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G GALVESTON HOUSTON &
HENDERSON R.R., CO.

1978

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Class III Railroads
Approved by GAO
B-180230 (R0583)
Expires 12-31-81

annual report

INTERSTATE
COMMERCE COMMISSION
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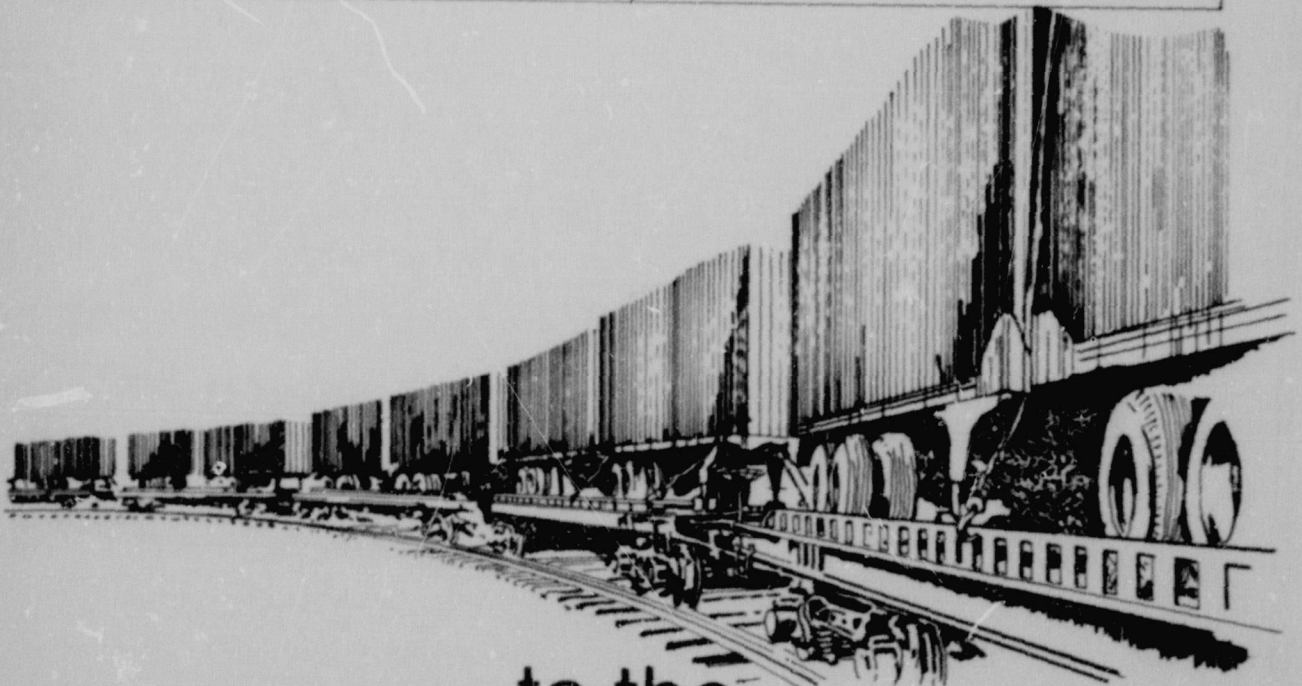
JUN 7 1979

ADMINISTRATIVE SERVICES
MAIL UNIT

RC002305 GALVESTH0US 3 0 3 533000
GHH GALVESTON HOUSTON & HENDERSON R.R.
210 N 13TH ST.
ST. LOUIS MO 63103

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, 1978

TABLE OF CONTENTS

	Schedule No.	Page
Schedules Omitted by Respondents.....	A	1
Identity of Respondent.....	101	2
Stockholders.....	107	3
Comparative Statement of Financial Position.....	200	4
Results of Operations.....	210	7
Road and Equipment Property.....	330	11
Important Changes During the Year.....	705	13
Inventory Equipment.....	710	14
Tracks.....	720	16

A. SCHEDULES OMITTED BY RESPONDENT

1. The respondent, at it's option, may omit pages from this report provided there is nothing to report or the schedules are not applicable.
2. Show below the pages excluded and indicate the schedule number and title in this space provided below.
3. If no schedules were omitted indicate "NONE".

Page	Schedule No.	Title
	None	

101. IDENTITY OF RESPONDENT

1. Give the exact name* by which the respondent was known in law at the close of the year
CALVESTON, HOUSTON & HENDERSON RAILROAD CO.
2. State whether or not the respondent made an annual report to the Interstate Commerce Commission for the preceding year, or for any part thereof. If so, in what name was such report made? CALVESTON, HOUSTON & HENDERSON RAILROAD CO.
3. If any change was made in the name of the respondent during the year, state all such changes and the dates on which they were made
None
4. Give the location (including street and number) of the main business office of the respondent at the close of the year
325 - 33rd Street, Galveston, Texas 77553
5. Give the titles, names, and office addresses of all general officers of the respondent at the close of the year. If there are receivers 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.	Title of general officer (a)	Name and office address of person holding office at close of year (b)
1	President	William H. Zeidel Galveston, Texas
2	Vice president	
3	Secretary	William H. Zeidel Galveston, Texas
4	Treasurer	William H. Zeidel Galveston, Texas
5	Comptroller auditor	E. F. Becktame St. Louis, Missouri
6	Attorney or general counsel	
7	General Yardmaster & Agent	John Radovich Galveston, Texas
8	General superintendent	
9	General freight agent	
10	General passenger agent	
11	General land agent	
12	Chief engineer	
13	Asst. Treasurer	C. J. Maurer St. Louis, Missouri

6. Give the names and office addresses of the several directors of the respondent at the close of the year, and the dates of expiration of their respective terms.

Line No.	Name of director (a)	Office address (b)	Term expires (c)
14	G. A. Craig	Houston, Texas	April 3, 1979
15	G. T. Graham	Houston, Texas	"
16	T. G. Todd	Denison, Texas	"
17	L. P. Vinet	Houston, Texas	"
18	R. N. Whitman	Dallas, Texas	"
19	W. H. Zeidel	Galveston, Texas	"
20	K. R. Ziebarth	Dallas, Texas	"
21			
22			
23			

7. Give the date of incorporation of the respondent Feb. 7, 1853, extended 50 yrs. Feb. 3, 1943 8. State the character of motive power used Diesel-Electric
9. Class of switching and terminal company Not Applicable

10. Under the laws of what Government, State, or Territory was the respondent organized? If more than one, name all. Give reference to each statute and all amendments thereof, enacted during the year. If previously effected, show the year(s) of the report(s) setting forth details. If in bankruptcy, give court of jurisdiction and dates of beginning of receivership or trusteeship and of appointment of receivers or trustees

State of Texas, Feb. 7, 1853

11. State whether or not any corporation or association or group of corporations had, at the close of the year, the right to name the major part of the board of directors, managers, or trustees of the respondent; and if so, give the names of all such corporations and state whether such right was derived through (a) title to capital stock or other securities issued or assumed by the respondent, (b) claims for advances of funds made for the construction of the road and equipment of the respondent, or (c) express agreement or some other source Mo. Pac. R.R. Co. -

50% Capital Stock; Missouri-Kansas-Texas Railroad Co. - 50% Capital Stock

12. Give hereunder a history of the respondent from its inception to date, showing all consolidations, mergers, reorganizations, etc., and if a consolidated or merging corporation give like particulars for all constituent and subconstituent corporations. Describe also the course of construction of the road of the respondent, and its financing No change

*Use the initial word the when (and only when) it is a part of the name, and distinguish between the words railroad and railway and between company and corporation.

107. STOCKHOLDERS

Give the names of the 30 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within 1 year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each his address, the number of votes which he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, with respect to securities held by him, such securities being classified as common stock, second preferred stock, first preferred stock, and other securities, stating in a footnote the names of such other securities (if any). If any such holder held in trust, give (in a footnote) the particulars of the trust. In the case of voting trust agreements give, as supplemental information in schedule No. 70S, the names and addresses of the 30 largest holders of the voting trust certificates and the amount of their individual holdings. If the stock book was not closed or the list of stockholders compiled within such year, show such 30 security holders as of the close of the year.

Line No.	Name of security holder	Address of security holder	NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED				
			Number of votes to which security holder was entitled	Stocks			Other securities with voting power
				Common	Preferred		
					Second	First	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Manufacturers Hanover						
2	Trust Company successor						
3	by merger to The Hanover						
4	Bank, Trustee	New York, N.Y.	2,505	2,505	None	None	None
5	Missouri-Kansas-Texas						
6	Railroad Co.	Dallas, Tex.	2,477	2,477	"	"	"
7	Missouri Pacific						
8	Railroad Co.	St. Louis, Mo.	4,994	4,994	"	"	"
9	William H. Zeidel	Galveston, Tex.	6	6	"	"	"
10	T. G. Todd	Denison, Tex.	5	5	"	"	"
11	R. N. Whitman	Dallas, Tex.	5	5	"	"	"
12	K. R. Ziebarth	Dallas, Tex.	5	5	"	"	"
13	G. A. Craig	Houston, Tex.	1	1	"	"	"
14	G. T. Graham	Houston, Tex.	1	1	"	"	"
15	L. P. Vinet	Houston, Tex.	1	1	"	"	"
16							
17							
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Footnotes and Remarks

Manufacturers Hanover Trust Company successor by merger to The Hanover Bank, Trustee, holds stock in trust for H. C. Rouse.

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.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS

Line No.	Item (a)	Respondent Only	
		Balance at Close of Year (b)	Balance at Beginning of Year (c)
	CURRENT ASSETS	\$	\$
1	Cash	(412,000) (419)	63
2	Temporary Cash Investments	957,000	
3	Special Deposits		
4	Accounts Receivable	712,000	420
5	Less: Allowance for Uncollectible Accounts		
6	Accumulated Deferred Income Tax Charges	618,000	235
7	Other Current Assets		
8	Total Current Assets	1,868,000	718
	OTHER ASSETS		
9	Special Funds		
10	Other Investments and Advances - (Less Allowances and adjustments \$)		
11	Other Assets (Less Depreciation and Amortization \$)	1,432,000	1,380
12	Other Deferred Debits		
13	Total Other Assets	1,432,000	1,380
	ROAD AND EQUIPMENT		
14	Road and Equipment Property and Improvements on Leased Property	4,930,000	4,636
15	Less: Accumulated Depreciation and Amortization	(97,000) (970)	(928)
16	Net Road and Equipment	3,960,000	3,708
17	Total Assets	7,260,000	5,806
	CURRENT LIABILITIES		
18	Loans and Notes Payable		
19	Accounts Payable	640,000	134
20	Interest and Dividends Payable		
21	Federal Income Taxes Accrued	370,000	(7)
22	Other Taxes Accrued	208,000	158
23	Other Current Liabilities		
24	Equipment Obligations and Other long-term Debt Due Within One Year		
25	Total Current Liabilities	1,218,000	285
	NON CURRENT LIABILITIES		
26	Funded Debt Unmatured		
27	Equipment Obligations		
28	Capitalized Lease Obligations		
29	Accumulated Deferred Income Tax Credits		
30	Other Long-term Liabilities and Deferred Credits	2,871,000	2,525
31	Total Non current Liabilities	2,871,000	2,525
	SHAREHOLDERS' EQUITY		
	Capital Stock:		
32	Common Stock	1,000,000	1,000
33	Preferred Stock		
34	Discount on Capital Stock		
35	Additional Capital		

20c. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY—Continued

Line No.	Item (a)	Respondent Only	
		Balance at Close of Year (b)	Balance at Beginning of Year (c)
	SHAREHOLDERS' EQUITY—Continued	\$	\$
	Retained Earnings:		
36	Appropriated	2,171,000	1,996
37	Unappropriated		
38	Net unrealized Loss on Noncurrent Marketable Equity Securities		
39	Less: Treasury Stock	3,171,000	2,996
40	Net Shareholders' Equity	7,260,000	5,806
41	Total Liabilities and Shareholders' Equity		

6

- (c) Is any part of pension plan funded? Specify Yes No

- Date of trust agreement or latest amendment

- (c)(i) Is any part of the pension plan fund invested in stock or other securities of the respondent or any of its affiliates? Specify:

- If yes, give number of the shares for each class of stock or other security:

4. State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C.

4. State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610). YES NO X

210. RESULTS OF OPERATIONS**INSTRUCTIONS**

1. Disclose the requested information for the respondent pertaining to the results of operations for the year.
2. List dividends from investments accounted for under the cost method on the appropriate line, under subsection "Other Income." List dividends accounted for under the equity method on the appropriate line under the "Income from Affiliated Companies" subsection of this schedule.
3. All contra entries hereunder should be indicated in parenthesis.

210. RESULTS OF OPERATIONS

Line No.	Item (a)	Amount for Current Year (b)
	ORDINARY ITEMS	\$
	OPERATING INCOME	
	Railway Operating Income	
1	Freight	
2	Passenger	
3	Other	
4	Total Railway Operating Revenues	
5	Railway Operating Expenses	1,614,000
6	Net Revenue from Railway Operations	(1,614,000) (1,614)
	OTHER INCOME	
7	Dividend income	
8	Interest income	115,000
9	Other income; Other	2,097,000
	Income from affiliated companies:	
10	Dividends	
11	Equity in undistributed earnings (losses)	
12	Total other income (Lines 7-11)	2,212,000
13	Total income (Lines 6, 12)	598,000
	OTHER DEDUCTIONS	
14	Miscellaneous deductions from income	34,000
15	Fixed charges	
	UNUSUAL OR INFREQUENT ITEMS	
16	Unusual or infrequent items (debit) credit	
17	Income (loss) from continuing operations (before income taxes) (Line 13 less Lines 14-16)	564,000
	PROVISIONS FOR INCOME TAXES	
	Income taxes on ordinary income:	
18	Federal income taxes	389,000
19	State income taxes	
20	Other income taxes	
21	Provisions for deferring income taxes	
22	Income before extraordinary items (Line 17 less Lines 18-22)	175,000
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES	
23	Extraordinary items (net)	
24	Income taxes on extraordinary items	
25	Provisions for deferred taxes - Extraordinary items	
26	Total extraordinary items (Lines 23-25)	
27	Cumulative effect of changes in accounting principles	
28	(Less applicable income taxes of \$	
29	Net income	175,000

210. RESULTS OF OPERATIONS—Continued

Line No.	Item (a)	Amount for Current Year (b)
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)		
30	Net revenues from railway operations	(1,614,000) (1,614)
31	Income taxes on ordinary income	389,000 (389)
32	Provisions for deferred income taxes	
33	Income from Lease of Road and Equipment	
34	Rent for leased Roads and Equipment	(2,003,000) (2,003)
35	Net Railway Operating Income	
	Ten-miles, Revenue Freight (in thousands)	Not Applicable



330. ROAD AND EQUIPMENT PROPERTY

1. Give particulars of changes during the year in Road and Equipment property, and Improvements on leased property.
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. Both the debit and credit involved in each transfer, adjustment, or clearance, between road and equipment accounts, should be included in columns (c) and (d), as may be appropriate, depending on the nature of the item. Adjustments in excess of \$100,000 should be explained.
3. Report on line 35 amounts not includable in the primary road accounts. The items reported should be briefly identified and explained in a footnote on page 10.

Line No.	ITEM (a)	Balance at beginning of year (b)	Gross charges during year (c)	Credits for property retired during year (d)	Balance at close of year (e)	Accrued depreciation at close of year (f)
1 (1)	Engineering	91			91	21
2 (2)	Land for transportation purposes	250	(4)		246	
3 (2 1/2)	Other right-of-way expenditures	7			7	6
4 (3)	Grading	345			345	11
5 (5)	Tunnels and subways					
6 (6)	Bridges, trestles, and culverts	977	13		990	516
7 (7)	Elevated structures					
8 (8)	Ties	254	2		256	
9 (9)	Rails	539	161		700	
10 (10)	Other track material	390	59	1	448	
11 (11)	Ballast	336	27		363	
12 (12)	Track laying and surfacing	259	6		265	
13 (13)	Fences, snowsheds, and signs	6			6	6
14 (16)	Station and office buildings	181			181	67
15 (17)	Roadway buildings	6		1	5	(7)
16 (18)	Water stations					
17 (19)	Fuel stations	6			6	4
18 (20)	Shops and enginehouses	85			85	29
19 (21)	Grain elevators					
20 (22)	Storage warehouses					
21 (23)	Wharves and docks					
22 (24)	Coal and ore wharves					
23 (25)	TOFC/COFC terminals	3			3	1
24 (26)	Communication systems	7			7	1
25 (27)	Signals and interlockers	259	9		268	171
26 (29)	Power plants					
27 (31)	Power-transmission systems	2			2	2
28 (35)	Miscellaneous structures					
29 (37)	Roadway machines	83	3		86	45
30 (38)	Roadway small tools					
31 (39)	Public improvements - Construction	149	12		161	63
32 (43)	Other expenditures - Road					
33 (44)	Shop machinery	10			10	(2)
34 (45)	Power-plant machinery					
35	Other (specify and explain) Amort.					2
36	Total Expenditures for Road	4,245	288	2	4,531	936
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	54	25	12	67	31
44	Total Expenditures for Equipment	54	25	12	67	31

330. ROAD AND EQUIPMENT PROPERTY—Continued

Line No.	ITEM (a)	Balance at beginning of year (b)	Gross charges during year (c)	Credits for property retired during year (d)	Balance at close of year (e)	Accrued depreciation at close of year (f)
45 (71)	Organization expenses	4	(4)			
46 (76)	Interest during construction	135			135	
47 (77)	Other expenditures - General	39			39	
48	Total General Expenditures	178	(4)		174	
49	Total	4,477	309	14	4,772	967
50 (80)	Other elements of investments					
51 (90)	Construction work in progress					
52	Grand Total	4,477	309	14	4,772 *	967 #

* Schedule 200 Line 14 Col.(b) includes \$158 Property Other Than Carrier Operations.

Schedule 200 Line 15 Col.(b) includes \$3 Accum.Depr. Property Other Than Carrier Operations.

705. IMPORTANT CHANGES DURING THE YEAR

Hereunder state the following matters, numbering the statements in accordance with the inquiries, and if no changes of the character below indicated occurred during the year, state that fact. Changes in mileage should be stated to the nearest hundredth of a mile. If any changes reportable in this schedule occurred under authority granted by the Commission in certificates of convenience and necessity, issued under paragraphs (18) to (22) of section 1 of the Interstate Commerce Act or otherwise, specific reference to such authority should in each case be made by docket number or otherwise, as may be appropriate.

1. All portions of road put in operation or abandoned, giving (a) termini, (b) length of road, and (c) dates of beginning operations or of abandonment.*
2. All other important physical changes, including herein all new tracks built.^b
3. All leaseholds acquired or surrendered, giving (a) dates, (b) length of terms, (c) names of parties, (d) rents, and (e) other conditions.
4. All agreements for trackage rights acquired or surrendered, giving (a) dates, (b) length of terms, (c) names of parties, (d) rents, and (e) other conditions.
5. All consolidations, mergers, and reorganizations effected, giving particulars.
6. All stocks issued, giving (a) purposes for which issued, (b) names of stocks, and (c) amounts issued, and describing (d) the actual consideration realized, giving (e) amounts and (f) values; give similar information concerning all stocks retired (if any).
7. All funded debt issued, giving (a) purposes for which issued, (b) names of securities and (c) amounts issued, and describing (d) the actual consideration realized, giving (e) amounts and (f) values; also give particulars concerning any funded debt paid or otherwise retired, stating (a) date acquired, (b) date retired or canceled, (c) par value of amount retired.
8. All other important financial changes.
9. All changes in and all additions to franchise rights, describing fully (a) the actual consideration given therefor, and stating (b) the parties from whom acquired; if no consideration was given, state that fact.
10. In case the respondent has not yet begun operation, and no construction has been carried on during the year, state fully the reasons therefor.
11. All additional matters of fact (not elsewhere provided for) which the respondent may desire to include in its report.

None

*If returns under items 1 and 2 include any first main track owned by respondent representing new construction or permanent abandonment give the following particulars:

Miles of road constructed

Miles of road abandoned

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.

720. TRACKS

- (1) Show, by State, total mileage of tracks owned and operated by respondent Texas, 101
- (2) Show, by State, mileage of tracks owned but not operated by respondent: First main track, None
 second and additional main tracks, None; industrial tracks, None
 yard track and sidings, None; total, all tracks, None (t)
- (3) Road is completed from (Line Haul Railways only)* Houston, Tex. to Galveston, Tex. Total distance, 48 miles.
- (4) Road located at (Switching and Terminal Companies only)* Not Applicable
- (5) Gage of track 4 ft. 8 1/2 in.
- (6) Weight of rail 85 to 115 lb. per yard.
- (7) Kind and number per mile of crossties treated 2,822
- (8) State number of miles electrified: First main track, None; second and additional main tracks, None
 passing tracks, cross-overs, and turn-outs, None; way switching tracks, None yard switching tracks, None
- (9) Ties applied in replacement during year: Number of crossties, 12,234; average cost per tie, \$ 13.48; number of feet (B.M.) of switch and bridge ties, 6,266 average cost per M. feet (B.M.), \$ 358.62
- (10) Rail applied in replacement during year: Tons (2,000 pounds), 432; Weight per ~~year~~ 85-90-115 yd; average cost per ton, \$ 48.77

*Insert names of places.

(t) Mileage should be stated to the nearest whole mile.

VERIFICATION

The foregoing report must be verified by the oath of the officer having control of the accounting of the respondent. It should be verified, also by the oath of the president or other chief officer of the respondent, unless the respondent states on the last preceding page of this report that such chief officer has no control over the accounting of the respondent. 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.

OATH

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

State of Missouri

City St. Louis ss:

County of E. F. Becktame

makes oath and says that he is Auditor

(Insert here the name of the affiant)

(Insert here the official title of the affiant)

of GALVESTON, HOUSTON & HENDERSON RAILROAD COMPANY

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

that it is his duty to have supervision over the books of account of the respondent 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 respondent during the period

of time from and including January 1 1978, to and including December 31 1978

E. F. Becktame

(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and

city ST. LOUIS above named, this 5TH day of JUNE 1979

My commission expires May 19, 1981

Commissioned within and for the County of St. Louis,
Missouri, which adjoins the City of St. Louis,
Missouri, where this act was performed.

A. L. Riccio

(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

State of _____ The President has jurisdiction over the
County of _____ Auditor but gives no instructions as to
methods of accounting.

_____ 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 title or name of the respondent)

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

the period of time from and including _____ 19, to and including _____ 19

(Signature of affiant)

Subscribed and sworn to before me, a _____ in and for the State and

county above named, this _____ day of _____ 19

My commission expires _____

(Signature of officer authorized to administer oaths)