

able, but data thereon will be found in Appendix 2. Its present value is \$67. The present value of noncarrier structures on carrier land is \$250.

Aids, gifts, grants of rights of way, and donations.—Of the lands included in the preceding statement of carrier lands owned but not used by the Montgomery and Erie, 3.19 acres, present value \$192, were acquired through aids, the title thereto having been conveyed to it by deeds reciting merely nominal considerations. We are not able to report the value of these lands at the time acquired.

The records show that the Montgomery and Erie issued part of its stock and bonds in exchange for \$47,900 par value of municipal bonds, and that it sold the municipal bonds at \$1,980 less than par.

Material and supplies.—The Montgomery and Erie has no material and supplies on hand on date of valuation.

Final value.—After careful consideration of all facts herein contained, including appreciation, depreciation, going-concern value, and all other matters which appear to have a bearing upon the value here reported, the value, for rate-making purposes, of the property of the Montgomery and Erie, owned but not used, leased to and devoted to common-carrier purposes by the Erie, is found to be \$250,000. No working capital, including material and supplies, is found to be owned or used.

No other values or elements of value to which specific sums can now be ascribed are found to exist.

MOOSIC MOUNTAIN AND CARBONDALE

Capital stock.—The Moosic Mountain and Carbondale reports that it had outstanding, on date of valuation, \$150,000 par value of common stock.

Original cost to date.—The original cost to date of the common-carrier property of the Moosic Mountain and Carbondale can not be ascertained, as the necessary records are not obtainable. Such information respecting actual expenditures as can be ascertained is stated in Appendix 2.

Investment in road and equipment.—The investment of the Moosic Mountain and Carbondale in road, including land, no equipment being owned, on date of valuation, is stated as \$150,000 in a certified balance sheet statement prepared by the company's controller. This amount, which can not be analyzed, because no accounting records are obtainable, is equal to the par value of capital stock outstanding. It may include some or all of the cost of the noncarrier lands owned.

Cost of reproduction new and cost of reproduction less depreciation.—The cost of reproduction new and cost of reproduction less depre-

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ciation of all common-carrier property, other than land, owned but not used by the Moosic Mountain and Carbondale, leased to the Erie, including owned portions of joint minor facilities, are \$123,623 and \$102,140, respectively. These amounts, classified in conformity with the classification of expenditures for road and equipment as prescribed by us, are shown in Appendix 1. The Moosic Mountain and Carbondale uses no common-carrier property.

Cost of lands, rights of way, and terminals at time of dedication to public use, and their present value.—The Moosic Mountain and Carbondale owns but does not use 26.21 acres of lands which are leased to the Erie for common-carrier purposes. The original cost of these lands can not be ascertained, as the necessary records are not obtainable, but data thereon will be found in Appendix 2. Their present value is \$4,138.

The Moosic Mountain and Carbondale leases from private parties 8.89 acres of lands, present value \$4,334. These lands are subleased to and used for common-carrier purposes by the Erie, and are included as lands used but not owned in the report on that company.

Property held for purposes other than those of a common carrier.—The Moosic Mountain and Carbondale owns and holds for noncarrier purposes 2.04 acres of lands, located in Pennsylvania. The original cost of these lands can not be ascertained, as the necessary records are not obtainable, but data thereon will be found in Appendix 2. Their present value is \$1,672.

Aids, gifts, grants of rights of way, and donations.—Of the lands included in the preceding statements of lands owned by the Moosic Mountain and Carbondale, the areas listed below were acquired through aids, the title thereto having been conveyed to it by deeds reciting merely nominal considerations. We are not able to report the value of these lands at the time acquired.

Classification	Acres	Present value
Carrier lands, owned but not used.....	15.01	\$235
Noncarrier lands, owned.....	1.09	18

Material and supplies.—The Moosic Mountain and Carbondale has no material and supplies on hand on date of valuation.

Final value.—After careful consideration of all facts herein contained, including appreciation, depreciation, going-concern value, and all other matters which appear to have a bearing upon the value here reported, the value, for rate-making purposes, of the property of the Moosic Mountain and Carbondale, owned but not used, leased to and devoted to common-carrier purposes by the Erie, is found to be

\$109,000. No working capital, including material and supplies, is found to be owned or used.

No other values or elements of value to which specific sums can now be ascribed are found to exist.

NEWARK AND HUDSON

Capital stock and long-term debt.—The Newark and Hudson reports that it had outstanding, on date of valuation, \$250,000 par value of common stock, together with \$250,000 par value of matured but unpaid funded debt which is held by the Erie, the controlling company.

Original cost to date.—The original cost to date of the common-carrier property of the Newark and Hudson can not be ascertained, as the necessary records are not obtainable. The data obtained on the outlay for creating and improving the property may be summarized as \$372,093.72 recorded money outlay and \$65,400 par value of real-estate mortgages issued. We are not able to report the cash value at the time of the transaction of the real-estate mortgages, because it has been impossible to obtain the necessary information. The above outlays may include some or all of the cost of the noncarrier land owned. Further information will be found in Appendix 2.

Investment in road and equipment.—The investment of the Newark and Hudson in road, including land, no equipment being owned, on date of valuation, is stated as \$500,000 in a certified balance-sheet statement prepared by the company's comptroller. This amount, which can not be analyzed, because no accounting records are obtainable, is equal to the par value of securities outstanding. It may include some or all of the cost of the noncarrier lands owned.

Cost of reproduction new and cost of reproduction less depreciation.—The cost of reproduction new and cost of reproduction less depreciation of all common-carrier property other than land, owned but not used by the Newark and Hudson, leased to the Erie, including owned portions of joint minor facilities, are \$444,432 and \$361,825, respectively. These amounts, classified in conformity with the classification of expenditures for road and equipment as prescribed by us, are shown in Appendix 1. The Newark and Hudson uses no common-carrier property.

Cost of lands, rights of way, and terminals at time of dedication to public use, and their present value.—The Newark and Hudson owns but does not use 42.30 acres of lands which are leased to the Erie for common-carrier purposes. The original cost of these lands can not be ascertained, as the necessary records are not obtainable, but data thereon will be found in Appendix 2. Their present value is \$307,939.

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Corporate surplus:

Funded debt retired through income and surplus.....	\$6, 108. 61
Sinking-fund reserves.....	52. 10
Total.....	6, 160. 71
Profit and loss credit balance.....	4, 558. 19
Total.....	10, 718. 90
Grand total.....	332, 808. 48

MOOSIC MOUNTAIN AND CARBONDALE

INTRODUCTORY

The Moosic Mountain and Carbondale is a corporation of the State of Pennsylvania, having its principal office at Dunmore, Pa. No accounting records of the company were obtained. Therefore, no information can be given from its accounts regarding its financial dealings, corporate operations, or investments. However, certain data indicated hereinafter were obtained from a balance sheet statement as of date of valuation, certified by the comptroller of the company, filed with us, and from other sources.

The Moosic Mountain and Carbondale is controlled by the Erie through ownership of its entire outstanding capital stock. The records reviewed do not indicate that this company controls any common-carrier corporation.

The property of the Moosic Mountain and Carbondale was operated by the New York, Lake Erie and Western Railroad Company and its receivers from the date it was placed in operation, November 1, 1888, to December 1, 1895. From the latter date to December 31, 1917, it was operated by the Erie. The common-carrier property of the company was taken over for operation by the United States Railroad Administration on January 1, 1918, as part of the system of the Erie and it is so operated on date of valuation.

CORPORATE HISTORY

The Moosic Mountain and Carbondale was incorporated February 15, 1887, under the general laws of Pennsylvania to construct and operate a railroad from a point in or near Carbondale to a point between the Marshwood Colliery and Scranton, all in Lackawanna County, Pa. The date of its organization was August 12, 1887.

DEVELOPMENT OF FIXED PHYSICAL PROPERTY

The owned mileage of the Moosic Mountain and Carbondale, 4.503 miles, was all acquired by construction. Construction work was begun in 1887 and the railroad was completed and opened for operation on November 1, 1888. The records reviewed do not indicate whether this property was constructed under contract or by company forces. There is a difference of 0.124 mile between the mileage recorded by this company, 4,627 miles, and the mileage, 4,503 miles, inventoried as of date of valuation.

HISTORY OF CORPORATE FINANCING

Syndicating, banking, and other financial arrangements.—The financial arrangements of the Moosic Mountain and Carbondale have included an agreement, dated August 16, 1887, between the company, the New York, Lake Erie and
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Western Railroad Company and the Moosic Mountain Coal Company, which provided that on the completion of the railroad of the Moosic Mountain and Carbondale, the New York, Lake Erie and Western Railroad Company would refund to it the cost of the construction thereof, payment to be based on an amount equal to 50 per cent of the freight and tolls charged the Moosic Mountain Coal Company. The agreement further provided that after final payment by the New York, Lake Erie and Western Railroad Company, the Moosic Mountain and Carbondale would issue to that company all of its capital stock. The records reviewed indicate that under this agreement the company issued to the New York, Lake Erie and Western Railroad Company \$150,000 par value of its capital stock, all of which is actually outstanding and comprises all of the capital obligations issued by it.

INVESTMENT IN ROAD AND EQUIPMENT

The investment of the Moosic Mountain and Carbondale in road, including land, no equipment being owned, on date of valuation is stated in its certified balance sheet statement as \$150,000. A general analysis of this amount can not be given, for the reason that no accounting records were obtained. This amount is equal to the par value of capital stock of the company outstanding. The above amount may include some or all of the undetermined costs of certain lands classified herein as noncarrier. The certified balance sheet statement of the company does not show that any amounts have been charged to the miscellaneous physical property account that represent these noncarrier lands. The cost of these lands reported by the Moosic Mountain and Carbondale, but not supported in the accounts, is stated in the following chapter.

ORIGINAL COST TO DATE

The original cost to date of the road, including land, there being no equipment, owned by the Moosic Mountain and Carbondale and used for common-carrier purposes has not been definitely ascertained, owing to the absence of accounting records.

A statement prepared by the company at the time of the New York, Lake Erie and Western Railroad Company's final settlement with the Moosic Mountain and Carbondale, as previously explained, stated the total cost of constructing its property, to be as follows:

Engineering.....	\$5, 553. 47
Real estate.....	3, 946. 32
Grading.....	44, 962. 12
Bridges, trestles, and culverts.....	38, 733. 55
Ties.....	6, 910. 73
Rails.....	14, 069. 59
Tracklaying.....	9, 736. 67
Masonry.....	14, 554. 85
Organization expenses.....	4, 225. 13
Law.....	4, 157. 92
Interest during construction.....	4, 054. 37
Total.....	150, 904. 72

This amount may include some or all of the undetermined cost of certain lands classified herein as noncarrier. The certified balance sheet statement of the company does not show that any amounts have been charged to the miscellaneous

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physical property account that represent these noncarrier lands. The costs of these lands reported by the Moosic Mountain and Carbondale, but not supported in the accounts, are stated in the section of this chapter that is devoted to cost of lands.

Cost of lands.—The Moosic Mountain and Carbondale reports amounts aggregating \$3,578.70 as the outlays by itself in connection with lands owned by it, including noncarrier lands, and that the proceeds from the sale of parts of parcels of such lands aggregate \$400. A verification of the amounts indicates that the reported outlays should be reduced by \$5, due to costs reported for lands title to which is vested in the Erie and Wyoming Valley Railroad Company.

The returns include certain lands classified as carrier and certain lands classified as partly carrier and partly noncarrier for which merely nominal deed considerations are reported, certain lands for which there is no reference to evidence of title, certain lands for which the agreements to convey are the only evidence of title, certain lands leased for which no costs are reported, and a certain right in private lands for which no costs are reported.

The amounts reported as costs incurred for the remaining lands owned, after making the change noted, are made up of substantial considerations named in deeds, which were returned as costs, but not supported by accounting records. These amounts and the proceeds from parts of parcels sold, both classified according to the classification herein of the lands to which they apply, are summarized as follows:

Classification	Amounts not supported by accounting records
Lands classified as carrier:	
Owned but leased to the Erie. (Includes \$750 not separable as to lands classified as carrier and lands classified as noncarrier).....	\$3, 373. 70
Less any portions, not definitely determinable, that are assignable to parts of parcels sold for proceeds of.....	400. 00
Lands classified as noncarrier:	
Owned (see remarks under carrier land).....	200. 00

Cost of machinery and equipment.—The Moosic Mountain and Carbondale reports that it owns certain shop machinery, with estimated costs of \$219.96, which is leased to the Erie. It also reports that it does not own any equipment or roadway machines and none have been inventoried to it.

MISCELLANEOUS PHYSICAL PROPERTY

The certified balance sheet statement of the Moosic Mountain and Carbondale does not show as such any investments in miscellaneous physical property. However, certain parcels of land owned by the Moosic Mountain and Carbondale have been classified herein as noncarrier. A summary of the costs reported by the Moosic Mountain and Carbondale, with revisions made as previously explained, is stated in the chapter on original cost to date. The portion of such costs that would be includible in the miscellaneous physical property account has not been indicated by the records reviewed.

AIDS, GIFTS, GRANTS, AND DONATIONS

The Moosic Mountain and Carbondale reports that it has not received any aids, gifts, grants, or donations. An examination of the records does not indicate that any were received. The report of the Moosic Mountain and Carbondale upon the cost of its lands shows that certain parcels were acquired by it through

deeds that recite merely nominal consideration. Since the records do not indicate that any actual payment was made in the acquisition of these parcels, they have been herein designated as apparent aids.

LEASED RAILWAY PROPERTY

The common-carrier property of the Moosic Mountain and Carbondale is operated on date of valuation by the United States Railroad Administration as part of the system of the Erie. Details with respect to the operation of this property are given in the chapter on leased railway property in the report on the Erie.

GENERAL BALANCE SHEET STATEMENT

The general balance sheet statement of the Moosic Mountain and Carbondale, as of date of valuation, certified by the comptroller of the company, follows:

Assets:

Investments—

Investment in road and equipment..... \$150, 000

Liabilities:

Stock—

Capital stock..... 150, 000

NEWARK AND HUDSON

INTRODUCTORY

The Newark and Hudson is a corporation of the State of New Jersey, having its principal office at Jersey City, N. J. No accounting records of the company were obtained. Therefore, no information can be given from its accounts regarding its financial dealings, corporate operations, or investments. However, certain data indicated hereinafter were obtained from a balance sheet statement as of date of valuation, certified by the comptroller of the company, filed with us, and from other sources.

The Newark and Hudson is controlled by the Erie through ownership of its entire outstanding capital stock. The records reviewed do not indicate that this company controls any common-carrier corporation.

The property of the Newark and Hudson was operated by the Erie Railway Company and its receivers from the date it was placed in operation, about 1872, to June 1, 1878. From that date to December 1, 1895, the property was operated by the New York, Lake Erie and Western Railroad Company and its receivers, and from the latter date to December 31, 1917, it was operated by the Erie. The common-carrier property of this company was taken over for operation by the United States Railroad Administration on January 1, 1918, as part of the system of the Erie, and it is so operated on date of valuation.

CORPORATE HISTORY

The Newark and Hudson was incorporated March 17, 1870, under special act of the Legislature of New Jersey to construct and operate a railroad from Newark to a point in Hudson County, N. J. The date of its organization was February 25, 1871.

DEVELOPMENT OF FIXED PHYSICAL PROPERTY

The owned mileage of the Newark and Hudson, 3.759 miles, was all acquired by construction. The years when the various portions of the line were constructed are indicated in the following statement:

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