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REFRIGERATOR CAR LINES

annual report

 INTERSTATE
COMMERCE COMMISSION
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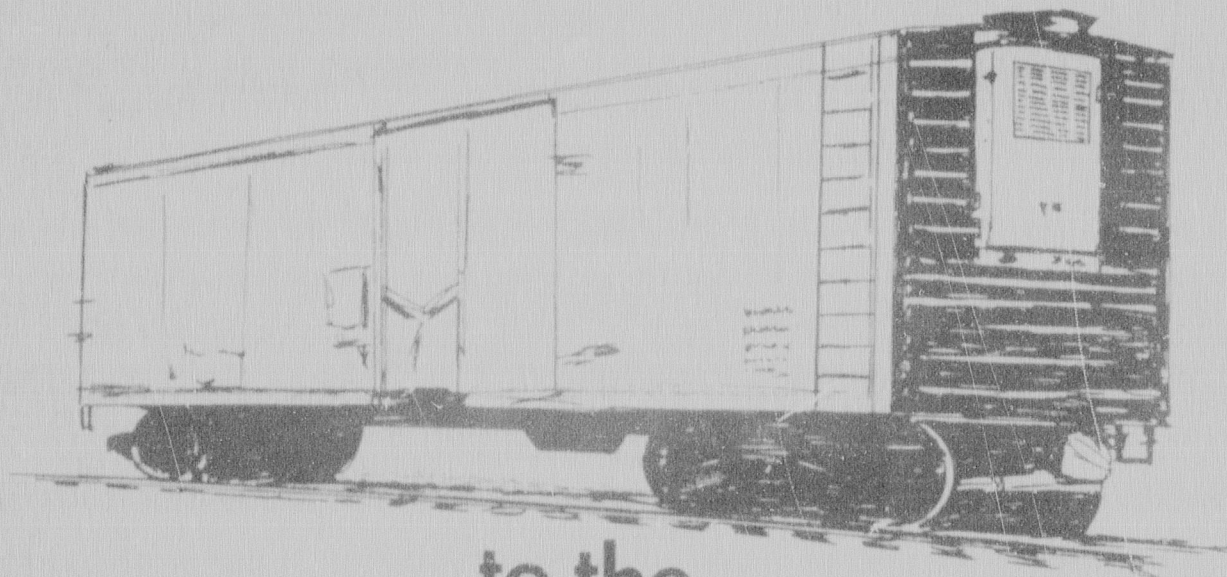
APR 1 1979

 ADMINISTRATIVE SERVICES
MAY 1979

Merchants Despatch Transportation
Corporation
1100 Ridge Pike
Conshohocken, Pennsylvania 19428

PC000040 MERCHANDISP 1 0 1 9545
MERCHANTS DISPATCH TRANSPORTATION
139 WEST VAN BUREN S
CHICAGO IL 60605

Correct name and address if different than shown.

 Full name and address of reporting carrier.
(Use mailing label on original, copy in full on duplicate.)


to the
Interstate Commerce Commission

FOR THE YEAR ENDED DECEMBER 31, 1978

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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:

Philip W. AllenAssistant Controller

(Name)

(Title)

215825-5900

(Area code)

(Telephone number)

1100 Ridge PikeConshohockenPennsylvania 19428

(Number)

(Street)

(City)

(State)

3. Address of office where accounting records are maintained:

1100 Ridge PikeConshohockenPennsylvania 19428

(Number)

(Street)

(City)

(State)

4. Respondent is a Corporation

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

5. If a partnership, state the names and address 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

Delawareon December 18, 19 36

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

Name

Address

Term expires

H. S. McDonaldConshohocken, PennsylvaniaUpon electionE. P. FrasherPhiladelphia, Pennsylvaniaor appointmentR. T. FoxPhiladelphia, Pennsylvaniaof successor.

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

Name

Title

H. S. McDonaldPresidentE. C. UnderwoodVice President - OperationsR. C. SullivanSecretaryR. L. HohlControllerK. C. ServiceTreasurer

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

one (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	Consolidated Rail Corp.	6 Penn Center Plaza Philadelphia, PA	78,750	78,750			
2							
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:

NONE

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—

- 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.	See Schedule 104 of Consolidated Rail Corporation - R - 1
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	

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 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

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

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 Consolidated Rail Corporation 100%

2

3

4

5

6

7

8

9

10

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.

200. 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 columns (a) and (b) should be restated to conform with the accounting requirements followed in column (c). The entries in the

short columns (b) should be detached from those in column (c) 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	4,320	(701) Cash	119,222
2	6,243,000	(702) Temporary cash investments	9,084,000
3		(703) Special deposits (p. 7 D)	
4		(704) Loans and notes receivable (p. 40)	80,805
5	24,122	(705) Mileage accounts receivable	10,662
6	988,300	(707) Miscellaneous accounts receivable	1,154,057
7	3,853	(708) Interest and dividends receivable	22,006
8	447,870	(709) Accrued accounts receivable	836,385
9		(710) Working fund advances	50
10	13,428	(711) Prepayments	15,204
11	86,040	(712) Material and supplies	98,255
12	61,600	(713) Other current assets	3,200
13		(714) Deferred income tax charges (p. 28)	
14	7,372,533	Total current assets	11,423,846
		SPECIAL FUNDS	
15		(715) Sinking funds (p. 12)	
16		(716) Capital and other reserve funds (p. 12)	
17		(717) Insurance and other funds (p. 12)	
18		Total special funds	
		INVESTMENTS	
19		(721) Investments in affiliated companies (p. 13)	
20		Undistributed earnings from certain investments in account 721 (p. 13A)	
21		(722) Other investments (p. 13)	
22		(723) Reserve for adjustment of investment in securities—Credit	
23		(724) Allowance for net unrealized loss on noncurrent marketable equity securities—Credit	
24		Total investments	
		PROPERTIES	
25	55,445,057	(731) Cars or protective service property (p. 9)	49,283,116
26		(733) Acquisition adjustment	
27	55,445,057	Total cars or protective service property	49,283,116
28	38,858,817	(735) Accrued depreciation—Cars or protective service property (p. 10)	34,008,219
29	35,792	(736) Amortization of defense projects—Cars or protective service property	29,072
30	38,894,609	Recorded depreciation and amortization (accounts 735 and 736)	34,037,291
31	16,550,448	Total cars or protective service property less recorded depreciation and amortization	15,245,825
32	1,582,710	(737) Miscellaneous physical property (p. 11)	1,582,710
33	710,335	(738) Accrued depreciation—Miscellaneous physical property (p. 11)	936,436
34	872,375	Miscellaneous physical property less recorded depreciation (account 737 less 738)	646,274
35	17,422,823	Total properties less recorded depreciation and amortization (line 28 plus line 31)	15,892,099
		OTHER ASSETS AND DEFERRED CHARGES	
36	1,878,435	(741) Other assets (p. 20)	
37		(743) Other deferred charges (p. 20)	23,017
38		(744) Accumulated deferred income tax charges (p. 28)	
39	1,878,435	Total other assets and deferred charges	23,017
40	27,173,791	Total Assets	27,338,962

For compensating balances not legally restricted, see Schedule 205.

SEE COMPARATIVE BALANCE SHEET—EXPLANATORY NOTES ON PAGE 6

200. 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 (b-a) should be deducted from those in column (b) 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	\$
41		(751) Loans and notes payable (p. 22)	
42	15,114	(753) Audited accounts and wages payable	105,837
43	24,524	(754) Miscellaneous accounts payable	40,422
44		(755) Interest matured unpaid	
45		(756) Dividends matured unpaid	
46		(757) Unmatured interest accrued	
47		(758) Unmatured dividends declared	
48	1,717,846	(759) Accrued accounts payable	1,806,372
49	182,729	(760) Federal income taxes accrued (p. 23)	182,729
50	61,760	(761) Other taxes accrued (p. 23)	112,108
51		(762) Deferred income tax credits (p. 28)	
52	389,717	(763) Other current liabilities	743,875
53	2,391,690	Total current liabilities (exclusive of long-term debt due within one year)	2,991,343
		LONG-TERM DEBT DUE WITHIN ONE YEAR	
54		(764) Equipment obligations and other debt (pp. 15 and 16)	41,534
		LONG-TERM DEBT DUE AFTER ONE YEAR	
55		(765) Funded debt unmatured	
56		(766) Equipment obligations (pp. 21 and 22)	
57		(766.5) Capitalized lease obligations	
58		(767) Receivers' and Trustees' securities	
59		(768) Debt in default	
60		(769) Amounts payable to affiliated companies (p. 22)	118,494
61		(770.1) Unamortized discount on long-term debt	
62		(770.2) Unamortized premium on long-term debt	
63		Total long-term debt due after one year	118,494
		RESERVES	
64	31,700	(771) Pension and welfare reserves	36,272
65		(773) Equalization reserves	
66	1,878,435	(774) Casualty and other reserves	36,272
67	1,910,135	Total reserves	
		OTHER LIABILITIES AND DEFERRED CREDITS	
68		(781) Interest in default	
69	250,000	(782) Other liabilities (p. 23)	1,621
70	80,314	(784) Other deferred credits (p. 23)	1,051
71	381,551	(785) Accumulated deferred income tax credits (p. 28)	379,682
72	711,865	Total other liabilities and deferred credits	382,354
		SHAREHOLDERS' EQUITY	
		Capital stock (Par or stated value)	
73	7,875,000	(791) Capital stock issued—Total	7,875,000
74	x x x x	Common stock (p. 24)	7,875,000
75	x x x x	Preferred stock (p. 24)	x x x x
76		(792) Stock liability for conversion	
77		(793) Discount on capital stock	
78	7,875,000	Total capital stock	7,875,000
		Capital surplus	
79		(794) Premiums and assessments on capital stock (p. 24)	
80	2,309,000	(795) Paid-in surplus (p. 24)	2,309,000
81		(796) Other capital surplus (p. 24)	
82	2,309,000	Total capital surplus	2,309,000
		Retained income	
83		(797) Retained income—Appropriated (p. 78)	
84	1,976,101	(798) Retained income—Unappropriated (p. 78)	13,584,965
85		(798.1) Net unrealized loss on noncurrent marketable equity securities	
86	1,976,101	Total retained income	13,584,965
		TREASURY STOCK	
87		(798.5) Less: Treasury stock	23,768,965
88	2,160,101	Total shareholders' equity	27,338,962
89	27,173,791	Total Liabilities and Shareholders' Equity	

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 \$ SEE NOTE

Estimated accumulated savings in Federal income taxes resulting from computing book depreciation under Commission rules and computing tax depreciation using the items listed below \$ SEE NOTE

—Accelerated depreciation since December 31, 1953, under section 167 of the Internal Revenue Code

—Guideline lives since December 31, 1961, pursuant to Revenue Procedure 62-21

—Guideline lives under Class Life System (Asset depreciation Ranges) since December 31, 1970, as provided in the Revenue Act of 1971

Estimated accumulated net income tax reduction utilized since December 31, 1961, because of the investment tax credit authorized in the Revenue Act of 1962, as amended \$ _____

If carrier elected, as provided in the Revenue Act of 1971, to account for the investment tax credit under the deferral method, indicate the total deferred investment tax credit at beginning of year \$ _____

Add investment tax credits applied to reduction of current year's tax liability but deferred for accounting purposes \$ _____

Deduct deferred portion of prior year's investment tax credit used to reduce current year's tax accrual \$ _____

Other adjustments (indicate nature such as recapture on early disposition) \$ _____

Total deferred investment tax credit at close of year \$ _____

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

Investment tax credit carryover at year end \$ _____

Cost of pension plan \$ _____

Past service costs determined by actuaries at year end \$ _____

Total pension costs for year \$ _____

Normal costs \$ _____

Amortization of past service costs \$ _____

Marketable Equity Securities - to be completed by companies with \$10.0 million or more in gross operating revenues:

1. Changes in Valuation Accounts

	Cost	Market	Dr. (Cr) to Income	Dr. (Cr) to Stockholders Equity
(Current year)	\$	\$	\$	XXXXXX
as of / /			XXXXXX	\$
(Previous year)			XXXXXX	XXXXXX
as of / /			XXXXXX	XXXXXX

2. At / / , gross unrealized gains and losses pertaining to marketable equity securities were as follows:

	Gains	Losses
Current	\$ _____	\$ _____
Noncurrent	_____	_____

3. A net unrealized gain (loss) of \$ _____ on the sale of marketable equity securities was included in net income for _____ (year). The cost of securities sold was based on the _____ (method) cost of all the shares of each security held at time of sale.

Significant net realized and net unrealized gains and losses arising after date of the financial statements but prior to their filing, applicable to marketable equity securities owned at balance sheet date shall be disclosed below:

NOTE: / / - date = Balance sheet date of the current year unless specified as previous year.

NOTE: The amount by which the Federal Income Taxes have been reduced under Section 168 (formerly 124-A) and 167 of the Internal Revenue Code aggregated \$371,934 at December 31, 1978. The estimated accumulated net Federal Income Tax reduction was obtained as follows:

Reserve for Depreciation per Federal Taxes 12/31/78 - \$35,609,533
Reserve for Depreciation per Books 12/31/78 - \$34,834,671

x 48%

371,934

306. 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.

3. Line 19 includes only dividends from investments accounted for under the cost method.

Line 15 includes only dividends accounted for under the equity method. Line 16 includes the undistributed earnings from investments accounted for under the equity method. Line 17 represents the earnings (losses) of investee companies accounted for under the equity method.

Line No.	Item	Amount (\$)
	ORDINARY ITEMS	
	CAR LINES OPERATING INCOME	
1	(501) Car line operating revenues (p. 26)	8,882,556
2	(531) Car line operating expenses (p. 27)	7,390,648
3	(532) Car line tax accruals (p. 28)	251,219
4	(532-5) Provision for deferred taxes (p. 28)	(1,868)
5	(533) Rent payable for cars (p. 29)	303,597
6	Car line operating income (or loss)	938,960
	OTHER INCOME	
7	(502) Revenues from miscellaneous operations (p. 11)	
8	(510) Miscellaneous rent income	
9	(511) Income from nonoperating property	
10	(513) Dividend income (from investments under cost only)	
11	(514) Interest income	623,289
12	(516) Income from sinking and other reserve funds	
13	(517) Release of premiums on funded debt	
14	(519) Miscellaneous income	109,541
15	Dividend income (from investments under equity only)	\$
16	Undistributed earnings (losses)	\$
17	Equity in earnings (losses) of affiliated companies (lines 15, 16)	\$
18	Total other income	732,830
19	Total income (or loss)	1,671,790
	MISCELLANEOUS DEDUCTIONS FROM INCOME	
20	(534) Expenses of miscellaneous operations (p. 11)	1,671,790
21	(535) Taxes on miscellaneous operating property (p. 11)	
22	(543) Miscellaneous rents	
23	(544) Miscellaneous tax accruals	
24	(551) Miscellaneous income charges	
25	Total miscellaneous deductions	
26	Income available for fixed charges (or loss)	1,671,790
	FIXED CHARGES AND OTHER DEDUCTIONS	
27	(546) Interest on funded debt:	
28	(a) Fixed interest not in default	
29	(b) Interest in default	
30	(c) Contingent interest	
31	(547) Interest on unfunded debt	8,226
32	(548) Amortization of discount on funded debt	
33	Total fixed charges and other deductions	8,226
34	(553) Unusual or infrequent items - Net (Debit) credit*	(54,700)
35	Income (loss) from continuing operations	1,608,864
	DISCONTINUED OPERATIONS	
36	(555) Income (loss) from operations of discontinued segments*	
37	(557) Gain (loss) on disposal of discontinued segments*	
38	Total income (loss) from discontinued operations (lines 36, 37)	
39	Income (loss) before extraordinary items (lines 35, 38)	1,608,864
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES	
40	(570) Extraordinary items-Net (Debit) credit (p. 29)	
41	(590) Income taxes on extraordinary items-Debit (credit) (p. 29)	
42	(591) Provision for deferred taxes-Extraordinary items (p. 28)	
43	Total extraordinary items (lines 40-42)	
44	(592) Cumulative effect of changes in accounting principles*	
45	Total extraordinary items and accounting changes (Debit) credit (lines 43, 44)	
46	Net income (loss) (lines 39, 45)	1,608,864

See footnotes on page 7A

300. INCOME ACCOUNT - Concluded

* Less applicable income taxes of:

553 Unusual or infrequent items-Net-(Debit) credit (54,700)
 555 Income (loss) from operations of discontinued
 557 Gain (loss) on disposal of discontinued segments
 592 Cumulative effect of changes in accounting principles

INCOME ACCOUNT--EXPLANATORY NOTES

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

Flow-through _____ Deferral _____

42. If flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit \$ 240,881

43. If deferral method was elected, indicate amount of investment tax credit utilized as a reduction of tax liabilities for current year _____

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

45. Balance of current year's investment tax credit used to reduce current year's tax accrual \$ _____

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

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

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.

304. RETAINED INCOME—APPROPRIATED

1. 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)
		\$	\$	\$
1	Additions to property through income and retained income	NONE		NONE
2	Funded debt retired through income and retained income			
3	Sinking fund reserves			
4	Miscellaneous fund reserves			
5	Retained income—Appropriated not specifically invested			
6	Other appropriations (specify):			
7				
8				
9				
10	TOTAL			NONE

305. 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 for Refrigerator Car Lines.

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.

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

5. Line 3 (line 7 if debit balance); column (c), should agree with line 17, column (b), schedule 300.

6. Include in column (b) only amounts applicable to Retained Income, exclusive of any amounts included in column (c).

Line No.	Item (a)	Unappropriated retained income (b)	Equity in undistributed earnings (losses) of affiliated companies (c)
		\$	\$
1	Balances at beginning of year	11,976,101	NONE
	CREDITS		
2	(601-1) Prior period adjustments to beginning retained income account (Credit)	1,608,864	
3	(602) Credit balance transferred from income (p. 7)		
4	(606) Other credits to retained income		
5	(622) Appropriations released		
6	Total	1,608,864	
	DEBITS		
7	(611-1) Prior period adjustments to beginning retained income account (Debit)		
8	(612) Debit balance transferred from Income (p. 7)		
9	(616) Other debits to retained income		
10	(620) Appropriations for sinking and other reserve funds		
11	(621) Appropriations for other purposes		
12	(623) Dividends (p. 10)		
13	Total		
14	Net increase (decrease) during year (line 6 minus line 13)	1,608,864	
15	Balances at close of year (Lines 1 and 14)	13,584,965	NONE
16	Balance from line 15(c)		XXXXXXXXXX
17	Total unappropriated retained income and equity in undistributed earnings (losses) of affiliated companies at end of year	13,584,965	XXXXXXXXXX

Remarks

	Amount of assigned Federal income tax consequences:		
18	Account 606		XXXXXXXXXX
19	Account 616		XXXXXXXXXX

Schedule 205--COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS

Using the following notes as a guideline, show the requirements of compensating balances and short-term borrowing arrangements if operating revenues are \$10 million or more. Footnote disclosure is required even though the arrangement is not reduced to writing.

1. Disclose compensating balances not legally restricted, lines of credit used and unused, average interest rate of short-term borrowings outstanding at balance sheet date, maximum amount of outstanding borrowings during the period and the weighted average rate of those borrowings.
2. Time deposits and certificates of deposit constituting compensating balances not legally restricted should be disclosed.
3. Compensating balance arrangements need only be disclosed for the latest fiscal year.
4. Compensating balances under an agreement which legally restricts the use of such funds, and which constitute support for short-term borrowing arrangements, should be included in Schedule 206, account 703, Special deposits.
5. Compensating balances under an agreement which legally restricts the use of such funds and which constitute support for long-term borrowing arrangements and are reported in account 717, Insurance and other funds, should also be separately disclosed below.
6. Compensating balance arrangements are sufficiently material to require disclosure in footnotes when the aggregate of written and oral agreement balances amount to 15 percent or more of liquid assets (current cash balances, restricted and unrestricted plus marketable securities).
7. When a carrier is not in compliance with a compensating balance requirement, that fact should be disclosed along with stated and possible sanctions whenever such possible sanctions may be immediate (not vague or unpredictable) and material.

NONE

Schedule 206.—SPECIAL DEPOSITS

For other than compensating balances, state separately each item of \$10,000 or more reflected in account 703, Special deposits, at the close of the year. Items of less than \$10,000 may be combined in a single entry and described as "Minor items less than \$10,000." For compensating balances, state separately the total amounts held on behalf of respondent and held on behalf of others.

Line No.	Purpose of deposit (a)	Balance at close of year (b)
	Interest special deposits	\$
1		
2		
3		
4		
5		
6	Total	NONE
	Dividend special deposits	
7		
8		
9		
10		
11		
12	Total	NONE
	Miscellaneous special deposits	
13		
14		
15		
16		
17		
18	Total	NONE
	Compensating balances, legally restricted:	
19	Held on behalf of respondent	
20	Held on behalf of others	
21	Total	NONE

NOTES AND REMARKS

of
ty

1

1

1

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	\$	\$	\$	\$	\$
2	(52) Public improvements					
3	(53) Rolling stock	3,513,800				3,513,800
4	(54) Miscellaneous equipment	51,167,716	2,785,481	9,131,804	(6,346,323)	44,821,393
5	(55) Tracks	324,656	154,728	7,048	147,680	472,336
6	(56) Carshop buildings and machinery	143,787	2,664	6,739	(4,075)	139,712
7	(57) Work equipment					
8	(58) Ice manufacturing plants					
9	(59) Natural ice plants					
10	(60) Ice storage plants					
11	(61) Precooling plants					
12	(62) Ice platforms					
13	(63) Transmission systems					
14	(64) Testing apparatus					
15	(65) Miscellaneous structures	54,742	42,542	1,765	40,777	95,519
16	(66) Mechanical protective service units	240,356				240,356
17	(67) Mechanical protective service facilities					
18	Total property and equipment					
19	(70) Organization expenses					
20	Total Account 731	55,445,057	2,985,415	9,147,356	(6,161,941)	49,283,116

NOTES AND REMARKS

1) Capitalized Leased Vehicles

212. ACCRUED DEPRECIATION—PROPERTY AND EQUIPMENT

(Give particulars of the credits and debits made to account No. 755, "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 dollar balance in column (b) or (f) for any primary account should be shown in red or indicated by appropriate symbol.)

Line No.	Account (a)	CREDITS			DEBITS			Balance at close of year (f)
		Balance at beginning of year (b)	Charged to accounts Not No. 755, 757, 758, 759, 760, 761 & 762 (c)	Other credits (specified) (d)	Total credits (e)	Net charge from retirement of current property (g)	Other debits (specified) (h)	Total debits (i)
1	(52) Public improvements Locomotives	\$2,168,318	\$ 175,690	\$	\$ 175,690	\$	\$	\$ 2,344,008
2	(53) Rolling stock	36,043,467	4,081,534		4,081,534	9,126,082		9,126,082
3	(54) Miscellaneous equipment	265,331	27,596		27,596	7,048		7,048
4	(55) Tracks							
5	(56) Carshop buildings and machinery	92,807	4,376		4,376	6,250		6,250
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 Office Furn.	48,537	1,592		1,592	2,006		2,006
15	(66) Mechanical protective service units	240,357						
16	(67) Mechanical protective service facilities							
17	TOTAL	38,858,817	4,290,788		4,290,788	9,141,386		9,141,386

213. DEPRECIATION BASE AND RATES—PROPERTY AND EQUIPMENT

charges for December by the total base as used

1. Show in column (b) and (c) for each depreciable property account the balance at the beginning and end of the year respectively, and in column (d) the average of the two balances. The total annual charges developed by applying the average rates to the base used in computing the total annual charges developed by applying the average rates to the base used in computing the

Line No.	Account (a)	DEPRECIATION BASE			Annual composite depreciation rate (g)	Remarks (h)
		Balance at beginning of year (b)	Balance at close of year (c)	Average balance for the year (d)		
1	A. OWNED PROPERTY					
2		\$ 3,513,800	\$ 3,513,800	\$ 3,513,800	5.00	
3		51,131,924 (1)	44,792,321 (2)	47,962,122,288	6.40	(1) Excludes Amortized Eqpt. \$35,792
4		324,856	472,336	332,271	3.75	
5		143,787	139,712	143,620	3.04	(2) Excludes Amortized Eqpt. \$29,072
6						
7						
8						
9						
10						
11						
12						
13						
14						
15		54,742	95,519	64,784	2.46	F.D.
16		240,356	240,356	240,356		
17		55,409,265	49,254,044	51,417,119	5.93	
	TOTAL OWNED PROPERTY					

214. MISCELLANEOUS PHYSICAL PROPERTY

1. Give particulars of investments in physical property available in account Nos. 777, "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	30 Tamper Smoothers	\$ 1,582,710	\$ 936,436	\$	\$	\$
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12	TOTAL	1,582,710	936,436			

Income of \$ 287,936 was recorded in Account 133 and Expenses of \$226,101 were recorded in Account 415.

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), (i), and (j) 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				

ASSETS IN FUNDS AT CLOSE OF YEAR								
Line No.	Additions during the year—Book value	Withdrawals during the year—Book value	Balance at close of year—Book value	SECURITIES ISSUED OR ASSUMED BY RESPONDENT			OTHER SECURITIES AND INVESTED ASSETS	
				Cash	Par value	Book value	Par value	Book value
	\$	\$	\$	\$	\$	\$	\$	\$
1		none						
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								

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.

cured obligations, (4) Unsecured notes, and (5) Investment advances.

2. Classify in the following order: (1) Stocks, (2) Bonds, (3) Other se-

Line No.	Name of issuing company and description of security held (a)	Class (b)	Par value (c)	Rate of interest or dividends (d)	BALANCE AT CLOSE OF YEAR		
					Pledged (e)	Unpledged (f)	Book cost (g)
1	None				\$	\$	\$
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
TOTAL							

Line No.	CHANGES DURING THE YEAR				INCOME DURING THE YEAR		
	ADDED		DISPOSED OF		Adjustments (Dr. Debit, Cr. Credit) (j)	Net changes (Dr. Debit, Cr. Credit) (m)	Kind (n)
	Number of shares (h)	Book cost (i)	Number of shares (j)	Book cost (k)			Amount (o)
1		\$ None		\$	\$	\$	\$
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							

217-A. Investments in Common Stocks of Affiliated Companies
Undistributed Earnings From Certain Investments in Affiliated Companies

1. Report below the details of all investments in common stocks included in account 721 Investments in Affiliated Companies, which qualify for the equity method under instruction 37 in the Uniform System of Accounts for Refrigerator Car Lines.
2. Enter in column (c) the amount necessary to retroactively adjust those investments qualifying for the equity method of accounting in accordance with instruction 37 (b) (1) of the Uniform System of Accounts for Refrigerator Car Lines.
3. Enter in column (d) the share of undistributed earnings (i.e., less dividends) or losses.
4. Enter in column (e) the amortization for the year of the excess of cost over equity in net assets (equity over cost) at date of acquisition. See instruction 37 (b) (4).
5. The total of column (g) must agree with column (c), line 20, schedule 200.

Line No.	Name of issuing company and description of security held (a)	Balance at beginning of year (b)	Adjustment for investments qualifying for equity method (c)	Equity in undistributed earnings (dividend) during year (d)	Amortization during year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)
	Carriers (List specifics for each company)						
1	None	\$	\$	\$	\$	\$	\$
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16	Total						
17	Noncarriers (Show totals only for each column)						
18	Total lines 16 and 17						

Schedule 219.—RENTAL EXPENSE OF LESSEE

Complete this schedule only if (a) carrier operating revenues are \$10 million or more and (b) if gross rental expense in the most recent fiscal year exceeds one percent of operating revenue.

Otherwise, show total rental expense (reduced by rentals from subleases) entering into the determination of results of operations for each period for which an income statement is presented. Rental payments under short-term leases for a month or less which are not expected to be renewed need not be included. Contingent rentals, such as those based on usage or sales, shall be reported separately from the basic or minimum rentals.

Line No.	Type of lease (a)	Current year	Prior year
		(b)	(c)
	Financing leases	\$	\$
1	Minimum rentals.....	Not Applicable	
2	Contingent rentals.....		
3	Sublease rentals.....		
4	Total financing leases.....		
	Other leases		
5	Minimum rentals.....		
6	Contingent rentals.....		
7	Sublease rentals.....		
8	Total other leases.....		
9	Total rental expense of lessee.....		

NOTE: As used in schedules 219 through 223, a "financing lease" is defined as a lease which, during the noncancelable lease period, either (a) covers 75% or more of the economic life of the property or (b) has terms which assure the lessor a full recovery of the fair market value (which would normally be represented by his investment of the property at the inception of the lease plus a reasonable return on the use of the assets invested subject only to limited risk in the realization of the residual interest in the property and the credit risks generally associated with secured loans.

Schedule 220.—MINIMUM RENTAL COMMITMENTS

Complete this schedule only if (a) carrier operating revenues are \$10 million or more and (b) gross rental expense in the most recent fiscal year exceeds one percent of operating revenue.

Show the minimum rental commitments under all noncancellable leases, as of the date of the latest balance sheet presented, in the aggregate (with disclosure of the amounts applicable to noncapitalized financing leases) for (a) each of the five succeeding fiscal years; (b) each of the next three five-year periods; and, (c) the remainder as a single amount. The amounts so determined should be reduced by rentals to be received from existing noncancellable subleases (with disclosure of the amounts of such rentals). For purposes of this rule, a noncancellable lease is defined as one that has an initial or remaining term of more than one year and is noncancellable, or is cancellable only upon the occurrence of some remote contingency or upon the payment of a substantial penalty.

Line No.	Year ended	A			B	
		Financing leases (a)	Other Leases (b)	Total (c)	Sublease rentals*	
					Financing leases (e)	Other leases (f)
1	1978	\$	\$	\$	\$	\$
2	1979	Not Applicable				
3	1980					
4	1981					
5	1982					
6	1983-1987					
7	1988-1992					
8	1993-1997					
9	1988 +					

* The rental commitments reported in Part A of this schedule have been reduced by these amounts.

Schedule 221.—LESSEE DISCLOSURE

Complete this schedule only if carrier operating revenues are \$10 million or more.

Relate in general terms: (a) the basis for calculating rental payments if dependent upon factors other than the lapse of time; (b) existence and terms of renewal or purchase options, escalation clauses, etc.; (c) the nature and amount of related guarantees made or obligations assumed; (d) restrictions on paying dividends, incurring additional debt, further leasing, etc.; and, (e) any other information necessary to assess the effect of lease commitments upon the financial position, results of operations, and changes in financial position of the lessee.

LINE No.	
1	(a) Not Applicable
2	
3	
4	
5	
6	
7	
8	
9	(b)
10	
11	
12	
13	
14	
15	
16	
17	(c)
18	
19	
20	
21	
22	
23	
24	
25	(d)
26	
27	
28	
29	
30	
31	
32	
33	(e)
34	
35	
36	
37	
38	
39	
40	

Schedule 222.—LEASE COMMITMENTS—PRESENT VALUE

Complete this schedule only if (a) carrier operating revenues are \$10 million or more and (b) if the present value of the minimum lease commitments are more than five percent of the sum of the long-term debt, stockholders' equity and the present value of the minimum lease commitments, or if the impact on net income (as computed in schedule 223, Income impact—Lessee) is three percent or more of the average net income for the most recent three years.

Show all noncapitalized financing leases, the present value of the minimum lease commitments in the aggregate and by major categories of properties. Present values shall be computed by discounting net lease payments (after subtracting, if practicable, estimated, or actual amounts, if any, applicable to taxes, insurance, maintenance and other operating expenses) at the interest rate implicit in the terms of each lease at the time of entering into the lease.

Show either the weighted average interest rate (based on present value) and range of rates or specific interest rates for all lease commitments.

Line No.	Asset category (a)	Present value		Range		Weighted average	
		Current year (b)	Prior year (c)	Current year (d)	Prior year (e)	Current year (f)	Prior year (g)
		\$	\$	%	%	%	%
1	Structures						
2	Revenue equipment						
3	Shop and garage equipment						
4	Service cars and equipment						
5	Noncarrier operating property						
	Other (Specify)						
6							
7							
8							
9							
10	Total						

Not Applicable

Schedule 223.—INCOME IMPACT—LESSEE

Complete this schedule only if carrier operating revenues are \$10 million or more.

If the impact on net income is less than three percent of the average net income for the most recent three years, a statement to this effect will suffice to complete this schedule. Otherwise, show the impact on net income for each period for which an income statement is presented if all noncapitalized financing leases were capitalized, related assets were amortized on a straight-line basis and interest cost was accrued on the basis of the outstanding lease liability. The amounts of amortization and interest cost shall be separately identified.

In calculating average net income, loss years should be excluded. If losses were incurred in each of the most recent three years, the average loss shall be used for purposes of this test.

Line No.	Item (a)	Current year (b)	Prior year (c)
1	Amortization of lease rights <u>not applicable</u>	\$	\$
2	Interest		
3	Rent expense		
4	Income tax expense		
5	Impact (reduction) on net income		

225. LOANS AND NOTES RECEIVABLE

1. Give particulars of the various debtors and of the character of the transactions involved in account No. 704, "Loans and notes receivable," which pertain or relate to the cars and protective service of the respondent.

2. In column (a) show the name of each several debtor in the account whose debit balance at the close of the year amounted to \$10,000 or more; for debtors whose balances were severally less than \$10,000, a single entry for each subaccount may

be made under the caption, "Minor accounts, each less than \$10,000." List every item in excess of \$10,000 and state its date of maturity.

3. In column (b) state the character of the transactions represented in the account between the debtor named and the respondent.

Line No.	Name of debtor (a)	Character of asset or transaction involved (b)	Date of issue or renewal (c)	Date of maturity (d)	Rate per annum of interest (e)	Amount at close of year (f)
1	Orest Hladky	advance on employee	10/20/78		none	\$ 80,805
2		home equity				
3		transferred at company				
4		request				
5						
6						
7						
8						
9						
10						

226. OTHER ASSETS

Give an analysis of the amount included in account No. 741, "Other assets," at the close of the year, shown in detail each item or subaccount 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 items, and names of debtor (or class of debtors), if any (a)	Amount at close of year (b)
1	Receivables and advances from railroads in bankruptcy proceedings	\$ 1,792,852
2		
3		
4	Pre-conveyance receivables from Penn Central at April 1, 1976 when	465,227
5	properties were conveyed to consolidated Rail Corporation.	
6		
7		
8		
9	Amounts fully reserved	(2,258,079)
10		
11		
12		
13		
14	TOTAL	0

227. OTHER DEFERRED CHARGES

Give an analysis of the amount included in account No. 743, "Other deferred charges," at the close of the year, showing in detail each item or subaccount 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)
1	Carrying costs on 3 relocated employees' homes.	\$ 16,221
2		
3		
4	Minor items each less than \$10,000	6,797
5		
6		
7		
8		
9		
10		
11		
12		
13	TOTAL	23,018
14		

261. FUNDED DEBT AND OTHER OBLIGATIONS

1. Give particulars of the various issues of securities in accounts Nos. 763, "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 on 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 (b)	Date of maturity (c)	INTEREST PROVISIONS		Total amount nominally and actually issued (f)
				Rate per cent per annum (d)	Dates due (e)	
1	Capitalized Equipment Leasing Obligations					\$
2						
3	due within one year		various	various	various	41,534
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						

Line No.	Amount nominally issued and held or canceled (g)	Total amount actually issued (h)	Amount reacquired (i)	Total amount actually outstanding (j)	INTEREST		
					Accrued during year (k)	Actually paid during year (l)	Total amount in default (m)
	\$	\$	\$	\$	\$	\$	\$
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
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 equipment obligation is designat-

ed 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.	Description 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		None	\$	\$
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
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 (c) and (d) 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)
1	Excelsior Truck Leasing Co.	various	0	118,494	\$	\$ 8,226
2						
3	(capitalized equipment lease					
4	obligations)					
5						
6						
7						
8						
9						
10	Total			118,494		8,226

271. LOANS AND NOTES PAYABLE

1. Give particulars of the various credits 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)
1		None			% \$	\$	\$	\$
2								
3								
4								
5								
6								
7								
8	Total							

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)
1	Federal income taxes (532 or other accounts)	\$ 182,729
2	Federal excess profits taxes (532 or other accounts)	
3		
4	Cars and protective service property taxes (532)	Total (account 760) 182,729
5	Railroad retirement and unemployment insurance taxes (532)	47,872
6	Social security taxes (532)	64,236
7	Miscellaneous operating property (535)	
8	Miscellaneous tax accruals (544)	
9	All other taxes	
10		Total (account 761) 112,108

280. OTHER LIABILITIES

Give an analysis of the amount included in account No. 762, "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)
1	Minor items each less than \$10,000		\$ 1,621
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
		Total	1,621

281. OTHER DEFERRED CREDITS

Give an analysis of the balance in account No. 764, "Other deferred credits," as of 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 or sub-account (a)	Amount at close of year (b)
1	Car mileage earnings - applicable to car rental from	\$
2		
3	General Foods, Inc.	1,051
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
		Total 1,051

285. CAPITAL STOCK

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

Line No.	Title, description and par value of issue, and rate of interest for preferred or debenture stock	RECEIVED AND HELD AT CLOSE OF THE YEAR		OUTSTANDING AT CLOSE OF THE YEAR	
		Number of shares	Amount	Number of shares	Amount
	(a)	(b)	(c)	(d)	(e)
1	(1) stock certificate - No Par Value			78,750	7,875,000
2					
3					
4					
5					
6					
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 (a) give a brief description of the item added or deducted and in column (b) insert the contra amount number to which the amount stated in column (c), (d) or (e) was charged or credited.

Line No.	Item	Contra account number	ACCOUNT NO.		
			794. Premiums and Assessments on Capital Stock	796. Other Capital Surplus	795. Paid-In Surplus
	(a)	(b)	(c)	(d)	(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	Total additions during the year	X X X			
7	Deductions during the year (describe):				
8					
9					
10	Total deductions	X X X			
11	Balance at close of year	X X X	none	2,309,000	none

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 in-

serted 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 foot-note.

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

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. 305.

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 (column 62) (e)	DATES	
		Regular (b)	Extra (c)			Declared (f)	Payable (g)
1				\$	\$ none		
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13				TOTAL	none		

110. 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 (10)	Amount (11)	Remarks (12)
	I. CAR SERVICE		
1	(101) Car mileage	345,619	
2	(102) Car rental	6,947,413	
3	(104) Cleaning cars		
4	(108) Other car service revenue		
5	Total car service	7,293,032	
	II. ICING PROTECTIVE SERVICE		
6	(110) Ice and salt		
7	(111) Supervision		
8	(112) Refrigerating device damage		
9	(113) Top or body ice damage		
10	(114) Precooling		
11	(115) Other icing service revenue		
12	Total icing protective service		
	III. MECHANICAL PROTECTIVE SERVICE:		
13	(116) Mechanical protective service units	2,759	
14	(117) Inspecting, servicing, and supervision	921,097	
15	(118) Fuel		
16	(119) Other mechanical protective service revenue	3,121	
17	Total mechanical protective service	926,977	
	IV. HEATER SERVICE		
18	(120) Car heaters	3,813	
19	(121) Heater fuel	1,625	
20	(122) Servicing heaters	652	
21	(123) Supervision	19,649	
22	(124) Preheating cars		
23	(128) Other heater service revenue		
24	Total heater service	25,739	
	V. OTHER SERVICES		
25	(130) Ventilation service	6,282	
26	(132) Other ice and salt		
27	(133) Miscellaneous	630,326	
28	Total other services	636,608	
29	Total operating revenues	8,882,556	

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)	Line No.	Class of operating expenses (a)	Amount (b)
		\$			\$
	I. CAR SERVICE			V. HEATER SERVICE	
1	(201) Supervision	168,433	51	(351) Supervision	5,140
2	(203) Rents—Car service facilities	42,453	52	(353) Rents—Heater service facilities	154
3	(205) Car distribution	62,768	53	(357) Heater fuel	1,626
4	(208) Cleaning and conditioning cars	1,242	54	(358) Inspecting and servicing of heaters	714
5	(210) Car repairs	1,730,966	55	(360) Repairs—Heater service facilities	3,597
6	(211) Other repairs	21,580	56	(361) Preheating service	
7	(221) Injuries to persons		57	(371) Injuries to persons	
8	(222) Insurance	16,082	58	(372) Insurance	129
9	(223) Stationery and printing	3,017	59	(373) Stationery and printing	68
10	(229) Other expenses	20,535	60	(379) Other expenses	98
11	(230) Equalization—Car repairs		61	(386) Depreciation—Heater service facilities	11,124
12	(236) Depreciation—Rolling stock	3,017,407	62	(388) Retirements—Heater service facilities	
13	(237) Depreciation—Other car service facilities	5,719	63	Total heater service	26,659
14	(238) Retirements—Car service facilities Credit	(89,322)		VI. MISCELLANEOUS	
15	Total car service	4,990,880	64	(401) Ventilation service	5,641
	II. ICING PROTECTIVE SERVICE		65	(405) Curtain service	
16	(251) Ice purchased		66	(408) Pipering cars	
17	(252) Ice produced		67	(410) Loss and damage claims	
18	(253) Rents—Icing facilities		68	(414) Diversions and reconignments	
19	(254) Icing operations		69	(415) Other expenses	401,791
20	(255) Repairs—Icing facilities		70	Total miscellaneous	407,432
21	(256) Injuries to persons			VII. GENERAL	
22	(257) Insurance		71	(450) Salaries and expenses of general officers and clerks	277,594
23	(258) Other expenses		72	(451) General office supplies and expenses	14,900
24	(265) Depreciation—Icing facilities		73	(452) Rents	38,209
25	(270) Retirements—Icing facilities		74	(454) Law expenses	16,047
26	(275) Salt		75	(459) Pensions and relief	63,445
27	Total icing protective service		76	(460) Insurance	1,508
	III. OTHER ICING SERVICE		77	(461) Stationery and printing	45,286
28	(281) Supervision		78	(462) Repairs—General	260
29	(282) Rents—Icing service facilities		79	(465) Depreciation—General	1,592
30	(283) Repairs—Icing service facilities		80	(466) Retirements—General	
31	(284) Precooling service		81	(469) Other expenses	880,926
32	(285) Injuries to persons		82	Total general	1,339,767
33	(286) Insurance		83	Total operating expenses	7,390,648
34	(287) Stationery and printing				
35	(290) Other expenses		84	Operating ratio (ratio of operating expenses to operating revenues)	87.2 percent
36	(295) Depreciation—Icing service facilities				
37	(296) Retirements—Icing service facilities				
38	Total other icing service				
	IV. MECHANICAL PROTECTIVE SERVICE				
39	(301) Supervision	584,752			
40	(302) Rents	13,830			
41	(303) Fuel	2,440			
42	(305) Inspecting and servicing				
43	(306) Supplies and repairs Credit	(14,330)			
44	(307) Injuries to persons				
45	(308) Insurance	6,448			
46	(309) Stationery and printing	4,824			
47	(315) Other expenses	12,824			
48	(320) Depreciation—Mechanical service facilities	15,131			
49	(321) Retirements—Mechanical service facilities				
50	Total mechanical protective service	625,919			

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)
	A. Other than United States Government Taxes:	\$
1	Cars or protective service property taxes	63,462
2	State income taxes	8,283
3	All other taxes (other than U.S. Government)	866
4	Total other than U.S. Government taxes	72,611
	B. United States Government Taxes:	
5	Federal income taxes	
6	Federal excess profits taxes	
7	Railroad retirement and unemployment insurance taxes	178,608
8	Social security taxes	
9	All other U.S. Government taxes	
10	Total U.S. Government taxes	178,608
11	Grand total taxes (account 532)	251,219

350-A. ANALYSIS OF FEDERAL INCOME AND OTHER TAXES DEFERRED

1. In column (a) are listed the particulars which most often cause a differential between taxable income and pretax accounting income. Other particulars which cause such a differential should be listed under the caption "Other", including State and other taxes deferred if computed separately. Minor items each less than \$100,000 may be combined in a single entry under "Other".

2. Indicate in column (b) the beginning of the year balance of accumulated deferred tax credits (debits) applicable to each particular in column (a).

3. Indicate in column (c) the net change in accounts 714, 744, 762 and 785 for the net tax effect of timing differences originating and reversing in the current accounting period.

4. The total of net credits (charges) for the current year in column (c) should agree with the contra charges (credits) to account 532, Provision for deferred taxes, and account 591, Provision for deferred taxes - extraordinary items, for the current year.

5. Indicate in column (d) any adjustments, as appropriate, including adjustments to eliminate or reinstate deferred tax effects (credits or debits) due to applying or recognizing a loss carryforward or a loss carryback.

6. Indicate in column (e) the cumulative total of columns (b), (c), and (d). The total of column (e) must agree with the balances in accounts 714, 744, 762 and 785.

Line No.	Particulars (a)	Beginning of Year Balance (b)	Net Credits (Charges) for current Year (c)	Adjustments (d)	End of Year Balance (e)
1	Accelerated depreciation, Sec. 167 I.R.C. - Guideline lives pursuant to Rev. Proc. 62-21	\$	\$	\$	\$
2	Accelerated amortization of facilities Sec. 168 I.R.C.				
3	Other (Specify) (1)	381,551	(1,868)		379,683
4					
5					
6					
7	Investment tax credit				
8	TOTALS	381,551	(1,868)		379,683

Note (1):

Book depreciation expense in excess of Tax Depreciation Expense for 1978

$$\$3,812 \times 49\% = \$1,868$$

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 503, "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.

Line No.	Name of lessee or proprietor and description of property car	Total rent accrued during year (b)	CLASSIFICATION OF RENT			
			Guaranteed amount on bonds (c)	Guaranteed dividend on stocks (d)	Depreciation (e)	All other (f)
1	North Hill Leasing Co.	\$ 21,688	\$	\$	\$	\$
2	New Jersey Leasing Co.	20,712				
3	New Jersey Leasing Co.	43,387				
4	Byram & CO.	112,037				
5	American Inv. Leas. Co. #6	53,237				
6	N.J. Leasing Co. #2	52,535				
7						
8						
9						
10						
11						
12	Total	303,597				

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 lessor 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 de-

termination 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"; and 590, "Federal income taxes on extraordinary 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, "Ap-

propriations released," confined to items amounting to \$10,000 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 \$10,000."

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						

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)	UNITS ACQUIRED DURING THE YEAR			Number of units retired during the year (e)	Number of units owned at close of year (f)
		Number of units owned at beginning of year (b)	Number (c)	Total weight (tons) (d)		
1	Refrigerator cars	1,385	38	1,615	567	856
	Other cars (specify):					
2	Covered Hopper Cars	12			3	9
3	Bi-level Auto Rack Cars	177			3	174
4	Tri-level Auto Rack Cars	567			128	439
5	Flat Cars	139	5 (converted Auto Rack cars)			144
6	TOFC Cars	189			4	185
7	Railpac Flat cars	-	120 (converted Auto Rack cars)			120
8						
9						
10						
11	Total	2,469	163	1,615	705	1,927

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 Lsg. Co.	tri-level autorack	26	\$ 21,688	\$
2	New Jersey Leasing Co.	bi-level autorack	37	20,712	
3	New Jersey Leasing Co.	bi-level "	44	(43,387	
4	New Jersey Leasing Co.	tri-level "	15	)	
5	Byram "A" Co.	tri-level "	131	112,037	
6	American Invst. Lsg. Co. #6	tri-level "	60	53,237	
7	New Jersey Leasing Co. #2	bi-level "	85	) 52,535	
8	New Jersey Leasing Co. #2	tri-level "	3	(	
9					
10					
11	Total		401	303,597	
12					

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.

the year and may combine all other leases in a single entry designated "Leases—on number having less than 200 units at the close of the year."

2. This analysis may be confined to reporting each lessee having 200 or more cars at the close of

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	4 Leases - less than 200 each	Refrigerator cars	247	\$ 510,553	\$
2					
3					
4	Consolidated Rail Corp.	Auto Rack Cars			
5		Auto Rack Super-structures	3,060	6,271,463	
6		Flat cars-various			
7					
8					
9		Refrigerator cars	88	165,397	
10					
11					
12					
13					
14	Total		3,395	6,947,413	
15					

430. 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)
1	Refrigerator cars	7,143,223	7,984,353	26,867	15,154,443
2	Other cars (specify):				
3	hopper cars	97,189	103,879		201,068
4	bi-level & tri-level auto rack cars	7,200,050	6,670,414	1,772,200	15,642,664
5					
6					
7					
8	*not reported by various railroads				
9					
10					
11	Total	14,440,462	14,758,646	1,799,067	30,998,175

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)
1		SEE ATTACHED SCHEDULE - PAGE 31 A	
2			
3			
4			
5			
6			
7			
8			
9			
10			

531. STATISTICS OF CAR LINE OPERATIONS

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

Line No.	Description	QUANTITY		Amount of revenue receivable	Number of cars serviced
		Unit	Amount or number		
(a)		(b)	(c)	(d)	(e)
	Icing protective service:			\$	
1	Ice delivered in bunkers of cars	Ton		NONE	
2	Ice delivered on top of load in body of cars	Ton		11	
3	Salt delivered in bunkers of cars	100#		11	
4	Supervision per icing in bunkers of cars	X X X	X X X X X X X X	11	
5	Supervision per icing in body of cars	X X X	X X X X X X X X	11	
6	Supervision—no ice supplied	X X X	X X X X X X X X	11	
7	Repairs to refrigerating devices	X X X	X X X X X X X X	11	
8	Repairs of damage caused by top of body ice	X X X	X X X X X X X X	11	
9	Precooling cars	X X X	X X X X X X X X	11	
10	Other icing protective service revenue	X X X	X X X X X X X X	11	
	Mechanical protective service:			2,759	
11		X X X	X X X X X X X X		
12	Supervision per inspection of cars	X X X	X X X X X X X X	921,097	76,068
13	Fuel	X X X	X X X X X X X X	none	
14	Other mechanical protective service revenue	X X X	X X X X X X X X	3,121	370
	Heater service:				
15	Inspection—Car heaters	X X X	X X X X X X X X	3,813	4,296
16	Inspection—Heater fuel	X X X	X X X X X X X X	1,625	4,296
17	Inspection—Servicing of heaters	X X X	X X X X X X X X	652	1,352
18	Inspection—Supervision incident to heater service	X X X	X X X X X X X X	19,649	4,296
19	Preheating cars	X X X	X X X X X X X X	none	
20	Other heater service revenue	X X X	X X X X X X X X	none	
	Other services:				
21	Ventilation service	X X X	X X X X X X X X	6,282	340
22	Other ice and salt	X X X	X X X X X X X X	none	
23	Miscellaneous (specify)	X X X	X X X X X X X X	none	
24					
25					
26					

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 unem-

ployment 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	
(a)		(b)	(c)	(d)
1	Car service maintenance employees	19	18	\$ 316,081
2	Protective service employees	18	68	482,411
3	Solicitation employees	0	0	
4	Administrative and general employees	17	9	220,752
5	Other employees (specify):			
6				
7				
8				
9	Total	54	95	1,019,244

Class (a)	Location & Description (b)	Service Performed (c)
1 C	Altoona, PA	FOR ALL 36 listed stations:
2 C	Baltimore, MD	
3 C	Buffalo, N. Y.	<u>PERISHABLE FREIGHT INSPECTION</u>
4 C	Chicago, IL	<u>AND RELATED EQUIPMENT REPAIRS</u>
5 C	Delmar, MD	
6 C	Enola, PA (Harrisburg)	
7 C	Everett, MA (Boston)	
8 C	Fort Wayne, IN	
9 C	Hartford, CONN	
10 C	Hunt's Point (New York City) N. Y.	
11 C	New York, N. Y.	
12 C	Indianapolis, IN	
13 C	Philadelphia, PA	
14 C	Pittsburg, PA	
15 C	Providence, RI	
16 C	Selkirk, N. Y.	
17 C	South Kearny, N. J.	
18 B	Boston (TOFC ONLY) MA	
19 B	Worcester, MA (TOFC ONLY)	
20 B	Springfield, MA (TOFC ONLY)	
21 B	Albany, N. Y. (TOFC ONLY)	
22 B	Syracuse, N. Y. (TOFC ONLY)	
23 B	Rochester, N. Y. (TOFC ONLY)	
24 B	Buffalo, N. Y. (TOFC ONLY)	
25 B	N. Bergen, N. J. (TOFC ONLY)	
26 B	Chicago, IL (TOFC ONLY)	
27 B	E. St. Louis, IL (TOFC ONLY)	
28 B	Pontiac Yard, VA (Alexandria, VA)	
29 B	Cleveland, Ohio	
30 B	Toledo, Ohio	
31 B	Detroit, MI	
32 B	Grand Rapids, MI	
33 B	Columbus, Ohio	
34 B	Cincinnati, Ohio	
35 B	Louisville, KY	
36 B	E. St. Louis, IL	

THIS LISTING IS OF MDT OFFICE LOCATIONS AND CONTRACTED POINTS.

THE STATIONS NUMBER SEVERAL HUNDRED AND ARE THEREFORE TOO NUMEROUS TO LIST.

THIS LISTING IS AVAILABLE AT THE CORPORATE HEADQUARTERS OFFICE

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 therein to 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.

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	H. S. McDonald	President 10/30/78	\$ 55,000	
2	F. C. Underwood	Vice President 1/ 1/78	33,170	
3		10/ 1/78	35,820	
4	D. P. Mate	Dir. Eng & Equip. 1/ 1/78	25,000	
5		9/ 1/78	28,500	
6	L. E. Cunningham	Mgr. P.P.S. Admin. 1/ 1/78	24,610	
7		9/ 1/78	26,580	
8	C. E. Bullard	Mgr. Southern Reg. 9/ 1/78	26,000	
9		12/ 1/78	28,500	
10	J. A. Rizzo	Mgr. Northern Reg. 1/ 1/78	23,890	
11		10/ 1/78	26,040	
12	H. Martin	Supr. Equipment 1/ 1/78	21,597	
13		9/ 1/78	22,680	
14	N. E. Bramble	Mech. Equip. Col'tr. 9/1/78	20,921	
15	P. W. Allen	Ass't. Controller 5/10/78	20,000	
16	Messrs. Frasher, Fox and Sullivan are employees of Consolidated Rail Corp.			
17	Messrs. Hohl and Service are Employees of Excelsior Truck Leasing Company			
18				
19	See Management Service Contracts below.			

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 \$10,000 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 \$10,000 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, irrespective of the amount thereof, if the total amount paid by all contributors for the performance of the particular service is equal to the sum of \$10,000 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, insurers, promoters, solicitors, consultants, actuaries, investigators, inspectors, and off-

agency engineers. Payments to the various railway associations, commissions, consultants, 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 \$10,000 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 therein to the reports of the other roads.

5. If any doubt exists in the mind of the reporting office 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)
1	Consolidated Rail Corporation	Management Services	\$ 796,326
2	Excelsior Truck Leasing Company	Management Services	22,833
3	Chapman and Cutler	Legal Fees	9,786
4	H. C. Beaman, Jr.	Consultant	1,500
5			
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Schedule 570.—COMPETITIVE BIDDING — CLAYTON ANTITRUST ACT

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

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

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

Line No.	Nature of bid (a)	Date Published (b)	Contract number (c)	No. of bidders (d)	Method of awarding bid (e)	Date filed with the Commission (f)	Company awarded bid (g)
1							
2							
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RESPONDENT'S CONTRACTS ARE NOT SUBJECT

TO SECTION 10 OF THE CLAYTON ACT AS

RESPONDENT IS NOT A COMMON CARRIER.

OATH

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

State of PennsylvaniaCounty of MontgomeryHerbert S. McDonald

(Insert here the name of the affiant)

President

(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 19 78 to and including December 31 19 78

Herbert S. McDonald
(Signature of affiant)

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

county above named, this 19 day of March, 19 79

My commission expires December 20, 1982

Clairie Alessandro
(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 _____