- Power plant machinery	25			
	Miscellaneous physical property (specify):				
21					
22					
23					
24					
25	TOTAL CREDITS	157,565	1,067	87,214	4,708
	Debits				
	Road property (specify):				
26	1- Engineering	104		103	
27	3- Grading				
28	5- Tunnels and Subways				
29	6- Bridges, trestles & culverts			208	
30	13- Fences, snowsheds, & signs	8			
31	16- Stations and office bldgs.	5,746			
32	17- Roadway Bldgs				
33	18- Water stations				
34	19- Fuel stations				
35	20- Shop & enginehouse				
36	23- Wharves and docks				
37	26- Communication systems				
38	27- Signals and interlockers				
39	29- Power plants				
40	31- Power transmission systems				
41	35- Miscellaneous structures			2,369	
42	39- Public improvements const.	85			
43	45- Power plant machinery	(1)			
	Miscellaneous physical property (specify):				
44	16- Station & office bldg.				
45	39- Public improvements				
46					
47					
48					
49	TOTAL DEBITS				
50	Balances at close of year	1,275,906	19,661	1,069,262	72,676
51	Accrued depreciation-Road				
	Accrued depreciation-Miscellaneous physical property			54,280	



## 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.
\$ 1,174,022	\$	\$	\$	\$	\$	1
						2
2,971						3
26,584						4
73						5
17,573						6
						7
744						8
151						9
10						10
160						11
710						12
1,439						13
701						14
317						15
151						16
						17
930						18
						19
						20
						21
						22
						23
						24
52,514						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
						41
						42
						43
						44
						45
						46
						47
						48
						49
1,226,536						50
						51

287. DEPRECIATION RATE<sup>1</sup>—ROAD AND MISCELLANEOUS PHYSICAL PROPERTY

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

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

percentages are based.

Line No.	Name of lessor company (a)	Class of property on which depreciation was accrued (b)	Estimated life (in years) (c)	Annual rate of depreciation (d)	Name of lessor company (e)	Class of property on which depreciation was accrued (f)	Estimated life (in years) (g)	Annual rate of depreciation (h)
1	All Lessors Listed Below have same rates			%				%
2								
3		The Atlanta & Charlotte Air Lines						
4		Elberton Southern						
5		Southern Railway-Carolina Division						
6		Transylvania Railway						
7		Virginia and Southwestern Railway						
8								
9								
10		1 Engineering	65	1.53				
11		6 Bridges, trestles & culverts	74	1.35				
12		13 Fences, snow sheds & signs	50	2.00				
13		16 Station & office bldgs.	52	1.92				
14		17 Roadway bldgs.	42	2.38				
15		18 Water stations	29	3.45				
16		19 Fuel stations	23	4.30				
17		20 Shops and enginehouses	35	2.86				
18		23 Wharves and docks	32	3.13				
19		25 T of C/C of terminals	37	2.72				
20		26 Communication systems	25	4.00				
21		27 Signals and interlockers	41	2.43				
22		29 Power plants	38	2.63				
23		31 Power transmission system	42	2.40				
24		35 Miscellaneous structures	31	3.23				
25		44 Shop machinery	25	4.00				
26		45 Power plant machinery	31	3.24				
27								
28								
29	Note: Depreciation of Road Property on other lines							
30	accrued by Southern Railway.							
31								
32								
33	Miscellaneous Physical Property on SRCD same as above.							
34								
35								
36								
37								
38								
39								



940.091 (B-A) 0.77.5

## 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				None				
2									
3									
4									
5									
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	100,000	(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 December 16, 1977, there was declared payable								
32	December 22, 1977, a dividend of \$5.00 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									
47									
48									
49									
50									
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		\$	\$	\$
2				
3				
4	None			
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.

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
	<b>A. Other Than U. S. Government Taxes</b> (Enter names of States)	\$	\$	\$	\$	\$
1	North Carolina	(100)				
2						
3	Georgia		2,077			
4						
5	South Carolina			7,548		
6						
7	North Carolina				3,221	
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	(100)	2,077	7,548	3,221	
	<b>B. U. S. Government Taxes</b>					
27	Income taxes	-0-	18,699	155,776	22,520	52,991
28	Old-age retirement					
29	Unemployment insurance					
30	All other United States taxes					
31	Total—U. S. Government taxes					
32	GRAND TOTAL—Railway Tax Accruals (account 532)	(100)	20,776	163,324	25,741	52,991



## 350. RAILWAY TAX ACCRUALS-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 difference 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 Atlanta and Charlotte Air Line 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	-0-	-0-	-0-	-0-
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	1,920	480		2,400
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.	-0-	960		960
5	Other (Specify)				
6					
7					
8					
9	Investment tax credit				
10	TOTALS	1,920	1,440		3,360

## 350. RAILWAY TAX ACCRUALS-Continued

Name of Lessor Southern Railway - Carolina Division

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	67,680	15,360		83,040
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.	-0-	41,280		41,280
5	Other (Specify)				
6					
7					
8					
9	Investment tax credit				
10	TOTALS	67,680	56,640		124,320

Name of Lessor Transylvania Railroad Company

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	1,920	480		2,400
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.	-0-	960		960
5	Other (Specify)				
6					
7					
8					
9	Investment tax credit				
10	TOTALS	1,920	1,440		3,360

Name of Lessor Virginia and Southwestern Railway Company

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	103,200	25,920		129,120
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.	-0-	24,000		24,000
5	Other (Specify)				
6					
7					
8					
9	Investment tax credit				
10	TOTALS	103,200	49,920		153,120



Lessor Initials

SOU

Year 19 77

55B

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 includible in account No. 509, "Income from lease of road and equip-

ment."

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)	Termini (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.	540,360		540,360
4	ELBERTON SOUTHERN RAILWAY COMPANY						
5	Toccoa, Ga.-Elberton, Ga.		50.04	Southern Railway Co.	37,500		37,500
7	THE GEORGIA MIDLAND RAILWAY COMPANY						
8	McDonough, Ga.-Columbia, Ga.		95.01	Southern Railway Co.	49,500		49,500
10	MOBILE AND BIRMINGHAM RAILROAD COMPANY						
11	Marion Jct., Ala.-Mobile, Ala.		147.12	Southern Railway Co.	78,000		78,000
13	THE NORTH CAROLINA MIDLAND RAILROAD COMPANY						
14	Mooresville Jct., N.C. -						
15	Winston Jct., N.C.		53.50	Southern Railway Co.	75,780		75,780
17	SOUTHERN RAILWAY-CAROLINA DIVISION						
18	Various		666.59	Southern Railway Co.	120,380		120,380
20	TRANSYLVANIA RAILROAD COMPANY						
21	Hendersonville, N.C. -						
22	Rosman, N.C.		32.12	Southern Railway Co.	30,000		30,000
25	VIRGINIA AND SOUTHWESTERN RAILWAY COMPANY						
26	St. Charles, Va.-Coran, Tenn.		99.46				
27	Mocassin Gap, Va.-Bristol, Va.		28.15				
28	Bristol, Va. - Bristol, Tenn.		1.01				
29			128.62	Southern Railway Co.	243,790		243,790
30							
31							
32							
33							
34							
35							
36							
37							



# 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

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-

NOTE.—Only changes during the year are required.

**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"; and 590 "Federal income taxes on extraordinary items; 606, "Other credits to retained income" and 616, "Other debits to retained income."

Line No.	Name of lessor company (a)	Account No. (b)	Item (c)	Debits (d)	Credits (e)
1				\$	\$
2					
3					
4					
5					
6					
7					
8			None		
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.

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

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

CLASSIFICATION OF RENT			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.

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

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

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

Each item recorded in accounts 606 and 616 amounting to \$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 & Chr. A. L. Ry. Co.	Charlotte, N. C. to Atla. Ga.	254.99	149.39	1.69	25.86	62.25	99.39	593.57	3
2	Elberton Southern Ry. Co.	Toccoa, Ga. to Elberton, Ga.	50.04			1.95	4.04		56.03	4
3	Georgia Midland Ry. Co.	Griffin, Ga. to Columbus, Ga.	78.31			5.23	10.11		93.65	4
4	(owned but not operated)	McDonough, Ga. to Griffin, Ga.	12.03				0.17		12.20	
5	Mobile & Birmingham RR Co.	Marion Jct., Ala. to Mobile, Ala.	147.12			15.27	13.58	11.35	187.32	7
6	The North Caro. Midland RR Co.	Mooreville, N. C. to Winst. Jct. NC	53.50			3.21	6.65	1.16	64.52	5
7	Sou. Ry. - Carolina Div.	Augusta, Ga.						0.34	0.34	
8		Biltmore, N. C. to Hayne, S. C.	66.02	0.90		12.87	10.09	19.11	108.99	4
9		Cayce, S. C. to Furman, S. C.	101.34		101.34	3.42	5.48		110.24	0
10		Branchville, S. C. to Warrentonville, SC	63.58			1.93	3.50		69.01	9
11		Warrentonville, S. C. to Hambur, S. C.	9.79			1.57	0.69	1.69	13.74	4
12		Warrentonville, S. C. - Conn. to Son (CC&A)	0.09						0.09	
13		Charleston, S. C. to Columbia, S. C.	121.39	1.14	1.10	9.14	29.12	63.15	225.04	5
14		Spartanburg, S. C. to Alston, S. C.	68.21			8.49	10.18	5.61	92.49	2
15		Gaffney, S. C.					1.97		1.97	2
16		Cayce, S. C. (SCL)						0.02	0.02	
17		Charleston, S. C. (SCL)						0.85	0.85	1
18		Childs, S. C. (SCL)						0.45	0.45	4
19		Childs, S. C. (SCL)					3.07		3.07	3
20		Columbia, S. C. (SCL)						3.13	3.13	3
21		Kingville, S. C. to Marion, N. C.	208.82			5.70	19.60	3.80	237.92	8
22	Transylvania RR Co.	Hendersonville, NC to Rosman, NC	31.92			1.57	4.18		37.67	3
23	Virginia & Southwestern Ry. Co.	St. Charles, Va. to Coran, Tenn.	99.46			8.12	39.19		146.77	7
24	Total - (S. Ry. - Carolina Div.)		639	2.04	6.10	43.12	83.70	98.65	867.35	

### 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.			42.24	121.88	90.87			254.99	5
26	Elberton Southern Ry. Co.					50.04			50.04	0
27	The Georgia Midland Ry. Co.					78.31			78.31	0
28	Mobile & Birmingham R. R. Co.						147.12		147.12	0
29	The North Carolina Midland RR Co.			53.50					53.50	19
30	Southern Railway - Carolina Div.			106.83	532.41				639.24	7
31	Transylvania RR Co.			31.92					31.92	1
	Virginia & Southwestern Ry. Co.		68.00					31.46	99.46	0



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

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

in a footnote.

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

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

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

(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.

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

counts.

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

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

**562. COMPENSATION OF OFFICERS, DIRECTORS, ETC.**

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

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

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

Any large "Other compensation" should be explained.

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

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

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

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

Line No.	Name of lessor company (a)	Name of recipient (b)	Nature of service (c)	Amount of payment (d)	Remarks (e)
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 (c)	RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				Miles of way switching tracks (h)	Miles of yard switching tracks (i)	Total (j)
				Miles of road (d)	Miles of second main track (e)	Miles of other main tracks (f)	Miles of passing tracks, cross-overs, and turn-outs (g)			
1		A & CAL Ry. Co.	M						0.58	0.58
2		Elberton Southern Ry Co.	B				0.03			0.03
3		Ga. Midland Ry. Co.	B				0.02			0.02
4		Mobile & Birmingham RR Co.	M				0.03	0.05		0.08
5		Va. & Southwestern Ry. Co.	B				0.02			0.02
6		Sou Ry. - Carolina Div.		6.17						6.17
7										
8										
9										
10										
11										
12										
13										
14		Total Increase		6.17			0.10	0.05	0.58	6.90

## DECREASES IN MILEAGE

15										
16		A & CAL Ry. Co.	M				0.02	0.27		0.29
17		Sou Ry - Carolina Div.					0.08	0.21	2.38	2.67
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28										
29		Total Decrease					0.10	0.48	2.38	2.96

Lessor Initials

SOU

Year 19 77



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.

## Schedule 595.—COMPETITIVE BIDDING — CLAYTON ANTITRUST ACT

66

Section 10 of the Clayton Antitrust Act (15 U.S.C. 20) states that "no common carrier engaged in commerce shall have any dealings in securities, supplies or other articles of commerce, or shall make or have any contracts for construction or maintenance of any kind, to the amount of more than \$50,000, in the aggregate, in any one year, with another corporation, firm, partnership or association when the said common carrier shall have upon its board of directors or as its president, manager or as its purchasing or selling officer, or agent in the particular transaction, any person who is at the same time a director, manager, or purchasing or selling officer of, or who has any substantial interest in, such other corporation, firm, partnership or association, unless and except such purchases shall be made from, or such

dealings shall be made with, the bidder whose bid is the most favorable to such common carrier, to be ascertained by competitive bidding under regulations to be prescribed by rule or otherwise by the Interstate Commerce Commission." The specification for competitive bids is found in the Code of Federal Regulations, Part 1010-Competitive Bids through Part 1010.7 - Carriers Subject to the Interstate Commerce Act.

In column (g), identify the company awarded the bid by including company name and address, name and title of respondent officer's, directors, selling officer, purchasing officer and/or general manager that has an affiliation with the seller.

Line No.	Nature of bid (a)	Date Published (b)	Contract number (c)	No. of bidders (d)	Method of awarding bid (e)	Date filed with the Commission (f)	Company awarded bid (g)
1							
2							
3							
4							
5							
6							
7							
8							
9			"This Company has no dealings, and executed no contracts, of the kind requiring compliance with the Commission's competitive bidding rules pursuant to Section 10 of the Clayton Antitrust Act (49 CER Part 1010 through Part 1010.7) during 1977."				
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							

Lessor Initials

SOU

Year 1977



NOTES AND REMARKS

APPROVED  
BY  
DATE  
INITIALS

## 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 Vice President and Comptroller the Supervision of the books of account and the control of the manner in which such books are kept.

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

~~XXXXXX~~ DISTRICT OF COLUMBIA  
~~XXXXXX~~ CITY OF WASHINGTON

ss:

F. A. Luckett

(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 77, to and including December 31, 19 77

*[Signature]*  
 (Signature of affiant)

Subscribed and sworn to before me, a NOTARY PUBLIC, in and for the State and county above named, this 30th day of March, 19 78

My commission expires August 31, 1979

[Use an  
I. S.  
impression seal]

*[Signature]*  
 (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)





# INDEX

	Page No.		Page No.
Abstract of terms and conditions of leases .....	57	Disposed of during year .....	24-29
Abstracts of leasehold contracts .....	58, 59	Made during year .....	24-29
Additions and betterments, etc.—Investment in, made during year .....	18, 19	Of affiliated companies .....	24-27
Advances to other companies—Investment .....	24, 25, 29	Other .....	28, 29
Affiliated companies, Investments in .....	24-27		
Amounts payable to .....	42, 43	Leasehold contracts—Abstracts of .....	58, 59
Agreements, contracts, etc .....	63	Leases—Abstract of terms and conditions of .....	57
Amounts payable to affiliated companies .....	42, 43	Long-term debt due within one year .....	38-40
		In default .....	38-40
Balance sheet .....	8-13		
Capital stock outstanding .....	32, 33	Mileage at close of year .....	60, 61
Changes during year .....	34, 35	By States and Territories .....	60, 61
Consideration received for issues during year .....	34, 35	Changes during year .....	64, 65
Issued during year .....	34, 35	Of road constructed and abandoned .....	64, 65
Liability for conversion .....	34, 35	Miscellaneous, Physical property—Depreciation rates .....	50, 51
Names of security holders .....	3	Reserve .....	48, 49
Number of security holders .....	2	Physical properties operated during the year .....	53
Retired or canceled during year .....	34, 35		
Value per share .....	32, 33	Outlets .....	68, 69
Voting power of five security holders .....	3	Officers, compensation of .....	62
Total .....	2	Principal .....	6, 7
Compensation and service, employees .....	62		
Competitive bidding—Clayton Anti-Trust Act .....	66	Payments for services rendered by other than employees .....	62
Consideration for funded debt issued or assumed .....	41	Physical property—Miscellaneous, depreciation rates .....	50, 51
For stocks actually issued .....	34, 35	Reserve .....	48, 49
Contracts—Abstracts of leasehold .....	57	Proprietary companies .....	20, 21
Contracts, agreements, etc .....	63	Purposes for which funded debt was issued or assumed during year .....	41
Control over respondent .....	2	Of stocks actually issued .....	34, 35
Conversion of securities of other companies—Stock liability for .....	34, 35		
		Receivers' and trustees' securities .....	38-40
Debt, funded, unmatured .....	38-40	Rent for leased road and equipment .....	58, 59
Changes during year .....	41	Retained income .....	17A, 17B
Consideration received for issues during year .....	41	Miscellaneous items for the year in .....	58, 59
Issued during year .....	41	Road and equipment—Investment in .....	18-21
Retired or canceled during year .....	41	Depreciation base equipment owned .....	44, 45
In default .....	38-40	Rates (road) .....	50, 51
Other due within one year .....	38-40	Reserve .....	46-49
Depreciation base—Equipment owned .....	44, 45	Road at close of year .....	60, 61
Rates—Road and miscellaneous physical property .....	50, 51	By States and Territories .....	60, 61
Reserve—Equipment owned .....	46, 47	Changes during year .....	64, 65
Reserve—Road and miscellaneous physical property .....	48, 49	Constructed and abandoned .....	64, 65
Directors .....	4, 5		
Compensation of .....	62	Securities, advances, and other intangibles owned or controlled through nonoperating .....	
Dividend appropriations .....	52, 53	subsidiaries .....	30, 31
		Investments in, disposed of during the year .....	24-29
Employees, service, and compensation .....	62	Made during the year .....	24-29
Equipment owned—Depreciation base .....	44, 45	Of affiliated companies—Investment in .....	24-27
Reserve .....	46, 47	Other—Investment in .....	28-29
		Stock liability for conversion of .....	34, 35
Funded debt outstanding, matured and unmatured .....	38-40	Selected items in income and retained income .....	58, 59
Changes during year .....	41	Service and compensation, employees .....	62
Consideration received for issues during year .....	41	Services rendered by other than employees—Payments for .....	62
Issued during year .....	41	Special deposits .....	17D
Other due within one year .....	38-40	Stock outstanding .....	32, 33
Retired or canceled during year .....	41	Changes during year .....	34, 35
		Consideration received for issues during year .....	34, 35
Identity of respondent .....	2	Issued during year .....	34, 35
Income account for the year .....	14-17	Liability for conversion .....	34, 35
Miscellaneous items in .....	58, 59	Names of security holders .....	3
From investments in affiliated companies .....	24, 25	Number of security holders .....	2
Other .....	28, 29	Retired or canceled during year .....	34, 35
Lease of road and equipment .....	56, 57	Value per share .....	32, 33
Instructions regarding the use of this report form .....	1	Voting power of five security holders .....	3
Intangibles owned or controlled through nonoperating subsidiaries .....	30, 31	Total .....	2
Interest accrued on unmatured funded debt .....	40		
Amounts payable to affiliated companies .....	42, 43	Taxes on miscellaneous operating property .....	14, 15
Receivers' and trustees' securities .....	40	Railroad property .....	54
In default .....	10, 11	Miscellaneous accruals .....	14, 15
Investment in road and equipment .....	18, 19	Tracks owned or controlled at close of year .....	60, 61
Of proprietary companies .....	20, 21		
Gross charges during year .....	18, 19	Unmatured funded debt .....	38-40
Net charges during year .....	18, 19		
Investments in Common Stocks of Affiliated Companies .....	27A, 27B		
Investments in securities, adjustment of book values .....	64, 65	Verification .....	68, 69
Controlled through nonreporting subsidiaries .....	30, 31	Voting powers .....	2, 3

# INDEX

	Page No.		Page No.
Abstract of terms and conditions of leases .....	57	Disposed of during year .....	24-29
Abstracts of leasehold contracts .....	58, 59	Made during year .....	24-29
Additions and betterments, etc.—Investment in, made during year .....	18, 19	Of affiliated companies .....	24-27
Advances to other companies—Investment .....	24, 25, 29	Other .....	28, 29
Affiliated companies, Investments in .....	24-27		
Amounts payable to .....	42, 43	Leasehold contracts—Abstracts of .....	58, 59
Agreements, contracts, etc .....	63	Leases—Abstract of terms and conditions of .....	57
Amounts payable to affiliated companies .....	42, 43	Long-term debt due within one year .....	38-40
		In default .....	38-40
Balance sheet .....	8-13		
Capital stock outstanding .....	32, 33	Mileage at close of year .....	60, 61
Change during year .....	34, 35	By States and Territories .....	60, 61
Consideration received for issues during year .....	34, 35	Changes during year .....	64, 65
Issued during year .....	34, 35	Of road constructed and abandoned .....	64, 65
Liability for conversion .....	34, 35	Miscellaneous, Physical property—Depreciation rates .....	50, 51
Names of security holders .....	3	Reserve .....	48, 49
Number of security holders .....	2	Physical properties operated during the year .....	53
Retired or canceled during year .....	34, 35		
Value per share .....	32, 33	Oaths .....	68, 69
Voting power of five security holders .....	3	Officers, compensation of .....	62
Total .....	2	Principal .....	6, 7
Compensation and service, employees .....	62		
Competitive bidding—Clayton Anti-Trust Act .....	66	Payments for services rendered by other than employees .....	62
Consideration for funded debt issued or assumed .....	41	Physical property—Miscellaneous, depreciation rates .....	50, 51
For stocks actually issued .....	34, 35	Reserve .....	48, 49
Contracts—Abstracts of leasehold .....	57	Proprietary companies .....	20, 21
Contracts, agreements, etc .....	63	Purposes for which funded debt was issued or assumed during year .....	41
Control over respondent .....	2	Of stocks actually issued .....	34, 35
Conversion of securities of other companies—Stock liability for .....	34, 35		
		Receivers' and trustees' securities .....	38-40
Debt, funded, unmatured .....	38-40	Rent for leased road and equipment .....	58, 59
Changes during year .....	41	Retained income .....	17A, 17B
Consideration received for issues during year .....	41	Miscellaneous items for the year in .....	58, 59
Issued during year .....	41	Road and equipment—Investment in .....	18-21
Retired or canceled during year .....	41	Depreciation base equipment owned .....	44, 45
In default .....	38-40	Rates (road) .....	50, 51
Other due within one year .....	38-40	Reserve .....	46-49
Depreciation base—Equipment owned .....	44, 45	Road at close of year .....	60, 61
Rates—Road and miscellaneous physical property .....	50, 51	By States and Territories .....	60, 61
Reserve—Equipment owned .....	46, 47	Changes during year .....	64, 65
Reserve—Road and miscellaneous physical property .....	48, 49	Constructed and abandoned .....	64, 65
Directors .....	4, 5		
Compensation of .....	62	Securities, advances, and other intangibles owned or controlled through nonoperating .....	
Dividend appropriations .....	52, 53	subsidiaries .....	30, 31
		Investments in, disposed of during the year .....	24-29
Employees, service, and compensation .....	62	Made during the year .....	24-29
Equipment owned—Depreciation base .....	44, 45	Of affiliated companies—Investment in .....	24-27
Reserve .....	46, 47	Other—Investment in .....	28-29
		Stock liability for conversion of .....	34, 35
Funded debt outstanding, matured and unmatured .....	38-40	Selected items in income and retained income .....	58, 59
Changes during year .....	41	Service and compensation, employees .....	62
Consideration received for issues during year .....	41	Services rendered by other than employees—Payments for .....	62
Issued during year .....	41	Special deposits .....	17D
Other due within one year .....	38-40	Stock outstanding .....	32, 33
Retired or canceled during year .....	41	Changes during year .....	34, 35
		Consideration received for issues during year .....	34, 35
Identity of respondent .....	2	Issued during year .....	34, 35
Income account for the year .....	14-17	Liability for conversion .....	34, 35
Miscellaneous items in .....	58, 59	Names of security holders .....	3
From investments in affiliated companies .....	24, 25	Number of security holders .....	2
Other .....	28, 29	Retired or canceled during year .....	34, 35
Lease of road and equipment .....	56, 57	Value per share .....	32, 33
Instructions regarding the use of this report form .....	1	Voting power of five security holders .....	3
Intangibles owned or controlled through nonoperating subsidiaries .....	30, 31	Total .....	2
Interest accrued on unmatured funded debt .....	40		
Amounts payable to affiliated companies .....	42, 43	Taxes on miscellaneous operating property .....	14, 15
Receivers' and trustees' securities .....	40	Railroad property .....	54
In default .....	10, 11	Miscellaneous accruals .....	14, 15
Investment in road and equipment .....	18, 19	Tracks owned or controlled at close of year .....	60, 61
Of proprietary companies .....	20, 21		
Gross charges during year .....	18, 19	Unmatured funded debt .....	38-40
Net charges during year .....	18, 19		
Investments in Common Stocks of Affiliated Companies .....	27A, 27B		
Investments in securities, adjustment of book values .....	64, 65	Verification .....	68, 69
Controlled through nonreporting subsidiaries .....	30, 31	Voting powers .....	2, 3