

426101 ANNUAL REPORT 1974 R-4 RAILROAD LESSOR 1 of 2

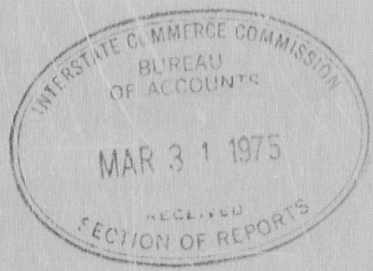
THE SOUTHERN RAILWAY COMPANY

426101  
ORIGINAL

R-4  
RAILROAD LESSOR

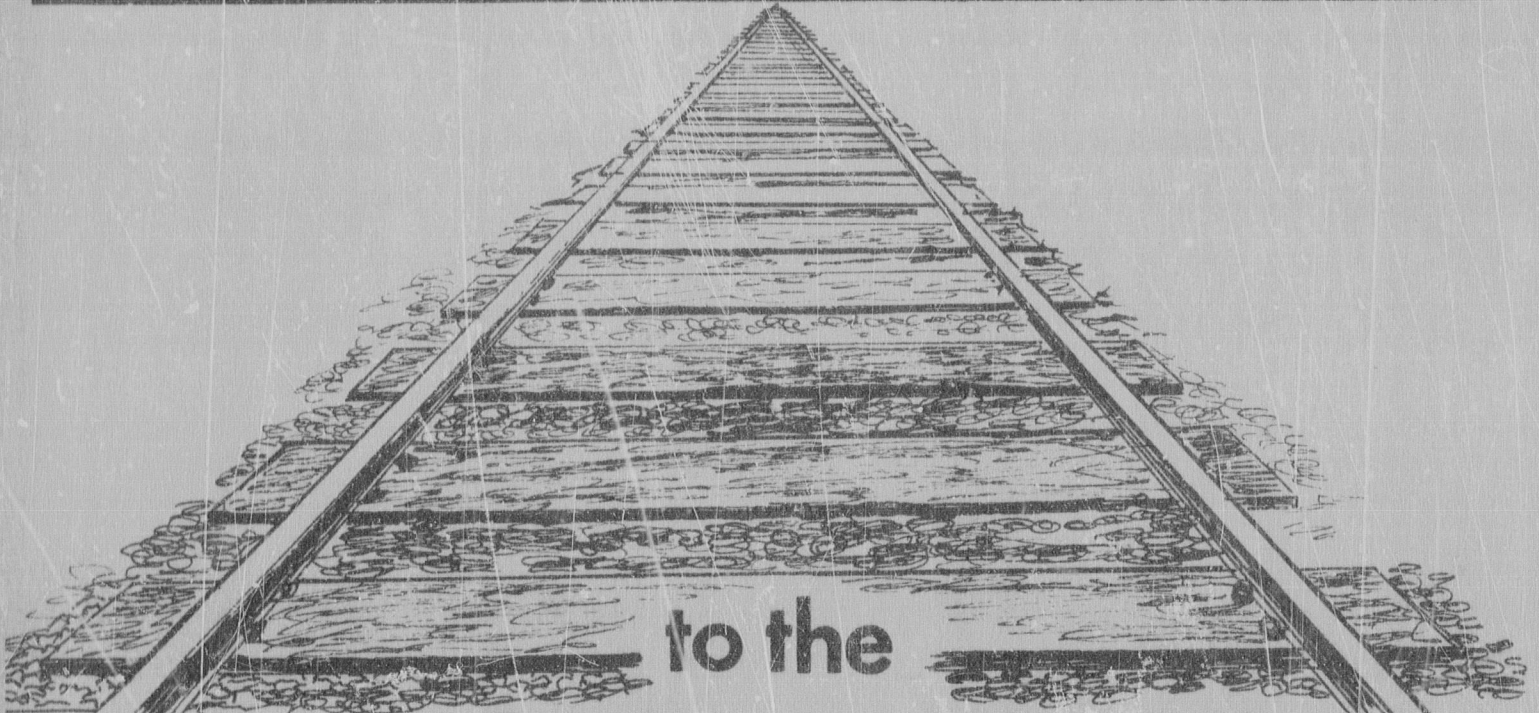
# annual report

426101



Lessors of The Southern Railway Company

	125290100 SPT Ry AA
Correct name and address if different than shown.	Full name and address of reporting carrier. (Use mailing label on original, copy in full on duplicate.)



to the  
**Interstate Commerce Commission**

FOR THE YEAR ENDED DECEMBER 31, 1974

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

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

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

Each respondent is further required to send to the Bureau of Accounts, immediately upon preparation, two copies of its latest annual report to stockholders. See schedule 108, page 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, typewritten or other, in a report, they should be legibly made on durable paper and, wherever practicable, on sheets not larger than a page of the form. Inserted sheets should be securely attached, preferably at the inner margin; attachment by pins or clips is insufficient.

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

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 \$5,000,000 or more. (For this class, Annual Report Form R-1 is provided.)

Class II companies are those having annual operating revenues below \$5,000,000. (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, 1974

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

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

(Telephone number) 202 628 - 4460  
(Area code) (Telephone number)

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

## SPECIAL NOTICE

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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.

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This report has been reduced in size to make it easier to complete, convenient to handle and permit the use of standard copy machines to reproduce the report.

The following changes have been made to facilitate better reporting and analysis:

A table of contents has been added.

Schedules 300 and 305 have been repositioned to follow the balance sheet, Schedule 200.

### Pages 8 through 13: Schedule 200. General Balance Sheet

Account numbers 714, 744, 762 and 786 have been added to conform with the provisions of Docket No. 34178 (Sub-No. 2) Accounting for Income Taxes-Interperiod Tax Allocation (Deferred Taxes). Provision has also been made to report undistributed earnings from certain investments in account 721 in accordance with Docket No. 35949-The Equity Method of Accounting for Certain Long-Term Investments in Common Stocks.

### Pages 14 through 17: Schedule 300. Income Account for the Year.

In accordance with Docket No. 34178 (Sub-No. 2) account numbers 533 and 591 have been added. Also, in conformity with Docket No.

35949, provision has been made to report equity in earnings (losses) of affiliated companies: Account 590 has been amended to read, "Income taxes on extraordinary and prior period items" and a footnote added to show the effect of deferred taxes on prior years' net income as reported in annual reports to the Commission.

### Pages 17A and 17B: Schedule 305. Retained Income-Unappropriated

This schedule has been revised in accordance with Docket No. 35949.

### Pages 27A and 27B: Investments in Common Stocks of Affiliated Companies

This schedule has been added to conform with the provisions of Docket No. 35949.

### Pages 54, 55, and 55A: Schedule 350. Railway Tax Accruals, C. Analysis of Federal Income Taxes.

This schedule has been revised to incorporate interperiod tax allocation in accordance with the provisions of Docket No. 34178 (Sub-No. 2).

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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 office.

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

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 number of stockholders (f)	Total voting power of all security holders at close of year (g)
		Date of incorporation (b)	Name of State or Territory in which company was incorporated (c)	Name of controlling corporation (d)	Extent of control (percent) (e)			
1	The Atlanta and Charlotte Air	5-17-1877	Georgia					
2	Line Railway Company	5-21-1877	N. Carolina	Southern Railway Company	99.22	17	17,000	
3			& S. Carolina					
4								
5	Elberton Southern Railway	12-2-1908	Georgia	Southern Railway Company	100.0	2	2,000	
6	Company							
7								
8	The Georgia Midland Railway	3-27-1896	Georgia	Southern Railway Company	100.0	1	10,000	
9	Company							
10								
11	Mobile and Birmingham Railroad	7-2-1895	Alabama	Southern Railway Company	99.92	11	17,952	
12	Company							
13								
14	The North Carolina Midland							
15	Railroad Company	4-12-1883	N. Carolina	Southern Railway Company	97.13	34	9,240	
16								
17	Southern Railway-Carolina	6-23-1902	S. Carolina	Southern Railway Company	100.0	6	41,762	
18	Division							
19								
20	Transylvania Railroad Company	4-24-1899	N. Carolina	Southern Railway Company	97.16	2	3,700	
21								
22	Virginia and Southwestern							
23	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								

Lessor Initials

SOT

Year 1974

Railroad Lessor Annual Report R-4



**109. STOCKHOLDERS AND VOTING POWERS**

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

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

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

Line No.	Name of lessor company (a)	Name of stockholder (b)	Voting power (c)	Name of stockholder (d)	Voting power (e)	Name of stockholder (f)	Voting power (g)	Name of stockholder (h)	Voting power (i)	Name of stockholder (j)	Voting power (k)
1	The Atlanta and	Southern	16,854	Way & Co.	100	Agnew & Co.	23	Scott &	10	Joseph A.	1
2	Charlotte Air Line	Railway						Stringfellow		Bailey	
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	W. Graham	1
12	Railroad Company	Co. of N.Y. *%		Railway Co. #		Railway Co.		Association@		Claytor, Jr.	
13											
14	The North Carolina	Central Trust	7,876	Southern	1,099	Leaksville	160	Madison	30	Leaksville	10
15	Midland Railroad Co.	Co. of N.Y. *		Railway Co.		Township		Township		Toll Bridge	
16											
17	Southern Railway-	Southern	41,757	W. Graham	1	Milton M.	1	Mahlon D.	1	Karl A.	1
18	Carolina Division	Railway Co.		Claytor, Jr.		Davenport		Edwards		Stoecker	
19											
20	Transylvania RR Co.	Sou. Ry. Co.	3,595	T.H. Shipman	105						
21											
22	Virginia and South-	Southern	20,000								
23	western Ry. Co.	Railway Co.									
24											
25	% As Trustee under the First Consolidated Mortgage Deed of Southern Railway Company dated October 2, 1894.										
26											
27	# Representing the holders of preferred stock under the terms of Voting Agreement dated March 20, 1899.										
28	Thomas Greene Bush for himself and other holders with Southern Railway Company.										
29											
30	@ The English Association of American Bond and Shareholders Limited.										
31											
32	* Now Manufacturers Hanover Trust Company.										

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**

The A&CAL	Elb. Sou.	The Ga. Mid.
16,854	2,000	10,000
4/3/74	9/19/74	9/18/74
Greenv. SC.	Atla. Ga.	Col. Ga.

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

Give the date of such meeting \_\_\_\_\_

Give the place of such meeting \_\_\_\_\_

## 112. DIRECTORS

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

Line No.	Item	The Atlanta and Charlotte Air Line Railway Company	Elberton Southern Railway Company	The Georgia Midland Railway Company
1	Name of director	W. Graham Claytor, Jr.	W. Graham Claytor, Jr.	W. Graham Claytor, Jr.
2	Office address	Washington, D.C.	Washington, D.C.	Washington, D.C.
3	Date of beginning of term	April 3, 1974	September 19, 1974	September 18, 1974
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 3, 1974	September 19, 1974	September 18, 1974
8	Date of expiration of term	*	*	*
9	Name of director	Joseph A. Baily	Milton M. Davenport	Mahlon D. Edwards
10	Office address	Washington, D.C.	Washington, D.C.	Washington, D.C.
11	Date of beginning of term	April 3, 1974	September 19, 1974	September 18, 1974
12	Date of expiration of term	*	*	*
13	Name of director	M. D. Bradley	Mahlon D. Edwards	Karl A. Stoecker
14	Office address	Washington, D.C.	Washington, D.C.	Washington, D.C.
15	Date of beginning of term	April 3, 1974	September 19, 1974	September 18, 1974
16	Date of expiration of term	*	*	*
17	Name of director	Milton M. Davenport	Karl A. Stoecker	Robert W. Van Ness
18	Office address	Washington, D.C.	Washington, D.C.	Washington, D.C.
19	Date of beginning of term	April 3, 1974	September 19, 1974	September 18, 1974
20	Date of expiration of term	*	*	*
21	Name of director	Mahlon D. Edwards		
22	Office address	Washington, D.C.		
23	Date of beginning of term	April 3, 1974		
24	Date of expiration of term	*		
25	Name of director	B. B. Fulk, Jr.		Mobile and
26	Office address	Washington, D.C.		Birmingham
27	Date of beginning of term	April 3, 1974		Railroad Company
28	Date of expiration of term	*		
29	Name of director	John R. Kibler		W. Graham Claytor, Jr.
30	Office address	Washington, D.C.		Washington, D.C.
31	Date of beginning of term	April 3, 1974		May 8, 1974
32	Date of expiration of term	*		*
33	Name of director	E. A. Roth		Robert D. Allen
34	Office address	Washington, D.C.		Washington, D.C.
35	Date of beginning of term	April 3, 1974		May 8, 1974
36	Date of expiration of term	*		*
37	Name of director	Karl A. Stoecker		Milton M. Davenport
38	Office address	Washington, D.C.		Washington, D.C.
39	Date of beginning of term	April 3, 1974		May 8, 1974
40	Date of expiration of term	*		*
41	Name of director	Robert W. Van Ness		Mahlon D. Edwards
42	Office address	Washington, D.C.		Washington, D.C.
43	Date of beginning of term	April 3, 1974		May 8, 1974
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 3, 1974		May 8, 1974
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 8, 1974
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 8, 1974
56	Date of expiration of term			*

112. DIRECTORS—Concluded

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

The North Carolina Midland Railroad Company	Southern Railway- Carolina Division	Transylvania Railroad Company	Virginia and Southwestern Railway Company	Line No.
W. Graham Claytor, Jr.	W. Graham Claytor, Jr.	W. Graham Claytor, Jr.	W. Graham Claytor, Jr.	1
Washington, D.C.	Washington, D.C.	Washington, D.C.	Washington, D.C.	2
May 6, 1974	June 10, 1974	May 30, 1974	September 17, 1974	3
*	*	*	*	4
Robert D. Allen	Milton M. Davenport	O. W. Brodie	Milton M. Davenport	5
Washington, D.C.	Washington, D.C.	Washington, D.C.	Washington, D.C.	6
May 6, 1974	June 10, 1974	May 30, 1974	September 17, 1974	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 6, 1974	June 10, 1974	May 30, 1974	September 17, 1974	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 6, 1974	June 10, 1974	May 30, 1974	September 17, 1974	15
*	*	*	*	16
R. C. Guthy	Robert W. Van Ness	Earl A. Stoecker	Robert W. Van Ness	17
Washington, D.C.	Washington, D.C.	Washington, D.C.	Washington, D.C.	18
May 6, 1974	June 10, 1974	May 30, 1974	September 17, 1974	19
*	*	*	*	20
John R. Kibler		Robert W. Van Ness		21
Washington, D.C.		Washington, D.C.		22
May 6, 1974		May 30, 1974		23
*		*		24
Frank J. Miller		G. M. Williams		25
Washington, D.C.		Washington, D.C.		26
May 6, 1974		May 30, 1974		27
*		*		28
E. F. Neagle				29
Washington, D.C.				30
May 6, 1974				31
*				32
Edward A. Roth				33
Washington, D.C.				34
May 6, 1974				35
*				36
Karl A. Stoecker				37
Washington, D.C.				38
May 6, 1974				39
*				40
Robert W. Van Ness				41
Washington, D.C.				42
May 6, 1974				43
*				44
L. R. Weber				45
Washington, D.C.				46
May 6, 1974				47
*				48
		*Directors are elected at annual		40
		meeting for ensuing year or until		50
		their successors shall have been		51
		elected and qualified.		52
				53
				54
				55
				56

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

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

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

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

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

				Line No.
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## 200. GENERAL BALANCE SHEET—ASSET SIDE

Show here under the asset side of the balance sheet at close of year of | lessor companies in the column headings. For instructions covering this each lessor company included in this report, entering

Line No.	Account (a)	026101 026102 026103 026104			
		The ARCAL Ry. (b) Co.	Elberton Sou. Ry. (c) Co.	The Ga. M. & D. Ry. (d) Co.	Mo. & Bghm. RR (e) Co.
<b>CURRENT ASSETS</b>					
1	(701) Cash	\$ 21,636	\$ 16,495	\$	\$
2	(702) Temporary cash investments	50,000	175,000		
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	50,742			7,592
8	(708) Interest and dividends receivable	986	2,271		
9	(709) Accrued accounts receivable	97,234	25,317	28,400	
10	(710) Working fund advances				
11	(711) Prepayments	1,592		750	
12	(712) Material and supplies				
13	(713) Other current assets				
14	(714) Deferred income tax charges (p. 55)				
15	Total current assets	222,190	219,083	29,150	7,592
<b>SPECIAL FUNDS</b>					
16	(715) Sinking funds	4,911			
17	(716) Capital and other reserve funds				
18	(717) Insurance and other funds	4,911			
19	Total special funds	4,911			
<b>INVESTMENTS</b>					
20	(721) Investments in affiliated companies (pp. 24 to 27)		1 43,313	1,504	65,697
21	Undistributed earnings from certain investments in account 721 (27A and 27B)				
22	(722) Other investments (pp. 28 and 29)				
23	(723) Reserve for adjustment of investment in securities—Credit		1 43,313	1,504	65,697
24	Total investments (accounts 721, 722 and 723)		1 43,313	1,504	65,697
<b>PROPERTIES</b>					
(731) Road and equipment property (pp. 18 and 19):					
25	Road	21,683,984	463,699	1,759,249	3,793,892
26	Equipment				
27	General expenditures	1,821,435	20,675	97,282	127,303
28	Other elements of investment	(3,335,712)	(41,534)	699,632	(517,500)
29	Construction work in progress	(999)			
30	Total road and equipment property	20,168,708	442,840	2,556,163	3,403,695
(732) Improvements on leased property (pp. 18 and 19):					
31	Road				
32	Equipment				
33	General expenditures				
34	Total improvements on leased property				
35	Total transportation property (accounts 731 and 732)	20,168,708	442,840	2,556,163	3,403,695
36	(735) Accrued depreciation—Road and Equipment	(815,097)	(16,534)		
37	(736) Amortization of defense projects—Road and Equipment				
38	Recorded depreciation and amortization (accts 735 and 736)	(815,097)	(16,534)		
39	Total transportation property less recorded depreciation and amortization (line 35 less line 38)	19,353,611	426,306		
40	(737) Miscellaneous physical property	1,355			
41	(738) Accrued depreciation—Miscellaneous physical property	1,355			
42	Miscellaneous physical property less recorded depreciation				
43	Total properties less recorded depreciation and amortization (line 39 plus line 42)	19,354,966	426,306	2,556,163	3,403,695
<b>OTHER ASSETS AND DEFERRED CHARGES</b>					
44	(741) Other assets	194,005		76,150	180,857
45	(742) Unamortized discount on long-term debt	131,120			
46	(743) Other deferred charges	8,292	3,443		
47	(744) Accumulated deferred income tax charges (p. 55)				
48	Total other assets and deferred charges	333,417	3,443	76,150	180,857
49	TOTAL ASSETS	19,915,485	692,145	2,662,967	3,657,841
<b>ITEMS EXCLUDED ABOVE</b>					
The above returns exclude respondent's holdings of its own issues of securities as follows:					
50	(715) Sinking funds				
51	(716) Capital and other reserve funds				
52	(703) Special deposits				
53	(717) Insurance and other funds				

## 200. GENERAL BALANCE SHEET--ASSET SIDE--Continued

the Uniform System of Accounts for Railroad Companies. The entries in 1 on the pages indicated. All contra entries hereunder should be indicated

The N.C. RR	Mid. Co. (f)	Southern Ry. Caro. Div. (g)	Transylvania RR Co. (h)	Va. and South Western Ry. Co.	(i)	(k)	Line No.
	026105	026106	026107	026108			
\$	7,261	\$ 16,411	\$ 11,019	\$ 10,957	\$	\$	1
		125,000	323,025	541,204			2
							3
							4
							5
	1,573						6
		3,259	3,060				7
	1,285	20,302	735	52,740			8
							9
							10
							11
							12
							13
	10,119	164,972	337,839	604,901			14
				17,075			15
		140,913		6,537			16
		170,913		23,612			17
							18
	10,145	58,248	249,753	5,975			19
							20
		2					21
							22
	10,145	58,250	249,753	5,975			23
							24
	1,257,844	16,279,340	449,752	7,128,681			25
	63,870	873,370	21,514	419,579			26
	397,438	(3,226,175)	(260,825)	(1,010,213)			27
				(11,371)			28
	1,719,152	13,926,535	210,441	6,526,676			29
							30
							31
							32
							33
	1,719,152	13,926,535	210,441	6,526,676			34
		(801,129)	(59,410)	(1,098,599)			35
							36
		(801,129)	(59,410)	(1,098,599)			37
							38
	1,719,152	13,125,406	151,031	5,428,077			39
		360,271		13,953			40
		(58,567)					41
		301,704		13,953			42
	1,719,152	13,427,110	151,031	5,442,030			43
		612,841	18,565	517,541			44
				11,324			45
	1,420	55,117	34,311	50			46
							47
	1,420	667,958	52,876	528,915			48
	1,740,836	14,459,203	721,499	6,605,433			49
							50
							51
							52
							53

## 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)	026101 026102 026103 026104			
		The A&CAL Ry. (b) Co.	Elberton Sot. Ry. (c) Co.	The Ga. Mid. Ry. (d) Co.	Mob. & Bghm. RR (e) Co.
<b>CURRENT LIABILITIES</b>					
54	(751) Loans and notes payable	\$	\$	\$	\$
55	(752) Traffic, car-service and other balances—Credit				
56	(753) Audited accounts and wages payable				
57	(754) Miscellaneous accounts payable			295	
58	(755) Interest matured unpaid				
59	(756) Dividends matured unpaid	7,578			
60	(757) Unmatured interest accrued	71,522		12,375	
61	(758) Unmatured dividends declared	399			
62	(759) Accrued accounts payable				
63	(760) Federal income taxes accrued		14,662		
64	(761) Other taxes accrued		1,250		28
65	(762) Deferred income tax credits (p. 55)				
66	(763) Other current liabilities				
	Total current liabilities (exclusive of long-term debt due within one year)	79,499	15,912	12,670	28
<b>LONG-TERM DEBT DUE WITHIN ONE YEAR</b>					
68	(764) Equipment obligations and other debt (pp. 38, 39, 40, and 41)				
<b>LONG-TERM DEBT DUE AFTER ONE YEAR</b>					
69	(765) Funded debt unmatured	11,397,000	250,000	1,650,000	1,800,000
70	(766) Equipment obligations				
71	(767) Receivers' and Trustees' securities				
72	(768) Debt in default				
73	(769) Amounts payable to affiliated companies (pp. 42 and 43)	4,382,976			
74	Total long-term debt due after one year	15,779,976	250,000	1,650,000	1,800,000
<b>RESERVES</b>					
75	(771) Pension and welfare reserves				
76	(772) Insurance reserves				
77	(774) Casualty and other reserves		3,098		
78	Total reserves		3,098		
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>					
79	(781) Interest in default (p. 40)				
80	(782) Other liabilities				
81	(783) Unamortized premium on long-term debt				
82	(784) Other deferred credits	544,483			
83	(785) Accrued depreciation—Leased property				
84	(786) Accumulated deferred income tax credits (p. 55)		960		
85	Total other liabilities and deferred credits	544,483	960		
<b>SHAREHOLDERS EQUITY</b>					
<i>Capital stock (Par or stated value)</i>					
(791) Capital stock issued:					
86	Common stock (pp. 32 and 33)	1,699,900	200,000	1,000,000	897,600
87	Preferred stock (pp. 32 and 33)				897,600
88	Total capital stock issued	1,699,900	200,000	1,000,000	1,795,200
89	(792) Stock liability for conversion (pp. 34 and 35)				
90	(793) Discount on capital stock				
91	Total capital stock	1,699,900	200,000	1,000,000	1,795,200
<i>Capital Surplus</i>					
92	(794) Premiums and assessments on capital stock				
93	(795) Paid-in surplus				
94	(796) Other capital surplus				
95	Total capital surplus				
<i>Retained Income</i>					
96	(797) Retained income—Appropriated				
97	(798) Retained income—Unappropriated (pp. 17A and 17B)	1,811,627	222,175	297	62,613
98	Total retained income	1,811,627	222,175	297	62,613
99	Total shareholders' equity	3,511,527	422,175	1,000,297	1,857,813
100	<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>19,915,485</b>	<b>692,145</b>	<b>2,662,967</b>	<b>3,657,841</b>



200. GENERAL BALANCE SHEET--LIABILITY SIDE--Continued

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

026105    026106    026107    026108						
The N.C. Mid-land RR Co.	Southern Ry. - Caro. (g) Div.	Transylvania RR (h) Co.	W.V. & South Western Ry. Co.	(i)	(k)	Line No.
\$	\$	\$	\$	\$	\$	
						54
						55
		20	50			56
	100,150					57
						58
	18,793		21,814			59
						60
	15,000		170			61
	65,367	23,774	59,793			62
	1,200	3,561	160			63
						64
						65
						66
	200,510	27,355	81,987			67
			200,000			68
801,000	1,000,000	196,000	3,362,000			69
						70
						71
						72
	5,680,684					73
801,000	6,680,684	196,000	3,362,000			74
						75
						76
	15,973	3,757	4,190			77
	15,973	3,757	4,190			78
						79
						80
						81
			181,219			82
						83
	35,040	960	50,880			84
	35,040	960	232,099			85
						86
924,000	4,176,200	370,000	2,000,000			87
						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
	5,045,000					96
						97
15,836	(1,694,204)	538,427	725,157			98
15,836	(1,694,204)	538,427	725,157			99
930,836	7,526,996	563,427	2,725,157			99
1,740,836	14,459,203	791,499	6,605,433			100

200. GENERAL BALANCE SHEET—LIABILITY SIDE—Continued

026101 026102 026103 026104

Line No.	Account (a)	The A&CAL Ry. (b) Co.	Liberton Sou. Ry. (c) Co.	The Ga. Mid. Ry. (d) Co.	Mob. & Bghm. RR (e) Co.
	The above returns exclude respondent's holdings of its own issues as follows:	\$	\$	\$	\$
101	(765) Funded debt unmatured	319,000			
102	(767) Receivers' and trustees' securities				
103	(768) Debt in default				
104	(791) Capital stock				
<b>SUPPLEMENTARY ITEMS</b>					
	Amount of interest matured unpaid in default for as long as 90 days:				
105	Amount of interest				
106	Amount of principal involved				
107	Investment carried in account No. 732, "Improvements on leased property," on the books of the lessee with respect to respondent's property	42,515,661	602,386	602,386	5,601,892

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

Estimated accumulated net reduction in Federal income taxes because of accelerated amortization of certain rolling stock since December 31, 1969, under provisions of Section 184 of the Internal Revenue Code \_\_\_\_\_ \$ None

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

Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made \_\_\_\_\_ \$ None

NOTES AND REMARKS

# Southern Railway Company & Consolidated Subsidiaries

The company reporting to the Interstate Commerce Commission in this Report is a part of the Southern Railway Company and Consolidated Subsidiaries, which is comprised of 33 regulated carriers and 23 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.

## Balance Sheet

DECEMBER 31, 1974 AND 1973  
(Thousands of Dollars)

	<u>1974</u>	<u>1973</u>
<b>ASSETS</b>		
Current assets:		
Cash and marketable securities at lower of cost or market .....	\$ 127,422	\$ 124,287
Accounts receivable .....	133,151	119,341
Materials, supplies and other .....	36,508	30,517
	<u>297,081</u>	<u>274,145</u>
Investments in and advances to affiliates .....	9,396	8,691
Other assets .....	32,261	32,617
Properties .....	1,684,960	1,558,757
	<u>\$2,023,698</u>	<u>\$1,874,210</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued expenses .....	\$ 197,904	\$ 175,330
Federal income taxes .....	29,987	17,267
Current maturities of long-term debt .....	56,462	56,761
	<u>284,353</u>	<u>249,358</u>
Long-term debt .....	618,516	608,080
Reserve for federal income taxes .....	22,259	22,292
Deferred income taxes .....	237,849	208,011
Reserves and other liabilities .....	19,128	19,857
	<u>1,182,105</u>	<u>1,107,598</u>
Shareholders' equity:		
Preferred stock .....	58,560	58,694
Serial preference stock .....	18,730	—
Common stock .....	144,769	144,052
Capital surplus .....	17,803	14,718
Income retained in the business .....	601,731	549,148
	<u>841,593</u>	<u>766,612</u>
	<u>\$2,023,698</u>	<u>\$1,874,210</u>

Note: Certain 1973 data have been changed for comparability.

200. GENERAL BALANCE SHEET—LIABILITY SIDE—Concluded

026105 The N.C. Mid-land (f) RR Co.	026106 Southern Ry.-Caro. (g) Div.	026107 Transylvania RR (h) Co.	026108 Va. & South Western (i) Ry. Co.	(j)	(k)	Line No.
\$	\$	\$ 237,000	\$	\$	\$	101
						102
						103
						104
						105
						106
1,176,880	15,830,503	258,512	3,335,325			107

**300 INCOME ACCOUNT FOR THE YEAR**

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

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

026101 026102 026103 026104

Line No.	Item (a)	Schedule No.	The A&CAL Ry. (b) Co.	Liberton Sou. Ry. Co. (c)	The Ga. Mid. Ry. Co. (d)	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	750	22,272		
5	(533) Provision for deferred taxes (p. 55)			480		
6	Railway operating income		(750)	(22,752)		
	<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)		(750)	(22,752)		
	<b>OTHER INCOME</b>					
23	(502) Revenues from miscellaneous operations (p. 53)					
24	(509) Income from lease of road and equipment (p. 56)	371	588,262	37,500	49,500	78,000
25	(510) Miscellaneous rent income					
26	(511) Income from nonoperating property					
27	(512) Separately operated properties—profit					
28	(513) Dividend income (from investments under cost only)					
29	(514) Interest income		4,365	18,393		
30	(516) Income from sinking and other reserve funds					
31	(517) Release of premiums on funded debt					
32	(518) Contributions from other companies					
33	(519) Miscellaneous income		2,022			7,450
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		594,649	55,893	49,500	85,450
38	Total income (lines 22, 37)		593,899	33,141	49,500	85,450
	<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		380	80	25	
47	Total miscellaneous deductions		380	80	25	
48	Income available for fixed charges (lines 38, 47)		593,519	33,061	49,475	85,450

**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 36 represents the earnings (losses) of investee companies accounted for under the equity method. Lines 34 and 35 should be included

026105      026106      026107      026108

The N.C. Mid-land (f) Rk Co.	Southern Ry.-Caro.(g) Div.	Transylvania RR (h) Co.	Va. & South Western Ry.Co.	(j)	(k)	Line No.
						1
						2
						3
	48,545	30,228	49,589			4
	17,280	480	26,880			5
	(65,825)	(30,708)	(76,469)			6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
	(65,825)	(30,708)	(76,469)			21
						22
75,780	120,380	30,000	193,393			23
						24
						25
		9,889				26
	11,769	38,242	77,451			27
	12,049		(170)			28
						29
						30
2,959	195,203		35,119			31
						32
						33
						34
						35
78,739	339,401	78,131	305,793			36
78,739	273,576	47,423	229,324			37
						38
						39
						40
						41
						42
						43
						44
	325	143	1,933			45
	325	143	1,933			46
78,739	273,251	47,280	227,391			47
						48

**300. INCOME ACCOUNT FOR THE YEAR - Continued**

026101 026102 026103 026104

Line No.	Item (a)	Schedule No.	The A&CAL Ry. Co. (b)	Elberton Southern Ry. Co. (c)	The Georgia Midland Ry. Co. (d)	Mobile & Birmingham RR Co. (e)
<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		595,182	12,500	49,500	78,000
51	(b) Interest in default					
52	(547) Interest on unfunded debt					
53	(548) Amortization of discount on funded debt		9,713			
54	Total fixed charges		604,895	12,500	49,500	78,000
55	Income after fixed charges (lines 48, 54)		(11,376)	20,561	(25)	7,450
<b>OTHER DEDUCTIONS</b>						
	(546) Interest on funded debt:					
56	(c) Contingent interest					
57	Ordinary income (lines 55, 56)					
<b>EXTRAORDINARY AND PRIOR PERIOD ITEMS</b>						
58	(570) Extraordinary items - Net Credit (Debit) (p. 58)	396				
59	(580) Prior period items - Net Credit (Debit) (p. 58)	396				
60	(590) Federal income taxes on extraordinary and prior period items - Debit (Credit) (p. 58)	396				
61	(591) Provision for deferred taxes - Extraordinary and prior period items					
62	Total extraordinary and prior period items Cr. (Dr.)					
63	Net Income transferred to Retained Income Unappropriated (lines 57, 52)	305	(11,376)	20,561	(25)	7,450

**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 \$ \_\_\_\_\_.

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

Flow-through \_\_\_\_\_ Deferral \_\_\_\_\_

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

\$ None

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

\$ None

Debit amount of current year's investment tax credit applied to reduction of tax liability but deferred for accounting purposes \_\_\_\_\_

€ None

Balance of current year's investment tax credit used to reduce current year's tax accrual \_\_\_\_\_

\$ None

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

\$ None

Total decrease in current year's tax accrual resulting from use of investment tax credits \_\_\_\_\_

\$ None

**NOTES AND REMARKS**

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

Atlanta & Charlotte Air Line Railway Company

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

Elberton Southern Railway Company

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

(Continued on Page 19B)

The company reporting to the Interstate Commerce Commission in this Report is a part of the Southern Railway Company and Consolidated Subsidiaries, which is comprised of 33 regulated carriers and 23 other companies. Financial reporting to shareholders and the general public is made on a consolidated basis and the following income statement is included in this Report in order to put the financial data of the reporting company into proper perspective relative to the Southern Consolidated System.

# Southern Railway Company & Consolidated Subsidiaries

## Statement of Income

YEARS 1974 AND 1973  
(Thousands of Dollars)

	1974	1973
Railway operating revenues:		
Freight .....	\$871,995	\$747,954
Demurrage .....	16,740	14,452
Passenger .....	5,852	3,868
Other .....	14,738	12,471
	<u>909,325</u>	<u>778,745</u>
Other income:		
Interest .....	16,149	10,473
Gain on sale of properties .....	10,097	4,868
Other .....	12,172	9,969
Total income .....	<u>947,743</u>	<u>804,055</u>
Railway operating expenses:		
Maintenance of way and structures .....	169,159	131,018
Maintenance of equipment .....	146,167	134,552
Transportation .....	285,277	240,665
Other .....	59,480	51,843
	<u>660,083</u>	<u>558,078</u>
State and local taxes .....	30,355	25,186
Payroll taxes .....	46,799	32,843
Net freight car rent income based on time and mileage .....	(20,961)	(6,845)
Other equipment rent expense .....	35,553	34,182
Joint facility rent expense .....	1,286	1,390
Miscellaneous deductions from income .....	7,409	8,167
Fixed charges, principally interest .....	49,385	44,900
Total expenses .....	<u>809,909</u>	<u>697,901</u>
Income before federal income taxes .....	137,834	106,154
Less: Federal income taxes		
Current .....	20,405	9,626
Deferred .....	29,323	29,326
Net consolidated income for the year .....	<u>\$ 88,106</u>	<u>\$ 67,202</u>
Per average share of common stock outstanding .....	\$5.83	\$4.47



026105 026106

300. INCOME ACCOUNT FOR THE YEAR—Concluded

026107 026108

The N.C. Mid-land RR (f) Co.	Southern Ry.-Caro. Div. (g)	Transylvania RR (h) Co.	Va. & South Western Ry. Co. (i)	(j)	(k)	Line No.
\$	\$ 30,000	\$	\$	\$	\$	49
48,060	77,966	9,800	165,108			50
						51
						52
48,060	107,966	9,800	167,832			53
30,679	165,285	37,480	59,559			54
						55
						56
						57
						58
						59
						60
						61
						62
30,679	165,285	37,480	59,559			63

NOTES AND REMARKS - Concluded

**305. RETAINED INCOME- UNAPPROPRIATED**

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

026101 026102

Line No.	Item (a)	The Atl. & Charlotte Air Line (b) Ry. Co.		Elberton Southern Ry. (c) Co.	
		(1)	(2)	(1)	(2)
1	Unappropriate retained income (1) and equity in undistributed earnings (losses) of affiliated companies (2) at beginning of year*	\$ 1,824,200	\$ -	\$ 202,094	\$ -
<b>CREDITS</b>					
2	(602) Credit balance transferred from income (pp. 16 and 17) 300			20,561	
3	(606) Other credits to retained income (p. 58) 396				
4	(622) Appropriations released				
5	Total			20,561	
<b>DEBITS</b>					
6	(612) Debit balance transferred from income (pp. 16 and 17) 300	11,376			
7	(616) Other debits to retained income (p. 58) 396			480	
8	(620) Appropriation for sinking and other reserve funds				
9	(621) Appropriations for other purposes				
10	(623) Dividends (pp. 52 and 53) 308	1,197			
11	Total	12,573		480	
12	Net increase (decrease) during year*	(12,573)		20,081	
13	Unappropriated retained income (1) and equity in undistributed earnings (losses) of affiliated companies (2) at end of year*	1,811,627	-	222,175	
14	Balance from line 13(2)*	-	x x x x x	-	x x x x x
15	Total unappropriated retained income and equity in undistributed earnings (losses) of affiliated companies at end of year*	1,811,627	x x x x x	222,175	x x x x x
Remarks					
Amount of assigned Federal income tax consequences:					
16	Account 606		x x x x x		x x x x x
17	Account 616		x x x x x		x x x x x

\*Amount in parentheses indicates debit balance.

**NOTES AND REMARKS**

305. RETAINED INCOME—UNAPPROPRIATED—Concluded

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

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

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

Line 2 (line 6 if debit balance), column (2), should agree with line 36.

The Georgia Ry.		Mobile and Birmingham RR		The North Carolina Midland RR		Southern Railway-Carolina Division		Line No.
(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	
322	-	55,163	-	12,877	-	(1,841,729)	-	1
		7,450		30,679		165,285		2
								3
		7,450		30,679		165,285		4
								5
25						17,760		6
								7
				27,720				8
25				27,720		17,760		9
(25)		7,450		2,959		147,525		10
								11
297		62,613	-	15,836		(1,694,204)		12
-	x x x x x	-	x x x x x	-	x x x x x	-	x x x x x	13
297	x x x x x	62,613	x x x x x	15,836	x x x x x	(1,694,204)	x x x x x	14
								15
	x x x x x		x x x x x		x x x x x		x x x x x	16
	x x x x x		x x x x x		x x x x x		x x x x x	17

026107

026108

Transylvania RR (h) Co. (1) (2)

NOTES AND REMARKS

Virginia and South Western (i) Ry. Co. (1) (2)

501,427  
37,480  
  
37,480  
480  
  
480  
37,000  
538,427  
-  
538,427  
XXX  
XXX  
XXX

989,598  
59,559  
  
59,559  
24,000  
  
300,000  
324,000  
(264,441)  
725,157  
-  
725,157  
XXX  
XXX  
XXX

1  
2  
3  
4  
5  
6  
7  
8  
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10  
11  
12  
13  
14  
15  
16  
17

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 applica-

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

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

026101

026102

026103

Line No.	Account (a)	The A&CAL Ry. Co.		El. Sou. Ry. Co.		The Ga. Ml. Ry. Co.	
		Gross charges during year (b)	Net charges during year (c)	Gross charges during year (d)	Net charges during year (e)	Gross charges during year (f)	Net charges during year (g)
1	(1) Engineering	\$	(930)	\$	\$	\$	\$
2	(2) Land for transportation purposes						
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		(499)				
9	(9) Rails		(622)				
10	(10) Other track material		(35,964)				
11	(11) Ballast		(864)				
12	(12) Track laying and surfacing		(863)				
13	(13) Fences, snowsheds, and signs						
14	(16) Station and office buildings						
15	(17) Roadway buildings			None		None	
16	(18) Water stations						
17	(19) Fuel stations						
18	(20) Shops and enginehouses						
19	(21) Grain elevators						
20	(22) Storage warehouses						
21	(23) Wharves and docks						
22	(24) Coal and ore wharves						
23	(25) TOFC/COFC terminals						
24	(26) Communication systems						
25	(27) Signals and interlockers						
26	(29) Power plants						
27	(31) Power-transmission systems						
28	(35) Miscellaneous structures						
29	(37) Roadway machines						
30	(38) Roadway small tools						
31	(39) Public improvements—Construction						
32	(43) Other expenditures - Road						
33	(44) Shop machinery						
34	(45) Power-plant machinery						
35	Other (Specify & explain)						
36	Total expenditures for road		(39,742)				
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			None		None	
43	(58) Miscellaneous equipment						
44	Total expenditure for equipment						
45	(71) Organization expenses						
46	(76) Interest during construction		(2,957)				
47	(77) Other expenditures—General		(252)				
48	Total general expenditures		(3,209)				
49	Total		(42,951)				
50	(90) Construction work in progress		26,353	None		None	
51	Grand total <sup>1</sup>		(16,598)				

<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 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.

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.

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

026104

026105

026106

026107

Mob. & Eghm. R.R. Co.		The N.C. Midland RR Co		Sou. Ry.-Caro. Div.		Transylvania R. R. Co.		Line No.
Gross charges during year (h)	Net charges during year (i)	Gross charges during year (j)	Net charges during year (k)	Gross charges during year (l)	Net charges during year (m)	Gross charges during year (n)	Net charges during year (o)	
\$	\$	\$	\$	\$	\$	\$	\$	1
	(30)		(73)	225	(587)			2
			(73)	32,824	(8,506)			3
								4
								5
								6
								7
						(735)		8
						(518)		9
						(10,939)		10
						(863)		11
						(644)		12
			(1,676)		(6,530)			13
						None		14
								15
								16
								17
								18
								19
								20
								21
								22
								23
			(50)		(100)			24
								25
								26
								27
								28
								29
			(113)					30
								31
								32
								33
								34
	(30)		(1,985)	33,049	(29,422)			35
								36
								37
								38
								39
						None		40
								41
								42
								43
								44
			(145)		(2,017)			45
			(29)		(318)			46
			(174)		(2,335)			47
	(30)		(2,159)	33,049	(31,757)	None		48
				(14,448)	(11,744)			49
	(30)		(2,159)	18,601	(43,501)			50
								51

**212. PROPRIETARY COMPANIES**

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

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

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

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

211. ROAD AND EQUIPMENT PROPERTY

1. Give particulars of changes during the year in accounts 731, "Road and equipment property," and 732, "Improvements on leased property," classified in accordance with the Uniform System of Accounts for Railroad Companies. Enter the names of the lessor companies in the column headings.  
 2. Gross charges during the year should include disbursements made for the specific purpose of purchasing, constructing, and equipping new lines, extensions of old lines, and for additions and betterments. This column should also include both the debits and credits involved in each transfer, adjustment, or clearance between road and equipment accounts and all adjustments applica-

ble to expenditures for new lines and extensions and additions and betterments. Adjustments in excess of \$100,000 should be explained. Net charges is the difference between gross charges and credits for property retired. All changes made during the year should be analyzed by primary accounts.  
 3. If during the year an individual charge of \$100,000 or more was made to account No. 2, "Land for transportation purposes," state in a footnote the cost, location, area, and other details which will identify the property.

Line No.	Account (a)	Va. and So. Western Ry.							
		Gross charges during year (p)	Net charges during year (q)	Gross charges during year	Net charges during year	Gross charges during year	Net charges during year	Gross charges during year	Net charges during year
		\$	\$	\$	\$	\$	\$	\$	\$
1	(1) Engineering		(93)						
2	(2) Land for transportation purposes		40,358						
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		(6,366)						
18	(20) Shops and enginehouses								
19	(21) Grain elevators								
20	(22) Storage warehouses								
21	(23) Wharves and docks								
22	(24) Coal and ore wharves								
23	(25) TOFC/COFC terminals								
24	(26) Communication systems								
25	(27) Signals and interlockers								
26	(29) Power plants								
27	(31) Power-transmission systems								
28	(35) Miscellaneous structures								
29	(37) Roadway machines								
30	(38) Roadway small tools								
31	(39) Public improvements—Construction								
32	(43) Other expenditures - Road								
33	(44) Shop machinery								
34	(45) Power-plant machinery								
35	Other (Specify & explain)								
36	Total expenditures for road		33,899						
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		33,899						
50	(90) Construction work in progress		(11,371)						
51	Grand total		22,528						

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

The Georgia Midland Railway Company

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

Mobile and Birmingham Railroad Company

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

The North Carolina Midland Railroad Company

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

Southern Railway-Carolina Division

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

Transylvania Railroad Company

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

Virginia and Southwestern Railway Company

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



212. PROPRIETARY COMPANIES—Concluded

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

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

(f)	(g)	(h)	(i)	(j)	(k)	Line No.
						1
						2
						3
						4
						5
\$	\$	\$	\$	\$	\$	6
						7
						8
		NONE				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 investments, including the obligations of a State or local government, or of an individual, so held; investments made, disposed of, or written down during the year; and dividends and interest credited to income. They should exclude securities issued or assumed by respondents. For definition of affiliated companies, see the rules governing account No. 721, "Investments in affiliated companies," in the Uniform System of Accounts for Railroad Companies.

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

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

## (A) Stocks:

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

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

## (C) Other secured obligations:

## (D) Unsecured notes:

## (E) Investment advances:

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

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

<i>Symbol</i>	<i>Kind of Industry</i>
---------------	-------------------------

- |     |  |
|-----|--|
|     | I. Agriculture, forestry, and fisheries.                         |
|     | II. Mining.  |
|     | III. Construction.   |
|     | IV. Manufacturing.   |
|     | V. Wholesale and retail trade.                                   |
|     | VI. Finance, insurance, and real estate.                         |
| /// | VII. Transportation, communications, and other public utilities. |
|     | VIII. Services.  |
|     | IX. Government.  |
|     | X. All other.  |

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

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

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

## 217. INVESTMENTS IN AFFILIATED COMPANIES

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

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

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

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

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

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

Entries in 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.	Ac-count No. (a)	Class No. (b)	Kind of industry (c)	Name of issuing company and description of security held, also lien reference, if any (d)	Extent of control (e)	INVESTMENTS AT CLOSE OF YEAR	
						BOOK VALUE OF AMOUNT HELD AT CLOSE OF YEAR	
						Pledged (f)	Unpledged (g)
1				The Atlanta and Charlotte Air Line Railway Company	% \$	\$	
2	721A	A1	VII	Elberton Southern Ry. Co. Com.	51.00#		1
3							
4	721A	A2	VII	Atlanta & Richmond Air Line Ry. Co. Com.	Not Available		-
5							
6				Lawrenceville Branch R.R. Co. Com.	57.20		-
7							
8				Roswell R.R. Co. Com.	50.10		-
9				Total A-2			-
10				Total 721-A			1
11							
12							
13							
14	721B	B2	VII	Roswell R.R. Co. 1st Mtge. 5% Gold Bonds, Due 1-15-53			-
15							
16				Total 721-B			-
17				Total 721			1
18							
19				#Other party to joint control-Southern Railway Company			
20							
21							
22							
23				ELBERTON SOUTHERN RAILWAY COMPANY			
24	721B	B1	VII	Southern Ry. Co. 1st & Gen'l Mtge. 4-5/8% Bonds			43,313
25				Total 721-B			43,313
26							
27				THE GEORGIA MIDLAND RAILWAY COMPANY			
28	721E	E1	VII	Southern Ry. Co.			1,504
29				Total 721-E			1,504
30							
31				MOBILE AND BIRMINGHAM RAILROAD COMPANY			
32	721E	E1	VII	Southern Ry. Co.			65,697
33				Total 721-E			65,697
34							
35				THE NORTH CAROLINA MIDLAND RAILROAD COMPANY			
36	721E	E1	VII	Southern Ry. Co.			10,145
37				Total 721-E			10,145
38				SOUTHERN RAILWAY-CAROLINA DIVISION			
39	721A	A2	VII	Sumter & Wateree Riv. R.R. Co.-Stock		1	
40				Total A2		1	
41				Total 721-A		1	
42							
43	721D	D2	VII	Sumter & Wateree Riv. R.R. Co. Cdfs of Indebt-Demand			1
44				Total 721-D			1
45							
46	721E	E1	VII	Southern Ry. Co.			58,246
47				Total 721		1	58,247
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 investment 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
							10
	1						11
							12
							13
							14
	-						15
							16
	-						17
							18
	1						19
							20
							21
							22
							23
							24
	43,313				4-5/8	2,313	25
	43,313					2,313	26
							27
							28
	1,504						29
	1,504						30
							31
							32
	65,697						33
	65,697						34
							35
							36
	10,145						37
	10,145						38
							39
	1						40
	1						41
	1						42
							43
							44
	1						45
	1						46
							47
	58,246						48
	58,248						49
							50

217. INVESTMENTS IN AFFILIATED COMPANIES—Continued

Line No.	Ac-count No.	Class No.	Kind of industry	Name of issuing company and description of security held, also lien reference, if any	Extent of control	INVESTMENTS AT CLOSE OF YEAR	
						BOOK VALUE OF AMOUNT HELD AT CLOSE OF YEAR	
						Pledged	Unpledged
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
51				<u>TRANSYLVANIA RAILROAD COMPANY</u>	% \$	\$	
52	721A	A1	VII	Southern Railway Co.			
53				\$10 par Preferred stock			67,159
54							
55				Southern Railway Co.			
56				Common stock			25,619
57							
58				Richmond, Fredericksburg & Potomac			
59				RR. Co. Dividend Obligations			27,900
60				Total 721-A			120,678
61							
62	721B	B1	VII	Southern Railway Co. 1st &			
63				Gen. Mtge. 4-5/8% Bonds			
64				due 6/1/88			92,325
65							
66				Southern Railway Co. 1st Mtge.			
67				Collateral Trust 4-1/2% Bonds			36,750
68				due 8/1/88			
69				Total 721-B			129,075
70							
71				Total 721			249,753
72							
73				<u>VIRGINIA AND SOUTHWESTERN RAILWAY COMPANY</u>			
74	721E	E3	VI	Southern Region Industrial Realty, Inc.			
75				Advance			5,975
76							
77				Total 721			5,975
78							
79							
80							
81							
82							
83							
84							
85							
86							
87							
88							
89							
90							
91							
92							
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)						
\$	\$	\$	\$	\$	%	\$	
							51
							52
	67,159				5	3,700	53
							54
	25,619				\$2.02 per share	1,725	55
							56
	27,900				\$12.40 per share	4,464	57
	<u>120,678</u>					<u>9,889</u>	58
							59
							60
							61
							62
	92,325				4.625	5,596	63
							64
	<u>36,750</u>				4.50	2,250	65
							66
	<u>129,075</u>					<u>7,846</u>	67
							68
	<u>249,753</u>					<u>17,735</u>	69
							70
							71
							72
							73
							74
	5,975						75
							76
	<u>5,975</u>						77
							78
							79
							80
							81
							82
							83
							84
							85
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							98
							99
							100
							101
							102
							103
							104
							105

x x

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	NONE						
5							
6							
7							
8							
9							
10							
11							
12							
13							



**217A INVESTMENTS IN COMMON STOCKS OF AFFILIATED COMPANIES-Concluded**

**Undistributed Earnings From Certain Investments in Affiliated Companies**

Line No.	Names of issuing company and description of security held (a)	Balance at beginning of year (b)	Adjustment for investments qualifying equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)
	Carriers: (List specifics for each company)	\$	\$	\$	\$	\$	\$
14							
15							
16							
17							
18							
19			NONE				
20							
21							
22							
23							
24							
25							
26							
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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)						

218. OTHER INVESTMENTS

1. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of all corporations other than affiliated companies, included in accounts Nos. 715, "Sinking funds"; 716, "Capital and other reserve funds"; 722, "Other investments"; and 717, "Insurance and other funds." Investments included in accounts at Nos. 715, 716, and 717 held by trustees in lieu of cash deposits required under the governing instrument are to be excluded from this schedule.  
 2. Enter the name of a reporting lessor company in the body of the schedule and give, thereunder, particulars of its other investments before listing those of a second lessor. These names should be listed in the order in which they appear on the balance sheet.

3. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 23, classifying the investments by means of letters, figures, and symbols in columns (a), (b), and (c). Investments in U.S. Treasury bills and notes may be reported as one item.  
 4. Indicate by means of an arbitrary mark in column (d) the obligation in support of which any security is pledged, mortgaged, or otherwise encumbered, giving names and other important particulars of such obligations in footnotes.  
 5. Give totals for each class and for each subclass, and a grand total for each account.

Line No.	Ac- count No. (a)	Class No. (b)	Kind of industry (c)	Name of issuing company or government and description of security held, also lien reference, if any (d)	INVESTMENTS AT CLOSE OF YEAR	
					BOOK VALUE OF AMOUNT HELD AT CLOSE OF YEAR	
					Pledged (e)	Unpledged (f)
1				The Atlanta and Charlotte Air Line Ry. Co.	\$ -	\$ -
2				Elberton Southern Railway Co.		-
3						
4				The Georgia Midland Railway Co.		-
5						
6				Mobile and Birmingham Railroad Co.		-
7						
8				The North Carolina Midland Railroad Co.		-
9						
10						
11				Southern Railway-Carolina Division		
12	722	A-2	VII	Augusta Gibson & Sandersville R.R. Co. Stock		1
13				Augusta Southern R.R. Co. - Stock		1
14				Total 722-A		2
15						
16						
17				Transylvania Railroad Company		-
18						
19				Virginia and Southwestern Railway Co.		-
20						
21						
22						
23						
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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 (j) to (k), inclusive. If the cost of any investment made during the year differs from the book value reported in column (i) explain the matter in a footnote. By "cost" is meant the consideration given minus accrued interest or dividends included therein. If the consideration given or received for such investments was other than cash, describe the transaction in a footnote. Identify all entries in column (j) which represent a reduction in the book value of securities by symbol and give full explanation in a footnote in each case.

INVESTMENTS AT CLOSE OF YEAR		Book value of investments made during year	INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		DIVIDENDS OR INTEREST DURING YEAR		Line No.
BOOK VALUE OF AMOUNT HELD AT CLOSE OF YEAR			Book value	Selling price	Rate	Amount credited to income	
In sinking, insurance, and other funds (g)	Total book value (h)	(i)	(j)	(k)	(l)	(m)	
\$	\$ None	\$	\$	\$	%	\$	1
	None						2
	None						3
	None						4
	None						5
	None						6
	None						7
	None						8
	None						9
	None						10
	1						11
	1						12
	2						13
							14
							15
	None						16
	None						17
							18
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X X

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

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

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

**251. CAPITAL STOCK**

Give particulars of the various issues of capital stock which were in existence at the close of the year.  
 Show separate returns for each lessor company included in this report, classifying the stocks as follows:  
 Common.  
 Preferred.  
 Debenture.  
 Receipts outstanding.  
 State, in a footnote, the class of stock covered by the receipts.  
 In case any "Preferred" or "Debenture" stock is outstanding, the rate of dividend requirements should be shown in column (b), and it should be stated whether the dividends are 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 approv-

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. and										
2	Char. Air			Apr. 4,							
3	Line Ry. Co.	Common	100	1877	1,700,000	1,700,000	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	1,000,000	1,000,000					
10											
11	Mobile and	Common	100	Jul. 2,	1,000,000	897,600					
12	Bghm RR Co.	Preferred		1895	1,000,000	897,600					
13				Total	2,000,000	1,795,200					
14											
15	The N.C. Mid-			Dec. 9,							
16	land RR Co.	Common	100	1880	1,500,000	924,000					
17											
18	Sou. Ry. - Caro.			Jun. 23,							
19	Divisor	Common	100	1902	7,798,700	4,176,200					
20											
21	Transylvania	Common	100	4-12-1899	320,000	320,000					
22	RR Co.	Common	100	5-18-1903	100,000	50,000					
23				Total	420,000	370,000					
24											
25	Virginia &			Feb. 18,							
26	Southwestern										
27	Ry. Co.	Common	100	1899	10,000,000	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											

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

\*For nonpar stock, show the number of shares.

254. STOCK LIABILITY FOR CONVERSION OF SECURITIES OF OTHER COMPANIES

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

NONE



253. CAPITAL STOCK CHANGES DURING THE YEAR—Concluded

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

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

STOCKS ISSUED DURING YEAR—Continued			STOCKS REACQUIRED DURING YEAR		Remarks (k)	Line No.
Cash value of other property acquired or services received as consideration for issue (f)	Net total discounts (in black) or premiums (in red). Excludes entries in column (h) (g)	Expense of issuing capital stock (h)	AMOUNT REACQUIRED			
			Par value* (i)	Purchase price (j)		
\$	\$	\$	\$	\$		
						1
						2
						3
						4
						5
						6
						7
						8
		NONE				9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39

\*For nonpar stock, show the number of shares.

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

abstracts of terms of contracts whereunder such liability exists.

NONE

NOTES AND REMARKS

[Empty space for notes and remarks]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## NOTES AND REMARKS

261. FUNDED DEBT AND OTHER OBLIGATIONS

Line No.	Name of lessor company and name and character of obligation (a)	Nominal date of issue (b)	Date of maturity/ (c)	INTEREST PROVISIONS		DOES OBLIGATION PROVIDE FOR— (Answer "Yes" or "No")				IS OTHER PROPERTY (REAL OR PERSONAL OR LEASEHOLD) SUBJECT TO LIEN OF THE OBLIGATION? (ANSWER "YES or NO")	
				Rate per cent per annum (current year) (d)	Date due (e)	Conversion (f)	Call prior to maturity, other than for sinking fund (g)	Sinking fund (h)	First lien (i)		Junior to first lien (j)
1	THE ATLANTA AND CHARLOTTE AIR LINE RY. CO.										
2	(1a) First&Gen. Mtge. 4-5/8% Bonds	6/1/63	6/1/88	4-5/8	J&D-1	No	Yes	Yes	Yes	No	
3											
4											
5	ELBERTON SOUTHERN RAILWAY CO.										
6	(1a) First Mtge. 5% Gold Bond	1/1/09	1/1/59	(A)5	J&J-1	No	No	No	Yes	No	
7											
8	THE GEORGIA MIDLAND RY. CO.										
9	(1a) First Mtge. Bonds	4/1/56	4/1/46	(A)3	A&O-1	No	No	No	Yes	No	
10											
11	MOBILE AND BIRMINGHAM RAILROAD CO.										
12	(1a) Prior Lien Gold Bonds	8/29/85	3/1/98	5	J&J-1	No	No	No	Yes		
13	First Mtge. Gold Bonds	8/29/95	3/1/98	4	J&J-1	No	No	No		Yes	
14	Total										
15											
16	NORTH CAROLINA MIDLAND RAILROAD CO.										
17	(1a) First Mtge. Gold Bonds	4/28/91	7/1/31	(A)6	J&J-1	No	No	No	Yes	No	
18											
19	SOUTHERN RAILWAY-CAROLINA DIVISION										
20	(1a) Spartanburg Union and Columbia	Nov 1									
21	R.R. Co. First Mtge. Bonds	1895	1995	4	J&J-1	No	No	No	Yes	No	
22											
23											
24	TRANSYLVANIA RAILROAD COMPANY										
25	(1a) First Mtge. Bonds	1/1/06	1/1/56	(A)5	J&J-1	No	No	No	Yes	No	
26											
27	VIRGINIA AND SOUTHWESTERN RY. CO.										
28	(1a) First Mtge. Bonds	9/18/02	1/1/2008	5	J&J-1	No	No	No	Yes		
29	General Mtge. Bonds	3/15/58	3/15/83	4.50	M&S-15	No	No	No		Yes	
30	Total										
31											
32											
33	(A) Date of Maturity extended by verbal agreement. New Maturity date not yet agreed upon.										
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—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 securities by symbol "P"; matured by symbol "M"	Canceled		Canceled through sinking fund or otherwise canceled (Identify canceled through sinking fund by symbol "s")	Held in special funds or in treasury or 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	3,284,000	319,000	11,397,000			1
											2
											3
											4
		250,000			250,000			250,000			5
											6
		1,650,000			1,650,000			1,650,000			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			11
											12
		801,000			801,000			801,000			13
											14
		1,000,000			1,000,000			1,000,000			15
											16
		434,000	1,000		433,000	237,000		196,000			17
											18
		2,000,000			2,000,000	255,000		1,745,000			19
		5,000,000			5,000,000	3,183,000		1,617,000	200,000		20
		7,000,000			7,000,000	3,438,000		3,362,000	200,000		21
											22
											23
											24
											25
											26
											27
											28
											29
											30
											31
											32
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											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	528,925		527,116	
3					
4					
5	ELBERTON SOUTHERN RAILWAY COMPANY				
6	(1a) First Mtge. 5% Gold Bonds	12,500		12,500	
7					
8	THE GEORGIA MIDLAND RAILWAY COMPANY				
9	(1a) First Mtge. Bonds	49,500		49,500	
10					
11					
12	MOBILE AND BIRMINGHAM RAILROAD COMPANY				
13	(1a) Prior Lien Gold Bonds	30,000		30,000	
14	First Mtge. Gold Bonds	48,000		48,000	
15	Total	78,000		78,000	
16					
17	NORTH CAROLINA MIDLAND RAILROAD CO.				
18	(1a) First Mtge. Gold Bonds	48,060		48,060	
19					
20	SOUTHERN RAILWAY-CAROLINA DIVISION				
21	(1a) Spartanburg Union and Columbia				
22	R.R. Co. First Mtge. Bonds	40,000		40,000	
23					
24					
25	TRANSYLVANIA RAILROAD COMPANY				
26	(1a) First Mtge. Bonds	9,800		9,800	
27					
28	VIRGINIA AND SOUTHWESTERN RAILWAY COMPANY				
29	(1a) First Mtge. Bonds	87,250		87,250	
30	Gen'l Mtge. Bonds	77,858		83,437	
31	Total	165,108		170,689	
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
						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
				193,000	161,433	30
				193,000	161,433	31
						32
						33
						34
						35
						36
						37
						38
						39
						40
						41
						42
						43
						44
						45
						46
						47
						48
						49
						50
						51
						52
Grand Total						53
						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), (v), 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 out- standing (from schedule 261) (b)	Nominal rate of interest (from schedule 261) (c)	AMOUNT OF INTEREST	
				Maximum amount payable, if earned (d)	Amount actually pay- able under contin- gent interest provi- sions, charged to income for the year (e)
1		\$		\$	\$
2					
3					
4		NONE			
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

## 268. AMOUNTS PAYABLE TO AFFILIATED COMPANIES

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

Line No.	Name of debtor company (a)	Name of creditor company (b)
1	THE ATLANTA AND CHARLOTTE AIR LINE RY. CO.	Southern Railway Co. - Advances
2	ELBERTON SOUTHERN RAILWAY CO.	None
3		
4	THE GEORGIA MIDLAND RAILWAY CO.	None
5		
6	MOBILE AND BIRMINGHAM R.R. CO.	None
7		
8	NORTH CAROLINA MIDLAND RAILROAD CO.	None
9		
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	TRANSYLVANIA RAILROAD COMPANY	None
19		
20	VIRGINIA AND SOUTHWESTERN RY. CO.	None
21		
22		
23	(a) 3-3/4% on \$1,766,850	
24	Non-Interest bearing \$2,616,126	



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 unearned 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)		
\$	\$	\$	%	\$	\$	\$	1
	4,382,976	4,382,976	(a)	66,257		66,257	2
							3
							4
							5
							6
							7
							8
							9
							10
480,940		480,940	5	24,048		30,060	11
270,776		270,776	5	13,538		16,922	12
	3,228,107	3,228,107					13
	1,691,361	1,691,361					14
9,500		9,500	4	380		380	15
761,216	4,919,468	5,680,684		37,966		47,362	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 (i) 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 (i)
				Additions and betterments (d)	Other debits (e)	Total debits (f)	Property retired (g)	Other credits (h)	Total credits (i)	
1	The Atlanta and Charlotte Air Line Railway Company	(52) Locomotives	\$	\$	\$	\$	\$	\$	\$	
2		(53) Freight-train cars								
3		(54) Passenger-train cars		None						
4		(55) Highway revenue equipment								
5		(56) Floating equipment								
6		(57) Work equipment								
7		(58) Miscellaneous equipment								
8		Total								
9	Elberton Southern Railway Company	(52) Locomotives								
10		(53) Freight-train cars		None						
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	The Georgia Midland Railway Company	(52) Locomotives								
18		(53) Freight-train cars		None						
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	Mobile and Birmingham Railroad Company	(52) Locomotives								
26		(53) Freight-train cars								
27		(54) Passenger-train cars		None						
28		(55) Highway revenue equipment								
29		(56) Floating equipment								
30		(57) Work equipment								
31		(58) Miscellaneous equipment								
32		Total								
33	North Carolina Midland Railroad Company	(52) Locomotives								
34		(53) Freight-train cars		None						
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	Southern Railway-Carolina Division	(52) Locomotives _____							
42		(53) Freight-train cars _____		None					
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	Transylvania Railroad Company	(52) Locomotives _____							
50		(53) Freight-train cars _____		None					
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	Virginia and Southwestern Railway Company	(52) Locomotives _____							
58		(53) Freight-train cars _____		None					
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 _____							

285. ACCRUED DEPRECIATION—ROAD AND EQUIPMENT

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

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

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

41	(52) Locomotives _____									
42	(53) Freight-train cars _____									
43	(54) Passenger-train cars _____									
44	(55) Highway revenue equipment _____									
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)	The Atl. & Char. Air Line Ry. Co. (b)	Elberton Sou. Ry. Co. (c)	Southern Ry. - Caro. Div. (d)	Transylvania (e)
	Credits	\$	\$	\$	\$
1	Balances at beginning of year	663,286	15,542	699,455	52,539
2	Accrued depreciation-Road				
	Accrued depreciation-Miscellaneous physical property				
3	Road property (specify):				
4	1-Engineering	2,984	110	3,697	
5	3-Grading	2,376	50	2,346	2,212
6	5-Tunnels and Subways				
7	6-Bridges, Trestles and Culverts	38,796	80	60,037	2,499
8	13-Fences, Snowsheds, and Signs	542	69	775	
9	16-Station and Office Buildings	12,830	504	8,277	718
10	17-Roadway Buildings	2,905	13		
11	18-Water Stations	86			
12	19-Fuel Stations	456		917	
13	20-Shops and Enginehouses	952		7,211	
14	23-Wharves and Docks			414	
15	26-Communication Systems	8,484		6,874	170
16	27-Signals and Interlockers	74,757		11,992	
17	29-Power Plants	32		130	
18	31-Power Transmission System	681		3,249	
19	35-Miscellaneous structures	1,043		834	
20	37-Roadway Machines				
21	39-Public Improvements-Const.	4,867	179	1,817	1,259
22	45-Power Plant Machinery	20			
23	Miscellaneous physical property (specify):				
24					
25	TOTAL CREDITS	151,811	992	108,570	6,871
26	Debits				
27	Road property (specify):				
28	1-Engineering			265	
29	3-Grading				
30	5-Tunnels and Subways				
31	6-Bridges, Trestles and Culverts				
32	13-Fences, Snowsheds and Signs				
33	16-Station and Office Buildings			6,531	
34	17-Roadway Buildings				
35	18-Water Stations				
36	19-Fuel Stations				
37	20-Shop and Enginehouses				
38	23-Wharves and Docks				
39	26-Communication Systems				
40	27-Signals and Interlockers			100	
41	29-Power Plants				
42	31-Power Transmission System				
43	35-Miscellaneous Structures				
44	37-Roadway Machines				
45	39-Public Improvements-Const.				
46	Miscellaneous physical property (specify):				
47	16-Station and Office Buildings				
48	39 Public Improvements-Const.				
49	TOTAL DEBITS			6,896	
50	Balances at close of year	815,097	16,534	801,129	59,410
51	Accrued depreciation-Road				
	Accrued depreciation-Miscellaneous physical property			58,567	

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

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

Virginia and Southwestern	(g)	(h)	(i)	(j)	(k)	Line No.
\$ 1,042,129	\$	\$	\$	\$	\$	1
						2
1,490						3
26,590						4
73						5
27,017						6
						7
1,213						8
167						9
8						10
164						11
768						12
						13
						14
2,025						15
1,791						16
						17
450						18
187						19
55						20
930						21
						22
						23
						24
62,928						25
						26
93						27
						28
						29
						30
						31
						32
						33
6,365						34
						35
						36
						37
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						39
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						46
						47
						48
6,450						49
1,098,599						50
						51

Depreciation Accrued By  
 Southern Railway Company  
 on all other Roads

287. DEPRECIATION RATES—ROAD AND MISCELLANEOUS PHYSICAL PROPERTY

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

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

percentages are based.

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



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308. DIVIDENDS DECLARED

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

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

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

Line No.	Name of lessor company (a)	Name of security on which dividend was declared (b)	RATE PERCENT (PAR VALUE STOCK) OR RATE PER SHARE (NONPAR STOCK)		Total par value of stock or total number of shares of nonpar stock on which dividend was declared (e)	Dividends (Account 623) (f)	DATE		Remarks (i)
			Regular (c)	Extra (d)			Declared (g)	Payable (h)	
1	THE ATLANTA AND CHARLOTTE AIR LINE RAILWAY COMPANY								
2		Common	1-1/2%		13,300	199	Apr. 3, 1946	Mar. 1, 1974	
3		Common	4-1/2%		13,300	599	Apr. 3, 1946	Sep. 1, 1974	
4		Common	3%		13,300	399	Apr. 3, 1946	Mar. 1, 1975	
5						1,197			
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	15%		2,000,000	300,000	(B)		
22									
23	(A) By resolution of Board of Directors adopted at meeting November 27, 1918, annual								
24	dividend of 3% upon Capital Stock of this company was declared payable on the								
25	20th day of December in each year during the continuation of lease of February								
26	5th, 1916, out of rents as and when received from Southern Railway Company.								
27									
28	No obligation incurred for purpose of procuring funds for payment of any dividends								
29	or replenishing Treasury after payment thereof.								
30									
31	(B) By resolution of Board of Directors adopted at meeting December 11, 1974, there was declared								
32	payable December 16, 1974 a dividend of \$15.00 per share on 20,000 shares								
33	of Capital Stock to Stockholders of this Company.								
34									
35									
36									

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Lessor Initials

SOU

Year 1974

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**340. MISCELLANEOUS PHYSICAL PROPERTIES OPERATED DURING THE YEAR**

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

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

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

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

350. RAILWAY TAX ACCRUALS

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

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

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

the United States).

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

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

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.
		026101 Amount	026102 Amount	026106 Amount	026107 Amount	026108 Amount
	<b>A. Other Than U. S. Government Taxes</b> (Enter names of States)	\$	\$	\$	\$	\$
1						
2	Georgia	750	2,855			
3						
4	North Carolina				3,707	
5						
6	South Carolina			1,203		
7						
8	Tennessee					164
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	750	2,855	1,203	3,707	164
	<b>B. U. S. Government Taxes</b>					
27	Income taxes		19,417	47,342	26,521	49,425
28	Old-age retirement					
29	Unemployment insurance					
30	All other United States taxes					
31	Total—U. S. Government taxes					
32	<b>GRAND TOTAL—Railway Tax Accruals (account 532)</b>	750	22,272	48,545	30,228	49,589

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 differences originating and reversing in the current accounting period.

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

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

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

Name of Lessor The Atlanta and Charlotte Air Line Railway Company

Line No.	Particulars (a)	Beginning of Year Balance	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 _____				
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	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 _____	480	480		960
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	480	480		960

## 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	17,760	17,280		35,040
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.				
5	Other (Specify)				
6					
7					
8					
9	Investment tax credit				
10	TOTALS	17,760	17,280		35,040

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	480	480		960
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	480	480		960

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	24,000	26,880		50,880
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	24,000	26,880		50,880

NOTES AND REMARKS

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THE SOUTHERN RAILWAY COMPANY



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 lessor holder	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.	588,262		588,262
3							
4	ELBERTON SOUTHERN RAILWAY COMPANY						
5		Toccoa, Ga.-Elberton, Ga.	50.04	Southern Railway Co.	37,500		37,500
6							
7	THE GEORGIA MIDLAND RAILWAY COMPANY						
8		McDonough, Ga.-Columbia, Ga.	95.01	Southern Railway Co.	49,500		49,500
9							
10	MOBILE AND BIRMINGHAM RAILROAD COMPANY						
11		Marion Jct., Ala.-Mobile, Ala.	147.12	Southern Railway Co.	78,000		78,000
12							
13	THE NORTH CAROLINA MIDLAND RAILROAD COMPANY						
14		Mooreville Jct., N.C.-					
15		Winston Jct., N.C.	53.50	Southern Railway Co.	75,780		75,780
16							
17	SOUTHERN RAILWAY-CAROLINA DIVISION						
18		Various	666.59	Southern Railway Co.	120,380		120,380
19							
20	TRANSYLVANIA RAILROAD COMPANY						
21		Hendersonville, N.C.-					
22		Rosman, N.C.	32.12	Southern Railway Co.	30,000		30,000
23							
24	VIRGINIA AND SOUTHWESTERN RAILWAY COMPANY						
25		St. Charles, Va.-Coran, Tenn.	99.46				
26		Mocassin Gap, Va.-Bristol, Va.	28.15				
27		Bristol, Va. - Bristol, Tenn.	1.01				
28			128.62	Southern Railway Co.	193,393		193,393
29							
30							
31							
32							
33							
34							
35							
36							
37							

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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"; 580, "Prior period items"; and 590 "Federal income taxes on extraordinary and prior period items; 606, "Other credits to retained income" and 616, "Other debits to retained income."

Line No.	Name of lessor company (a)	Account No. (b)	Item (c)	Debits (d)	Credits (e)
				\$	\$
1	Elberton Sou.Ry.Co.	616	Minor items, each less than \$10,000	480	
2	Sou.Ry.-Caro.Div.	616	Cumulative Def. Inc.Taxes as of 12/31/73	17,760	
3	Transylvania RR Co.	616	Minor items, each less than \$10,000	480	
4	Va.& Southwestern Ry.	616	Cumulative Def.Inc.Taxes as of 12/31/73	24,000	
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					

**383. RENTS FOR LEASED ROADS AND EQUIPMENT—Concluded**

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

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

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

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

**383A. ABSTRACT OF LEASEHOLD CONTRACTS—Concluded**

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

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

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

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

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

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

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

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

The classes of tracks are defined as follows:

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

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

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

tracks switched by yard locomotives.

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

Line No.	Name of road (a)	Termini between which road named extends (b)	RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				Miles of way switching tracks (g)	Miles of yard switching tracks (h)	Total (i)
			Miles of road (c)	Miles of second main track (d)	Miles of all other main tracks (e)	Miles of passing tracks, cross-overs, etc. (f)			
1	The Atlanta & Char. A. L. Ry. Co.	Charlotte, N.C. to Atla. Ga. (Armour)	254.99	149.39	1.69	25.91	63.01	98.80	593.79
2	Elberton Southern Ry. Co.	Toccoa, Ga. to Elberton, Ga.	50.04			1.86	4.04		55.94
3	Georgia Midland Ry. Co.	Griffin, Ga. to Columbus, Ga.	78.31			5.12	10.27		93.70
4	(owned but not operated)	McDonough, Ga. to Griffin, Ga.	12.03				0.17		12.20
5	Mobile & Birmingham RR Co.	Marion Jct., Ala. to Mobile, Ala.	147.12			15.29	13.48	11.28	187.17
6	The North Caro. Midland RR Co.	Mooreville Jct, NC to Winst. Jct, NC	53.50			3.24	6.67	1.16	64.57
7	Sou. Ry. - Carolina Div.	Augusta, Ga.						0.34	0.34
8		Hayne, S.C. to Biltmore, N.C.	66.02	0.90		13.14	10.16	19.22	109.44
9		Cayce, S.C. to Furman, S.C.	101.34			3.33	5.48		110.15
10		Branchville, S.C. to Aiken, S.C.	57.41			1.93	3.50		62.84
11		Warrenville, S.C. to Hamburg, S.C.	9.79			1.54	0.69	1.69	13.71
12		Warrenv. SC-Conn. to Sou. Ry. (CC&A)	0.09						0.09
13		Charleston, S.C. to Columbia, S.C.	121.39	1.14	1.10	9.14	29.07	63.88	225.72
14		Spartanburg, S.C. to Alston, S.C.	68.21			8.55	10.51	5.61	92.88
15		Gaffney, S.C.					1.97		1.97
16		Cayce, S.C. (SCL)						0.02	0.02
17		Charleston, S.C. (SCL)						0.85	0.85
18		Childs, S.C. (SCL)						0.45	0.45
19		Childs, S.C. (SCL)					3.07		3.07
20		Columbia, S.C. (SCL)						3.13	3.13
21		Kingsville, S.C. to Marion, N.C.	208.82			5.67	19.50	5.14	239.13
22		Total (Sou. Ry. - Carolina Div.)	633.07	2.04	1.10	43.30	83.95	100.33	863.79
23	Transylvania RR Co.	Hendersonville, N.C. to Rosman, N.C.	31.92			1.51	3.50		36.93
24	Va. & Southwestern Ry. Co.	St. Charles, Va. to Coran, Tenn. Bristol, Va. - Tenn. Terminal	99.46			8.07	39.15	10.89	146.68
<b>MILES OF ROAD OWNED AT CLOSE OF YEAR—BY STATES AND TERRITORIES—(Single Track)</b>									157.57

Line No.	Name of road	(Enter names of States or Territories in the column headings)						Total
		Virginia	N. Caro.	S. Caro.	Georgia	Alabama	Tenn.	
25	The Atlanta & Charlotte Air Line Ry. Co.		42.24	121.88	90.87			254.99
26	Elberton Southern Ry. Co.				50.04			50.04
27	The Georgia Midland Ry. Co.				78.31			78.31
28	Mobile & Birmingham R.R. Co.					147.12		147.12
29	The North Carolina Midland R.R. Co.		53.50					53.50
30	Southern Railway-Carolina Div.		106.83	526.24				633.07
31	Transylvania R.R. Co.		31.92					31.92
Virginia and Southwestern Ry. Co.			68.00				31.46	99.46

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32																				
33																				
34																				
35																				
36																				
37																				
38																				
39																				
40																				
41																				
42																				
43																				
44																				
45																				

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

Give particulars of the mileage owned by lessors to switching and terminal companies. If a company of this class controls any mileage by lease, and, in turn, subleases such mileage to another company, give particulars in a footnote. In the lower table, classify the mileage of tracks owned at close of year by States and Territories. Enter names of States or Territories in the column headings. Lengths should be stated to the nearest hundredth of a mile.

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

Line No.	Name of road														Total
11															
12															
13															
15	NOT APPLICABLE TO RESPONDENT														
15															
16															
17															
18															
19															

**561. EMPLOYEE'S AND COMPENSATION**

1. Give the average number of employees in the service of the lessor companies included in this report and the total compensation paid to them. General officers who served without compensation or were carried on the pay rolls of another company, and pensioners rendering no service, are not to be included.  
 2. Averages called for in columns (b), (c), and (d) should be the average of 12 middle-of-month

counts.

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

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

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

Give the name, position, salary, and other compensation, such as bonus, commission, gift, reward, or fee, of each officer, director, pensioner, or employee to whom the lessor companies included in this report paid \$40,000 or more during the year as compensation for current or past services over and above necessary expenses incurred in discharge of their duties.  
 If more convenient, this schedule may be filled out for a group of roads considered as one 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						
6	Southern Railway Company					
7						
8						
9						
10						

**563. PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES**

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

1. All increases and decreases in mileage, classifying the changes in the tables below as follows:  
 (Class 1) Line owned by respondent.  
 (Class 2) Line owned by proprietary companies.

2. For changes in miles of road, give dates of beginning or abandonment of 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 the authority should in each case be made by docket number or case as may be appropriate.
3. All consolidations, mergers, and reorganizations effected, giving particulars.  
 This statement should show the mileage, equipment, and cash value

- of property of each company as well as the consideration received by each company party to the action. State the dates on which consolidated, etc., and whether the prior companies have been dissolved. Copies of the articles of consolidation, merger, or reorganization should be filed with this report.
4. Adjustments in the book value of securities owned, and reasons therefor.
  5. Other financial changes of more than \$50,000, not elsewhere provided for, giving full particulars.

**INCREASES IN MILEAGE**

Line No.	Class (a)	Name of lessor company (b)	Main (M) or branch (B) line (c)	RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				Miles of yard switching tracks (i)	Total (j)	
				Miles of road (d)	Miles of second main track (e)	Miles of all other main tracks (f)	Miles of passing tracks, cross-overs, and turn-outs (g)			Miles of way switching tracks (h)
1		A&CAL Ry. Co.	M				0.12	1.85	5.88	7.85
2		Elberton Southern Ry. Co.	B				0.03			0.03
3		Mobile & Birmingham R.R. Co.	M				0.06			0.06
4		N.C. Midland R.R. Co.	B				0.05	0.07		0.12
5		Va. & Southwestern Ry. Co.	B					0.03		0.03
6		Sou. Ry. - Carolina Div.						0.41	0.22	0.63
7										
8										
9										
10										
11										
12										
13										
14		Total Increase					0.26	2.36	6.10	8.72

**DECREASES IN MILEAGE**

15										
16		Elberton Southern Ry. Co.	B					0.03		0.03
17		N.C. Midland R.R. Co.	B						0.18	0.18
18		Va. & Southwestern Ry. Co.	B				0.03			0.03
19		Sou. Ry. - Carolina Div.					0.05			0.05
20										
21										
22										
23										
24										
25										
26										
27										
28										
29		Total Decrease					0.08	0.03	0.18	0.29

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

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

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

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

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

VERIFICATION

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

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

~~STATE OF~~ DISTRICT OF COLUMBIA }  
~~COUNTY OF~~ CITY OF WASHINGTON } ss:

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

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 74, to and including December 31, 1974.

*F. A. Lockett*  
(Signature of affiant)

Subscribed and sworn to before me, a NOTARY PUBLIC, in and for the State and county above named, this 31st day of March, 19 75.

My commission expires August 31, 1979

Use an L. S. impression seal

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

VERIFICATION—Concluded

SUPPLEMENTAL OATH

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

State of \_\_\_\_\_ }  
County of \_\_\_\_\_ } ss:

\_\_\_\_\_ Makes oath and says that he is \_\_\_\_\_  
(Insert here the name of the affiant) (Insert here the official title of the affiant)

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

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

\_\_\_\_\_ 19\_\_\_\_, to and including \_\_\_\_\_, 19, \_\_\_\_\_

\_\_\_\_\_  
(Signature of affiant)

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

My commission expires \_\_\_\_\_ [Use an L. S. impression seal]

\_\_\_\_\_  
(Signature of officer authorized to administer oaths)

## CORRESPONDENCE

OFFICER ADDRESSED		DATE OF LETTER OR TELEGRAM			SUBJECT			Answer needed		ANSWER			
										DATE OF—			File number of letter or telegram
										LETTER			
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## CORRECTIONS

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