

RC-426101

SOUTHERN RY. CO. LESSORS

1979

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RC 426101
ORIGINAL

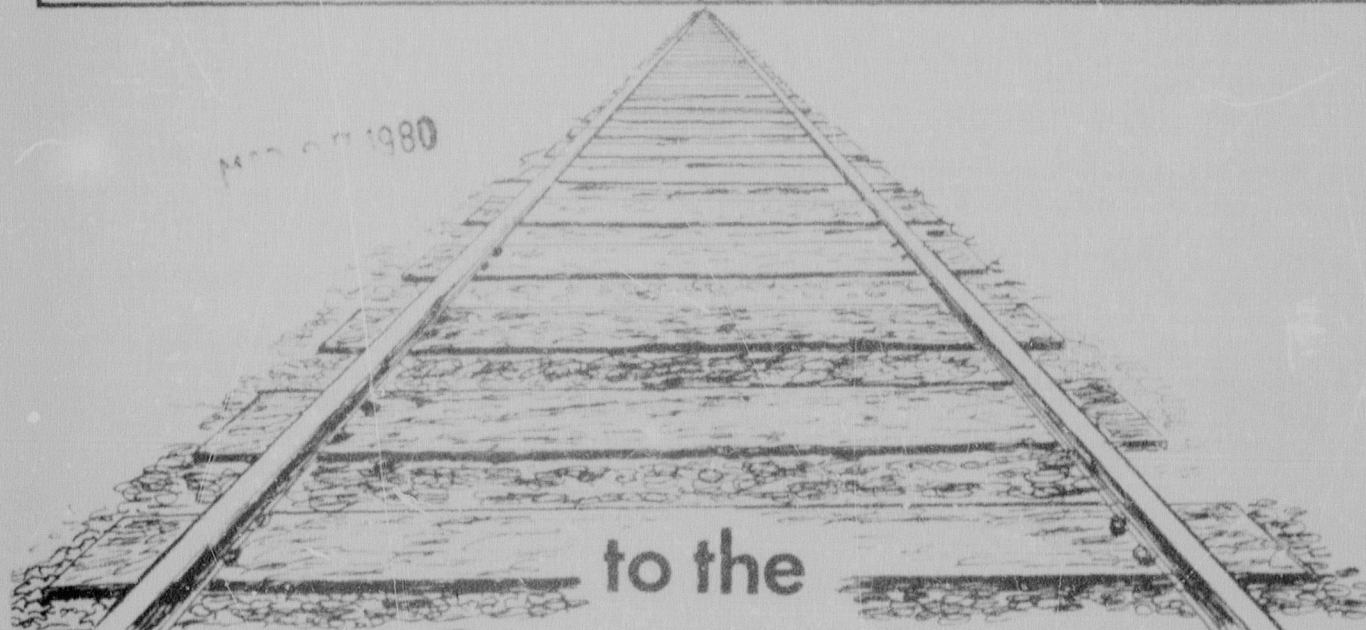
R-4

RAILROAD LESSOR

APPROVED BY GAO
B-180230 (R0255)
EXPIRES 2-29-80

annual report

	<p>RC426101 40406 1 0 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, 1979

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:

11145. The Commission is hereby authorized to require annual, periodical, or special reports from carriers, lessors, ¹ (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, ² specific and full, true, and correct answers to all questions upon which the Commission may deem information to be necessary, classifying such carriers, lessors, ³ as it may deem proper for any of these purposes. Such annual reports shall give an account of the affairs of the carrier, lessor, ⁴ in such form and detail as may be prescribed by the Commission.

11145. 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.

11144. Any person who shall knowingly and willfully make, cause to be made, or participate in the making of, any false entry in any annual or other report required under this section to be filed, ⁵ or shall knowingly or willfully file with the Commission any false report or other document shall be deemed guilty of a misdemeanor and shall be subject, upon conviction in any court of the United States of competent jurisdiction to a fine of not more than two thousand dollars or imprisonment for not more than two years, or both such fine and imprisonment.

11901. Any carrier, or lessor, ⁶ or any officer, agent, employee, or representative thereof, who shall fail to make and file in annual or other reports 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.

11141. As used in this section, ⁷ 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.

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 accounts of former years should not be made to take the place of required entries except as herein otherwise specifically directed or authorized.

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

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 listings. 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 terminals) 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 \$50,000,000 or more. For this class, Annual Report Form R-1 is provided.

Class II companies are those having annual operating revenues less than \$50,000,000 but in excess of \$10,000,000. For this class, Annual Report Form R-2 is provided.

Class III companies are those having annual operating revenues of \$10,000,000 or less. For this class, Annual Report Form R-3 is provided.

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, 1979

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) 202 383-4475

(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.

This form is revised to (1) improve the disclosure of information for both ratemaking and financial reporting purposes (2) eliminate unnecessary reporting and (3) conform with the new Uniform System of Accounts for Railroads, effective January 1, 1978. Other significant modifications include revisions to conform with reporting under generally accepted accounting principles and the rearrangement of schedules in a more orderly fashion to make them easier to complete and use.

ESTIMATE OF REPORTING BURDEN

In order to monitor carrier reporting burden and to satisfy GAO requirements pursuant to Section 409 of Public Law 93-153, it is requested that you voluntarily furnish your best estimate of the number of hours required to complete this report.

In making your estimate, please include the number of hours attributable to preparing the report and for any special compilations contained in this report that would not generally be maintained or used by management for purposes other than reporting to this Commission.

Total hours (Estimated) 40

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This annual report is arranged in columnsar 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.

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.

The Atlanta and Charlotte Air Line
Railway Company

Elberton Southern Railway Company

The Georgia Midland Railway Company

Mobile and Birmingham Railroad Company

Southern Railway-Carolina Division

Transylvania Railroad Company

Virginia and Southwestern Railway Company

Lockhart Railroad

The North Carolina Railroad Company

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.

A. IDENTITY OF LESSOR COMPANIES INCLUDED IN THIS REPORT

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

If receivers, 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 possession began, in addition to the date of incorporation, in column (b).

If a consolidation or merger was effected during the year, particulars should be given in Schedule 705, "Changes during the year."

Line No.	Exact name of lessor company (a)	INCORPORATION		CORPORATE CONTROL OVER RESPONDENT			Total number of stockholders		Total voting power of all security holders at close of year	
		Date of incorporation (b)	Name of State or Territory in which company is incorporated (c)	Name of controlling corporation (d)	Extent of control (percent) (e)		(f)		(g)	
1	The Atlanta and Charlotte	5-17-1877	Georgia	Southern Railway Company	100.0		13		16,999	
2	Air Line Railway Company	5-21-1877	N. Carolina & S. Carolina							
3										
4	Elberton Southern Railway Company	12-02-1908	Georgia	Southern Railway Company	100.0		2		2,000	
5										
6										
7	The Georgia Midland Railway Company	3-27-1896	Georgia	Southern Railway Company	100.0		1		10,000	
8										
9										
10	Mobile and Birmingham Railroad Company	7-02-1895	Alabama	Southern Railway Company	99.83		11		17,952	
11										
12										
13	The North Carolina Midland Railroad Company	4-12-1883	N. Carolina	Southern Railway Company	97.3		30		9,240	
14										
15										
16	Southern Railway-Carolina Division	6-23-1902	S. Carolina	Southern Railway Company	100.0		6		41,762	
17										
18										
19	Transylvania Railroad Company	4-24-1899	N. Carolina	Southern Railway Company	97.16		2		3,700	
20										
21										
22	Virginia and Southwestern Railway Company	2-21-1899	Virginia	Southern Railway Company	100.0		7		20,000	
23										
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Lessor Initials

SOU

Year 19 79

3. 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, 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 donor 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)
1	The Atlanta and	Southern	16,987	R.D. Allen	1	L. Stanley	1	M.M. Davenport	1
2	Charlotte Air Line	Railway				Crane			
3	Railway Company	Company							
4									
5	Elberton Southern	Milton M.	1,020	Southern	980				
6	Railway Company	Davenport		Railway Co.					
7									
8	The Georgia Midland	Southern	10,000						
9	Railway Company	Railway Co.							
10									
11	Mobile and Birmingham	Central Trust	8,804	Southern	8,976	Southern	150	The English	15
12	Railroad Company	Co. of N.Y.*		Railway Co.		Railway Co.		Association @	Allen
13									
14	The North Carolina	Central Trust	7,876	Southern	1,119	Leaksville	160	Madison	30
15	Midland Railroad Co.	Co. of N.Y.*		Railway Co.		Township		Township	
16									
17	Southern Railway-	Southern	41,757	L. Stanley	1	Milton M.	1	Mahlon D.	1
18	Carolina Division	Railway Co.		Crane		Davenport		Edwards	
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 30, 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 business concern.

the lesser companies in the column heading "The A&C"

State total number of votes cast at latest per

Give the date of each meeting.

Give the place of such meeting.

UNITED STATES DEPARTMENT OF AGRICULTURE

N.C. Mid. SE-C. Div. Transylv

8,974	41,757	3,595	20,000
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3/5/79	6/11/79	5/24/79
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Wash.D.C. Col., S.C. Wash.D.C. Wash.D.C.

C. 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	L. Stanley Crane	L. Stanley Crane
2	Office address	Washington, D. C.	Washington, D. C.	Washington, D. C.
3	Date of beginning of term	April 4, 1979	September 20, 1979	September 19, 1979
4	Date of expiration of term	*	*	*
5	Name of director	Robert D. Allen	Robert D. Allen	Milton M. Davenport
6	Office address	Washington, D. C.	Washington, D. C.	Washington, D. C.
7	Date of beginning of term	April 4, 1979	September 20, 1979	September 19, 1979
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 4, 1979	September 20, 1979	September 19, 1979
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 4, 1979	September 20, 1979	September 19, 1979
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 4, 1979	September 20, 1979	September 19, 1979
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 4, 1979		
24	Date of expiration of term	*		
25	Name of director	Roger D. Powers		Mobile and
26	Office address	Washington, D. C.		Birmingham
27	Date of beginning of term	October 2, 1979		Railroad Company
28	Date of expiration of term	*		
29	Name of director	Karl A. Stoecker		L. Stanley Crane
30	Office address	Washington, D. C.		Washington, D. C.
31	Date of beginning of term	April 4, 1979		May 9, 1979
32	Date of expiration of term	*		*
33	Name of director	Judith L. Thomas		Robert D. Allen
34	Office address	Washington, D. C.		Washington, D. C.
35	Date of beginning of term	April 4, 1979		May 9, 1979
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 4, 1979		May 9, 1979
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 4, 1979		May 9, 1979
44	Date of expiration of term	*		*
45	Name of director	L. R. Weber		John R. Kibler
46	Office address	Washington, D. C.		Washington, D. C.
47	Date of beginning of term	April 4, 1979		May 9, 1979
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 9, 1979
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 9, 1979
56	Date of expiration of term			*

C. DIRECTORS—Concluded

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

The North Carolina Midland Railway Company	Southern Railway Carolina Division	Transylvania 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
March 5, 1979	June 11, 1979	May 24, 1979	September 18, 1979	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
March 5, 1979	June 11, 1979	May 24, 1979	September 18, 1979	7
*	*	*	*	
Milton M. Davenport	Mahlon D. Edwards	Milton M. Davenport	Mahlon D. Edwards	
Washington, D.C.	Washington, D.C.	Washington, D.C.	Washington, D.C.	
March 5, 1979	June 11, 1979	May 24, 1979	September 18, 1979	
*	*	*	*	
Mahlon D. Edwards	Karl A. Stoecker	Mahlon D. Edwards	Karl A. Stoecker	
Washington, D. C.	Washington, D.C.	Washington, D.C.	Washington, D.C.	
March 5, 1979	June 11, 1979	May 24, 1979	September 18, 1979	
*	*	*	*	
Karl A. Stoecker	Robert W. Van Ness	Karl A. Stoecker	Robert W. Van Ness	
Washington, D. C.	Washington, D.C.	Washington, D.C.	Washington, D.C.	
March 5, 1979	June 11, 1979	May 24, 1979	September 18, 1979	
*	*	*	*	
		Robert W. Van Ness		
		Washington, D.C.		
		May 24, 1979		
		*		
		G. M. Williams		
		Washington, D. C.		
		May 24, 1979		
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		* Directors are elected at annual		40
		meeting for ensuing year or until		41
		their successors shall have been		42
		elected and qualified.		43
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D. PRINCIPAL GENERAL OFFICERS OF CORPORATION, RECEIVER, OR TRUSTEE

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

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

D. 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.

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200. STATEMENT OF FINANCIAL POSITION-ASSETS

Disclose below the asset side of the balance sheet as the close of year of each lessor company included in this report. Enter the names of the lessor company in the column heading (b) through (d). Show contra entries in parenthesis.

Line No.	Account No.	Title (a)	The A&CAL Ry. Co. (b)	Elberton Southern Ry. Co. (c)
		<u>Current Asset</u>	\$	\$
1	701	Cash		
2	702	Temporary Cash Investments (Sch. 300)	4,105	8,136
3	703	Special Deposits (Sch. 300)		330,000
		Accounts Receivable:		
4	705	Interline and Other Balances		
5	706	Customers		
6	707, 704	Other		
7	709, 708	Accrued Accounts Receivables	1,735	4,987
8	708.5	Receivables from Affiliated Companies		26,441
9	709.5	Less: Allowance for Uncollectible Accounts		
10	711, 714	Prepayments (and working funds) (Sch. 300)		
11	712	Materials and Supplies		
12	713	Other Current Assets (Sch. 300)		
13		Total Current Assets	5,840	369,564
		<u>Other Assets</u>		
14	715, 716, 717, 722, 723, 724	Special Funds and Other Investments and advances (Sch. 315)	116,738	
15	721, 721.5	Investments and Advances, Affiliated Companies (Sch. 310)	1	43,313
16	737, 738	Property used in other than Carrier Operations (less depreciation \$) (Sch. 325)	408,606	
17	739, 741	Other Assets (Sch. 329)	194,005	
18	743, 744	Other Deferred Debits (Sch. 329)	66,836	
19		Total Other Assets	786,186	43,313
		<u>Road and Equipment</u>		
20	731, 732	Road (Sch. 330)	21,636,330	454,633
21		Equipment		
22		Unallocated Items	(1,523,910)	(21,410)
23	733, 734, 736	Accumulated Depreciation and amortization (Schs. 325, 325A, 335, 342)		
24	735	Accumulated Depreciation - Road (Sch. 342)	(1,585,100)	(12,740)
25	735	Accumulated Depreciation - Equipment (Sch. 342)		
26	772	Accumulated Depreciation - Leased Property		
27		Net road and Equipment	18,527,320	420,483
28		Total Assets	19,319,346	833,360

NOTES AND REMARKS

Note: Provision has not been made for Federal income taxes which may be payable in future years as 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

200. STATEMENT OF FINANCIAL POSITION - ASSETS - (Continued)

026103		026104		026105		026106		026107		026108		Line No.
The Ga. Mid. Ry. (d) Co.		Mob & Bghm RR (e) Co.		The N.C. Mid. RR (f) Co.		Southern Ry. Carolina Div. (g)		Transylvania RR (h) Co.		Va. & South-Western Ry. (i) Co.		
\$		\$		\$		\$		\$		\$		
				5,653		5,111		9,018		6,221		1
						630,000		400,000		870,000		2
												3
												4
												5
												6
						28,288		534		12,495		7
12,375		35,011		1,213		74,222		127,279		597,151		8
												9
												10
												11
12,375		35,011		6,866		737,621		536,831		1,485,867		12
												13
				3,181		796,027				17,074		14
56,842		185,968		10,145		64,598		213,003		5,975		15
												16
						442,413		1,520		140,549		17
94,600		180,857				612,841		18,565				18
79						110,884		46,271		571		19
151,521		366,825		13,326		2,026,763		279,359		164,169		20
												21
1,753,312		3,785,841		1,259,361		16,365,985		330,952		5,968,236		22
												23
796,488		(390,579)		461,283		(2,338,639)		(246,605)		(616,492)		24
												25
						(1,199,442)		(74,850)		(1,089,058)		26
												27
2,549,800		3,395,262		1,720,644		12,827,904		9,497		4,262,686		28
2,713,696		3,797,098		1,740,836		15,592,288		825,687		5,912,722		
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 7 of Southern Railway Company Annual Report Form R-1.												

200. STATEMENT OF FINANCIAL POSITION—LIABILITIES AND EQUITY

Disclose below the liability side of the balance sheet at the close of the year of each lessor company included in this report, entering the names

Line No.	Account No.	Title (a)	The A&CAL RY. (b)	Elberton Southern Ry. (c) Co.
		<u>Current Liabilities</u>	\$	\$
29	751	Loans and Notes Payable		
30	752	Accounts Payable, Interline and Other Balances		
31	753, 754	Other Accounts Payable		
32	755, 756	Interest and Dividends Payable	36,908	
33	757	Payables to Affiliated Companies (Sch. 390)	718,932	
34	759	Accrued accounts Payable		
35	760, 761, 761.5, 762	Taxes Accrued		36,511
36	763	Other Current Liabilities		
37	764	Equipment obligations and other long-term debt due within one year		
38		Total Current Liabilities	755,840	36,511
		<u>Non Current Liabilities</u>		
39	765, 767	Funded debt unmatured (Sch. 380)	9,574,000	250,000
40	766	Equipment obligations		
41	766.5	Capitalized Lease Obligations		
42	768	Debt in default		
43	769	Accounts payable, Affiliated Companies	4,553,857	
44	770.1, 770.2	Unamortized debt premium	(41,650)	
45	781	Interest in default		
46	783	Deferred revenues—Transfers from Government Authorities		
47	786	Accumulated deferred income tax credits		6,180
48	771, 772, 774, 775, 782, 784	Other long-term liabilities and deferred credits	399,251	7,058
49		Total Noncurrent Liabilities	14,485,458	263,238
		<u>Stockholders' Equity</u>		
50	791, 792	Capital Stock: (Sch. 230)	1,699,900	200,000
51		Common Stock	1,699,900	200,000
52		Preferred Stock		
53	793	Discount on Capital Stock		
54	794, 795	Additional Capital (Sch. 230)		
		Retained Earnings:		
55	797	Appropriated		
56	798	Unappropriated (Sch. 220)	2,378,148	333,611
57	798.1	Net Unrealized loss on noncurrent marketable equity securities		
58	798.5	Less Treasury Stock		
59		Net Stockholders Equity	4,078,048	533,611
60		Total Liabilities and Shareholders Equity	19,319,346	833,360

NOTES AND REMARKS:

200. STATEMENT OF FINANCIAL POSITION—LIABILITIES AND EQUITY—(Continued)

of the lessor companies in the column headings (b) through (i). Show contra entries in parenthesis.

026103 The Ga. Mid Ry. (d) Co.		026104 Mob & Bghm RR (e) Co.		026105 The N.C. Mid. RR (f) Co.		026106 Southern Ry. Carolina Div. (g)		026107 Transylvania RR (h) Co.		026108 Va. & Sou Western Ry. (i) Co.		Line No.
\$		\$		\$		\$		\$		\$		
												29
												30
												31
12,375						100,150				8,681		32
						37,586				3,000		33
						15,000						34
						102,329		6,400		242,839		35
												36
										200,000		37
12,375						255,065		6,400		454,520		38
1,650,000	1,800,000			801,000		1,000,000				2,362,000		39
												40
												41
												42
						5,680,684						43
										(1,531)		44
												45
												46
						235,240		6,180		250,880		47
						185,387		3,757		435,707		48
1,650,000	1,800,000			801,000		7,101,311		9,937		3,047,056		49
												50
1,000,000	897,600			924,000		4,176,200		370,000		2,000,000		51
	897,600											52
								(345,000)				53
						5,045,000						54
												55
51,321	201,898			15,836		(985,288)		784,350		411,146		56
												57
												58
1,051,321	1,997,098			939,836		8,235,912		809,350		2,411,146		59
2,713,696	3,797,098			1,740,836		15,592,288		825,687		5,912,722		60

NOTES AND REMARKS

210. RESULTS OF OPERATIONS

Disclose below the results of operations for each lessor company included in this report entering the names of the lessor companies in the column headings.

Line No.	Item (a)	026101		026102	
		The A&CAL Ry (b) Co.		Elberton Southern Ry. (c) Co.	
	OTHER INCOME	\$		\$	
1	(506) Revenue from property used in other than carrier operations		6,595		
2	(510) Miscellaneous rent income				
3	(512) Separately operated properties-Profit				
4	(513) Dividend income				
5	(514) Interest income				38,256
6	(516) Income from sinking and other funds		2,489		
7	(517) Release of premiums of funded debt				
8	(518) Contributions from other companies				
9	(519) Miscellaneous income		602,697		37,500
	Income from affiliated companies:				
10	Dividends				
11	Equity in undistributed earnings (losses)				
12	Total other income		611,781		75,756
	MISCELLANEOUS DEDUCTIONS FROM INCOME				
13	(534) Expenses of property used in other than carrier operations				
14	(535) Taxes on property used in other than carrier operations				
15	(543) Miscellaneous rent expense				
16	(544) Miscellaneous taxes				
17	(545) Separately operated properties-Loss				
18	(549) Maintenance of investment organization				
19	(550) Income transferred to other companies				
20	(551) Miscellaneous income charges		325		6
21	(553) Uncollectible accounts				
22	Total miscellaneous deductions		325		6
23	Income available for fixed charges (lines 12, 22)		611,456		75,750

NOTES AND REMARKS

210. RESULTS OF OPERATIONS - Continued

For instructions covering this schedule, see the text pertaining to Income Accounts in the Uniform System of Accounts for Railroad Companies.

026103	026104	026105	026106	026107	026108	Line No.
The Ga. Mid. Ry. (d) Co.	Mob & Bghm RR (e) Co.	The N.C. Mid. RR (f) Co.	Southern Ry. Carolina Div. (g)	Transylvania RR (h) Co.	Va. & South Western Ry. (i) Co.	
\$	\$	\$	\$	\$	\$	1
						2
						3
				14,141		4
			57,583	64,719	77,668	5
			82,739		2,210	6
						7
						8
56,283	78,298	75,780	322,077	36,993	347,112	9
						10
						11
56,283	78,298	75,780	462,399	115,853	426,990	12
						13
						14
						15
						16
						17
						18
						19
			30,755		78,773	20
						21
			30,755		78,773	22
56,283	78,298	75,780	431,644	115,853	348,217	23

NOTES AND REMARKS

210. RESULTS OF OPERATIONS - Continued

026101

026102

Line No.	Item (a)	The A&CAL Ry. (b) Co.	Elberton Southern Ry. (c) Co.
	FIXED CHARGES	\$	\$
	(546) Interest on funded debt:		
24	(a) Fixed interest not in default	515,979	12,500
25	(b) Interest in default		
26	(547) Interest on unfunded debt		
27	(548) Amortization of discount on funded debt	9,784	
28	Total fixed charges (lines 24-27)	525,763	12,500
29	Income after fixed charges (lines 23, 28)	85,693	63,250
	OTHER DEDUCTIONS		
	(546) Interest on funded debt:		
30	(c) Contingent interest		
	UNUSUAL OR INFREQUENT ITEMS		
31	(555) Unusual or infrequent items (debit) credit		
32	Income (loss) for continuing operations (before income taxes)	85,693	63,250
	PROVISIONS FOR INCOME TAXES		
	(556) Income taxes on ordinary income:		
33	Federal income taxes		26,404
34	State income taxes		5,850
35	Other income taxes		
36	(557) Provision for deferred income taxes		1,380
37	Income from continuing operations	85,693	29,616
	DISCONTINUED OPERATIONS		
	(560) Income or loss from operations of discontinued segments (less applicable income taxes of		
38	\$)		
	(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of		
39	\$)		
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES		
40	(570) Extraordinary items (Net)		
41	(590) Income taxes on extraordinary items		
42	(591) Provision for deferred taxes - Extraordinary items		
43	Total extraordinary items (lines 40-42)		
	(592) Cumulative effect of changes in accounting principles (less applicable income taxes of		
44	\$)		
45	Net income	85,693	29,616

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 \$ _____.

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

Flow-through _____ Deferral _____

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

\$ None

- (3) If deferral method was elected, indicate amount of investment tax credit utilized as 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

\$ None

210. RESULTS OF OPERATIONS—Continued						
The Ga. Mid. Ry. (d) Co.	Mob & Bghm RR (e) Co.	The N.C. Mid. RR (f) Co.	Southern Ry. Carolina Div. (g)	Transylvania RR (h) Co.	Va. & South Western Ry. (i) Co.	Line No.
\$	\$	\$	\$	\$	\$	
49,500	78,000	48,060	77,966	9,337	121,353	24
						25
					1,258	26
49,500	78,000	48,060	77,966	9,337	122,611	28
6,783	298	27,720	353,678	106,516	225,606	29
						30
6,783	298	27,720	353,678	106,516	225,606	31
			116,695	(11,419)	146,574	32
			204	7,122		33
			54,280	1,380	47,840	34
6,783	298	27,720	182,499	109,433	31,192	35
						36
						37
						38
						39
						40
						41
						42
						43
6,783	298	27,720	182,499	109,433	31,192	44
						45

SOUTHERN RAILWAY
COMPANY AND
CONSOLIDATED
SUBSIDIARIESBalance
Sheet

	December 31,	
	1979	1978
	(Thousands of Dollars)	
Assets		
Current assets:		
Cash and short-term securities	\$ 206,596	\$ 205,824
Accounts receivable	221,119	186,172
Materials, supplies and other	94,298	78,228
	<u>522,013</u>	<u>470,224</u>
Investments in and advances to affiliates	10,498	11,435
Other assets	28,683	37,114
Properties less accumulated depreciation	<u>2,325,669</u>	<u>2,112,765</u>
	<u>\$2,886,863</u>	<u>\$2,631,538</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 299,564	\$ 261,987
Income taxes	21,900	29,035
Current maturities of long-term debt	<u>78,289</u>	<u>72,352</u>
	<u>399,753</u>	<u>363,374</u>
Long-term debt	841,461	774,985
Reserves and other liabilities	44,963	39,198
Deferred income taxes	<u>382,397</u>	<u>348,912</u>
	<u>1,668,574</u>	<u>1,526,469</u>
Shareholders' equity—		
Serial preferred stock	54,851	54,850
Serial preference stock	—	16,430
Common stock	153,374	148,846
Capital Surplus	55,058	36,465
Income retained in the business	<u>955,006</u>	<u>848,478</u>
	<u>1,218,289</u>	<u>1,105,069</u>
	<u>\$2,886,863</u>	<u>\$2,631,538</u>

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 19 other companies. Financial reporting to shareholders and the general public is made on a consolidated basis and the above 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

	1979	1978
	(Thousands of Dollars)	
Railway operating revenues:		
Freight	\$1,426,998	\$1,222,592
Other	40,272	38,079
	<u>1,467,270</u>	<u>1,260,671</u>
Other income	51,438	41,045
Total income	<u>1,518,708</u>	<u>1,301,716</u>
Railway operating expenses:		
Way and structures	269,071	230,861
Equipment	271,477	233,796
Transportation	527,133	448,034
General and administrative	141,236	131,670
	<u>1,208,917</u>	<u>1,044,361</u>
Miscellaneous deductions	18,405	14,400
Interest expense	68,327	62,035
Total expenses	<u>1,295,649</u>	<u>1,120,796</u>
Income before income taxes	<u>223,059</u>	<u>180,920</u>
Federal and state income taxes:		
Current	28,952	25,481
Deferred	33,485	28,120
Total income taxes	<u>62,437</u>	<u>53,601</u>
Net consolidated income	<u>\$ 160,622</u>	<u>\$ 127,319</u>
Per average common share outstanding	\$10.39	\$8.35

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 19 other companies. Financial reporting to shareholders and the general public is made on a consolidated basis and the above 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.

NOTES AND REMARKS

300. DEPRECIATION RESERVE—ROAD AND MISCELLANEOUS PHYSICAL PROPERTY

Give a checked 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 of 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 Air Line (b)	Elberton Sou. (c)	Southern Ry. Carolina Div. (d)	Transylvania (e)
	Credits				
1	Balances at beginning of year { Accrued depreciation-Road	1,433,360	20,728	1,119,561	77,384
2	{ Accrued depreciation-Miscellaneous physical property				
3	Road property (specify):				
1	Engineering	10,108	220	7,100	193
4	3 Grading	2,376	49	2,440	1,867
5	5 Tunnels and Subways				
6	6 Bridges, Trestle & Culverts	43,637	87	33,023	640
7	13 Fences, Snowsheds & Signs	282	69	413	41
8	16 Station and Office Bldg.	13,295	308	6,617	187
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			49	
14	25 Communication Sys.	16,555		8,935	123
15	27 Signals and Interlockers	59,553		9,485	6
16	29 Power Plants	67		262	
17	31 Power Transmission Sys.	460		2,197	
18	35 Miscellaneous Structures	887		807	
19	39 Public Improvements-Const.	4,864	179	1,881	1,258
20	45 Power Plant Machinery	25			
	Miscellaneous physical property (specify):				
21					
22					
23					
24	TOTAL CREDITS	157,433	912	85,893	4,320
	Debits				
26	Road property (specify):				
1	Engineering	237	342	231	288
27	3 Grading				
28	5 Tunnels and Subways				
29	6 Bridges, Trestles & Culverts	2,191			5,538
30	13 Fences, Snowsheds & Signs				
31	16 Stations and Office Bldg.		8,558	3,962	992
32	17 Roadway Bldg.				
33	18 Water Stations				
34	19 Fuel Stations				
35	20 Shops and Enginehouses				
36	23 Wharves and Docks				
37	26 Communication Sys.				
38	27 Signals and Interlockers	3,264			
39	29 Power Plants				
40	31 Power Transmission Sys.				
41	35 Miscellaneous Structures			1,819	
42	39 Public Improvements-Const.				36
43	45 Power Plant Machinery				
	Miscellaneous physical property (specify):				
44					
45	16 Station & Office Bldg.				
46	39 Public Improvements				
47					
48	TOTAL DEBITS	5,692	8,900	6,012	6,894
49	Balances at close of year { Accrued depreciation-Road	1,585,101	12,740	1,199,442	74,850
51	{ Accrued depreciation-Miscellaneous physical property			59,880	

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

Enter the names of the lessee 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 & South Western	(g)	(h)	(i)	(j)	(k)	Line No.
\$ 1,279,050	\$	\$	\$	\$	\$	1
						2
2,865						3
26,102						4
73						5
17,255						6
683						7
145						8
10						9
160						10
592						11
1,401						12
701						13
316						14
151						15
806						16
						17
						18
						19
						20
						21
						22
						23
51,260						24
						25
						26
7,743						27
						28
						29
143,855						30
228						31
12,229						32
1,642						33
						34
						35
33,302						36
5,673						37
50						38
						39
940						40
48						41
35,542						42
						43
						44
						45
						46
						47
						48
241,252						49
1,089,058						50
						51

300 A. DEPRECIATION RATES—ROAD AND MISCELLANEOUS PHYSICAL PROPERTY

Lessor Initials SOU

Year 19 79

Give a statement of the percentages used by each lessor company for computing the amounts accrued for depreciation during the year, 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 rate							
2								
3	The Atlanta & Charlotte Air Lines							
4	Elberton Southern							
5	Southern Railway, Carolina Div.							
6	Pennsylvania Railway							
7	Virginia and Southwestern Railway							
8								
9	1 Engineering		65	1.53				
10	3 Grading			.06				
11	6 Bridges, Trestles & Culverts		74	1.35				
12	13 Fences, Snowsheds & 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 Sys.		25	4.00				
21	27 Signals and Interlockers		41	2.43				
22	29 Power Plants		38	2.63				
23	31 Power Transmission Sys.		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								
30	Notes: Depreciation of road property on other lines accrued by Southern Railway.							
31								
32								
33								
34	Miscellaneous	Physical Property on SRCD same as above.						
35								
36								
37								
38								
39								

NOTES AND REMARKS

330. ROAD AND EQUIPMENT PROPERTY

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

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

to expenditures for new lines and extensions and additions and betterments. Adjustments in excess of \$100,000 should be explained. Net charges is the difference between gross charges and credits for property retired. All charges 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 in 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 & C A L		ELB. SOU.		M & B	
		Gross charges during year	Net charges during year	Gross charges during year	Net charges during year	Gross charges during year	Net charges during year
		026	101	026	102	026	104
1	(1) Engineering	\$	(1,020)	\$	(342)	\$	\$
2	(2) Land for transportation purposes		(122)				
3	(3) Grading						
4	(5) Tunnels and subways						
5	(6) Bridges, trestles, and culverts		(2,693)				
6	(7) Elevated structures						
7	(8) Ties		(387)				
8	(9) Rails		(322)				
9	(10) Other track material		(16,571)				
10	(11) Ballast		(236)				
11	(12) Track laying and surfacing		(409)				
12	(13) Fences, snowsheds, and signs						
13	(16) Station and office buildings				(8,557)		
14	(17) Roadway buildings						
15	(18) Water stations						
16	(19) Fuel stations						
17	(20) Shops and enginehouses						
18	(22) Storage warehouses						
19	(23) Wharves and docks						
20	(24) Coal and ore wharves						
21	(25) TOFC/OFC terminals						
22	(26) Communication systems						
23	(27) Signals and interlockers		(3,264)				
24	(29) Power plants						
25	(31) Power transmission systems						
26	(35) Miscellaneous structures						
27	(37) Roadway machines						
28	(38) Roadway small tools						
29	(39) Public improvements—Construction						
30	(44) Shop machinery						
31	(45) Power plant machinery						
32	Other (Specify & explain)						
33	Total expenditures for road		(25,024)		(8,899)		
34	(52) Locomotives						
35	(53) Freight train cars						
36	(54) Passenger train cars						
37	(55) Highway revenue equipment						
38	(56) Floating equipment						
39	(57) Work equipment						
40	(58) Miscellaneous equipment						
41	Total expenditure for equipment						
42	(76) Interest during construction		(2,821)		(407)		
43	(77) Other expenditures—General		(432)		(134)		
44	Total general expenditures		(3,253)		(541)		
45	Total		(28,277)		(9,440)		
46	(80) Other elements of investment					(382)	(382)
47	(90) Construction work in progress					(382)	(382)
48	Grand total		(28,277)		(9,440)	(382)	(382)

(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.)

330. ROAD AND EQUIPMENT PROPERTY—Continued

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

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

N. C. MIDLAND		SR - CD		TRANSYLVANIA		V & S W		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	
026105		026106		026107		026108		
\$	\$	\$	\$	\$	\$	\$	\$	
	230		(924)		(4,417)		(40,133)	1
			(481)		(1,717)		(98,904)	2
					(51,772)		(267,796)	3
					(5,538)		(143,855)	4
	1,844		(1,301)		(9,464)		(66,669)	6
	1,219		(899)		(5,174)		(146,536)	7
	688		(12,350)		(24,309)		(128,360)	8
	525		(863)		(4,898)		(71,045)	9
	1,471		(1,154)		(7,139)		(53,607)	10
							(228)	11
			(3,962)		(992)		(12,230)	12
							(1,642)	13
								14
							(24,841)	15
								16
								17
								18
								19
								20
								21
							(5,673)	22
							(50)	23
								24
			(1,819)				(46)	25
								26
								27
					(36)		(35,542)	28
								29
								30
								31
	5,977		(23,753)		(115,456)		(1,100,157)	32
								33
								34
								35
								36
								37
								38
								39
								40
	455		(2,220)		(5,245)		(21,008)	41
	90		(361)		(1,847)		(4,019)	42
	545		(2,581)		(7,092)		(25,027)	43
	6,522		(26,334)		(122,548)		(1,125,184)	44
								45
								46
	6,522		(26,334)		(122,548)		(1,125,184)	47
								48

335. DEPRECIATION BASE—EQUIPMENT OWNED

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

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

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

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										
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	

442 ACCRUED DEPRECIATION—ROAD AND EQUIPMENT

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

Line No.	Name of lessor company (a)	Account (b)	CREDITS TO RESERVE DURING THE YEAR			DEBITS TO RESERVE DURING THE YEAR			Balance at close of year (i)
			Charges to charges (d)	Other credits (e)	Total credits (f)	Charges for Reserve (g)	Other debits (h)	Total debits (i)	
1		(52) Locomotives	\$	\$	\$	\$	\$	\$	\$
2		(53) Freight-train cars							
3		(54) Passenger train cars							
4		(55) Highway revenue equipment							
5		(56) Floating equipment							
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	

NOTES AND REMARKS

Schedule 400.—COMPETITIVE BIDDING — CLAYTON ANTITRUST ACT

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 agents 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 officers, 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							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							

"This Company had 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 C.F.R. Part 1010 through Part 1010.7) during 1979."

500. 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 \$50,000 or more during the year as compensation for current or past services over and above necessary expenses incurred in discharge of their duties.

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

Line No.	Name of lessor company	Name of person	Title	Salary per annum as of close of year	Other compensation during the year	Remarks
	(a)	(b)	(c)	(d)	(e)	(f)
1				\$	\$	
2						
3						
4			None			
5						
6						
7						
8						
9						
10						

600. EMPLOYEES AND COMPENSATION

1. Give the average number of employees in the service of each lessor company included in this report and the total compensation paid to them. General officers who served without compensation or were carried on the payrolls 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 450 for such taxes.

Line No.	Name of lessor company	AVERAGE NUMBER OF EMPLOYEES IN SERVICE			TOTAL COMPENSATION DURING YEAR		
		Executives, general officers, and staff assistants	Other employees	Total employees	Executives, general officers, and staff assistants	Other employees	Total compensation
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1					\$	\$	\$
2							
3							
4				None			
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							

VERIFICATION

The foregoing report shall be verified by the oath of the officer having control of the accounting of the respondent. This report shall also be verified by the oath of the president or other chief officer of the respondent, unless the respondent states that such officer has no control over the respondent's accounting and reporting. 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 respondent)

~~XXXXX~~ DISTRICT OF COLUMBIA

~~XXXXX~~ CITY OF WASHINGTON

F. A. Luckett

makes oath and says that he is

Assistant Comptroller

(Insert here name of the affiant)

(Insert here the official title of the affiant)

Of LESSORS OF THE SOUTHERN RAILWAY COMPANY

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

that it is his duty to have supervision over the books of accounts of the respondent and to control the manner in which such books are kept; that he knows that such books have been kept in good faith during the period covered by this report; that he knows that the entries contained in this report relating to accounting matters have been prepared in accordance with the provisions of the Uniform System of Accounts for Railroads and other accounting and reporting directives of this Commission; that he believes that all other statements of fact contained in this report are true, and that this report is a correct and complete statement, accurately taken from the books and records, of the business and affairs of the above-named respondent during the period of time from and including

January 1, 19 79, to and including December 31, 19 79

(Signature of affiant)

Subscribed and sworn to before me, a NOTARY PUBLIC in and for the State and county above named, this 25th day of March, 19 80

My commission expires My Commission Expires February 14, 1983

Use an
L.S.
impression seal

(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

State of _____

County of _____

makes oath and says that he is

(Insert here name of the affiant)

(Insert here the official title of the affiant)

Of _____
(Insert here the exact legal title or name of the respondent)

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

19 _____, to and including _____, 19 _____

(Signature of affiant)

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

My commission expires _____

Use an
L.S.
impression seal

(Signature of officer authorized to administer oaths)

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