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NORTHERN RAILROAD.

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RAILROAD LESSOR

annual report

INTERSTATE
COMMERCE COMMISSION
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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.)



FOR THE YEAR ENDED DECEMBER 31, 1978

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.

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

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

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

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

Northern Railroad

(FULL NAME OF THE RESPONDENT)

TO THE

INTERSTATE COMMERCE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1978

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

(Name) W. N. D. Reid (Title) Asst. Treasurer

(Telephone number) 617 227-6000
(Area code) (Telephone number)

(Office address) 150 Causeway Street, Boston, Mass. 02114
(Street and number, City, State, and ZIP code)

SPECIAL NOTICE

The attention of the respondent is directed below to certain particulars, if any, in which this report form differs from the corresponding form for the preceding year. It should be understood that mention is not made of necessary substitutions of dates or, in general, such other things as simple modifications intended to make requirements clearer, other minor adjustments, and typographical corrections.

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

Revisions to this report resulted from the following Commission's decisions copies of which were served on all railroads:

Docket	Title	Decision Date
		6/13/77
36367	Revision to the Uniform System of Accounts for Railroads	
		6/30/78
36767	Accounting for Certain Government Transfer By Railroads and Motor Carriers of Passengers	

ESTIMATE OF REPORTING BURDEN

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

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

Total hours (Estimated) _____

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MINUTES OF
ANNUAL MEETING
OF THE
STOCKHOLDERS
OF
NORTHERN RAILROAD

The One Hundred Twenty-Ninth Annual Meeting of the Stockholders of Northern Railroad was reconvened on Friday, April 7, 1978, at eleven o'clock in the forenoon at the Brick Tower Motel and Restaurant, 414 South Main Street, Concord, New Hampshire, pursuant to a Notice of Annual Meeting dated February 21, 1978 mailed to all Stockholders of record.

The President, Henry C. Waldo, presided, assisted by Robert B. Field, Jr., of Nashua, New Hampshire, corporate counsel. Chester H. Lopez, Jr., Clerk, was directed to keep a record of the meeting. Mr. Field presented an Affidavit of Mailing. Mr. Waldo stated that the Notice and Affidavit were available for inspection by the Stockholders at any time during the course of the meeting and directed the Clerk to file them with the records of the meeting. Mr. Field also stated that the Stockholders List was available for inspection by any Stockholder both at or immediately following this meeting and at the office of the corporation at 11 Concord Street, Nashua, New Hampshire, during normal business hours. Twenty-Six Thousand Four Hundred Seventy-Eight (26,478) shares, constituting a quorum, were either represented in person or by proxy and were voting throughout. Thirty Thousand Six Hundred Eighty-Four (30,684) shares are issued and outstanding.

No objection having been expressed by any shareholder, the President permitted Messrs. Richard Morgan, Warren B. Rudman and Gordon H. Fay to attend the meeting. All of the Directors, with the exception of Ralph C.

Ordway, were in attendance throughout.

Mr. Waldo welcomed all of the Stockholders present, introduced the Directors, asked the Clerk to identify the shares represented, and then requested Counsel to proceed to the conduct of the meeting.

Mr. Field then asked the Clerk to present the Minutes of the last Stockholders Meeting. On motion duly made by Mr. Weinberg, Proxy Holder of the Boston and Maine Corporation, Debtor, Trustee, and seconded by Mr. Lacy, it was unanimously

VOTED: To dispense with the reading of the Minutes of both the adjourned Annual Meeting of the Stockholders held on April 4, 1977, as mailed to the shareholders, and the recessed meeting held April 3, 1978, and to approve such Minutes and incorporate them in the records of the corporation.

Further, it was determined to be the sense of the Stockholders to once again mail to all Stockholders a copy of the Minutes of this meeting, said Minutes to serve as the Annual Report of the President of the corporation.

Mr. Waldo then stated that nominations were now in order for Directors to serve for the ensuing year and until their successors are duly qualified and elected. Mr. Field stated that the By-Laws permitted from five (5) to nine (9) Directors, five (5) of whom must be residents of the State of New Hampshire and five (5) of whom must be present for a quorum. Henry C. Waldo, a Stockholder, nominated the following slate of six (6) Directors:

Henry C. Waldo of Lincoln, New Hampshire;

Ralph C. Ordway of Nashua, New Hampshire;

Philip S. Dunlap of Hopkinton, New Hampshire;

Chester H. Lopez, Jr. of Nashua, New Hampshire;

Lane Dwinell of Lebanon, New Hampshire; and
Sidney Weinberg of Brookline, Massachusetts.

The slate of nominations was seconded by Mr. Lacy. The President then asked if there were further nominations. Mr. Weinberg moved to amend the slate of nominations by adding the name of Warren B. Rudman of 41 Indian Rock Road, Nashua, New Hampshire, as a seventh (7th) Director. The motion was seconded by Mr. Lacy. After discussion, it was unanimously

VOTED: To amend the slate of Directors by adding a seventh (7th) name, to wit: Warren B. Rudman of Nashua, New Hampshire.

Mr. David M. Kruschwitz, a shareholder, then moved to amend the slate of nominations by adding the name of David M. Kruschwitz of Sutton, New Hampshire, as an eighth (8th) Director. The motion was seconded by Mr. Potratz. After discussion, the motion was put to a vote and it failed to carry.

Mr. Waldo then observed that there were no further nominations, ordered the nominations closed, and called for a vote.

Mr. Lopez recorded the vote and reported that Twenty-Five Thousand Six Hundred Seven (25,607) votes were duly cast for the slate of seven (7) Directors as nominated, and accordingly the slate was duly elected for the ensuing year and until their successors are duly qualified and elected. Mr. Potratz wished to have recorded that, as both a shareholder and proxy holder, he was voting Eight Hundred Seventy-One (871) shares against the election of the slate of Directors nominated. When asked by Mr. Weinberg to identify the negative votes represented by proxy, Mr. Potratz declined.

Mr. Field then reported on the affairs of the corporation and significant

events affecting the corporation which occurred during the past year.

- (1) New Hampshire House Bill #684 - The New Hampshire legislature in its 1977 Session passed emergency legislation to protect a New Hampshire corporation from the threat of an unfriendly "take-over." The passage, signing and effective date were all March 25, 1977. This law affected the Tender Offer for Northern shares proposed by the Boston and Maine Corporation, Debtor, for the period March 29, 1977 to April 28, 1977. The Trustees of Debtor retained New Hampshire counsel to petition the Insurance Commissioner - the official having jurisdiction over New Hampshire securities laws - to find that the instant Tender Offer was not comprehended and therefore exempt from the application of the statute. Because there was no effective change in control of the Northern - increase of 69.9% to 80%[±] - the Commissioner granted the waiver exemption on April 26, 1977 pursuant to RSA 421-A:2VI(a)(4). This action removed a potential obstacle and the Tender Offer was successfully completed. The Offer was also effective insofar as the number of shareholders was reduced below 300, thus relieving the Northern of expensive filing requirements with the Securities and Exchange Commission.
- (2) State and Local Taxes - The Trustees of Debtor filed a Petition for Order No. 382 with the Reorganization Court requesting permission to compromise tax claims. As counsel, we were concerned that a misunderstanding may have existed with regard

to the underlying tax obligation of the Northern, and the responsibility for payment which rested with the Debtor as Lessee. The issue was clarified in correspondence with Trustee Lacy and the corporate file now contains evidence reporting that the Debtor has properly recorded this tax debt on its books.

- (3) Negotiation of Lease Rentals - One of the representations made by the Debtor in the text of the Tender Offer was that a successful bid would permit the Debtor to file a consolidated Federal Income Tax return and thereby offset any rent income earned by the Northern Railroad. As soon as it became apparent that the Trustees were successful in their bid, the Directors undertook an inspection of the property of the Northern on May 23, 1977. All of the Directors and counsel accompanied by a Trainmaster of the Boston and Maine traveled the right of way from Concord to West Lebanon. While substantial deterioration in several sections and yard areas was observed, the Directors are nevertheless pleased to report that much of the line appears to be in good shape and the strategic importance of this route through central New Hampshire was apparent. Following this inspection, the pace of negotiations and discussions with the Trustees increased. A brief outline of the sequence of events follows:
- (a) Correspondence from counsel to Trustees requesting the submission of a negotiated Lease proposal;

- (b) Request of Trustees to meet with representatives of the Northern;
- (c) October 19, 1977 - Meeting of Executive Committee of Northern with Trustee Lacy and President Dustin of Boston and Maine Corporation, Debtor. Articulation of issues of controversy:
 - (1) Pre-Bankruptcy claims;
 - (2) Post-Bankruptcy claims - "use and occupancy";
 - (3) Termination claims;
 - (4) Future rentals - negotiated lease.Receipt of Trustees' proposal.
- (d) October 26, 1977 - Report of findings to full Board - Agreement of Board to retain consultant - All Directors in attendance.
- (e) Executive Committee investigation of consultants. Search Boston and New York. Recommendation: Fay Associates of Lexington, Massachusetts.
- (f) December 23, 1977 - Meeting of Board to authorize retention of Fay Associates; direct counsel to request meeting with Boston and Maine, Trustee and officers.
- (g) January 5, 1978 - Meeting in Boston - Report of preliminary findings of Consultant - Rejection of Trustees' proposal - Disclosure of potential magnitude of termination claim.

- (h) January 6, 1978 - Filing of documents with Reorganization Court to advise creditors of Boston and Maine of potential claim of Northern in excess of \$35,000,000 upon termination of the lease. While the amount of the claim seems relatively certain, its priority of payment is questionable. If the claim is determined to be that of an unsecured general creditor, the value of same to the stockholders will probably be no more than the net salvage value of the equipment and rail in place.
- (4) Litigation - In late 1977 the Trustees of the Boston and Maine filed one of two documents with the Reorganization Court that caused particular concern to the Northern. Those documents are (a) Petition for Order 398 - Classification of Claims and Priorities, and (b) Petition for Order 372 - Authority to Make Tender Offer for First Mortgage Bonds. Item (a) is of concern due to the fact that the unique status of unfirmed Lease Agreements for rail properties and right-of-ways was recognized only as a claim of a general creditor. Item (b) causes concern in that great amounts of moneys of the Debtor would be spent to redeem Bonds which arguably may be subject to a priority claim of a Lessor such as the Northern. Northern

through its counsel both formally objected to Item (a) by filing an alternative Classification of Creditors, and put the other creditors, intervenors and the Debtor on notice of its potential claim by filing a Motion To Bring Forward its long standing Petition For Rents etc. At the present Fay Associates has nearly completed its work in documenting the substantive elements of the potential claims and counsel is actively briefing the law on developing priorities, if any, for claims of the Northern senior to those accorded to a general unsecured creditor. It is anticipated that the ensuing twelve (12) months will evidence continued activity with regard to these issues.

- (5) Concord Freight Yard - The Boston and Maine Corporation, Debtor, has filed a proposal to lease the operation of the Concord (N.H.) freight and switching yard to Goodwin Railroad. The New Hampshire Public Utilities Commission (P.U.C.) approved the lease; however, several legislators and The Brotherhood of Locomotive Engineers have taken action to have the matter reviewed once again with the benefit of public comment. The Boston and Maine reports that this lease agreement is in suspense pending Interstate Commerce Commission review. The Northern is concerned due to the fact that its southern terminus is within the geographical area subject to the proposed Lease Agreement. Legislation has been introduced into the New

Hampshire House for the Special Session of 1978 which would require special review procedures over such leases.

- (6) State Regulatory Reorganization - Control of railroad operations within the State of New Hampshire has been removed from the P.U.C. in 1977 and due to several accompanying personnel changes, we expect some time to elapse before the State's position regarding railroads (specifically the Northern) is more clearly determined.
- (7) Right-of-Way - Fay Associates and counsel are reviewing the status of ownership of the right-of-way in view of recently discovered historical records. While more investigation is required to be certain, it is believed that the Northern has good title to the major part of the right-of-way. That portion not owned outright may be subject to a two hundred year lease from the State of New Hampshire.

Following Counsel's report, Stockholders were invited to ask questions.

Stockholder Crouch inquired of Mr. Weinberg as to whether the proposed lease with Goodwin Railroad was in substantially the same format as that for the Keene yard. Mr. Weinberg replied in the affirmative.

Stockholder Boar asked that the record indicate that his efforts as a State Representative were directed towards having the Concord yard lease be the subject of a public hearing.

The President then recognized Mr. Field who distributed a copy of the Statement of Assets and Income and Expenses for the year ending December

31, 1977. Mr. Field reported that the Treasurer, Ralph C. Ordway, was hospitalized and had not been able to transmit the auditors review of the statements. After discussion, upon motion duly made by Mr. Hoar and seconded by Mr. Weinberg, it was unanimously

VOTED: To accept and place on file the unaudited financial report for the year ended December 31, 1977 prepared by the Assistant Treasurer, subject to the review of Haskins & Sells, Auditors; and, further, when received from the Auditors to forward a copy of said Financial Report and Auditors Report to each shareholder of record as of the date of this meeting.

Mr. Field reported that he would inquire of Haskins & Sells as soon as possible following this meeting to ensure that this report was forthcoming.

The President then discussed the selection of an auditor for the calendar year 1978. After discussion, upon motion duly made by Mr. Lacy, Trustee of the Boston and Maine Corporation, Debtor, and seconded by Mr. Weinberg, it was unanimously

VOTED: To authorize the Directors to select an auditor of their choice to prepare an annual financial report as directed by the Directors.

The President then asked for new business. Mr. Potratz reported that the shares which he represented requested more information in the Annual Report. After discussion, Mr. Potratz agreed that he was not interested in having the corporation report detail in transcript form, and that restrictions by the draftsmen on phrases which might imply unreported comment would be avoided in the future.

Messrs. Crouch and Lacy entered into a general discussion on the use of the line and the fact that service was concentrated on each end. Mr.

Lacy reported no present intention to seek abandonment of the line.

Mr. Potratz inquired about business development on the line, and received a response that (a) efforts are continually being made to develop new business throughout the Boston and Maine system, (b) a new Traffic Manager has been hired, and (c) accessory uses such as a TENNECO PIPELINE were explored. Mr. Potratz' final comment was an inquiry as to whether the mill at Lincoln (N.H.) would reopen. Mr. Waldo reported that the answer would be known within two weeks.

There being no further business, old or new, to come before the meeting, upon motion duly made by Mr. Waldo and seconded by Mr. Weinberg, it was unanimously

VOTED: To adjourn.

The meeting was adjourned at twelve fifteen o'clock in the afternoon on April 7, 1978.

A true record, attest:

Clerk.

MINUTES OF
ANNUAL MEETING
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- (f) December 23, 1977 - Meeting of Board to authorize retention of Fay Associates; direct counsel to request meeting with Boston and Maine, Trustee and officers.
- (g) January 5, 1978 - Meeting in Boston - Report of preliminary findings of Consultant - Rejection of Trustees' proposal - Disclosure of potential magnitude of termination claim.

(h) January 6, 1978 - Filing of documents with Reorganization Court to advise creditors of Boston and Maine of potential claim of Northern in excess of \$35,000,000 upon termination of the lease. While the amount of the claim seems relatively certain, its priority of payment is questionable. If the claim is determined to be that of an unsecured general creditor, the value of same to the stockholders will probably be no more than the net salvage value of the equipment and rail in place.

(4) Litigation - In late 1977 the Trustees of the Boston and Maine filed one of two documents with the Reorganization Court that caused particular concern to the Northern. Those documents are (a) Petition For Order 398 - Classification of Claims and Priorities, and (b) Petition For Order 372 - Authority to Make Tender Offer for First Mortgage Bonds. Item (a) is of concern due to the fact that the unique status of unfirmed Lease Agreements for rail properties and right-of-ways was recognized only as a claim of a general creditor. Item (b) causes concern in that great amounts of moneys of the Debtor would be spent to redeem Bonds which arguably may be subject to a priority claim of a Lessor such as the Northern. Northern

through its counsel both formally objected to Item (a) by filing an alternative Classification of Creditors, and put the other creditors, intervenors and the Debtor on notice of its potential claim by filing a Motion To Bring Forward its long standing Petition For Rents etc. At the present Fay Associates has nearly completed its work in documenting the substantive elements of the potential claims and counsel is actively briefing the law on developing priorities, if any, for claims of the Northern senior to those accorded to a general unsecured creditor. It is anticipated that the ensuing twelve (12) months will evidence continued activity with regard to these issues.

- (5) Concord Freight Yard - The Boston and Maine Corporation, Debtor, has filed a proposal to lease the operation of the Concord (N.H.) freight and switching yard to Goodwin Railroad. The New Hampshire Public Utilities Commission (P.U.C.) approved the lease; however, several legislators and The Brotherhood of Locomotive Engineers have taken action to have the matter reviewed once again with the benefit of public comment. The Boston and Maine reports that this lease agreement is in suspense pending Interstate Commerce Commission review. The Northern is concerned due to the fact that its southern terminus is within the geographical area subject to the proposed Lease Agreement. Legislation has been introduced into the New

Hampshire House for the Special Session of 1978 which would require special review procedures over such leases.

- (6) State Regulatory Reorganization - Control of railroad operations within the State of New Hampshire has been removed from the P.U.C. in 1977 and due to several accompanying personnel changes, we expect some time to elapse before the State's position regarding railroads (specifically the Northern) is more clearly determined.
- (7) Right-of-Way - Fay Associates and counsel are reviewing the status of ownership of the right-of-way in view of recently discovered historical records. While more investigation is required to be certain, it is believed that the Northern has good title to the major part of the right-of-way. That portion not owned outright may be subject to a two hundred year lease from the State of New Hampshire.

Following Counsel's report, Stockholders were invited to ask questions.

Stockholder Crouch inquired of Mr. Weinberg as to whether the proposed lease with Goodwin Railroad was in substantially the same format as that for the Keene yard. Mr. Weinberg replied in the affirmative.

Stockholder Boar asked that the record indicate that his efforts as a State Representative were directed towards having the Concord yard lease be the subject of a public hearing.

The President then recognized Mr. Field who distributed a copy of the Statement of Assets and Income and Expenses for the year ending December

31, 1977. Mr. Field reported that the Treasurer, Ralph C. Ordway, was hospitalized and had not been able to transmit the auditors review of the statements. After discussion, upon motion duly made by Mr. Hoar and seconded by Mr. Weinberg, it was unanimously

VOTED: To accept and place on file the unaudited financial report for the year ended December 31, 1977 prepared by the Assistant Treasurer, subject to the review of Haskins & Sells, Auditors; and, further, when received from the Auditors to forward a copy of said Financial Report and Auditors Report to each shareholder of record as of the date of this meeting.

Mr. Field reported that he would inquire of Haskins & Sells as soon as possible following this meeting to ensure that this report was forthcoming.

The President then discussed the selection of an auditor for the calendar year 1978. After discussion, upon motion duly made by Mr. Lacy, Trustee of the Boston and Maine Corporation, Debtor, and seconded by Mr. Weinberg, it was unanimously

VOTED: To authorize the Directors to select an auditor of their choice to prepare an annual financial report as directed by the Directors.

The President then asked for new business. Mr. Potratz reported that the shares which he represented requested more information in the Annual Report. After discussion, Mr. Potratz agreed that he was not interested in having the corporation report detail in transcript form, and that restrictions by the draftsmen on phrases which might imply unreported comment would be avoided in the future.

Messrs. Crouch and Lacy entered into a general discussion on the use of the line and the fact that service was concentrated on each end. Mr.

Lacy reported no present intention to seek abandonment of the line.

Mr. Potratz inquired about business development on the line, and received a response that (a) efforts are continually being made to develop new business throughout the Boston and Maine system, (b) a new Traffic Manager has been hired, and (c) accessory uses such as a TENNECO PIPELINE were explored. Mr. Potratz' final comment was an inquiry as to whether the mill at Lincoln (N.H.) would reopen. Mr. Waldo reported that the answer would be known within two weeks.

There being no further business, old or new, to come before the meeting, upon motion duly made by Mr. Waldo and seconded by Mr. Weinberg, it was unanimously

VOTED: To adjourn.

The meeting was adjourned at twelve fifteen o'clock in the afternoon on April 7, 1978.

A true record, attest:

Clerk.

INSTRUCTIONS REGARDING THE USE OF THIS REPORT FORM

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

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

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

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

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

Names of lessor companies included in this report

Northern Railroad

Name of lessor companies that file separate reports

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.

A. IDENTITY OF LESSOR COMPANIES INCLUDED IN THIS REPORT

Give hereunder the exact corporate name and other particulars called for concerning each lessor company included in this report. The corporate name should be given in full, exactly as it appears in the articles of incorporation, using the words "The" and "Company" only when they are parts of the 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 705, "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	Northern Railroad	Dec.	N. H.	Boston and Maine Corporation -	82.36%		274	30,684
2		27,		Debtor, Robert W. Meserve and				
3		1844		Benjamin H. Lacy, Trustees				
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B. STOCKHOLDERS AND VOTING POWERS

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

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

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

Line No.	Name of 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	Northern Railroad	Robert W.	25,272	Dayton	471	Lenore	343	John T.	305	Ruth Lasner	289
2		Meserve &		Haigney &		Dragutsky		Potratz			
3		Benjamin H.		Co.							
4		Lacy, Trst's									
5		of the property									
6		of Boston and									
7		Maine Corporation-									
8		Debtor									
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2. Give particulars called for regarding each lessor company included in this report, entering the initials of the lessor companies in the column headings.

INITIALS OF RESPONDENT COMPANIES

State total number of votes cast at latest general meeting for election of directors of respondent 25,607
 Give the date of such meeting April 7, 1978
 Give the place of such meeting Concord, New Hampshire

C. DIRECTORS

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

Line No.	Item	Northern Railroad	
1	Name of director	Philip S. Dunlap	
2	Office address	Hopkinton, N. H.	
3	Date of beginning of term	April 7, 1978	
4	Date of expiration of term	*	
5	Name of director	Lane Dwinell	
6	Office address	Lebanon, N. H.	
7	Date of beginning of term	April 7, 1978	
8	Date of expiration of term	*	
9	Name of director	Chester H. Lopez, Jr.	
10	Office address	Nashua, N. H.	
11	Date of beginning of term	April 7, 1978	
12	Date of expiration of term	*	
13	Name of director	Ralph C. Ordway	
14	Office address	Nashua, N. H.	
15	Date of beginning of term	April 7, 1978	
16	Date of expiration of term	*	
17	Name of director	Henry C. Waldo	
18	Office address	Lincoln, N. H.	
19	Date of beginning of term	April 7, 1978	
20	Date of expiration of term	*	
21	Name of director	Sidney Weinberg	
22	Office address	Boston, Mass.	
23	Date of beginning of term	April 7, 1978	
24	Date of expiration of term	*	
25	Name of director	Warren B. Rudman	
26	Office address	Nashua, N. H.	
27	Date of beginning of term	April 7, 1978	
28	Date of expiration of term	*	
29	Name of director		
30	Office address		
31	Date of beginning of term		
32	Date of expiration of term		
33	Name of director		
34	Office address		
35	Date of beginning of term		
36	Date of expiration of term		*Until successor has been elected and qualified.
37	Name of director		
38	Office address		
39	Date of beginning of term		
40	Date of expiration of term		
41	Name of director		
42	Office address		
43	Date of beginning of term		
44	Date of expiration of term		
45	Name of director		
46	Office address		
47	Date of beginning of term		
48	Date of expiration of term		
49	Name of director		
50	Office address		
51	Date of beginning of term		
52	Date of expiration of term		
53	Name of director		
54	Office address		
55	Date of beginning of term		
56	Date of expiration of term		

C. DIRECTORS—Concluded

Enter the names of the lessor companies in the column headings

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D. PRINCIPAL GENERAL OFFICERS OF CORPORATION, RECEIVER, OR TRUSTEE

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

Line No.	Item	Northern Railroad
1	Name of general officer	Henry C. Waldo
2	Title of general officer	President
3	Office address	Lincoln, N. H.
4	Name of general officer	Philip S. Dunlap
5	Title of general officer	Vice President
6	Office address	Hopkinton, N. H.
7	Name of general officer	Chester H. Lopez, Jr.
8	Title of general officer	Clerk
9	Office address	Nashua, N. H.
10	Name of general officer	Ralph C. Ordway
11	Title of general officer	Treasurer
12	Office address	Nashua, N. H.
13	Name of general officer	W. N. D. Reid
14	Title of general officer	Asst. Treasurer
15	Office address	Boston, Mass.
16	Name of general officer	
17	Title of general officer	
18	Office address	
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57	Office address	

D. PRINCIPAL GENERAL OFFICERS OF CORPORATION, RECEIVER, OR TRUSTEE—Continued

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

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200. STATEMENT OF FINANCIAL POSITION - ASSETS

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

Line No.	Account No.	Title (a)	(b)	(c)
		<u>Current Asset</u>	\$	\$
1	701	Cash	12,039	
2	702	Temporary Cash Investments (Sch. 300)	100,000	
3	703	Special Deposits (Sch. 300)	315	
		Accounts Receivable:		
4	705	- Interline and Other Balances		
5	706	- Customers		
6	707, 704	- Other		
7	709, 708	Accrued Accounts Receivables	1,694	
8	708.5	- Receivables from Affiliated Companies		
9	709.5	- Less: Allowance for Uncollectible Accounts		
10	711, 714	Prepayments (and working funds) (Sch. 300)		
11	712	Materials and Supplies		
12	713	Other Current Assets (Sch. 300)		
13		Total Current Assets	114,048	
		<u>Other Assets</u>		
14	715, 716, 717, 722, 723, 724	Special Funds and Other Investments and advances (Sch. 315)		
15	721, 721.5	Investments and Advances, Affiliated Companies (Sch. 310)		
16	737, 738	Property used in other than Carrier Operations (less depreciation \$ (Sch. 325))		
17	739, 741	Other Assets (Sch. 329)	224,238	
18	743, 744	Other Deferred Debits (Sch. 329)		
19		Total Other Assets	224,238	
		<u>Road and Equipment</u>		
20	731, 732	Road (Sch. 330)	2,432,928	
21		Equipment	*249,271	
22		Unallocated Items	*102,908	
23	733, 734, 735, 736	Accumulated Depreciation and amortization (Schs. 325, 325A, 335, 342)		
24		Net road and Equipment	2,785,107	
25		Total Assets	3,123,393	

NOTES AND REMARKS

*Original Figures from I.C.C. Valuation Docket #221, Page 831

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

(d)	(e)	(f)	(g)	(h)	(i)	Line No.
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Note: Provision has not been made for Federal income taxes which may be payable in future years as result of deductions during the period December 31, 1949, to close of the year of this report for accelerated amortization in excess of recorded depreciation. The amounts by which

Federal income taxes have been reduced during the indicated period aggregated \$ None

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

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

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

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

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

Total pension costs for year:

Normal costs \$ None

Amortization of past service costs \$ None

State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610):

YES _____ NO X

200. STATEMENT OF FINANCIAL POSITION—LIABILITIES AND EQUITY

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

Line No.	Account No.	Title (a)	(b)	(c)
		<u>Current Liabilities</u>	\$	\$
26	751	Loans and Notes Payable		
27	752	Accounts Payable, Interline and Other Balances		
28	753, 754	Other Accounts Payable	2,890	
29	755, 756	Interest and Dividends Payable	315	
30	757	Payables to Affiliated Companies (Sch. 390)		
31	759	Accrued accounts Payable		
32	760, 761, 761.5, 762	Taxes Accrued	34	
33	763	Other Current Liabilities		
34	764	Equipment obligations and other long-term debt due within one year		
35		Total Current Liabilities	3,239	
		<u>Non Current Liabilities</u>		
36	765, 767	Funded debt unmatured (Sch. 380)		
37	766	Equipment obligations		
38	766.5	Capitalized Lease Obligations		
39	768	Debt in default		
40	769	Accounts payable, Affiliated Companies		
41	770.1, 770.2	Unamortized debt premium		
42	781	Interest in default		
43	783	Deferred revenues-Transfers from Government Authorities		
44	786	Accumulated deferred income tax credits		
45	771, 772, 774, 775, 782, 784	Other long-term liabilities and deferred credits		
46		Total Noncurrent Liabilities		
		<u>Stockholders' Equity</u>		
47	791, 792	Capital Stock (Sch. 230)	3,068,400	
48		Common Stock	3,068,400	
49		Preferred Stock		
50	793	Discount on Capital Stock		
51	794, 795	Additional Capital (Sch. 230)		
		Retained Earnings:		
52	797	Appropriated		
53	798	Unappropriated (Sch. 220)	51,754	
54	798.1	Net Unrealized loss on noncurrent marketable equity securities		
55	798.5	Less Treasury Stock		
56		Net Stockholders Equity	3,120,154	
57		Total Liabilities and Shareholders Equity	3,123,393	

NOTES AND REMARKS

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

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

(d)	(e)	(f)	(g)	(h)	(i)	Line No.
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NOTES AND REMARKS

210. RESULTS OF OPERATIONS

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

Line No.	Item (a)	(b)	(c)
	OTHER INCOME	\$	\$
1	(506) Revenue from property used in other than carrier operations		
2	(510) Miscellaneous rent income		
3	(512) Separately operated properties-Profit		
4	(513) Dividend income	10,530	
5	(514) Interest income		
6	(516) Income from sinking and other funds		
7	(517) Release of premiums of funded debt		
8	(518) Contributions from other companies		
9	(519) Miscellaneous income		
	Income from affiliated companies:		
10	Dividends		
11	Equity in undistributed earnings (losses)	10,530	
12	Total other income		
	MISCELLANEOUS DEDUCTIONS FROM INCOME		
13	(534) Expenses of property used in other than carrier operations		
14	(535) Taxes on property used in other than carrier operations		
15	(543) Miscellaneous rent expense		
16	(544) Miscellaneous taxes		
17	(545) Separately operated properties-Loss	59,373	
18	(549) Maintenance of investment organization		
19	(550) Income transferred to other companies		
20	(551) Miscellaneous income charges		
21	(553) Uncollectible accounts	59,373	
22	Total miscellaneous deductions	(48,843)	
23	Income available for fixed charges (lines 12, 22)		

NOTES AND REMARKS

210. RESULTS OF OPERATIONS - Continued

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

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NOTES AND REMARKS

210. RESULTS OF OPERATIONS - Continued

Line No.	Item (a)	(b)	(c)
	FIXED CHARGES	\$	\$
	(546) Interest on funded debt:		
24	(a) Fixed interest not in default		
25	(b) Interest in default		
26	(547) Interest on unfunded debt		
27	(548) Amortization of discount on funded debt		
28	Total fixed charges (lines 24-27)		
29	Income after fixed charges (lines 23, 28)	(48,843)	
	OTHER DEDUCTIONS		
	(546) Interest on funded debt:		
30	(c) Contingent interest		
	UNUSUAL OR INFREQUENT ITEMS		
31	(555) Unusual or infrequent items (debit) credit		
32	Income (loss) for continuing operations (before income taxes)	(48,843)	
	PROVISIONS FOR INCOME TAXES		
	(556) Income taxes on ordinary income:		
33	Federal income taxes		
34	State income taxes		
35	Other income taxes		
36	(557) Provision for deferred income taxes		
37	Income from continuing operations	(48,843)	
	DISCONTINUED OPERATIONS		
	(560) Income or loss from operations of discontinued segments (less applicable income taxes of		
38	\$ _____)		
	(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of		
39	\$ _____)		
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES		
40	(570) Extraordinary items (Net)		
41	(590) Income taxes on extraordinary items		
42	(591) Provision for deferred taxes - Extraordinary items		
43	Total extraordinary items (lines 40-42)		
	(592) Cumulative effect of changes in accounting principles (less applicable income taxes of		
44	\$ _____)		
45	Net income	(48,843)	

EXPLANATORY NOTES

Deductions because of accelerated amortization of emergency facilities in excess of recorded depreciation resulted in reduction of Federal income taxes for the year of this report in the amount of \$ _____.

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

Flow-through _____ Deferral _____

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

\$ None

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

\$ None

Deduct amount of current year's investment tax credit applied to reduction of tax liability but deferred for accounting purposes _____

\$ (None)

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

\$ None

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

\$ None

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

\$ None

Show the amount of investment tax credit carryover at year end _____

\$ None

210. RESULTS OF OPERATIONS—Continued

(d)	(e)	(f)	(g)	(h)	(i)	Line No.
\$	\$	\$	\$	\$	\$	24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
						41
						42
						43
						44
						45

220. RETAINED EARNINGS—UNAPPROPRIATED

1. Disclose below the items of Retained Earnings Accounts 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 Earnings Accounts in the Uniform System of Accounts for Railroad Companies.
2. All contra entries hereunder should be indicated in parenthesis.
3. Indicate under "Remarks" the amount of assigned Federal income tax consequences, accounts 606 and 616.

Line No.	Item (a)	(b)		(c)	
		(1)	(2)	(1)	(2)
1	Balances at beginning of year	\$ 100,597	\$		
2 (601.5)	Prior period adjustments to beginning retained earnings				
	CREDITS				
3 (602)	Credit balance transferred from earnings				
4 (603)	Appropriations released				
5 (606)	Other credits to retained earnings				
6	Total				
	DEBITS				
7 (612)	Debit balance transferred from income	48,843			
8 (616)	Other debits to retained income				
9 (620)	Appropriations for sinking and other reserve funds				
10 (621)	Appropriations for other purposes				
11 (623)	Dividends: Common stock				
12	Preferred stock ¹				
13	Total	48,843			
14	Net increase (decrease) during year (Line 6 minus line 13)	(48,843)			
15	Balances at close of year (Lines 1, 2 and 14)	51,754			
16	Balance from line 15(c)		XXXXXX		XXXXXX
17	Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	51,754	XXXXXX		XXXXXX
	REMARKS				
	Amount of assigned Federal income tax consequences:				
18	Account 606		XXXXXX		XXXXXX
19	Account 616		XXXXXX		XXXXXX

NOTE: See Schedule 460, for analysis for Retained Earnings Accounts.

¹ If any dividends have not been declared on cumulative preferred stock give cumulative undeclared dividends at beginning of year and end of year.

220. RETAINED EARNINGS - UNAPPROPRIATED--Concluded

4. Segregate in column (2) all amounts applicable to the equity in undistributed earnings (losses) of affiliated companies based on the equity method of accounting.
5. Include in column (1) only amounts applicable to Retained Earnings exclusive of any amounts included in column (2).

(d)		(e)		(f)		(g)		Line No.
(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	
								1
								2
								3
								4
								5
								6
								7
								8
								9
								10
								11
								12
								13
								14
								15
	XXXXXX		XXXXXX		XXXXXX		XXX,XX	16
	XXXXXX		XXXXXX		XXXXXX		XXXXXX	17
	XXXXXX		XXXXXX		XXXXXX		XXXXXX	18
	XXXXXX		XXXXXX		XXXXXX		XXXXXX	19

NOTES AND REMARKS

230. CAPITAL STOCK

18

Part I.

1. Disclose in column (a) the name of each lessor company in this report. Show separately the information required for each.
2. Disclose in column (b) the particulars of the various issues of capital stock of the respondent, distinguishing separate issues of any general class, if different in any respect.
3. Present in column (c) the par or stated value of each issue. If none, state so.
4. Disclose in columns (d), (e), (f), and (g) the required information concerning the number of shares authorized, issued, in treasury and outstanding for the various issues.
5. 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 who holds them free from control by 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.

6. If stock is being held subject to an exchange for the outstanding securities of constituent companies, then include such stock as outstanding stock, and disclose the details in footnotes.

Line No.	Name of Lessor (a)	Class of Stock (b)	Par Value (c)	Number of Shares				Book Value at End of Year	
				Authorized (d)	Issued (e)	In Treasury (f)	Outstanding (g)	Outstanding (h)	In Treasury (i)
1	Northern Railroad	Common	\$100	30,684	30,684	None	30,684	\$3,068,400.	None
2									
3									
4		Preferred	None						
5									
6									
7									
8									
9									
10		Total	XXXX						
1		Common						\$	\$
2									
3									
4		Preferred							
5									
6									
7									
8									
9									
10		Total	XXXX						

Part I - Continued

230. CAPITAL STOCK - Continued

Line No.	Name of Lessor (a)	Class of Stock (b)	Par Value (c)	Number of Shares				Book Value at End of Year	
				Authorized (d)	Issued (e)	In Treasury (f)	Outstanding (g)	Outstanding (h)	In Treasury (i)
1		Common						\$	\$
2									
3									
4		Preferred							
5									
6									
7									
8									
9									
10		Total	X X X						
Line No.	Name of Lessor (a)	Class of Stock (b)	Par Value (c)	Number of Shares				Book Value at End of Year	
				Authorized (d)	Issued (e)	In Treasury (f)	Outstanding (g)	Outstanding (h)	In Treasury (i)
1		Common						\$	\$
2									
3									
4		Preferred							
5									
6									
7									
8									
9									
10		Total	X X X X						
Line No.	Name of Lessor (a)	Class of Stock (b)	Par Value (c)	Number of Shares				Book Value at End of Year	
				Authorized (c)	Issued (c)	In Treasury (f)	Outstanding (g)	Outstanding (h)	In Treasury (i)
1		Common						\$	\$
2									
3									
4		Preferred							
5									
6									
7									
8									
9									
10		Total	X X X X						

Lessor Initials

N

Year 19 70

19

PART II - SUMMARY OF CAPITAL STOCK CHANGES DURING YEAR

1. The purpose of this part is to disclose capital stock changes during year.
2. Column (b) presents the items to be disclosed.
3. Columns (c), (e) and (g) require disclosures of the number of preferred, common and treasury stock, respectively, applicable to the items presented in column (b).
4. Columns (d), (f) and (h) requires the applicable disclosure of the book values of preferred, common and treasury stock.

5. Disclose in column (i) the additional paid-in capital realized from changes in capital stock during year.

6. Unusual circumstances arising from changes in capital stock changes shall be fully explained in footnotes to this schedule.

Line No.	Name of Lessor (a)	Items (b)	Preferred Stock		Common Stock		Treasury Stock		Additional Capital (i)
			Number of Shares (c)	Amount (d)	Number of Shares (e)	Amount (f)	Number of Shares (g)	Amount (h)	
1	Northern Railroad	Balance at beginning of year	None	\$ None	30,684	\$3,068,400	None	\$ None	\$ None
2		Capital Stock Sold ¹							
3		Capital Stock Reacquired							
4		Capital Stock Canceled							
5		Stock Dividends							
6									
7		Balance at Close of Year	None	None	30,684	3,068,400	None	None	None
Line No.	Name of Lessor (a)	Items (b)	Preferred Stock		Common Stock		Treasury Stock		Additional Capital (i)
			Number of Shares (c)	Amount (d)	Number of Shares (e)	Amount (f)	Number of Shares (g)	Amount (h)	
1	None	Balance at beginning of year		\$		\$		\$	\$
2		Capital Stock Sold ¹							
3		Capital Stock Reacquired							
4		Capital Stock Canceled							
5		Stock Dividends							
6									
7		Balance at Close of Year							

¹ By footnote state the purpose of the issue and authority.

GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 310, 310A and 315

1. Schedules 310 and 315 should give particulars of stocks, bonds, other secured obligations, unsecured notes, and investment advances of affiliated and nonaffiliated companies held by respondent at close of year. Specifically, the disclosures should include the investments in the obligations of Federal, state and local governments, and the obligation of individuals. Also, disclose the investments made, disposed of, and written down during the year, and the applicable dividends and interest credited to income as a result of those investments. They should exclude securities issued or assumed by respondent. 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. Enter the name of a reporting lessor company in the body of the schedule and give, thereunder, particulars of its 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. List the investments in the following order and show a total for each group and each class of investments by accounts in numerical order:

(A) Stocks:

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

(B) Bonds (including U.S. Government Bonds):

(C) Other secured obligations:

(D) Unsecured notes:

(E) Investment advances:

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

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

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

6. By carriers, as the term is used here, 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 purpose 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.

9. Combine, in one amount, investments in which the original cost or present equity in total assets is less than \$10,000.

10. Include investments in unincorporated entities such as lessee organizations. Exclude amounts normally settled on a current basis.

11. Do not include the value of securities issued or assumed by respondent.

12. For affiliates which do not report to the Interstate Commerce Commission and are jointly owned, disclose in footnotes the name and extent of control of the other controlling entities.

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES

1. 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 funds"; 721, "Investments advances in affiliated companies"; and 717, "Other funds."

2. 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.

3. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 21, classifying the investments by means of letters, figures, and symbols in columns (a), (b), and (c).

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.

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__." Abbreviations in common use in standard financial publications may be used to conserve space.

7. If any of the companies included in this schedule are controlled by respondent, the percent of control should be given in

Line No.	Account No.	Class No.	Kind of Industry	Name of issuing company and also ten reference, if any (include rate for preferred stocks and bonds)	Extent of control
	(a)	(b)	(c)	(d)	(e)
1				None	
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
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32					
33					
34					
35					
36					
37					
38					
39					
40					

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES—Continued

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.

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

9. Investments in companies in which neither the original cost or present equity in total assets is less than \$10,000 may be combined in one figure.

10. Also included should be investments in unincorporated entities such as lessee organizations (exclusive of amounts nominally settled on a current basis).

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

12. For affiliated which do not report to the Interstate Commerce Commission, and are jointly owned, give names and extent of control of other entities by footnote.

Investments and advances				Disposed of; Profit (loss)	Adjustments Account 721.5	Dividends or interest credited to income	Line No.
Opening balance	Additions	Deductions (if other than sale explain)	Closing balance				
(f)	(g)	(h)	(i)	(j)	(k)	(l)	
\$ None	\$	\$	\$ None	\$	\$	\$	1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
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							40

310A. 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 for each lessor. List the lessor in the same order as they appear in Schedule 200.
2. Enter in column (c) the amount necessary to retroactively

adjust those investments. (See instruction 5-2, Uniform System of Accounts.)
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.
5. For definitions of "carrier" and "noncarrier," see general instructions.

Line No.	Name of issuing company and description of security held.	Balance at beginning of year	Adjustment for investments equity method	Equity in undistributed earnings (losses) during year	Amortization during year	Adjustment for investments disposed of or written down during year	Balance at Close of year
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Carriers: (List specifics for each company) None	\$ None	\$	\$	\$	\$	\$ None
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
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25							
26							
27							

NOTES AND REMARKS

315. SPECIAL FUNDS AND OTHER INVESTMENTS

1. Complete this schedule if the amount in account 722, "Other Investments" is greater than 1% of total assets.

2. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of other than affiliated companies, included in accounts Nos. 715, "Sinking funds", and 717, "Other funds." Investments included in accounts Nos. 715, 716, and 717 held by trustees in lieu of cash deposits required under the governing instrument are not to be reported.

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

4. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 21, classifying the investments by means of letters, figures, and symbols in columns

Line No.	Account No.	Class No.	Kind of industry	Name of issuing company or government and description of security held; also lien reference, if any	Balance at close of year	Book value of investment made during the year
	(a)	(b)	(c)	(d)	(e)	(f)
1				None	\$ None	\$
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
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46						

315. SPECIAL FUNDS AND OTHER INVESTMENTS—Continued

(a), (b), and (c). Investment in U.S. Treasury obligations may be reported as one item. Items where original cost is less than \$500,000 may be combined as one item.

5. 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.

6. Give totals for each subclass and a grand total for each account.

7. Entries in column (d) should show date of maturity of bonds and other evidences of indebtedness. In case obligations of the same designation matured 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.

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

INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		Adjustment at end of year (Account 723)	Allowance for unrealized loss on noncurrent marketable equity securities (Account 724)		Dividends or interest during year credited to income	Line No.
Book value (g)	Profit or (Loss) (h)		Changes during year (j)	Balance at close of year (k)		
\$	\$	\$	\$	\$	\$	
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
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325. 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 for use of property retired; also the balances in the accounts at the beginning and at the close of the year.

Line No.	Item (a)	(b)	(c)	(d)	(e)
	Credits	\$	\$	\$	\$
1	Balances at beginning of year {				
	Accrued depreciation-Road				
2	Accrued depreciation-Miscellaneous physical property				
3	Road property (specify):				
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
	Miscellaneous physical property (specify):				
21					
22					
23					
24					
25	TOTAL CREDITS				
	Debit:				
	Road property (specify):				
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
	Miscellaneous physical property (specify):				
44					
45					
46					
47					
48					
49	TOTAL DEBITS				
50	Balances at close of year {				
	Accrued depreciation-Road				
51	Accrued depreciation-Miscellaneous physical property				

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

Enter the names of the lesser 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.

(f)	(g)	(h)	(i)	(j)	(k)	Line No.
\$	\$	\$	\$	\$	\$	1
						2
						3
						4
						5
						6
						7
						8
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						48
						49
						50
						51

325A. 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		None		0%				0%
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
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39								

Lessor Initials

N

Year 1978

NOTES AND REMARKS

330. ROAD AND EQUIPMENT PROPERTY

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

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

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

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

Line No.	Account (a)	Gross charges during year (b)	Net charges during year (c)	Gross charges during year (d)	Net charges during year (e)	Gross charges during year (f)	Net charges during year (g)
1	(1) Engineering						
2	(2) Land for transportation purposes						
3	(3) Grading						
4	(5) Tunnels and subways						
5	(6) Bridges, trestles, and culverts						
6	(7) Elevated structures						
7	(9) Ties						
8	(9) Rails						
9	(10) Other track material						
10	(11) Ballast						
11	(12) Track laying and surfacing						
12	(13) Fences, snowsheds, and signs						
13	(16) Station and office buildings						
14	(17) Roadway buildings						
15	(18) Water stations						
16	(19) Fuel stations						
17	(20) Shops and enginehouses						
18	(22) Storage warehouses						
19	(23) Wharves and docks						
20	(24) Coal and ore wharves						
21	(25) TOEC, COEC terminals						
22	(26) Communication systems						
23	(27) Signals and interlocks						
24	(29) Power plants						
25	(31) Power transmission systems						
26	(35) Miscellaneous structures						
27	(37) Roadway machines						
28	(38) Roadway small tools						
29	(39) Public improvements—Construction						
30	(44) Shop machines						
31	(45) Power plant machines						
32	Other (Specify & explain)						
33	Total expenditures for road	None					
34	(52) Locomotives						
35	(53) Freight train cars						
36	(54) Passenger train cars						
37	(55) Highway reclamation equipment						
38	(56) Floating equipment						
39	(57) Work equipment						
40	(58) Miscellaneous equipment						
41	Total expenditures for equipment	None					
42	(76) Interest during construction						
43	(77) Other expenditures—General						
44	Total general expenditures						
45	Total	None					
46	(80) Other elements of investment						
47	(90) Construction work in progress						
48	Grand total	None					

(1) Do not include in road and equipment accounts, including Account No. 80, "Other elements of investment," adjustments which were made pursuant to the Commission's order, dated April 7, 1963.

330. ROAD AND EQUIPMENT PROPERTY—Continued

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

5. Notes referring to entries in this schedule should be shown on page 27.

6. Report on line 35 amounts not includable in the primary road accounts. The notes reported

should be briefly identified and explained in a footnote on page 27. Amounts should be reported on this line only under special circumstances, usually after permission is obtained from the Commission for exceptions in prescribed accounting. Reference to such authority should be made when substantiating the amounts reported. Respondents must not make arbitrary changes to the printed row or column headings without specific authority from the Commission.

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)	Gross charges during year (h)	Net charges during year (i)	Line No.
\$	\$	\$	\$	\$	\$	\$	\$	1
								2
								3
								4
								5
								6
								7
								8
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NORTHERN RAILROAD. 1978

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335. DEPRECIATION BASE—EQUIPMENT OWNED

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

year, respectively. If the depreciation base is other than the ledger value a full explanation should be given, together with a statement by primary accounts reconciling the

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

Line No.	Name of lessor company (a)	Account (b)	Balance at beginning of year (c)	DEBITS DURING THE YEAR			CREDITS DURING THE YEAR			Balance at close of year (j)
				Additions and betterments (d)	Other debits (e)	Total debits (f)	Property retired (g)	Other credits (h)	Total credits (i)	
1	Northern Railroad	(52) Locomotives	\$	\$	\$	\$	\$	\$	\$	\$
2		(53) Freight-train cars								
3		(54) Passenger-train cars								
4		(55) Highway revenue equipment								
5		(56) Floating equipment								
6		(57) Work equipment								
7		(58) Miscellaneous equipment								
8		Total								
9		(52) Locomotives								
10		(53) Freight-train cars								
11		(54) Passenger-train cars								
12		(55) Highway revenue equipment								
13		(56) Floating equipment								
14		(57) Work equipment								
15		(58) Miscellaneous equipment								
16		Total								
17		(52) Locomotives								
18		(53) Freight-train cars								
19		(54) Passenger-train cars								
20		(55) Highway revenue equipment								
21		(56) Floating equipment								
22		(57) Work equipment								
23		(58) Miscellaneous equipment								
24		Total								
25		(52) Locomotives								
26		(53) Freight-train cars								
27		(54) Passenger-train cars								
28		(55) Highway revenue equipment								
29		(56) Floating equipment								
30		(57) Work equipment								
31		(58) Miscellaneous equipment								
32		Total								
33		(52) Locomotives								
34		(53) Freight-train cars								
35		(54) Passenger-train cars								
36		(55) Highway revenue equipment								
37		(56) Floating equipment								
38		(57) Work equipment								
39		(58) Miscellaneous equipment								
40		Total								

41	(52) Locomotives									
42	(53) Freight-train cars									
43	(54) Passenger-train cars									
44	(55) Highway revenue equipment									
45	(56) Floating equipment									
46	(57) Work equipment									
47	(58) Miscellaneous equipment									
48	Total									
49	(52) Locomotives									
50	(53) Freight-train cars									
51	(54) Passenger-train cars									
52	(55) Highway revenue equipment									
53	(56) Floating equipment									
54	(57) Work equipment									
55	(58) Miscellaneous equipment									
56	Total									
57	(52) Locomotives									
58	(53) Freight-train cars									
59	(54) Passenger-train cars									
60	(55) Highway revenue equipment									
61	(56) Floating equipment									
62	(57) Work equipment									
63	(58) Miscellaneous equipment									
64	Total									
65	(52) Locomotives									
66	(53) Freight-train cars									
67	(54) Passenger-train cars									
68	(55) Highway revenue equipment									
69	(56) Floating equipment									
70	(57) Work equipment									
71	(58) Miscellaneous equipment									
72	Total									
73	(52) Locomotives									
74	(53) Freight-train cars									
75	(54) Passenger-train cars									
76	(55) Highway revenue equipment									
77	(56) Floating equipment									
78	(57) Work equipment									
79	(58) Miscellaneous equipment									
80	Total	None								

Lessor Initials

N

Year 19 78

342. ACCRUED DEPRECIATION—ROAD AND EQUIPMENT

Give the particulars called for hereunder of the credits and debits made to account 735, "Accumulated Depreciation: Road and Equipment Property" during

the year which relate to equipment by each lessor company included in this report. A debit balance in column (c) and (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	Northern Railroad	(52) Locomotives	\$	\$	\$	\$	\$	\$	\$	\$
2		(53) Freight-train cars								
3		(54) Passenger-train cars								
4		(55) Highway revenue equipment								
5		(56) Floating equipment								
6		(57) Work equipment								
7		(58) Miscellaneous equipment								
8		Total								
9		(52) Locomotives								
10		(53) Freight-train cars								
11		(54) Passenger-train cars								
12		(55) Highway revenue equipment								
13		(56) Floating equipment								
14		(57) Work equipment								
15		(58) Miscellaneous equipment								
16		Total								
17		(52) Locomotives								
18		(53) Freight-train cars								
19		(54) Passenger-train cars								
20		(55) Highway revenue equipment								
21		(56) Floating equipment								
22		(57) Work equipment								
23		(58) Miscellaneous equipment								
24		Total								
25		(52) Locomotives								
26		(53) Freight-train cars								
27		(54) Passenger-train cars								
28		(55) Highway revenue equipment								
29		(56) Floating equipment								
30		(57) Work equipment								
31		(58) Miscellaneous equipment								
32		Total								
33		(52) Locomotives								
34		(53) Freight-train cars								
35		(54) Passenger-train cars								
36		(55) Highway revenue equipment								
37		(56) Floating equipment								
38		(57) Work equipment								
39		(58) Miscellaneous equipment								
40		Total	None							

Lessor Initials

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Year 1978

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	None							

Lessor Initials

N

Year 1978

360. INCOME FROM LEASE OF ROAD AND EQUIPMENT

1. Give particulars called for with respect to road and equipment leased to others during the year.

2. If the respondent leased to others during all or any part of the year any road and equipment upon which no rent receivable

accrued, give particulars in a footnote.

Line No.	DESCRIPTION OF ROAD			Name of present leaseholder	RENT ACCRUED DURING YEAR		
	Name of lessor company (a)	Terminals (b)	Length (c)		Total (d)	Depreciation (e)	All other (Account 528) (f)
1	Northern Railroad	White River Jct., Vt.	69	Boston and Maine	\$ None	\$	\$
2		to Concord, N. H.		Corporation -			
3				Debtor			
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
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37							

360A. 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.

also the years in which any changes in lease were mentioned.

NOTE.—Only changes during the year are required.—Indicate

360 - Income from Lease of Road and Equipment

No rent has been accrued as receivable as the lessee (Boston and Maine Railroad) is in bankruptcy under Chapter 77 in "Proceedings for Reorganization of a Railroad" under the jurisdiction of the United States District Court, District of Massachusetts.

No rent was paid to the lessor during 1978, however under the terms of a settlement agreement negotiated with the Trustees of Boston and Maine Corporation, Debtor in January, 1979 the lessee paid use and occupancy for the period March 12, 1970 through December 31, 1978 in the amount of \$880,000.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 380

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 (j), (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 230.

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.

In schedule 380, 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 reacquisition 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

NOTES AND REMARKS

380. FUNDED DEBT AND OTHER OBLIGATIONS

Line No.	Name of lessor company and name and character of obligation	Notional date of issue	Date of maturity	INTEREST PROVISIONS		DOES OBLIGATION PROVIDE FOR— (Answer "Yes" or "No")				IS OTHER PROPERTY REAL OR PERSONAL OR LEASEHOLD SUB- JECT TO LIEN OF THE OBLIGATION? (AN- SWER "YES" or "NO")	
				Rate per cent per annum (current (a))	Date due (b)	Conver- sion (c)	Call prior to maturity, oth- er than for sinking fund (d)	Sinking fund (e)	First term (f)	Junior to first lien (g)	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
1	None										
2											
3											
4											
5											
6											
7											
8											
9											
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11											
12											
13											
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54											

Grand Total

380. 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 42)	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		
		(v)	(w)	(x)	(y)
		\$	\$	\$	\$
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
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46					
47					
48					
49					
50					
51					
52					
53					
54	Grand Total				

380. FUNDED DEBT AND OTHER OBLIGATIONS—Concluded

SECURITIES ISSUED DURING YEAR				SECURITIES REACQ (2) DURING YEAR AMOUNT REACQUIRED		Line No.
Purpose of the issue and authority (1)	Par value (aa)	Net proceeds received for issue (cash or its equivalent) (bb)	Expense of issuing securities (cc)	Par value (dd)	Purchase price (ee)	
	\$	\$	\$	\$	\$	1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
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						42
						43
						44
						45
						46
						47
						48
						49
						50
						51
						52
						53
Grand Total						54

390. AMOUNTS PAYABLE TO AFFILIATED COMPANIES

1. 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.

2. 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.

Line No.	Name of debtor company	Name of creditor company	BALANCE AT CLOSE OF YEAR			Rate of Interest	INTEREST ACCRUED DURING YEAR			Line No.
			Notes	Open Accounts	Total		Charged to Income	Charged to construction or other investment account	Interest paid during year	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
1	None	None	\$	\$	\$	%	\$	\$	\$	1
2										2
3										3
4										4
5										5
6										6
7										7
8										8
9										9
10										10
11										11
12										12
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14										14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24

Lessor Initials N Year 19 78

450. 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 the tax accrual accounts 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 for 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	Amount				
		Amount	Amount	Amount	Amount	Amount
	A. Other Than U. S. Government Taxes (Enter names of States)	\$	\$	\$	\$	\$
1	None	None				
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	Total—Other than U. S. Government taxes	None				
	B. U. S. Government Taxes					
27	Income taxes					
28	Old-age retirement					
29	Unemployment insurance					
30	All other United States taxes					
31	Total—U. S. Government taxes	None				
32	GRAND TOTAL—Railway Tax Accruals (account 532)	None				

450. RAILWAY TAX ACCRUALS-Continued

Name of Lessor					
Line No.	Particulars (a)	Beginning of Year Balance (b)	Net Credits (Charges) for Current Year (c)	Adjustments (d)	End of Year Balance (e)
1	Accelerated depreciation, Sec. 167 I.R.C.: Guideline lives pursuant to Rev. Proc. 62-21				
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	None			None

Name of Lessor					
Line No.	Particulars (a)	Beginning of Year Balance (b)	Net Credits (Charges) for Current Year (c)	Adjustments (d)	End of Year Balance (e)
1	Accelerated depreciation, Sec. 167 I.R.C.: Guideline lives pursuant to Rev. Proc. 62-21				
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	None			None

Name of Lessor					
Line No.	Particulars (a)	Beginning of Year Balance (b)	Net Credits (Charges) for Current Year (c)	Adjustments (d)	End of Year Balance (e)
1	Accelerated depreciation, Sec. 167 I.R.C.: Guideline lives pursuant to Rev. Proc. 62-21				
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	None			None

450. 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 55, 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

Line No.	Particulars (a)	Beginning of Year Balance (b)	Net Credits (Charges) for Current Year (c)	Adjustments (d)	End of Year Balance (e)
1	Accelerated depreciation, Sec. 167 I.R.C.: Guideline lives pursuant to Rev. Proc. 62-21				
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	None			None

Name of Lessor

Line No.	Particulars (a)	Beginning of Year Balance (b)	Net Credits (Charges) for Current Year (c)	Adjustments (d)	End of Year Balance (e)
1	Accelerated depreciation, Sec. 167 I.R.C.: Guideline lives pursuant to Rev. Proc. 62-21				
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	None			None

470. PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES AND AFFILIATES

1. In the form below give information concerning payments, fees, retainers, commissions, gifts, contributions, assessments, bonuses, pensions, subscriptions, allowance for expenses, or any form of payments amounting in the aggregate to \$50,000 or more during the year to any corporation, institution, association, firm, partnership, committee, or any person, except:

(a) Payments to employees of the respondent shall be reported in Schedule 900.

(b) Payments for services rendered by affiliates.

(c) Payments for accounting and audit fees must be reported in full regardless of the \$50,000 limitation. These fees must not be included with management fees paid to parent companies.

2. The aggregate of payments to be reported in column (c) shall include amounts paid and/or accrued during the year which are applicable to the year.

3. When contributions under \$50,000 are made in common with other carriers under a joint arrangement in payment for the performance of services or as a donation, each such contribution shall be reported, irrespective of the amount thereof, if the total amount paid by all contributors for the performance of the particular service is equal to the sum of \$100,000 or more.

4. Payments to the independent public accountant reporting on the respondent's annual report shall be subdivided to show separately the amount paid for auditing and the total amount paid for other types of management services such as, but not limited to, compensation plans, pension plans, forecasts and budgets, and tax advice. All carriers, whether payments aggregate more or less than \$50,000, shall answer the following question.

Did the independent accountant reporting on the respondent's annual report provide any management services other than auditing?

Specify, Yes ☐ No ☐

5. To be included are, among others, payments, directly or indirectly, for legal, medical, engineering, advertising, valuation,

accounting, statistical, financial, educational, entertainment, charitable, advisory, defensive, detective, developmental, research, appraisal, registration, purchasing, architectural, and hospital services; payments for expert testimony and for handling wage disputes; and payments for services of banks, bankers, trust companies, insurance companies, brokers, trustees, promoters, solicitors, consultants, actuaries, investigators, inspectors, and efficiency engineers. Payments to the various railroad associations, commissions, committees, bureaus, boards, and other organizations maintained jointly by railroads shall also be included. The enumeration of these kinds of payments should not be understood as excluding other payments for services not excluded below.

6. To be excluded are: Rent of buildings or other property, taxes payable to the Federal, State, or local Governments, payments for heat, light, power, telegraph, and telephone services, and payments to other carriers on the basis of lawful tariff charges or for the interchange of equipment between carriers, as well as other 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, but any special and unusual payments for services should be reported. Payments of \$50,000 or more to organizations maintained jointly by railroads with other railroads are not to be excluded even if their services are regarded as routine.

7. 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 in the system, with references thereto in the reports of the other roads. When the respondent is reporting on a system basis, audit fees must be reported separately for each individual railroad included in the system.

8. If any doubt exists in the mind of the reporting officer as to the reportability of any type of payment, request should be made for a ruling before filing this report.

Line No.	Name of recipient (a)	Description of service (b)	Amount of payment (c)
1	None		\$ None
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			

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

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

The classes of tracks are defined as follows:

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

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

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

tracks switched by yard locomotives.

In the lower table, classify the mileage of road owned at close of year by States and Territories. The figures should apply to single-track mileage only. Enter names of States or Territories in the column headings. Lengths should be stated to the nearest WHOLE mile adjusted to accord with footings, i.e. counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

Line No.	Name of road (a)	Termini between which road named extends (b)	RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				Miles of way switching tracks (g)	Miles of yard switching tracks (h)	Total (i)
			Miles of road (c)	Miles of second main track (d)	Miles of all other main tracks (e)	Miles of passing tracks, cross-overs, etc. (f)			
1	Northern Railroad	Concord, N. H. to White	69			4	3	9	85
2		River Junction, Vermont							
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									

MILES OF ROAD OWNED AT CLOSE OF YEAR—BY STATES AND TERRITORIES—(Single Track)

Line No.	Name of road	(Enter names of State or Territories in the column headings)										Total
		N. H.	Vt.									
25	Northern Railroad	69.04	.24									69.28
26												
27												
28												
29												
30												
31												

[illegible]700A. 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 particular

700A. MILES OF TRACKS OWNED AT CLOSE OF YEAR—BY STATES AND TERRITORIES.

705. 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 3 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.
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	Name of lessor company	Main (M) or branch (B) line	RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.				Miles of way switching tracks	Miles of yard switching tracks	Total
				Miles of road	Miles of second main track	Miles of all other main tracks	Miles of passing tracks, cross-overs, and turn-outs			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1		Northern Railroad								
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14				Total Increase						None

DECREASES IN MILEAGE

15		Northern Railroad								
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28										
29				Total Decrease						None

Lessor Initials

N

Year 1978

705. CHANGES DURING THE YEAR—Continued

If returns under Inquiry No. 1 on page 53 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	Northern Railroad			None		
31						
32						
33						
34						
35						
36						
37						
38						
39						
40		None	None			

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

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

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

Schedule 850.—COMPETITIVE BIDDING — CLAYTON ANTITRUST ACT

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

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

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

Line No.	Nature of bid (a)	Date Published (b)	Contract number (c)	No. of bidders (d)	Method of awarding bid (e)	Date filed with the Commission (f)	Company awarded bid (g)
1	None						
2							
3							
4							
5							
6							
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12							
13							
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29							
30							

900. COMPENSATION OF OFFICERS, DIRECTORS, ETC.

Give the name, position, salary, and other compensation, such as bonus, commission, gift, reward, or fee, of each officer, director, pensioner, or employee to whom the lessor companies included in this report paid \$50,000 or more during the year as compensation for current or past services over and above necessary expenses incurred in discharge of their duties.

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

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

902. EMPLOYEES AND COMPENSATION

1. Give the average number of employees in the service of the lessor companies included in this report and the total compensation paid to them. General officers who served without compensation or were carried on the payrolls of another company, and pensioners rendering no service, are not to be included.

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

3. This schedule does not include old-age retirement, and unemployment insurance taxes. See schedule 450 for such taxes.

Line No.	Name of lessor company	AVERAGE NUMBER OF EMPLOYEES IN SERVICE			TOTAL COMPENSATION DURING YEAR		
		Executives, general officers, and staff assistants	Other employees	Total employees	Executives, general officers, and staff assistants	Other employees	Total compensation
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Northern Railroad	5	0	5	\$2,300.	\$0	\$2,300.00
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							

VERIFICATION

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

OATH

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

State of Massachusetts

County of Suffolk

W. N. D. Reid makes oath and says that he is Assistant Treasurer
(Insert here name of the affiant) (Insert here the official title of the affiant)

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

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

January 1, 1978, to and including December 31, 1978

W. N. D. Reid
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 27th day of March, 1978

My commission expires January 26, 1984

Use an
L.S.
impression seal

Katherine M. McCarty
(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

State of NEW HAMPSHIRE

County of HILLSBOROUGH

CHESTER H. LOPES, JR. makes oath and says that he is CLERK AND DIRECTOR
(Insert here name of the affiant) (Insert here the official title of the affiant)

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

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

JANUARY 1, 1978, to and including DECEMBER 31, 1978

Chester H. Lopes, Jr.
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 28th day of MARCH, 1978

My commission expires OCTOBER 2, 1980

Use an
L.S.
impression seal

Robert B. L.
(Signature of officer authorized to administer oaths)

