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1970

MERCHANT DESPATCH TRANSPORTATION

CORPORATION

9545

ORIGINAL

INTERSTATE
COMMERCE COMMISSION
RECEIVED

ADMINISTRATIVE SERVICES
MAIL BRANCH

ANNUAL REPORT

OF

MERCHANTS DESPATCH TRANSPORTATION CORPORATION

139 West Van Buren Street

Chicago, Illinois 60605

TO THE

INTERSTATE COMMERCE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 19⁷⁰

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. One copy of the report should be retained by the respondent in its files. Attention is especially directed to the following provisions of Part I of the Interstate Commerce Act:

Sec. 1(3). The term "person" as used in this part includes an individual, firm, copartnership, corporation, company, association, or joint-stock association; and includes a trustee, receiver, assignee, or personal representative thereof.

Sec. 20(6). The Commission or any duly authorized special agent, accountant, or examiner thereof shall at all times have authority to inspect and copy any and all accounts, books, records, memoranda, correspondence, and other documents, of persons which furnish cars or protective service against heat or cold to or on behalf of any carrier by railroad or express company subject to this part: *Provided, however*, That such authority shall be limited to accounts, books, records, memoranda, correspondence, or other documents which pertain or relate to the cars or protective service so furnished. The Commission shall further have authority, in its discretion, to prescribe the forms of any or all accounts, records, and memoranda which it is authorized by this paragraph to inspect and copy, and to require the persons furnishing such cars or protective service, as aforesaid, to submit such reports and specific and full, true, and correct answers to such questions, relative to such cars or service, as the Commission may deem necessary. Persons furnishing such cars or protective service shall submit their accounts, books, records, memoranda, correspondence, or other documents, to the extent above provided, for inspection or copying to any duly authorized special agent, accountant, or examiner of the Commission upon demand and the display of proper credentials.

Sec. 20(7) (a). In case of failure or refusal on the part of any carrier, lessor, or other person to keep any accounts, records, and memoranda in the form and manner prescribed, under authority of this section, by the Commission, or to submit any accounts, books, records, memoranda, correspondence, or other documents to the Commission or any of its authorized agents, accountants, or examiners for inspection or copying, as required under this section, such carrier, lessor, or person shall forfeit to the United States not to exceed \$500 for each such offense and for each day during which such failure or refusal continues.

Sec. 20(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: * * *

Sec. 20(7) (c). Any carrier or lessor, or person furnishing cars or protective service, 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.

2. The instructions in this Form should be carefully observed, and each question should be answered fully and accurately. If any inquiry is inapplicable to the person in whose behalf the report is made, such notation as "Not applicable" should be used in answer thereto. 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 any 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. 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.

4. All entries should be made in permanent black ink, except those of a contrary character, which should be indicated in parenthesis. Items of an unusual character should be indicated by appropriate symbol and footnote. Money items (except averages) throughout this annual report Form should be shown in units of dollars adjusted to accord with footings.

5. Throughout this report the Commission means the Interstate Commerce Commission; the respondent means the person or company 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 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 means the system of accounts published as Part 1205 of Title 49, Code of Federal Regulations, as amended.

6. Annual Report Form B-2 is provided for persons furnishing cars or protective service to railroad or express companies and owning 10 or more cars—excluding refrigerator car lines owned or controlled by railroads.

7. Should there be doubt as to the reporting of any item or items or parts thereof, or advice is desired relative to the preparation of the report, address an inquiry to the Bureau of Accounts for consideration and decision.

INTERNET

MERCHANTS DESPATCH TRANSPORTATION CORPORATION

REPORT OF OPERATIONS
AND
GENERAL BALANCE SHEET

Mr. W.H. Moore
Mr. H.C. Beaman, Jr.
Mr. J.H. Shaffer
Mr. A.W. Martinelli
Mr. N.J. Hull, Jr.
Mr. D.C. Costanzo
Mr. P.C. Underwood
Mr. W.H. Keleher
Mr. T.J. Zuzich
First Wis. Nat. Bank
Irving Trust Co.
Mellon Nat. Bank & Trust Co.
The Northern Trust Co.
Pittsburgh National Bank

For Month of DECEMBER 1970
and
12 Months ended DECEMBER 31, 1970

PREPARED IN
OFFICE OF AUDITOR
Chicago, Illinois 60605
FEB 26 1971

[Printed in U.S.A.]

MERCHANTS DESPATCH TRANSPORTATION CORPORATION

Compared with Dec. 1969 Nov. 1970 Favorable or (*) Unfavorable		Month of December 1970	INCOME STATEMENT	Twelve Months 1970	Compared with same period in prior year— Favorable or (*) Unfavorable
* 302 121	131 871	1 116 645	REVENUES		
* 4 817	65	27 770	501—Car Service (Detail P-2)	14 568 568	* 470 251
2 325	203	2 834	501—Icing Protective Service (Detail P-3)	691 130	* 41 944
3 515	2 200	12 500	501—Mechanical Protective Service (Detail P-4)	33 912	5 359
151	821	25 881	501—Heater Service (Detail P-4)	136 080	* 1 232
* 300 947	135 160	1 185 630	501—Other Services (Detail P-5)	304 417	* 34 934
			Total	15 734 107	* 543 002
46 235	* 83 442	713 950	EXPENSES		
3 666	* 2 817	4 821	531—Car Service (Detail P-2)	8 652 000	* 988 700
2 846	* 777	15 493	531—Ice and Salt (Detail P-3)	411 695	15 159
* 489	* 789	5 921	531—Other Icing Service (Detail P-3)	177 688	45 398
* 2 327	* 5 330	11 422	531—Mechanical Protective Service (Detail P-4)	68 587	* 4 478
* 29	* 12	14 464	531—Heater Service (Detail P-4)	109 521	* 5 703
2 153	* 65	39 633	531—Miscellaneous (Detail P-5)	173 445	32 349
52 055	* 93 232	803 704	531—General (Detail P-5)	477 525	* 7 154
* 248 892	41 928	379 926	Total	10 070 461	* 913 129
* 75 067	* 5 312	159 425	Net Revenues from Operations	5 663 646	* 1 456 131
* 323 959	36 616	220 501	532—Tax Accruals (Detail P-5)	2 539 607	544 356
1 419	* 1	66 973	Operating Income	3 124 039	* 911 775
* 322 540	36 615	153 528	533—Rent Payable for Cars	810 037	* 56 827
			Net Operating Income	2 314 002	* 968 602
2 376	* 3 005	2 376	OTHER INCOME		
* 1			513—Dividend Income	20 472	20 472
2 375	* 3 005	2 376	514—Interest Income	7	6
			519—Miscellaneous Income		
			Total Other Income	20 479	20 478
* 320 165	33 610	155 904	Total Income	2 334 481	* 948 124
	13		MISC. DEDUCTIONS FROM INCOME		
	13		551—Miscellaneous Income Charges	397	416
* 320 165	33 623	155 904	Total Misc. Ded. from Income	397	416
			Income available for Fixed Charges	2 334 084	* 947 708
188	1 015	38 108	FIXED CHARGES		
15 914			546—Interest on Funded Debt	511 579	* 114 199
			547—Interest on Unfunded Debt	40 681	64 556
16 102	1 015	38 108	Total Fixed Charges	552 260	* 49 643
* 304 063	34 638	117 796	Net Income	1 781 824	* 997 351
* 3.86	.44	1.50	Earnings Per Share	22.63	* 12.66
			Dividends Paid Per Share	15.00	45.15
			STATEMENT OF RETAINED INCOME— UNAPPROPRIATED		
904 637	83 158	34 127 904	Balance at beginning of period	33 645 126	* 1 958 325
* 304 063	34 638	117 796	Plus: Net Income or (Dr.-Deficit)	1 781 824	* 997 351
			Other Credits		
600 574	117 796	34 245 700	Total	35 426 950	* 2 955 676
			Less: Dividends	1 181 250	3 556 250
600 574	117 796	34 245 700	Other debits		
			Balance at close of period	34 245 700	600 574

Freight Cars in Service	Dec. 1970	5,363	Dec. 1969	5,906
Pass.	" "	16	" "	30
Flexi-Van	" "	549	" "	558
Flat Train	" "	1,107	" "	1,116
Auto Racks	" "	1,442	" "	1,125
" (Leased) in	" "	732	" "	741
		7,035		7,610
		2,181		1,866

MERCHANTS DESPATCH TRANSPORTATION CORPORATION

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Compared with Dec.1969 Nov.1970		Month of December 1970	RATIO OF EXPENSES TO REVENUES	Twelve Months 1970	Compared with same period in prior year— Favorable or (*) Unfavorable
Favorable or (*) Unfavorable					
* 9.08	* .20	60.22	Car Service	54.99	* 7.90
.16	* .22	.41	Ice and Salt	2.62	
* .07	.11	1.30	Other Icing Service	1.13	.24
* .13	* .01	.50	Mechanical Protective Service	.43	* .04
* .35	* .38	.96	Heater Service	.70	* .06
* .25	.15	1.22	Miscellaneous	1.10	.16
* .53	.42	3.34	General	3.03	* .14
* 10.25	* .13	67.95	Total	64.00	* 7.74
CAR SERVICE					
* 195 721	110 589	351 723	REVENUES	5 158 850	*1 320 763
20 136	10 272	75 953	101—Car Mileage	1 079 073	108 339
* 129 500	6 675	554 562	102—Car Rental—Refrigerator	6 769 367	777 501
2 964	4 335	134 407	—Auto Racks	1 561 278	* 35 328
			—Flexi-Van Cars		
			108—Other Car Service Revenue		
* 302 121	131 871	1 116 645	Total	14 568 568	* 470 251
* 2 117	* 1 170	19 606	EXPENSES	213 638	* 5 867
* 533	52	4 433	201—Supervision	48 780	* 2 097
1 196	* 1 165	12 596	203—Rents—Car Service Facilities	149 995	11 344
958	147	1 446	205—Car Distribution	18 108	9 790
2 758	* 87 911	325 656	208—Cleaning and Conditioning Cars	3 740 452	*1 036 717
* 2 751	* 1 735	8 235	210—Car Repairs	87 333	* 14 114
	15		211—Other Repairs	92	24
* 99	* 1	2 208	221—Injuries to Persons	23 134	1 071
* 391	* 495	777	222—Insurance	7 442	158
* 1 269	* 52	4 841	223—Stationery and Printing	57 954	* 65 657
			229—Other Expenses		
48 180	15 064	333 122	230—Equalization—Car Repairs	4 319 074	99 191
* 57	4	1 330	236—Depreciation—Rolling Stock	15 956	* 534
360	* 6 195	Gr 300	237—Depreciation—Other Car Service Facilities	Gr 29 959	15 708
			238—Retirements—Car Service Facilities		
46 235	* 83 442	713 950	Total	8 652 000	* 988 700
* 255 886	48 429	402 695	Net Car Service Revenue	5 916 568	*1 458 951

MERCHANTS DESPATCH TRANSPORTATION CORPORATION

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Compared with Dec. 1969 Nov. 1970 Favorable or (*) Unfavorable		Month of December 1970	ICING PROTECTIVE SERVICE	Twelve Months 1970	Compared with same period in prior year— Favorable or (*) Unfavorable
			REVENUES		
* 3 667	2 815	4 820	110—Ice and Salt	411 695	* 15 178
* 1 150	* 2 750	22 950	111—Supervision	279 435	* 26 766
			112—Refrigeration Device Damage		
			113—Top or Body Ice Damage		
			114—Precooling		
			115—Other Icing Service Revenue		
* 4 817	65	27 770	Total	691 130	* 41 944
			EXPENSES Ice and Salt		
3 582	* 3 042	3 627	251—Ice Purchased	380 945	561
			252—Ice Produced		
* 217	80	217	253—Rents—Icing Facilities	10 808	* 7 096
			254—Icing Operations		
			255—Repairs—Icing Facilities		
			256—Injuries to Persons		
			257—Insurance		
			258—Other Expense		
			265—Depreciation—Icing Facilities		
301	145	977	270—Retirements—Icing Facilities	19 942	21 694
			275—Salt		
3 666	* 2 817	4 821	Total	411 695	15 159
			EXPENSES Other Icing Service		
3 005	* 602	14 644	281—Supervision	168 230	45 668
5	1	392	282—Rents—Refrigeration Service Facilities	4 711	50
			283—Repairs—Refrigeration Service Facilities		
			284—Precooling Service		
* 5	1	41	285—Injuries to Persons		
* 152	* 187	271	286—Insurance	375	54
* 7	10	145	287—Stationery and Printing	2 513	* 187
			290—Other Expenses	1 859	* 187
			295—Depreciation—Refrig. Service Facilities		
			296—Retirements—Refrig. Service Facilities		
2 846	* 777	15 493	Total	177 688	45 398
6 512	* 3 594	20 314	Total Expenses Ice & Salt—Other Icing Service	589 383	60 557
1 695	* 3 529	7 456	Net Revenue—Icing Protective Service	101 747	18 613

MERCHANTS DESPATCH TRANSPORTATION CORPORATION

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Compared with Dec.1969 Nov.1970 Favorable or (*) Unfavorable		Month of December 1970	MECHANICAL PROTECTIVE SERVICE	Twelve Months 1970	Compared with same period in prior year— Favorable or (*) Unfavorable
2 325	203	2 834	REVENUES 116—Mechanical Protective Service Units 117—Inspecting, Servicing and Supervision 118—Fuel 119—Other Mech. Prot. Service Revenue	33 912	5 359
2 325	203	2 834	Total	33 912	5 359
* 89	* 25	635	EXPENSES 301—Supervision	7 226	* 1 285
1		34	302—Rents	411	5
* 267	* 181	1 183	303—Fuel	12 600	* 2 149
* 119	* 564	2 118	305—Inspecting and Servicing	25 007	* 1 448
			306—Supplies & Repairs		
			307—Injuries to Persons		
			308—Insurance	33	5
* 14	* 17	24	309—Stationery and Printing	220	* 19
* 1	* 1	13	315—Other Expenses	168	* 21
		1 910	320—Depreciation—Mech. Serv. Facilities	22 922	434
			321—Retirements—Mech. Serv. Facilities		
* 489	* 789	5 921	Total	68 587	* 4 478
1 836	* 586	Dr 3 087	Net Revenue—Mech. Prot. Service	Dr 34 675	881
			HEATER SERVICE		
* 500	* 1 400	3 100	REVENUES 120—Car Heaters	47 353	622
330	* 550	450	121—Heater Fuel	12 510	1 851
3 385	4 350	6 850	122—Servicing Heaters	51 228	* 4 228
300	* 200	2 100	123—Supervision	24 989	523
			124—Preheating Cars		
			128—Other Heater Service Revenue		
3 515	2 200	12 500	Total	136 080	* 1 232
* 140	* 42	998	EXPENSES 351—Supervision	11 352	* 2 015
1		54	353—Rents—Heater Service Facilities	649	7
3 050	4 210	Cr 1 231	357—Heater Fuel	10 935	235
* 5 749	* 9 123	9 224	358—Inspecting and Servicing of Heaters	51 206	* 488
* 10	* 348	774	360—Repairs—Heater Service Facilities	10 285	* 3 989
			361—Preheating Service		
			371—Injuries to Persons		
* 1		10	372—Insurance	90	* 2
* 21	27	38	373—Stationery and Printing	346	* 26
* 1		20	379—Other Expenses	255	30
544		1 535	386—Depreciation—Heater Service Facilities	23 450	1 498
			388—Retirement—Heater Service Facilities	953	* 953
* 2 327	* 5 330	11 422	Total	109 521	* 5 703
1 188	* 3 130	1 078	Net Revenue—Heater Service	26 559	* 6 935

MERCHANTS DESPATCH TRANSPORTATION CORPORATION

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Compared with Dec. 1969 Nov. 1970 Favorable or (*) Unfavorable		Month of December 1970	OTHER SERVICES	Twelve Months 1970	Compared with same period in prior year— Favorable or (*) Unfavorable
150		450	REVENUES	4 979	* 31 841
1 1		11	130—Ventilation Service		
820		25 420	132—Other Ice and Salt	138	* 87
151		25 881	133—Miscellaneous		
			" Trailers	299 300	* 1 272
			" Locomotives	304 417	* 1 734
			Total		* 34 934
			MISCELLANEOUS		
* 30 *		203	EXPENSES	2 309	30 566
			401—Ventilation Service		
			405—Curtain Service		
			408—Papering Cars		
			410—Loss and Damage Claims		
			414—Diversion and Reconsignments		
1 1		14 261	415—Other Expenses—Trailers	171 136	1 783
			—Locomotives		
* 29 *		14 464	Total	173 445	32 349
			GENERAL		
253 *		29 380	450—Salaries-Expenses of Gen. Officers & Clks.	348 645	* 9 779
49 *		460	451—General Office Supplies and Expenses	5 977	315
		1 266	452—Rents	15 191	
* 27 *		27	454—Law Expenses	2 357	919
109 *		4 610	459—Pensions and Relief	58 030	* 6 527
* 49 *		71	460—Insurance	1 613	* 861
120 *		382	461—Stationery and Printing	3 339	932
* 76 *		90	462—Repairs General	1 117	* 395
* 2 *		309	465—Depreciation—General	3 994	791
1 776 *		3 038	466—Retirements—General		
			469—Other Expenses	37 262	7 451
2 153 *		39 633	Total	477 525	* 7 154
* 96 387 *		142 413	532—TAX ACCRUALS	2 071 321	571 548
174 *		2 260	Federal Income Tax (Detail P-5A)	34 142	* 2 765
* 3 749 *		12 676	RR. Unemployment Insurance	141 578	* 28 225
			Federal Excise—RR. Retirement	1	10
			Mexican Taxes		
			Taxes on Ice Houses		
			Taxes on Heater Facilities		
* 3 *		37	Taxes on Repair Yards	486	* 24
25 539 *		1 853	State Taxes	291 010	1 694
* 141 *		176	Miscellaneous	1 014	2 117
		10	Filing Fees	55	1
			Trailer License and Reg. Fees		
* 75 067 *		159 425	Total	2 539 607	544 356

**BEST
AVAILABLE
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MESCHAM'S DESPATCH TRANSPORTATION CORPORATION

Statement Showing Computation of Federal Income Tax Accrual - Month of

December 1970

Net Income Per Books	\$1,781,424.38
Federal Income Tax	<u>22,071,321.45</u>
Income before Federal Income Tax	\$1,853,145.83

Adjustments to convert Book Net Income
Into Taxable Net Income
Add: Excess of Depreciation Per Books
over amount allowed by I.R.S.

	<u>Depreciation Per Books</u>	<u>Depreciation Per I.R.S.</u>	
<u>Refrigerator Cars</u>			
New	\$2,064,879.59	\$1,373,534.25	
Second Hand	50,785.56	68,630.15	
Rebuilds	359,648.71	280,503.85	
<u>Flat Cars</u>			
Cars	716,480.36	696,265.29	
Rebuilds	1,170,202.24	1,478,223.96	
<u>Miscellaneous Equipment</u>			
Autoscooters	7,357.25	7,618.37	
Car Seats	23,449.65	23,428.56	
<u> motive Power</u>			
Other Locomotives	<u>171,115.96</u>	<u>164,775.56</u>	
	\$4,563,439.32	\$4,097,980.97	<u>\$ 465,458.35</u>

Federal Income and Surtax @ 48%	\$2,063,570.01
Surcharge 2%	<u>51,589.25</u>
	\$2,115,159.26

Less: 5% adjustment under allocation agreement	<u>\$ 105,757.96</u>
	\$2,009,401.30

Plus: Adjustment under allocation agreement for Consolidated Return	<u>75,447.70</u>
	\$2,084,849.00

Less: Adjustment for overaccrual of 1969 tax	<u>\$ 13,527.54</u>
	\$2,071,321.46

Less: Amount accrued for 11 Months 1970	<u>\$1,928,208.38</u>
Federal Income and Surtax Accrual - December 1970	\$ 142,413.08

MERCHANTS DESPATCH TRANSPORTATION CORPORATION
GENERAL BALANCE SHEET

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ASSETS	Dec. 31	Comparison with	Comparison with
	1970	Nov. 30 1970	Dec. 31 1969
		Inc. (D-Decrease)	Inc. (D-Decrease)
CURRENT ASSETS			
701—Cash	132 280	D 634 936	D 893 786
702—Temporary Cash Investments (Detail P-8)		D 1 049 825	
703—Special Deposits		D 1 350 000	D 3 975 000
704—Loans and Notes Receivable			
705—Mileage Accounts Receivable	87 224	D 48 380	81 197
707—Miscellaneous Accounts Receivable	1 065 547	D 664 315	D 134 010
708—Interest and Dividends Receivable		D 1 472	
709—Accrued Accounts Receivable	1 319 233	73 175	D 320 497
711—Prepayments	29 367	D 13 207	D 5 070
712—Material and Supplies	197 258	D 7 742	D 45 237
713—Other Current Assets	26 594	9 950	3 494
Total Current Assets	2 857 503	D 3 686 752	D 5 288 909
SPECIAL FUNDS			
Total Special Funds			
INVESTMENTS			
721—Investments in Affiliated Companies			D 725 000
722—Other Investments			
Total Investments			D 725 000
PROPERTIES			
731—Cars or Protective Service Property			
Land	10 653		
Rolling Stock			
(a) Equipment Owned	61 653 363	D 253 516	D 3 890 382
(b) Equipment Agreements (Detail P-8)	35 296 486	11 493	1 280 603
Miscellaneous Equipment			
(a) Automobiles	46 097		54
(b) Car Heaters	432 292		D 18 080
(c) Trailers and Bogies			
Car Shop Buildings and Machinery	357 219	84	562
Tracks	21 605		
Work Equipment	27 601		
Icing Platforms			
Miscellaneous Structures (Furniture and Fixtures)	98 395		
Total Cars or Prot. Service Property	97 943 711	D 241 939	D 2 627 243
735—Accrued Deprec.—Cars or Protective Service Prop. Cr	45 294 157	110 752	D 3 451 409
736—Amortization of Defense Projects Cr	402 651	2 150	D 140 145
Total Cars or Prot. Service Property less recorded Depreciation and Amortization	52 246 903	D 350 541	964 311
737—Miscellaneous Physical Property			
738—Accrued Depreciation—Misc. Physical Property			
Miscellaneous Physical Property less recorded Depreciation			
Total Properties less recorded Depreciation and Amortization	52 246 903	D 350 541	964 311
OTHER ASSETS AND DEFERRED CHARGES			
741—Other Assets	318 679	317 734	317 734
743—Other Deferred Charges	461 205	48 988	455 095
Total Other Assets and Deferred Charges	779 884	366 722	772 829
TOTAL ASSETS	55 884 290	D 3 670 571	D 4 276 769

MERCHANTS DESPATCH TRANSPORTATION CORPORATION
GENERAL BALANCE SHEET

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LIABILITIES AND SHAREHOLDERS' EQUITY	Dec. 31 1970		Comparison with Nov. 30 1970		Comparison with Dec. 31 1969	
			Inc. (D-Decrease)		Inc. (D-Decrease)	
CURRENT LIABILITIES					D 2 112 184	
751—Loans and Notes Payable						
753—Audited Accounts and Wages Payable						
(a) Audited Vouchers	40 691		D 24 297		D 35 201	
(b) Payrolls	11 111		D 4 697		4 931	
(c) Unclaimed Wages	518		518		511	
754—Miscellaneous Accounts Payable	27 036		5 078		3 925	
755—Interest Matured Unpaid			D 126 962			
756—Dividends Matured Unpaid	87 125		30 410		D 31 289	
757—Unmatured Interest Accrued						
758—Unmatured Dividends Declared						
759—Accrued Accounts Payable	1 125 391		D 286 437		D 45 881	
760—Federal Income Taxes Accrued	2 084 849		D 2 704 443		D 775 535	
761—Other Taxes Accrued (Detail P-8)	176 457		D 90 197		D 1 927	
763—Other Current Liabilities						
Total Current Liabilities	3 553 178		D 3 201 027		D 2 992 650	
(Exclusive of long term debt due within one year)						
LONG-TERM DEBT DUE WITHIN ONE YEAR						
(Detail P-8)	Total Issued	Held by or for Company				
764—Equip. Obligations and Other Debt	2 388 976	—	2 388 976		D 236 320	
Total Long-Term Debt due within One Year	2 388 976		D 236 320		329 669	
LONG-TERM DEBT DUE AFTER ONE YEAR						
(Detail P-8)	Total Issued	Held by or for Company				
765—Funded Debt Unmatured	5 507 436	—	5 507 436		D 350 000	
766—Equipment Obligations					D 979 812	
Total Long-Term Debt due after One Year	5 507 436		D 350 000		D 979 812	
RESERVES						
773—Equalization Reserves						
774—Casualty and Other Reserves						
Total Reserves						
OTHER LIABILITIES AND DEFERRED CREDITS						
783—Other Liabilities	5 000		D 1 020		D 1 234 550	
784—Other Deferred Credits						
Total Other Liabilities and Deferred Credits	5 000		D 1 020		D 1 234 550	
SHAREHOLDERS' EQUITY						
	Total Issued	Held by or for Company				
Capital Stock (No Par Value)	7 875 000	—	7 875 000			
791—Capital Stock Issued						
Capital Surplus	2 309 000	—	2 309 000			
795—Paid-In Surplus						
796—Other Capital Surplus						
Total Capital Surplus			2 309 000			
Retained Income						
797—Retained Income Appropriated	34 245 700		117 796		600 574	
798—Retained Income Unappropriated	34 245 700		117 796		600 574	
Total Retained Income	44 429 700		117 796		600 574	
Total Shareholders' Equity						
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	55 884 290		D 3 670 571		D 4 276 769	

MERCHANTS DESPATCH TRANSPORTATION CORPORATION

8

DETAIL OF GENERAL BALANCE SHEET ACCOUNTS

December 31 1970

PROPERTIES -- Equipment Agreements

June 8, 1956 - Maturing June 15, 1971	\$8 584 898
Aug. 1, 1956 - " Aug. 1, 1971	2 522 493
Nov. 15, 1961 - " Feb. 15, 1972	1 925 652
Jan. 25, 1962 - " Feb. 15, 1972	1 240 088
Aug. 16, 1962 - " Nov. 1, 1972	593 613
Feb. 11, 1963 - " Mar. 1, 1973	1 029 259
July 15, 1963 - " Nov. 1, 1973	4 898 479
Feb. 15, 1964 - " Apr. 1, 1974	3 182 666
June 1, 1964 - " July 15, 1974	2 538 220
Dec. 3, 1964 - " Oct. 1, 1974	3 422 720
Oct. 1, 1965 - " Feb. 1, 1976	1 751 902
Sept. 3, 1969 - " Dec. 1, 1974	3 606 496

\$35 296 486

CURRENT LIABILITIES

Other Taxes Accrued

Miscellaneous Taxes

Railroad Unemployment Insurance Act

Federal Excise Tax - RR Retirement Act

\$ 151 386
8 327
16 744

\$ 176 457

LONG TERM DEBT

Equipment Obligations

Due Within One Yr. Due After One Yr.

June 8, 1956 3.99%	\$ 125 918	\$ -
Aug. 1, 1956 3.99%	113 657	-
Nov. 15, 1961 4.9 %	160 083	80 042
Jan. 25, 1962 4.9 %	99 960	49 980
Aug. 16, 1962 4.9 %	49 200	49 200
Feb. 11, 1963 4.8 %	47 954	71 931
July 15, 1963 4.6 %	315 014	630 028
Feb. 15, 1964 4.6 %	147 628	369 069
June 1, 1964 4.6 %	108 290	324 870
Dec. 3, 1964 4.6 %	342 272	1 026 816
Oct. 1, 1965 4.6 %	179 000	805 500
Sept. 3, 1969	700 000	2 100 000
	<u>\$2 388 976</u>	<u>\$5 507 436</u>

\$ 7 896 412

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; but it should be understood that mention is not made of necessary substitutions of dates, or in general, of such other things as simple modifications intended to make requirements clearer, other minor adjustments, and typographical corrections.

N O N E

~~Page 107, Schedule 108, Stockholders' Reports~~

~~Schedule added to provide information on the preparation and filing of annual reports to stockholders~~

~~Page 228, Schedule 202, Retained Income Unappropriated~~

~~Instructions clarified on reporting of Federal income tax consequences, to units 606 and 616~~

ANNUAL REPORT

100. ORGANIZATION AND CONTROL

1. State full and exact name of respondent making this report:

MERCHANTS DESPATCH TRANSPORTATION CORPORATION

2. Name, title, telephone number, and address of person to whom correspondence concerning this report should be addressed:

T.J. Zuzich

Auditor & Asst. Treasurer

312

(Name)

427-6767

(Title)

139 W. Van Buren Street

Chicago

Illinois 60605

(Number)

(Street)

(City)

(State)

3. Address of office where accounting records are maintained:

139 W. Van Buren Street

Chicago

Illinois 60605

(Number)

(Street)

(City)

(State)

4. Respondent is

A corporation.

(Individual, partnership, corporation, association, etc.)

5. If a partnership, state the names and addresses of each partner, including silent or limited, and their interests:

Name

Address

Proportion of interest

6. If a corporation, association, or other similar form of enterprise:

A. Incorporation or organization was—

In the State of

Delaware

on December 18, 1936

B. The directors' names, addresses, and terms of office are:

Name

Address

Term expires

James A. McDonald

Philadelphia, Pennsylvania

Harry C. Beaman, Jr.

Chicago, Illinois

Frank L. DeGroat

Milwaukee, Wisconsin

William E. Howard

Pittsburgh, Pennsylvania

Basil Cole

Philadelphia, Pennsylvania

Upon election or
appointment of
successor.

C. The names and titles of principal general officers are:

Name

Title

James A. McDonald

Chairman Executive Committee

Harry C. Beaman, Jr.

President

Frank C. Underwood

Vice President - Operations

W.H. Keleher

Vice Pres.-Mech.Eng.& Equip.

Alfred W. Martinelli

Comptroller

Robert W. Carroll

Secretary

John H. Shaffer

Treasurer

Thomas J. Zuzich

Auditor & Asst. Treas.

7. Voting power, elections and stockholders:

A. Total voting securities outstanding:

(1) Common

78,750

shares

78,750

votes

(2) Preferred

shares

votes

(3) Preferred

shares

votes

(4) Other securities

shares

votes

B. Does any class of securities carry any special privileges in any elections or in the control of corporate action? No If so, describe each such class or issue, showing the character and extent of such privileges.

C. Date of the latest closing of the stock book, or listing of stockholders, if within 1 year prior to the actual filing of this report
If book is not closed or list prepared within year indicated, check here ☒ and answer item 7-D as of December 31, of the year of this report. (Check)

D. State for each class of stock the total number of stockholders of record, corresponding to the answer to item 7-C.

Common

1

1st preferred

2d preferred

Other

100. ORGANIZATION AND CONTROL--Continued

8. Give names and addresses of ten stockholders of the respondent who at the date of latest closing of stock book or compilation of list of stockholders had the highest voting powers in the respondent company, showing also for each the number of votes which he would have had a right to cast on that date had a meeting then been in order.

Line No.	Name of security holder (a)	Address (b)	Number of votes to which security holder was entitled (c)	NUMBER OF VOTES, CLASSIFIED			
				Common (d)	1st preferred (e)	2d preferred (f)	Other securities (g)
1	Penn Central Transp.Co.	6 Penn Center Plaza	78,750	78,750			
2		Philadelphia, Penn.					
3							
4							
5							
6							
7							
8							
9							
10							

9. If the respondent was formed as a result of consolidations or mergers during the year, name all constituent companies, and give specific reference to charters or general laws governing each organization, date and authority for each consolidation and each merger received from a regulatory body, and date of consummation:

Not applicable.

10. If respondent was reorganized during the year, give name of original corporation and the laws under which it was organized, or name of owner or partners, the reason for the reorganization, and date of reorganization:

Not applicable.

11. If respondent was subject to a receivership during the year state—

- A. Date of receivership
 B. Court of jurisdiction under which operations were conducted
 C. Date when possession under it was acquired
 D. Name of receiver, receivers, or trustee

12. If any individual, individuals, association, or corporation held control, as trustee, other than receivership, over the respondent at the close of the year, state—

Not applicable.

- A. Date of trusteeship
 B. Authority for trusteeship
 C. Name of trustee
 D. Name of beneficiary or beneficiaries
 E. Purpose of trust

13. List of companies under common control with respondent:

Line No.	
46	None
47	
48	
49	
50	
51	
52	
53	
54	
55	
56	
57	

100. ORGANIZATION AND CONTROL—Concluded

14. Furnish complete list showing all companies controlled by respondent, either directly or indirectly. List under each directly controlled company the companies controlled by it and under each such company any others of more remote control. Each step of control should be appropriately indented from the left margin. After each company state the percentage, if any, of the voting power represented by securities owned by the immediately controlling company.

Line No.	
1	None
2	
3	
4	
5	
6	
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8	
9	
10	
11	
12	
13	
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25	

15. Furnish complete list showing corporations controlling the respondent. Commence with the company which is most remote and list under each such company the company immediately controlled by it. Each step of control should be appropriately indented from the left margin. After each company state the percentage, if any, of the voting power represented by securities owned by the immediately controlling company. Where any company listed is immediately controlled by or through two or more companies jointly, list all such companies and list the controlled company under each of them, indicating its status by appropriate cross references.

Line No.	
1	Penn Central Transportation Company 100%
2	
3	
4	
5	
6	
7	
8	
9	
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11	
12	
13	
14	

108. STOCKHOLDERS REPORTS

1. The respondent is required to send to the Bureau of Accounts, immediately upon preparation, two copies of its latest annual report to stockholders.

Check appropriate box:

☒ Two copies are attached to this report.

☐ Two copies will be submitted _____
(date)

☐ No annual report to stockholders is prepared.

200A. COMPARATIVE GENERAL BALANCE SHEET—ASSET SIDE

For instructions covering this schedule, see the text pertaining to General Balance Sheet Accounts in the Uniform System of Accounts. The entries in this balance sheet should be consistent with those in the supporting schedules on the pages indicated. The entries in column (a) should be restated to conform with the accounting requirements followed in column (c). The

entries in the short column (b₁) should be deducted from those in column (b₂) in order to obtain corresponding entries for column (c). All contra entries hereunder should be indicated in parenthesis.

Line No.	Balance at beginning of year (a)	Item (b)	Balance at close of year (c)
CURRENT ASSETS			
1	\$ 1 026 066	(701) Cash	\$ 132 280
2		(702) Temporary cash investments	
3	3 975 000	(703) Special deposits	
4		(704) Loans and notes receivable (p. 225)	
5	6 027	(705) Mileage accounts receivable	87 224
6	1 199 557	(707) Miscellaneous accounts receivable	1 065 547
7		(708) Interest and dividends receivable	
8	1 639 730	(709) Accrued accounts receivable	1 319 233
9		(710) Working fund advances	
10	34 437	(711) Prepayments	29 367
11	242 495	(712) Material and supplies	197 258
12	23 100	(713) Other current assets	26 594
13	8 146 412	Total current assets	2 857 503
SPECIAL FUNDS			
14		(715) Sinking funds (p. 215)	
15		(716) Capital and other reserve funds (p. 215)	
16		(717) Insurance and other funds (p. 215)	
17	-	Total special funds	-
INVESTMENTS			
18	725 000	(721) Investments in affiliated companies (p. 220)	
19		(722) Other investments (p. 220)	
20		(723) Reserve for adjustment of investment in securities—Credit	-
21	725 000	Total investments	-
PROPERTIES			
22	100 570 954	(731) Cars or protective service property (p. 204)	97 943 711
23		(733) Acquisition adjustment	
24	100 570 954	Total cars or protective service property	97 943 711
25	(48 745 566)	(735) Accrued depreciation—Cars or protective service property (p. 205)	(45 294 157)
26	(542 796)	(736) Amortization of defense projects—Cars or protective service property	(402 651)
27	(49 288 362)	Recorded depreciation and amortization (accounts 735 and 736)	(45 696 808)
28	51 282 592	Total cars or protective service property less recorded depreciation and amortization	52 246 903
29		(737) Miscellaneous physical property (p. 212)	
30		(738) Accrued depreciation—Miscellaneous physical property (p. 212)	
31	-	Miscellaneous physical property less recorded depreciation (account 737 less 738)	-
32	51 282 592	Total properties less recorded depreciation and amortization (line 28 plus line 31)	52 246 903
OTHER ASSETS AND DEFERRED CHARGES			
33	945	(741) Other assets (p. 225)	318 679
34		(742) Unamortized discount on long-term debt	
35	6 110	(743) Other deferred charges (p. 225)	461 205
36	7 055	Total other assets and deferred charges	779 884
37	60 161 059	TOTAL ASSETS	55 884 290

COMPARATIVE BALANCE SHEET—EXPLANATORY NOTES

Estimated accumulated net Federal income tax reduction realized since December 31, 1949 under section 168 (formerly section 124-A) of the Internal Revenue Code because of accelerated amortization of emergency facilities in excess of recorded depreciation \$ 4,916,447

Estimated accumulated net reduction in Federal income taxes because of accelerated depreciation of facilities since December 31, 1953 under provisions of section 167 of the Internal Revenue Code and depreciation resulting from the use of the guideline lives, since December 31, 1961 pursuant to Revenue Procedure 62-21 in excess of recorded depreciation \$ 1,409,223

Estimated accumulated net Federal income tax reduction realized since December 31, 1961 because of the investment tax credit authorized in the Revenue Act of 1962 compared with the income taxes that would otherwise have been payable without such investment tax credit \$ 2,641,016

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, 1971 \$ None

200L. COMPARATIVE GENERAL BALANCE SHEET—LIABILITY SIDE

For instructions covering this schedule, see the text pertaining to General Balance Sheet Accounts in the Uniform System of Accounts. The entries in this balance sheet should be consistent with those in the supporting schedules on the pages indicated. The entries in column (a) should be restated to conform with the accounting requirements followed in column (c).

The entries in the short column (b₁) should be deducted from those in column (b₂) in order to obtain corresponding entries for column (c). All contra entries hereunder should be indicated in parenthesis.

Line No.	Balance at beginning of year (a)			Item (b)	Balance at close of year (c)		
				CURRENT LIABILITIES			
39	2	112	184	(751) Loans and notes payable (p. 231)			
40		82	079	(753) Audited accounts and wages payable		52	320
41		23	111	(754) Miscellaneous accounts payable		27	036
42				(755) Interest matured unpaid			
43				(756) Dividends matured unpaid			
44		118	414	(757) Unmatured interest accrued		87	125
45				(758) Unmatured dividends declared			
46	1	171	272	(759) Accrued accounts payable		1	125 391
47	2	860	384	(760) Federal income taxes accrued (p. 234)		2	084 849
48		178	384	(761) Other taxes accrued (p. 234)		176	457
49				(763) Other current liabilities			
50	6	545	828	Total current liabilities (exclusive of long-term debt due within one year)		3	553 178
				LONG-TERM DEBT DUE WITHIN ONE YEAR			
51	2	059	307	(764) Equipment obligations and other debt (pp. 230 and 231)	(b) Total issued 2,388,976	(b) Held by or for respondent	2 388 976
				LONG-TERM DEBT DUE AFTER ONE YEAR			
52				(765) Funded debt unmatured	(b) Total issued 5,507,436 (pp. 230 and 231)	(b) Held by or for respondent	5 507 436
53	6	487	248	(766) Equipment obligations			
54				(767) Receivers' and Trustees' securities			
55				(768) Debt in default			
56				(769) Amounts payable to affiliated companies (p. 231)			
57	6	487	248	Total long-term debt due after one year			5 507 436
				RESERVES			
58				(771) Pension and welfare reserves			
59				(772) Insurance reserves			
60				(773) Equalization reserves			
61				(774) Casualty and other reserves			
62				Total reserves			
				OTHER LIABILITIES AND DEFERRED CREDITS			
63				(781) Interest in default			
64				(782) Other liabilities (p. 234)			
65				(783) Unamortized premium on long-term debt			
66	1	239	550	(784) Other deferred credits (p. 234)			5 000
67	1	239	550	Total other liabilities and deferred credits			5 000
				SHAREHOLDERS' EQUITY			
				Capital stock (Par or stated value)			
68	7	875	000	(791) Capital stock issued—Total	(b) Total issued 7,875,000	(b) Held by or for company	7 875 000
69	x x	x x	x x	Common stock (p. 237)	7,875,000	—	x x x x x x
70	x x	x x	x x	Preferred stock (p. 237)			x x x x x x
71				(792) Stock liability for conversion			
72				(793) Discount on capital stock			
73	7	875	000	Total capital stock			7 875 000
				Capital surplus			
74				(794) Premiums and assessments on capital stock (p. 237)			
75	2	309	000	(795) Paid-in surplus (p. 237)			2 309 000
76				(796) Other capital surplus (237)			
77	2	309	000	Total capital surplus			2 309 000
				Retained income			
78				(797) Retained income—Appropriated (p. 238)			
79	33	645	126	(798) Retained income—Unappropriated (p. 238)			34 245 700
80	33	645	126	Total retained income			34 245 700
81	43	829	126	Total shareholders' equity			44 429 700
82	60	161	059	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			55 884 290

211. PROPERTY AND EQUIPMENT

1. Give particulars of balances at the beginning and close of the year and of all changes during the year in Account 731, "Cars or protective service property." The balances by primary accounts should be stated in columns (b) and (f) and all changes made during the year should be analyzed in columns (c) to (e), inclusive.

2. The entries made in column (c) of this schedule should represent the cost to the respondent of constructing or acquiring cars or protective service property and equipment during the year and of making additions thereto and improvements thereon, as well as the cost during the year of making additions and improvements to physical property owned by the respondent and used for furnishing cars or protective service at, or before, the beginning of the year, and the amounts which

represent the cost to the respondent during the year of additions and improvements to transportation property leased from others under long-term contracts, in cases where such cost is not chargeable to the owning company.

3. Both the debit and credit involved in each transfer, adjustment, or clearance between cars or protective service property and equipment accounts should be included in the column in which the item was initially included. Also the transfer of prior years' debits or credits from investment in cars or protective service property and equipment to operating expenses or other accounts, or vice versa, should be included in the column applicable to current items of like nature. Important adjustment items should be fully explained in a footnote.

Line No.	Account (a)	Balance at beginning of year (b)	Additions during year (c)	Retirements during year (d)	Net charges during the year (e)	Balance at close of year (f)
		\$	\$	\$	\$	\$
1	(51) Land	10 653				10 653
2	(52) Motive Power Other Locomotives	3 422 720				3 422 720
3	(53) Rolling stock	95 754 868	6 246 754	8 856 533	(2 609 779)	93 145 089
4	(54) Miscellaneous equipment	496 415	6 587	24 613	(18 026)	478 389
5	(55) Tracks	21 605				21 605
6	(56) Carshop buildings and machinery	356 657	562		562	357 219
7	(57) Work equipment	27 601				27 601
8	(58) Ice manufacturing plants					
9	(59) Natural ice plants					
10	(60) Ice storage plants					
11	(61) Precooling plants					
12	(62) Icing platforms					
13	(63) Transmission systems					
14	(64) Testing apparatus					
15	(65) Miscellaneous structures #	98 395				98 395
16	(66) Mechanical protective service units	382 040				382 040
17	(67) Mechanical protective service facilities					
18	Total property and equipment	100 570 954	6 253 903	8 881 146	(2 627 243)	97 943 711
19	(70) Organization expenses					
20	TOTAL Account 731	100 570 954	6 253 903	8 881 146	(2 627 243)	97 943 711

Furniture & Fixtures

212. ACCRUED DEPRECIATION—PROPERTY AND EQUIPMENT

Give particulars of the credits and debits made to account No. 735, "Accrued depreciation—Cars or protective service property," during the year. If any entries are made for "Other credits" and "Other debits," state the facts occasioning such entries. A debit balance in columns (b) or (i) for any primary account should be shown in red or indicated by appropriate symbol.

Line No.	Account (a)	Balance at beginning of year (b)		CREDITS					DEBITS					Balance at close of year (i)					
				Charged to accounts Nos. 236, 237, 252, 265, 284, 295, 386, 415 and 465 (c)		Other credits (specified) (d)	Total credits (e)	Net charge from retirement of carrier property (f)	Other debits (specified) (g)	Total debits (h)									
	Motive Power-Other Locomotives	\$			\$			\$			\$			\$			\$		
1	(52) Rolling stock		860	953		171	136					171	136						1 032 089
2	(53) Rolling stock	46	918	267	4	319	074				4	319	074	7	984	282		7	984 282 43 253 059
3	(54) Miscellaneous equipment		285	027		30	807					30	807		23	659		23	659 292 175
4	(55) Tracks		17	137															17 137
5	(56) Carshop buildings and machinery		271	735		8	599					8	599						280 334
6	(57) Work equipment																		
7	(58) Ice manufacturing plants																		
8	(59) Natural ice plants																		
9	(60) Ice storage plants																		
10	(61) Precooling plants																		
11	(62) Icing platforms																		
12	(63) Transmission systems																		
13	(64) Testing apparatus																		
14	(65) Miscellaneous structures Off. Furn. & Fixtures		82	380		3	994					3	994						86 374
15	(66) Mechanical protective service units		310	067		22	922					22	922						332 989
16	(67) Mechanical protective service facilities																		
17	TOTAL	48	745	566	4	556	532				4	556	532	8	007	941		8	007 941 45 294 157

213. DEPRECIATION BASE AND RATES—PROPERTY AND EQUIPMENT

1. Show in columns (b) and (c) for each depreciable property account the balance at the beginning and end of the year, respectively, used in computing depreciation charges. The average depreciation base in column (d) should be determined by adding together the base used for each month during the year and then dividing the total by 12.

2. The annual composite depreciation percentage rates in column (e) should be computed by dividing total annual charges developed by applying annual component rates to the base used in computing the charges for December by the total base so used.

Line No.	Account (a)	DEPRECIATION BASE			Annual composite percentage rate (e)	Remarks (f)
		Balance at beginning of year (b)	Balance at close of year (c)	Average balance for the year (d)		
31	A. OWNED PROPERTY					
32	(52) Rolling stock Motive Power-Other Locomotives	\$ 3 422 720	\$ 3 422 720	\$ 3 422 720	5.00	① Excludes amortized equipment \$542,796
33	(53) Rolling stock	① 95 212 072	② 92 742 438	94 699 510	4.30	
34	(54) Miscellaneous equipment	496 415	478 389	479 919	5.41	
35	(55) Tracks	21 605	21 605	21 605	F.D.	
36	(56) Carshop buildings and machinery	356 657	357 219	356 908	2.37	② Excludes amortized equipment \$402,651
37	(57) Work equipment	27 601	27 601	27 601	N.D.	
38	(58) Ice manufacturing plants					
39	(59) Natural ice plants					
40	(60) Ice storage plants					Accrued Amort. Bal. 1/1/70 542,796
41	(61) Precooling plants					Less: Retirements 140,145
42	(62) Icing platforms					402,651
43	(63) Transmission systems					
44	(64) Testing apparatus					F.D. = Fully Depreciated.
45	(65) Miscellaneous structures Off. Furn. & Fixtures	98 395	98 395	98 395	3.77	
46	(66) Mechanical protective service units	382 040	382 040	382 040	6.00	N.D. = Not Depreciable.
47	(67) Mechanical protective service facilities					
48	TOTAL OWNED PROPERTY	100 017 505	97 530 407	99 488 698	4.33	

214. MISCELLANEOUS PHYSICAL PROPERTY

1. Give particulars of investments in physical property includible in account Nos. 737, "Miscellaneous physical property"; the reserves in account 738, "Accrued depreciation—Miscellaneous physical property," income credited to account 502, "Revenues from miscellaneous operations," account 534, "Expenses of miscellaneous operations," and account 535, "Taxes on miscellaneous operating property."

2. The description of the property in column (a) should give identification of it with a reasonable degree of particularity.

3. If actual money cost to the respondent was different from that shown in column (b), give full particulars in a footnote.

4. If any property of the character provided for in this schedule was disposed of during the year, or by reclassification was transferred to or from the carrier property accounts, give particulars in a footnote.

Line No.	Description of property (a)	Book cost at close of year (Account 737) (b)			Depreciation reserve at close of year (Account 738) (c)			Total income during the year (Account 502) (d)			Total expenses during the year (Account 534) (e)			Total taxes applicable to the year (Account 535) (f)		
		\$			\$			\$			\$			\$		
1	None															
2																
3																
4																
5																
6																
7																
8																
9																
10																
11																
12	TOTAL															

216. SINKING, CAPITAL, INSURANCE, AND OTHER RESERVE FUNDS

1. Give the particulars called for with respect to reserve funds included in accounts Nos. 715, "Sinking funds"; 716, "Capital and other reserve funds"; and 717, "Insurance and other funds."

2. In column (b) give the name by which the fund is designated in the respondent's records; the kind of fund, such as sinking, capital, property insurance, pension, and relief; the rate of interest (if any); and the date of maturity.

3. Insert totals separately for each account. Such totals of columns (g)

and (j) should be the same as those stated in short columns (b₁) and (b₂), respectively, in the comparative general balance sheet statement.

4. Entries in column (g) should be the sums of corresponding entries in columns (d) and (e), less those shown in column (f), and the sum of entries in columns (h), (j), and (l) should equal those in column (g).

5. All conversions of cash into securities, or vice versa, shall be treated as withdrawals from the fund in column (f) and as additions to the fund in column (e).

Line No.	Account No.	Name, kind, and purpose of fund (List on same line in second section and in same order as in first section)	Name of trustee or depository	Balance at beginning of year—Book value		
	(a)	(b)	(c)	(d)		
1		None		\$		
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						

Line No.	Additions during the year—Book value			Withdrawals during the year—Book value			Balance at close of year—Book value			ASSETS IN FUNDS AT CLOSE OF YEAR												
										Cash	SECURITIES ISSUED OR ASSUMED BY RESPONDENT						OTHER SECURITIES AND INVESTED ASSETS					
											Par value	Book value		Par value		Book value						
(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)															
\$		\$	\$			\$		\$				\$			\$			\$				
1																						
2																						
3																						
4																						
5																						
6																						
7																						
8																						
9																						
10																						
11																						
12																						
13																						
14																						
15																						
16																						
17																						
18																						
19																						
20																						
21																						

217. INVESTMENTS IN SECURITIES AND ADVANCES

1. Give details of the balance of securities and advances held by the respondent at the close of the year.
2. Classify in the following order: (1) Stocks, (2) Bonds, (3) Other secured obligations, (4) Unsecured notes, and (5) Investment advances.

261. FUNDED DEBT AND OTHER OBLIGATIONS

1. 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, which pertain or relate to the cars and protective service of the respondent. Include receipts outstanding for funded debt with their respective issues. List entries under captions of account numbers and titles, and insert total for each account.

2. In column (a) show the symbol and name, and account number of each bond or other obligation according to the following designations in the numerical order given, and give a total for each such numerical alphabetical and each numerical group and for each account:

(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:

- (a) Equipment securities (Corporation).
(b) Equipment securities (Receivers' and Trustees').
(c) Conditional or deferred payment contracts.

(5) MISCELLANEOUS OBLIGATIONS.

(6) RECEIVERS' AND TRUSTEES' SECURITIES (Other than equipment obligations).

(7) SHORT-TERM NOTES IN DEFAULT.

3. 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 obligations and give particulars in a footnote.

4. If the issue is an income bond, the entry in column (d) should be the annual maximum rate of interest specified by the indenture.

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

6. 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.

7. For definitions of "nominally issued," "nominally outstanding," "actually issued," and "actually outstanding," see Instruction 2, General Instructions Uniform System of Accounts.

8. Entries in column (k) 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.

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

Line No.	Name and character of obligation (List on same line in second section and in same order as in first section)	Nominal date of issue	Date of maturity	INTEREST PROVISIONS		Total amount nominally and actually issued
				Rate percent per annum	Dates due	
	(a)	(b)	(c)	(d)	(e)	(f)
1	Conditional or Deferred Payment Contracts	6/ 8/56	6/15/71	3.99%	Semi-Annually	\$ 7 089 600
2	" " " " "	8/ 1/56	8/ 1/71	3.99%	"	2 059 000
3	" " " " "	11/15/61	2/15/72	4.9%	"	2 693 658
4	" " " " "	1/25/62	2/15/72	4.9%	"	1 725 600
5	" " " " "	8/16/62	11/ 1/72	4.9%	"	874 500
6	" " " " "	2/11/63	3/ 1/73	4.8%	"	3 481 600
7	" " " " "	7/15/63	11/ 1/73	4.6%	"	5 300 000
8	" " " " "	2/15/64	4/ 1/74	4.6%	"	2 500 000
9	" " " " "	6/ 1/64	7/15/74	4.6%	"	1 820 000
10	" " " " "	12/ 3/64	10/ 1/74	4.6%	"	3 636 640
11	" " " " "	10/ 1/65	2/ 1/76	4.6%	"	1 790 000
12	" " " " "	9/ 3/69	12/ 1/74	8.75%	"	3 500 000
13						
14						
15						
16						

Line No.	Amount nominally issued and held or canceled	Total amount actually issued	Amount reacquired	Total amount actually outstanding	INTEREST		
					Accrued during year	Actually paid during year	Total amount in default
	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	\$	7 089 600	\$ 6 963 682	\$ 125 918	\$ 19 635	\$ 20 494	\$
2		2 059 000	1 945 343	113 657	6 774	9 206	
3		2 693 658	2 453 533	240 125	14 708	17 649	
4		1 725 600	1 575 660	149 940	9 184	11 021	
5		874 500	776 100	98 400	6 228	6 630	
6		3 481 600	3 361 715	119 885	6 713	7 481	
7		5 300 000	4 354 958	945 042	51 925	54 340	
8		2 500 000	1 983 303	516 697	27 163	28 861	
9		1 820 000	1 386 840	433 160	21 378	23 661	
10		3 636 640	2 267 552	1 369 088	70 850	74 786	
11		1 790 000	805 500	984 500	48 032	51 462	
12		3 500 000	700 000	2 800 000	228 989	221 362	
13							
14							
15							
16							

263. EQUIPMENT COVERED BY EQUIPMENT OBLIGATIONS

Give the particulars called for regarding the equipment included in the balance outstanding in accounts Nos. 764, "Equipment obligations and other debt due within 1 year," and 766, "Equipment obligations," which pertain or relate to the cars and protective service of the respondent, at the close of the year. In column (a) show the name by which the equip-

ment obligation is designated and in column (b) show the classes of equipment and the number of units covered by the obligation together with other details of identification. In column (c) show the contract price at which the equipment is acquired, and in column (d) the amount of cash paid upon acceptance of the equipment.

Line No.	Designation of equipment obligation (List names in the same order as in schedule 261) (a)	Description of equipment covered (b)	Contract price of equipment acquired (c)	Cash paid on acceptance of equipment (d)
1	Conditional Sale Agreement	800 Refrig. Cars #1000-1049 and #13000-13749 inclusive	\$ 8 884 662	\$ 1 795 062
2	" " "	250 Refrig. Cars #19500-19749 inclusive	2 562 663	503 663
3	" " "	160 Auto Rk. & Flat Cars #100-259 incl.	3 367 072	673 414
4	" " "	100 " " " " " #300-399 "	2 157 000	431 400
5	" " "	50 A. Rk. & Fl. Cars #400-434 & 500-514 incl.	1 096 000	221 599
6	" " "	239 " " " " " Ser. 700, 800, 2000, 2100	4 352 779	871 179
7	" " "	238 " " " " " " 900, 1000, 1100	5 310 822	10 822
8	" " "	140 " " " " " " #1200-1339 incl.	3 189 981	689 981
9	" " "	100 " " " " " " #1340-1439 incl.	2 278 257	458 257
10	" " "	17 Diesel Locomotives #2530-2546 incl.	3 636 640	-
11	" " "	100 Flexi-Van Flat Cars #6900-6999 incl.	1 821 422	31 422
12	" " "	525 Auto Racks on TTX Cars	3 599 924	99 924
13				
14				
15				
16				
17				

268. AMOUNTS PAYABLE TO AFFILIATED COMPANIES

Give full particulars of amounts included in account No. 769, "Amounts payable to affiliated companies," in the Uniform System of Accounts. If any such amounts are evidenced by notes, each note should be separately shown in column (a). Entries in columns (e) and (f) 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. Show, also, in a footnote, particulars of interest charged to cost of property.

Line No.	Name of creditor company (a)	Rate of interest (b)	Balance at beginning of year (c)	Balance at close of year (d)	Interest accrued during year (e)	Interest paid during year (f)
21	None	%	\$	\$	\$	\$
22						
23						
24						
25						
26						
27						
28						
29						
30						
	TOTAL					

271. LOANS AND NOTES PAYABLE

1. Give particulars of the various creditors and the character of the transactions involved in account No. 751, "Loans and notes payable," which pertain or relate to the cars and protective service of the respondent.

2. List every item in excess of \$10,000, giving the information indicated in the column headings.

3. For creditors whose balances were severally less than \$10,000, a

single entry may be made under a caption, "Minor accounts, each less than \$10,000."

4. Entries in columns (g) and (h) should include interest accruals and interest payments on loans and bills payable retired during the year, even though no portion of the issue remained outstanding at the close of the year.

Line No.	Name of creditor company (a)	Character of liability or of transaction (b)	Date of issue (c)	Date of maturity (d)	Rate of interest (e)	Balance at close of year (f)	Interest accrued during year (g)	Interest paid during year (h)
41	Northern Trust Co.	Unsecured Prom. Note	12/1/69	2/5/70	8-3/4	\$ -	\$ 26 930	\$ 26 930
42	" " "	" " "	2/5/70	3/9/70	8-3/4	-	8 369	8 369
43	" " "	" " "	3/9/70	4/24/70	8-3/4	-	5 382	5 382
44								
45								
46								
47								
48						TOTAL None	40 681	40 681

275. FEDERAL INCOME AND OTHER TAXES ACCRUED

Give the particulars called for with respect to the balances at close of year in accounts Nos. 760, "Federal income taxes accrued" and 761, "Other taxes accrued."

Line No.	Kind of tax (a)	Balance at close of year (b)		
		\$		
41	Federal income taxes (532 or other accounts).....	2	084	849
42	Federal excess profits taxes (532 or other accounts).....			
43	TOTAL (account 760).....	2	084	849
44	Cars and protective service property taxes (532).....		151	386
45	Railroad retirement and unemployment insurance taxes (532).....		25	071
46	Social security taxes (532).....			
47	Miscellaneous operating property (535).....			
48	Miscellaneous tax accruals (544).....			
49	All other taxes.....			
50	TOTAL (account 761).....		176	457

280. OTHER LIABILITIES

Give an analysis of the amount included in account No. 782, "Other liabilities," at the close of the year, showing in detail each item or sub-account amounting to \$10,000 or more. Items less than \$10,000 may be

combined into a single entry designated, "Minor items, each less than \$10,000." In case the character of any item is not fully disclosed by the entries in the columns hereunder, make a full explanation in a footnote.

Line No.	Description and character of item (a)	Name of creditor (or class of creditors) (b)	Amount at close of year (c)		
			\$		
	None				
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
TOTAL					

281. OTHER DEFERRED CREDITS

Give an analysis of the balance in account No. 784, "Other deferred credits," as of the close of the year, showing in detail each item of sub-account amounting to \$10,000 or more. Items less than \$10,000 may

be combined into a single entry designated, "Minor items each less than \$10,000." In case the character of any item is not fully disclosed by the entries in the columns hereunder, make a full explanation in a footnote.

Line No.	Description and character of item or subaccount (a)	Amount at close of year (b)		
		\$		
41	Minor items each less than 10,000		5	000
42				
43				
44				
45				
46				
47				
48				
49				
50				
51				
52				
53				
54				
55				
TOTAL				5 000

285. CAPITAL STOCK

1. Give particulars of the various issues of capital stock outstanding of the respondent at the close of the year.
 2. Classify in the following order: (1) Common stock, (2) Preferred stock, (3) Debenture stock, and (4) Receipts outstanding for installments paid.

Line No.	Title, description and par value of issue, and rate of interest for preferred or debenture stock (a)	REACQUIRED AND HELD AT CLOSE OF THE YEAR			OUTSTANDING AT CLOSE OF THE YEAR		
		Number of shares (b)	Amount (c)		Number of shares (d)	Amount (e)	
1	(1.) Stock Certificate #1 No Par Value		\$		78 750	\$	7 875 000
2							
3							
4	Authorized 100,000 Shares						
5	Issued 78,750 Shares						
6	Unissued 21,250 Shares						
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20	TOTAL	X X	X X		X X	X X	7 875 000

291. CAPITAL SURPLUS

Give an analysis in the form called for below of capital surplus accounts. In column (b) insert the contra account number to which the amount stated in column (c), (d) or (e) was charged or credited.

Item No.	Item (a)	Contra account number (b)	ACCOUNT NO.		
			794. Premiums and Assessments on Capital Stock (c)	795. Paid-In Surplus (d)	796. Other Capital Surplus (e)
1	Balance at beginning of year	X X X	\$ None	\$ 2 309 000	\$ None
2	Additions during the year (describe):				
3					
4					
5					
6					
7	Total additions during the year	X X X	None	None	None
8	Deductions during the year (describe):				
9					
10					
11					
12	Total deductions	X X X	None	None	None
13	Balance at close of year	X X X	None	2 309 000	None

292. RETAINED INCOME—APPROPRIATED

Give an analysis in the form called for below of account No. 797 "Retained income—Appropriated."

Line No.	Class of appropriation (a)	Credits during year (b)	Debits during year (c)	Balance at close of year (d)
		\$	\$	\$
31	Additions to property through income and retained income.....			
32	Funded debt retired through income and retained income.....			
33	Sinking fund reserves.....			
34	Miscellaneous fund reserves.....			
35	Retained income—Appropriated not specifically invested.....			
36	Other appropriations (specify):			
37				
38				
39				
40				
41				
42				
43				
44				
45				
46	TOTAL.....	None		

293. RETAINED INCOME—UNAPPROPRIATED

1. Show hereunder the items of the Retained Income Accounts of the respondent for the year, classified in accordance with the Uniform System of Accounts.

2. All contra entries hereunder should be indicated in parentheses.

3. Indicate under "Remarks" the amount of assigned Federal income tax consequences, accounts 606 and 616.

Line No.	Item (a)	Amount (b)	Remarks (c)
	CREDITS	\$	
1	(602) Credit balance transferred from Income (p. 300)	1 781 824	
2	(606) Other credits to retained income		Net of Federal income taxes \$
3	(622) Appropriations released		
4	Total	1 781 824	
	DEBITS		
5	(612) Debit balance transferred from Income (p. 300)		
6	(616) Other debits to retained income		Net of Federal income taxes \$
7	(620) Appropriations for sinking and other reserve funds		
8	(621) Appropriations for other purposes		
9	(623) Dividends (p. 239)	1 181 250	
10	Total	1 181 250	
11	Net increase during year*	600 574	
12	Balance at beginning of year (p. 201)*	33 645 126	
13	Balance at end of year (carried to p. 201)*	34 245 700	

*Amount in parentheses indicates debit balance.

NOTE.—See p. 320, schedule 396, for analysis of Retained Income accounts.

295. CONTINGENT ASSETS AND LIABILITIES

1. Give particulars with respect to contingent assets and contingent liabilities, at the close of the year, in accordance with Instruction 41 to the balance sheet of the Uniform System of Accounts that are not reflected in the accounts of the respondent and the value of the item amounts to \$50,000 or more.

2. In column (a) give a description of each item of contingent assets and liabilities under an inserted caption "CONTINGENT ASSETS" or "CONTINGENT LIABILITIES," as appropriate, and in column (b) show the amount of each item; if unknown, so state and explain by footnote.

Line No.	Item (a)	Amount (b)
	None	\$
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		

298. DIVIDEND APPROPRIATIONS

1. Give particulars of each dividend declared. For nonpar stock, show the number of shares in column (d), and the rate per share in column (b) or (c). If any such dividend was payable in anything other than cash, explain the matter fully in a footnote.

2. If an obligation of any character has been incurred for the purpose of procuring funds for the payment of any dividend or for the purpose of

replenishing the treasury of the respondent after payment of any dividend, give full particulars in a footnote. If any class of stock received a return not reportable in this schedule, state the particulars of the case in a footnote.

3. The sum of the dividends stated in column (e) should equal the amount shown in schedule No. 293.

Line No.	Name of security on which dividend was declared (a)	RATE PERCENT OR PER SHARE		Par value or number of shares of no par value on which dividend was declared (d)	Dividends (account 623) (e)			DATES	
		Regular (b)	Extra (c)					Declared (f)	Payable (g)
41	Common Stock		15.00	\$ 78 750	\$ 1	181	250	3-30-70	4-10-70
42									
43									
44									
45									
46									
47									
48									
49									
50									
51									
52									
53									
TOTAL					1	181	250		

300. INCOME ACCOUNT

1. Give the Income Account of the respondent for the year in accordance with the rules prescribed in the Uniform System of Accounts.
2. All contra entries hereunder should be indicated in parenthesis.

Line No.	Item (a)	Amount (b)		
	ORDINARY ITEMS			
	CAR LINE OPERATING INCOME			
		\$	15	734 107
1	(501) Car line operating revenues (p. 301).....			
2	(531) Car line operating expenses (p. 302).....	\$10,070,461		
3	(532) Car line tax accruals (p. 315).....	2,539,607		
4	(533) Rent payable for cars (p. 320).....	810,037	13	420 105
5	Car line operating income (or loss).....		2	314 002
	OTHER INCOME			
6	(502) Revenues from miscellaneous operations (p. 212).....			
7	(510) Miscellaneous rent income.....			
8	(511) Income from nonoperating property.....			
9	(512) Dividend income.....		20	472
10	(514) Interest income.....			
11	(516) Income from sinking and other reserve funds.....			
12	(517) Release of premiums on funded debt.....			
13	(519) Miscellaneous income.....			7
14	Total other income.....		20	479
15	Total income (or loss).....		2	334 481
	MISCELLANEOUS DEDUCTIONS FROM INCOME			
16	(534) Expenses of miscellaneous operations (p. 212).....			
17	(535) Taxes on miscellaneous operating property (p. 212).....			
18	(543) Miscellaneous rents.....			
19	(544) Miscellaneous tax accruals.....			397
20	(551) Miscellaneous income charges.....			397
21	Total miscellaneous deductions.....		2	334 084
22	Income available for fixed charges (or loss).....			
	FIXED CHARGES AND OTHER DEDUCTIONS			
23	(546) Interest on funded debt:			
24	(a) Fixed interest not in default.....		511	579
25	(b) Interest in default.....			
26	(c) Contingent interest.....			
27	(547) Interest on unfunded debt.....		40	681
28	(548) Amortization of discount on funded debt.....			
29	Total fixed charges and other deductions.....		552	260
30	Ordinary income (or loss).....		1	781 824
	EXTRAORDINARY AND PRIOR PERIOD ITEMS			
31	(570) Extraordinary items - Net Credit (Debit) (p. 320).....			
32	(580) Prior period items - Net Credit (Debit) (p. 320).....			
33	(590) Federal income taxes on extraordinary and prior period items - Debit (Credit) (p. 320).....			
34	Total extraordinary and prior period items - Credit (Debit).....		1	781 824
35	Net income (or loss).....			

NOTE.—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 \$ (401,106)

Net reduction or increase in charges to account 532, Car Line Tax Accruals, for Federal income taxes during the current year and corresponding increase or decrease in net income because of accelerated depreciation of facilities under section 167 of the Internal Revenue Code and depreciation deductions resulting from the use of guideline lives pursuant to Revenue Procedure 62-21 in excess of recorded depreciation... \$ 262,543

Amount by which charges to account 532, Car Line Tax Accruals, for payment of Federal income taxes during the current year were decreased and the reported net income correspondingly increased because of the investment tax credit authorized in the Revenue Act of 1962, compared with the amount that would have been payable without such investment tax credit... \$ None

If the net effect of any of the above footnotes results in an increase in Federal income taxes, the increase should be shown in parenthesis.

310. OPERATING REVENUES

State the operating revenues of the respondent for the year, classified in accordance with the Uniform System of Accounts.

Line No.	Class of operating revenues (a)	Amount (b)		Remarks (c)
1	I. CAR SERVICE			
2	(101) Car mileage.....	\$ 5 158	850	
3	(102) Car rental.....	9 409	718	
4	(104) Cleaning cars.....			
5	(108) Other car service revenue.....			
6	Total car service.....	14 568	568	
7	II. ICING PROTECTIVE SERVICE			
8	(110) Ice and salt.....	411	695	
9	(111) Supervision.....	279	435	
10	(112) Refrigerating device damage.....			
11	(113) Top or body ice damage.....			
12	(114) Precooling.....			
13	(115) Other icing service revenue.....			
14	Total icing protective service.....	691	130	
15	III. MECHANICAL PROTECTIVE SERVICE			
16	(116) Mechanical protective service units.....	33	912	
17	(117) Inspecting, servicing, and supervision.....			
18	(118) Fuel.....			
19	(119) Other mechanical protective service revenue.....			
20	Total mechanical protective service.....	33	912	
21	IV. HEATER SERVICE			
22	(120) Car heaters.....	47	353	
23	(121) Heater fuel.....	12	510	
24	(122) Servicing heaters.....	51	228	
25	(123) Supervision.....	24	989	
26	(124) Preheating cars.....			
27	(128) Other heater service revenue.....			
28	Total heater service.....	136	080	
29	V. OTHER SERVICES			
30	(130) Ventilation service.....	4	979	
31	(132) Other ice and salt.....			
32	(133) Miscellaneous.....	299	438	
33	Total other services.....	304	417	
34	Total operating revenues.....	15 734	107	

320. OPERATING EXPENSES

State the operating expenses of the respondent for the year, classified in accordance with the Uniform System of Accounts.

Line No.	Class of operating expenses (a)	Amount (b)	Class of operating expenses (c)	Amount (d)
1	I. CAR SERVICE	\$	V. HEATER SERVICE	\$
2	(201) Supervision.....	213 638	(351) Supervision.....	11 352
3	(203) Rents—Car service facilities.....	48 780	(353) Rents—Heater service facilities.....	649
4	(205) Car distribution.....	149 995	(357) Heater fuel.....	10 935
5	(208) Cleaning and conditioning cars.....	18 108	(358) Inspecting and servicing of heaters.....	51 206
6	(210) Car repairs.....	3 740 453	(360) Repairs—Heater service facilities.....	10 285
7	(211) Other repairs.....	87 333	(361) Preheating service.....	
8	(221) Injuries to persons.....	92	(371) Injuries to persons.....	
9	(222) Insurance.....	23 134	(372) Insurance.....	90
10	(223) Stationery and printing.....	7 442	(373) Stationery and printing.....	346
11	(229) Other expenses.....	57 954	(379) Other expenses.....	255
12	(230) Equalization—Car repairs.....		(386) Depreciation—Heater service facilities.....	23 450
13	(236) Depreciation—Rolling stock.....	4 319 074	(388) Retirements—Heater service facilities.....	953
14	(237) Depreciation—Other car service facilities.....	15 956	Total heater service.....	109 521
15	(238) Retirements—Car service facilities.....	(29 959)	VII. MISCELLANEOUS	
16	Total car service.....	8 652 000	(401) Ventilation service.....	2 309
17	II. ICING PROTECTIVE SERVICE		(405) Curtain service.....	
18	(251) Ice purchased.....	380 945	(408) Papering cars.....	
19	(252) Ice produced.....		(410) Loss and damage claims.....	
20	(253) Rents—Icing facilities.....		(414) Diversions and reconsig. ments.....	
21	(254) Icing operations.....	10 808	(415) Other expenses.....	171 136
22	(255) Repairs—Icing facilities.....		Total miscellaneous.....	173 445
23	(256) Injuries to persons.....		VII. GENERAL	
24	(257) Insurance.....		(450) Salaries and expenses of general officers and clerks.....	348 645
25	(258) Other expenses.....		(451) General office supplies and expenses.....	5 977
26	(265) Depreciation—Icing facilities.....		(452) Rents.....	15 191
27	(270) Retirements—Icing facilities.....		(454) Law expenses.....	2 357
28	(275) Salt.....	19 942	(459) Pensions and relief.....	58 030
29	Total icing protective service.....	411 695	(460) Insurance.....	1 613
30	III. OTHER ICING SERVICE		(461) Stationery and printing.....	3 339
31	(281) Supervision.....	168 230	(462) Repairs—General.....	1 117
32	(282) Rents—Icing service facilities.....	4 711	(465) Depreciation—General.....	3 994
33	(283) Repairs—Icing service facilities.....		(466) Retirements—General.....	
34	(284) Precooling service.....		(469) Other expenses.....	37 262
35	(285) Injuries to persons.....		Total general.....	477 525
36	(286) Insurance.....	375	Total operating expenses.....	10 070 461
37	(287) Stationery and printing.....	2 513		
38	(290) Other expenses.....	1 859		
39	(295) Depreciation—Icing service facilities.....		Operating ratio (ratio of operating expenses to operating revenues) 64.00 percent.	
40	(296) Retirements—Icing service facilities.....			
41	Total other icing service.....	177 688		
42	IV. MECHANICAL PROTECTIVE SERVICE			
43	(301) Supervision.....	7 226		
44	(302) Rents.....	411		
45	(303) Fuel.....	12 600		
46	(305) Inspecting and servicing.....			
47	(306) Supplies and repairs.....	25 007		
48	(307) Injuries to persons.....			
49	(308) Insurance.....	33		
50	(309) Stationery and printing.....	220		
51	(315) Other Expenses.....	168		
52	(320) Depreciation—Mechanical service facilities.....	22 922		
53	(321) Retirements—Mechanical service facilities.....			
54	Total mechanical protective service.....	68 587		

350. CARLINE TAX ACCRUALS

1. Give the particulars called for with respect to taxes charged to account No. 532, "Carline tax accruals," of the respondent's Income Account for the year.

2. Substantial adjustments included in the amounts reported in column (b) should be explained in a footnote.

Line No.	Item (a)	Amount	
		(b)	
1	A. Other than United States Government Taxes:	\$	
2	Cars or protective service property taxes	270	798
3	State income taxes	20	699
4	All other taxes (other than U. S. Government)	1	069
5	Total other than U. S. Government taxes	292	566
6	B. United States Government Taxes:		
7	Federal income taxes	* 2 071	321
8	Federal excess profits taxes		
9	Railroad retirement and unemployment insurance taxes	175	720
10	Social security taxes		
11	All other U. S. Government taxes		
12	Total U. S. Government taxes	2 247	041
3	Grand total taxes (account 532)	2 539	607

* Accrual 1970 Federal Income Tax	2,084,849
Adjustment for overaccrual	
for 1969 Federal Income Tax	(13,528)
	2,071,321

383. RENT PAYABLE FOR CARS

1. Give particulars of rent for cars, which pertain or relate to the cars and protective service of the respondent, as defined in the Uniform System of Accounts.

2. Rents payable which are not classifiable under one of the three heads provided should be explained in a footnote.

3. Taxes and other amounts paid or payable by the respondent as a part of the stipulated compensation which are chargeable to accounts other than account 533, "Rent payable for cars," should be included in column (f), and specifically stated in a footnote.

4. This account includes amounts payable accrued as rent for cars (including cars covered by the contract), and for specific cars held under lease or other agreement, by the terms of which *exclusive use and control for operating purposes* are secured.

5. If the respondent held under lease during all or any part of the year any cars upon which no rent payable accrued, give full particulars in a footnote.

CLASSIFICATION OF RENT															
Line No.	Name of lessor or reversioner and description of property (a)	Total rent accrued during year (b)		Guaranteed interest on bonds (c)			Guaranteed dividend on stocks (d)			Depreciation (e)			All other (f)		
		\$		\$			\$			\$			\$		
1	North Hill Leasing Co.	\$	96 067	\$			\$			\$			\$		
2	New Jersey Leasing Co.		29 061												
3	New Jersey Leasing Co.		130 629												
4	Byram A Company		277 883												
5	Amer. Invest. Leas. Co. #6		150 796												
6	New Jersey Leas. Co. #2		125 601												
7															
8															
9															
10															
11															
12	TOTAL		810 037												

383A. ABSTRACTS OF LEASEHOLD CONTRACTS

1. Give brief abstracts of the terms and conditions of the leases under which the respondent holds the properties above named, showing particularly (1) the date of the lease, (2) the chain of title and dates of transfers connecting the original lessee with the respondent in case of assignment or subletting, (3) the basis on which the amount of the annual rent is determined, and (4) the date when the lease is to terminate, or,

if such date has not yet been determined, the provisions governing its determination which pertain or relate to the cars and protective service of the respondent.

2. In lieu of the abstracts here called for, the respondent may file copies of lease agreements and give specific references to copies heretofore filed with the Commission.

NOTE.—Only changes during the year are required.

396. MISCELLANEOUS ITEMS IN INCOME AND RETAINED INCOME ACCOUNTS FOR THE YEAR

1. Give an analysis for all items, regardless of amount, included in accounts 570, "Extraordinary items", 580, "Prior period items", 590, "Federal income taxes on extraordinary and prior period items".

2. Give an analysis for items in accounts 606, "Other credits to retained income"; 616, "Other debits to retained income"; 620, "Appropriations for sinking and other reserve

funds"; 621, "Appropriations for other purposes"; and 622, "Appropriations released", confined to items amounting to \$5,000 or more in any one account. Items less than this amount may be combined in a single entry in each account designated "Minor items, each less than \$5,000".

3. Insert a total for each account.

Line No.	Account No. (a)	Item (b)	Debits (c)			Credits (d)		
			\$			\$		
1		None						
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								

417. ROLLING STOCK OWNED

1. Give particulars required of the various classes of rolling stock owned by respondent during the year. 2. In column (d) show the total weight in tons of 2,000 pounds. The weight of the equipment acquired should be the weight empty.

Line No.	Kind of car (a)	Number of units owned at beginning of year (b)	UNITS ACQUIRED DURING THE YEAR		Number of units retired during the year (e)	Number of units owned at close of year (f)
			Number (c)	Total weight (tons) (d)		
1	Refrigerator cars	5 858			557	5 301
2	Other cars (specify):					
3	Covered Hopper Cars	25				25
4	Bi-Level Auto Rks. & Fl. Cars	124				124
5	Tri-Level " " " " "	992			9	983
6	Flexi-Van Flat Cars	558			9	549
7	Box Cars	53				53
8						
9						
10						
11						
12	TOTAL	7 610			575	7 035

418. ROLLING STOCK LEASED FROM OTHERS

Give particulars relative to units of rolling stock which the respondent leased from others.

Line No.	Name of lessor (a)	UNITS HELD AT CLOSE OF YEAR		Rent payable during the year (d)	Amounts receivable from lessor as refund (e)
		Kind (b)	Number (c)		
1	North Hill Leasing Company	Tri-Level Auto Rks.	88	\$ 96 067	
2	New Jersey Leasing Company	Bi-Level Auto Rks.	39	29 061	
3	New Jersey Leasing Company	Tri-Level Auto Rks.	90	130 629	
4	Byram A Company	Bi-Level Auto Rks.	45		
5	American Investors Leasing Co. #6	Tri-Level Auto Rks.	212	277 883	
6	New Jersey Leasing Company #2	" " " "	129	150 796	
7		Tri-Level Auto Rks.	49		
8		Bi-Level Auto Rks.	87	125 601	
9					
10					
11					
12					
13					
14					
15	TOTAL		739	810 037	

419. ROLLING STOCK OWNED BUT LEASED TO OTHERS

1. Give particulars relative to units of rolling stock owned by the respondent but leased to others.
2. This analysis may be confined to reporting each lessee having 200 or more cars at the close of the year and may combine all other lessees in a single entry designated "Lessees 6 in number having less than 200 units at the close of the year."

Line No.	Name of lessee (a)	UNITS LEASED AT CLOSE OF YEAR		Rent receivable (d)	Amount payable to lessee as refund (e)
		Kind (b)	Number (c)		
1	Lessees 6 in number having less than 200 units at the close of the year	Refrigerator Cars	221	\$ 387 800	
2					
3	Bangor & Aroostook Railroad	Refrigerator Cars	269	281 525	
4					
5	Lessee 1 in number having less than 200 units at the close of the year	Box Cars	53	30 610	
6					
7	Lessees 2 in number having less than 200 units at the close of the year	Hopper Cars	25	43 964	
8					
9	Penn Central Transportation Company	Auto Rack Cars & Auto Racks	3 288	6 769 367	
10					
11	Penn Central Transportation Company	Flexi-Van Flat Cars	549	1 561 278	
12					
13					
14					
15	TOTAL		4 405	9 074 544	

450. MILEAGE OF ROLLING STOCK

State the mileage made by cars owned by the respondent during the year. If not separable between loaded and empty include same in column (d), "Not separable" and explain in a footnote the reason therefor.

Line No.	Kind of car (a)	Loaded (b)			Empty (c)			Not separable (d)		Total (e)		
		51	634	544	54	274	424	(11	525)	105	897	443
1	Refrigerator cars											
2	Other cars (specify):											
3	Covered Hopper Cars		104	588		66	463				171	051
4	Bi-Level & Tri-Level Auto Rk. Cars	12	721	687	12	143	841	37	136	24	902	664
5	Flexi-Van Flat Cars	16	384	574	1	657	196	1	591	18	043	361
6												
7												
8												
9												
10												
11												
12	TOTAL	80	845	393	68	141	924	27	202	149	014	519

460. PROTECTIVE SERVICE STATIONS

Give a list of the protective service stations owned, leased from others, or operated by the respondent at the close of the year, and nature of service performed thereat. Show owned as Class A, leased as Class B, and operated as Class C.

Line No.	Class (a)	Location and description (b)	Service performed (c)
31		None	
32			
33			
34			
35			
36			
37			
38			
39			
40			

531. STATISTICS OF CAR LINE OPERATIONS

Give the various statistical items called for concerning the car line operations during the year.

Line No.	Description (a)	QUANTITY				Amount of revenue receivable (d)	Number of cars served (e)	
		Unit (b)	Amount or number (c)					
1	Icing protective service:							
2	Ice delivered in bunkers of cars	Ton	19	709		387 442	10	962
3	Ice delivered on top of load in body of cars	Ton		279		4 311		129
4	Salt delivered in bunkers of cars	100#	9	966		19 942		
5	Supervision per icing in bunkers of cars	x x x	x x	x x	x x	50 083	10	962
6	Supervision per icing in body of cars	x x x	x x	x x	x x	488		129
7	Supervision—no ice supplied	x x x	x x	x x	x x	228 864	27	431
8	Repairs to refrigerating devices	x x x	x x	x x	x x			
9	Repairs of damage caused by top or body ice	x x x	x x	x x	x x			
10	Precooling cars	x x x	x x	x x	x x			
11	Other icing protective service revenue	x x x	x x	x x	x x			
12	Mechanical protective service:							
13	Units	x x x	x x	x x	x x	33 912		
14	Supervision per inspection of cars	x x x	x x	x x	x x			
15	Fuel	x x x	x x	x x	x x			
16	Other mechanical protective service revenue	x x x	x x	x x	x x			
17	Heater service:							
18	Inspection—Car heaters	x x x	x x	x x	x x	47 353	9	173
19	" —Heater fuel	x x x	x x	x x	x x	12 510	9	173
20	" —Servicing of heaters	x x x	x x	x x	x x	51 228	6	439
21	" —Supervision incident to heater service	x x x	x x	x x	x x	24 989	9	173
22	Preheating cars	x x x	x x	x x	x x			
23	Other heater service revenue	x x x	x x	x x	x x			
24	Other services:							
25	Ventilation service	x x x	x x	x x	x x	4 979	4	713
26	Other ice and salt	x x x	x x	x x	x x			
27	Miscellaneous (specify)	x x x	x x	x x	x x			
28								
29								
30								

561. EMPLOYEES, SERVICE AND COMPENSATION

Give particulars of the number of employees of various classes in the service of the respondent on June 30 and December 31 of the year, and of compensation paid therefor for the year. This schedule does not include old-age retirement, and unemployment insurance taxes. See schedule 275 for such taxes.

Line No.	Classification	NUMBER OF EMPLOYEES IN SERVICE AT END OF MONTH NAMED						Total compensation	
		June 30			Dec. 31				
		(b)			(c)			(d)	
41	Car service maintenance employees.....			125			127	\$	1 103 661
42	Protective service employees.....			11			11		81 459
43	Solicitation employees.....			5			5		51 787
44	Administrative and general employees.....			37			31		330 392
45	Other employees (specify):								
46									
47									
48									
49									
50									
51	TOTAL.....			178			174		1 567 299

562. COMPENSATION OF OFFICERS, DIRECTORS, ETC.

Give the name, position, salary, and other compensation, such as bonus, commission, gift, reward, or fee, of each of the five persons named in Schedule 100 of this report to whom the respondent paid the largest amount during the year covered by this report as compensation for current or past service over and above necessary expenses incurred in discharge of duties, and in addition, all other officers, directors, pensioners, or employees, if any, to whom the respondent similarly paid \$20,000 or more. If more convenient, this schedule may be filled out for a group of companies considered as one system and shown only in the report of the principal company in the system, with references thereto in the reports of the other companies. Any large "other compensation" should be explained in a footnote. If salary of an individual was changed during the year, show salary before each change as well as at close of year. If an officer, director, etc., receives compensation from more than one person furnishing cars or protective service (whether a subsidiary or not) or from a subsidiary company, reference to this fact should be made if his aggregate compensation amounts to \$20,000 or more, and the detail as to division of the salary should be stated. By salary column (c) is meant the annual rate at which an employee is paid, rather than the amount actually paid for a part of a year when the salary is changed. Also, when a 10-percent (or other percent) reduction is made, the net rate and not the basic rate should be shown.

plained in a footnote. If salary of an individual was changed during the year, show salary before each change as well as at close of year. If an officer, director, etc., receives compensation from more than one person furnishing cars or protective service (whether a subsidiary or not) or from a subsidiary company, reference to this fact should be made if his aggregate compensation amounts to \$20,000 or more, and the detail as to division of the salary should be stated. By salary column (c) is meant the annual rate at which an employee is paid, rather than the amount actually paid for a part of a year when the salary is changed. Also, when a 10-percent (or other percent) reduction is made, the net rate and not the basic rate should be shown.

Line No.	Name of person (a)	Title (b)	Salary per annum as of close of year (see instructions) (c)		Other compensation during the year (d)	
			\$		\$	
1	Harry C. Beaman, Jr.	President		31 000		
2		1/1/70 \$28,875				
3		3/1/70 \$31,000				
4						
5	Frank C. Underwood	Vice President-Operations		23 260		
6		1/1/70 \$22,260				
7		6/1/70 \$23,260				
8						
9	William H. Keleher	Vice Pres.-Mech. Eng. & Equip.		20 250		
10		1/1/70 \$19,050				
11		6/1/70 \$20,250				
12						
13						
14	Thomas J. Zuzich	Auditor & Asst. Treasurer		17 475		
15		1/1/70 \$16,650				
16	NOTE: Persons other than those	6/1/70 \$17,475				
17	listed above and named in Schedule 100 are					
18	on the payroll of Penn Central Transportation Company.					
19						

563. PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

1. In the form below give information concerning payments, fees, retainers, brokerage, commissions, gifts, contributions, assessments, bonuses, pensions, subscriptions, allowance for expenses, or any form of payments amounting in the aggregate to \$5,000 or more during the year to any corporation, institution, association, firm, partnership, committee, or any person (other than one of respondent's employees covered in schedule 562 in this annual report) for services or as a donation, except that with respect to contributions under \$5,000 which are made in common with other persons furnishing cars or protective service under a joint arrangement in payment for the performance of services or as a donation, each such contribution shall be reported, irrespectively 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 \$5,000 or more, which pertain or relate to the cars and protective service of the respondent.

2. 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 railway associations, commissions, committees, bureaus, boards, and other organizations maintained jointly by railways shall also be included. The enumeration of these kinds of payments should not be understood as excluding other payments for services not excluded below.

3. 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 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 cars or protective service property, but any special and unusual payments for services should be reported. Payments of \$5,000 or more to organizations maintained jointly by persons with other persons are not to be excluded even if their services are regarded as routine.

4. If more convenient, this schedule may be filled out for a group of persons considered as one system and shown only in the report of the principal person in the system with references thereto in the reports of the other roads.

5. 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)	Nature of service (b)	Amount of payment (c)	
			\$	
31	None			
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
TOTAL				

OATH

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

STATE OF Illinois } ss:
 COUNTY OF Cook }

T.J. Zuzich

(Insert here the name of the affiant)

makes oath and says that he is

Auditor & Assistant Treasurer

(Insert here the official title of the affiant)

of Merchants Despatch Transportation Corporation

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

that it is his duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he has carefully examined the said report and to the best of his knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he believes that all other statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including

January 1, 1970, to and including December 31, 1970

T.J. Zuzich
 (Signature of Affiant)

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

county above named, this 11th day of March, 1971

My commission expires My Commission Expires Feb. 11, 1973

W. T. Knappe
 (Signature of officer authorized to administer oaths)

[USE AN L. S.
 IMPRESSION
 SEAL.]

(For the use of the Interstate Commerce Commission only)

Examination:

Date.....
 By.....
 Memo of error.....

Correspondence:

Date.....
 Subject.....
 Answer needed.....
 Answer received.....

Correction:

Date.....
 Authority.....
 Subject.....