

ANNUAL REPORT 1972 CLASS I

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REA EXPRESS INC.

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INTERSTATE
COMMERCE COMMISSION
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ADMINISTRATIVE SERVICES
A MAIL BRANCH

ANNUAL REPORT

OF

REA EXPRESS, INCORPORATED

TO THE

INTERSTATE COMMERCE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1972

ANNUAL REPORT

OF

REA EXPRESS, INC.

TO THE

INTERSTATE COMMERCE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1972

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

(Name) EUGENE B. KANIA (Title) VICE PRESIDENT, FINANCE

(Office address) 219 EAST 42ND STREET, NEW YORK, N.Y. 10017
(Street and number, city, State, and ZIP Code) (212) 557-2000

INSTRUCTIONS FOR ANSWERING QUESTIONS ON OPPOSITE PAGE

Answers to the questions asked should be made in full. In case any changes of the nature referred to under question 4, 5, or 7, on the opposite page, have taken place during the year covered by this report, they should be explained in detail on page 46.

1. Give in full the exact name of the corporation holding the franchise under which operations are carried on. Use the word "The" or "Company" only when it is a part of the corporate name. The name should also be given uniformly throughout the report, notably on the cover and title page and in the "Oath" at the end. If the report is made by receivers, trustees, committees of bondholders, or individuals otherwise in possession of the property, state names and facts with precision.

2. If incorporated under a special charter, give date of passage of the act; if under a general law, give date of filing of certificate of organization; if a reorganization has been effected, give date of reorganization. If a receivership or other trust, give date when such receivership or other possession began. If a partnership, give date of formation and also names in full of present partners.

3. Give reference to laws of each State or Territory under which organized. Include any grant of corporate powers by the United States, Canada, or other foreign country; also all amendments to charter.

4. Give reference to special or general laws under which each consolidation was effected. Specify Government, State, or Territory under the laws of which each company consolidated with the present company was organized; give reference to the charters of each, and all amendments to them. Cases in which corporations have become inactive and have been practically absorbed through ownership or control of capital stock, or otherwise, so that they do not keep up independent organizations for financial purposes, and no distinction is made in operating or in accounting by reason of the original separate organization, may be included here and explained in answer to this and the next following inquiry.

7. State the occasion for the reorganization, whether by reason of foreclosure of mortgage or otherwise, according to the fact. Give date of original organization and refer to laws under which organized.

EXPLANATORY REMARKS

HISTORY

1. Exact name of company making this report.
(See instructions, p. 2.)

REA Express, Inc.

2. Date of incorporation. December 7, 1928

3. Under laws of what Government, State, or Territory organized? If more than one, name all. Give reference to each statute and all amendments thereof.

State of Delaware (General Corporation Law)

4. If a consolidated company, name the constituent companies. Give reference to charters of each, and all amendments of same.

Not a consolidated company

5. Date and authority for each consolidation.

6. State whether respondent is a corporation, a joint-stock association, or a firm or partnership. Corporation

7. If a reorganized company, give name of original organization and refer to laws under which it was organized.

INSTRUCTIONS FOR ANSWERING QUESTIONS ON OPPOSITE PAGE

Give the names and post-office addresses of the various officers called for. If there are receivers, trustees, committees, or other officers not provided for in the list, who are recognized as in the controlling management of the company or of some department of it, give also their names

and titles and the location of their offices. If the duties of an officer extend to more than one department, or if his duties are not in accordance with the customary acceptance of his given title, state briefly the facts under "Explanatory Remarks" below.

EXPLANATORY REMARKS

INSTRUCTIONS FOR ANSWERING QUESTIONS ON OPPOSITE PAGE

In the table headed "Corporations controlled by respondent" should be entered the names of all corporations which are controlled either solely or jointly by the carrier making this report.

By "Control" is meant *ability to determine the action of a corporation*. Attention is specifically directed to Section 1 (3) (b) of Part I of the Interstate Commerce Act which provides that, "For the purposes of sections 5, 12 (1), 20, 304 (a) (7), 210, 220, 304 (b), 310, and 313 of this Act, where reference is made to control (in referring to a relationship between any person or persons and another person or persons), such reference shall be construed to include actual as well as legal control, whether maintained or exercised through or by reason of the method of or circumstances surrounding organization or operation, through or by common directors, officers, or stockholders, a voting trust or trusts, a holding or investment company or companies, or through or by any other direct or indirect means; and to include the power to exercise control."

In the column headed "How established" should be entered the form of control exercised. The following are the most important forms of control:

(a) Right through title to securities issued or assumed to exercise the major part of the voting power in such corporation.

(b) Right through agreement of some character, or through some other source than title to securities, to name the majority of the board of directors, managers, or trustees of the controlled corporation.

(c) Right to foreclose a first lien upon all or a major part in value of the tangible property of the controlled corporation.

(d) Right to control only in a specific respect the action of a controlled corporation.

A lease of the property of a corporation is not to be classed as a form of control.

In the column headed "Extent" should be shown the extent of the interest of the respondent in the controlled corporation; for example, in the case of a corporation controlled through ownership of a majority of its stock the entry might be "75% of stock," or in the case of a jointly controlled corporation it might be "10% of stock."

Indirect control is that exercised through an intermediary. When the intermediary is a holding company or any other corporation or an individual not making an annual report to the Commission the name of the controlled corporation should be entered with the name of the intermediary. If the intermediary is an operating company which makes an annual report to the Commission the indirect control need not be shown.

In the column headed "Other parties to agreement for joint control" should be entered the names of the corporations or others who with the respondent corporation jointly control the corporation listed.

An *inactive* corporation is one which has merely a legal existence and neither conducts operations nor maintains an organization for financial purposes. All other corporations are to be regarded as *active*.

EXPLANATORY REMARKS

CORPORATIONS CONTROLLED BY RESPONDENT

Line No.	Name (a)	CONTROL					
		Sole or joint (b)	How established (c)	Extent (d)	Direct or indirect (e)	If indirect, name of intermediary through which control is established (f)	Other parties to agreement for joint control (g)
1	Active corporations:	XXXX	XXXXXXXXXXXXXXXX	XXXX	XXXX	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
2							
3	Railway Express Agency,		Purchase of all				
4	Incorporated, of Virginia	Sole	stock issued	100%	Direct	-	-
5		"	"		"	-	-
6	REXCO, INC.			100%			
7		"					
8	REXCO Supply, Inc.		Purchase by REXCO,				
9			INC., of all stock				
10			issued	100%	Indirect	REXCO, INC.	-
11							
12	Fast Service Shipping		"			"	-
13	Terminals, Inc.	"	"	100%	Indirect		
14							
15							
16							
17							
18							
19							
20							
21	Inactive corporations:	XXXX	XXXXXXXXXXXXXXXX	XXXX	XXXX	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
22							
23							
24							
25							
26							
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28							
29							
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44							
45							

INSTRUCTIONS FOR ANSWERING QUESTIONS ON OPPOSITE PAGE

In answering the questions on the opposite page, *shareholders* are to be considered as identical with *stockholders*. Joint-stock companies, even though they have no stock issues, should answer all applicable questions in full.

The answers to the questions numbered 7 and 8 should be governed by the instructions and definitions on page 6, as they may apply.

EXPLANATORY REMARKS

STOCKHOLDERS

Give the name of the thirty security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within one year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each his address, the number of votes which he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, with

respect to securities held by him, such securities being classified as common stock, second preferred stock, first preferred stock, and other securities, stating in a footnote the names of such other securities (if any). If any such holder held in trust, give (in a footnote) the particulars of the trust. If the stock book was not closed or the list of stockholders compiled within such year, show such thirty security holders as of the close of the year.

Line No.	Name of security holder	Address of security holder	Number of votes to which security holder was entitled	NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED			
				Common	STOCKS		Other securities with voting power
					Second	First	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
1	REA Holding Corporation	219 East 42nd Street,					
2		New York, N.Y.	2 395 508	x	-	-	-
3	Florida East Coast	1 Malaga Street,					
4	Railway Company	St. Augustine, Fla.	12 456	x	-	-	-
5	Chicago Great Western	400 West Madison St.,					
6	Railway Company	Chicago, Ill.	8 304	x	-	-	-
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
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21							
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28							
29							
30							

FACTS PERTAINING TO CONTROL OF RESPONDENT

1. Date of last meeting of stockholders for election of directors October 26, 1972
2. Date of last closing of stock books before end of year for which this report is made October 12, 1972
3. Total number of stockholders of record at the date required in answer to question 2 Three
4. Has each share of stock one vote? Yes
If otherwise, explain voting rights _____
5. Has any issue of securities contingent voting rights? No
If so, explain character of such rights _____
6. Has any issue of securities special privileges in the election of directors? No
If so, explain character of such privileges _____
7. Did any individual, association, corporation or corporations, transportation or other, control the respondent at close of year? Yes
If control was so held, state:
 - (a) The form of control, whether sole or joint Sole
 - (b) The name of the controlling corporation or corporations REA Holding Corporation
 - (c) The manner in which control was established Purchase of majority stock interest
 - (d) The extent of control 99.14%
 - (e) Whether control was direct or indirect Direct
 - (f) The name of the intermediary through which control, if indirect, was established _____
8. Did any individual, association, or corporation, as trustee, control the respondent at close of year? No
If control was so held, state:
 - (a) The name of the trustee _____
 - (b) The name of the beneficiary or beneficiaries for whom the trust was maintained _____

INSTRUCTIONS FOR ANSWERING QUESTIONS ON PAGES 11, 12 AND 13

The mileage to be returned on pages 11, 12 and 13 is, in the case of railroads and electric lines, the single-track mileage; in the case of other carriers, the actual distance between termini.

When operations in Canada, Mexico, Cuba or Puerto Rico are carried on as integral parts of the respondent's business, the mileage covered therein should be reported under the proper headings on pages 11, 12 and 13.

The statement should be made of the facts as they existed at the end of the year, or of any shorter period, for which operating returns are made. If the operation of any mileage was begun or discontinued within the period covered by this report, a statement of essential facts relating to such changes should be made on page 46.

Returns in column (c) should be made in whole miles. Eliminate items less than .5 and increase those of .5 or more to a whole mile.

General description of basis for payments:

Code No.

- 1 Standard Agreement
- 2 Short Line Agreement
- 3 Standard Air Express Agreement
- 4 Percentage of Gross Revenue
- 5 Contractor's Tariff Rates
- 6 Cost Plus
- 7 Rate per Month
- 8 Rate per cwt.
- 9 Rate per Shipment

- 10 Rate per Piece
- 11 Rate per Mile
- 12 Rate per Trip
- 13 Rate per Day
- 14 Rate per Pound
- 15 Rate per cwt. piece surcharge
- 16 $1\frac{1}{2}\%$ per 100 carfoot mile—
87½% of Carload Revenue (C&NW)
- 17 Special Graduate Charges

EXPLANATORY REMARKS

PURCHASED TRANSPORTATION - SUMMARY

Line No.	Name of carrier (a)	Net charge in mileage* (b)	Total miles end of year (c)	Amount paid for hauling express (d)	Basis of payment code No. (e)
1					
2					
3					
4					
5					
6					
7					
8					
9	SUMMARY				
10					
11					
12	Railroads			8 653 181	
13					
14	Motor			2 409 554	
15					
16	Air			29 859 010	
17					
18	TOTAL			40 921 745	
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38	Total				

*Show decrease in parentheses.

INSTRUCTIONS FOR ANSWERING QUESTIONS ON PAGE 14

There should be shown on page 14, by States and Territories alphabetically arranged, the total mileage covered by the respondent on the lines of each of the several classes of carriers.

If mileage in Canada, Mexico, Cuba or Puerto Rico has been included in the statements on pages 11, 12 and 13, the total mileage for each

should be shown separately following the totals for the various States and Territories.

Mileage should be reported to the nearest whole number, dropping fractional miles under 0.5 and raising those of 0.5 or more.

MILEAGE COVERED—Continued
MILEAGE BY STATES AND TERRITORIES

Line No.	State or Territory (a)	Railroad mileage (b)	Motor carrier mileage (c)	Air lines mileage (d)	Miscellaneous mileage (e)	Total mileage (f)
1	Alabama.....					
2	Alaska.....					
3	Arizona.....					
4	Arkansas.....					
5	California.....					
6	Colorado.....					
7	Connecticut.....					
8	Delaware.....					
9	District of Columbia.....					
10	Florida.....					
11	Georgia.....					
12	Hawaii.....					
13	Idaho.....					
14	Illinois.....					
15	Indiana.....					
16	Iowa.....					
17	Kansas.....					
18	Kentucky.....					
19	Louisiana.....					
20	Maine.....					
21	Maryland.....					
22	Massachusetts.....					
23	Michigan.....					
24	Minnesota.....					
25	Mississippi.....					
26	Missouri.....					
27	Montana.....					
28	Nebraska.....					
29	Nevada.....					
30	New Hampshire.....					
31	New Jersey.....					
32	New Mexico.....					
33	New York.....					
34	North Carolina.....					
35	North Dakota.....					
36	Ohio.....					
37	Oklahoma.....					
38	Oregon.....					
39	Pennsylvania.....					
40	Rhode Island.....					
41	South Carolina.....					
42	South Dakota.....					
43	Tennessee.....					
44	Texas.....					
45	Utah.....					
46	Vermont.....					
47	Virginia.....					
48	Washington.....					
49	West Virginia.....					
50	Wisconsin.....					
51	Wyoming.....					
52	Total, United States.....					
53	Canada.....					
54	Cuba.....					
55	Mexico.....					
56	Puerto Rico.....					
57						
58	Grand total.....					

CAPITAL STOCK

Line No.	Kind (a)	Number of shares authorized (b)	Par value of one share (c)	Total par value authorized (d)	Total par value outstanding (e)	TOTAL PAR VALUE HELD BY RESPONDENT						Total par value not held by respondent (i)	Remarks (j)
						In treasury (f)	Pledged as collateral (g)	In sinking or other funds (h)					
1	Common	2 576 000	1.00	2 576 000	2 530 450	114 182	-	-				2 416 268	
2	Preferred	NONE											
3	Receipts outstanding for installments paid												
4													
5													
6													
7	Total	2 576 000	1.00	2 576 000	2 530 450	114 182	-	-				2 416 268	

Line No.	Purpose of the issue (a)	Number of shares issued during year (b)			Cash realized on amount issued during year (c)			Total number of shares outstanding (d)			Total cash realized (e)			Remarks (f)
21	Issued for cash:	xx	xx	xx	\$	xx	xx	xx	xx	xx	\$	xx	xx	
22	Common		NONE			NONE		2 356 000				NONE		
23	Preferred		NONE											
24														
25	Issued for real property and equipment:	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	
26	Common		NONE											
27	Preferred		NONE											
28														
29	Issued for acquisition of securities:	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	
30	Common		NONE											
31	Preferred		NONE											
32														
33	Issued for Services (A)	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	
34	Common		NONE			NONE		174 450				NONE		
35	Preferred													
36	(A) Itemization of Services													
37														
38	29 Key employees under REA Stock Participation Plan		NONE			NONE		174 450(a)				NONE		(a) Acquired in 1969 by REA Holding Corporation (which issued its shares to same key employees in replacement)
39														
40														
41														
42														
43														
44														
45														
46														
47														
48														
49														
50														
51														
52														
53														
54	Total		NONE			NONE		2 530 450				NONE		

INSTRUCTIONS FOR ANSWERING QUESTIONS ON OPPOSITE PAGE

The Uniform System of Accounts for Express Companies should govern the classification of "Funded debt."

Under the head of outstanding should be included the total par value of outstanding funded debt issued by the respondent company, and the total par value of outstanding funded debt issued by other companies, the payment of which has been assumed by the respondent company. For the purposes of this report, bonds are considered as "issued" when they are certified by trustees and placed with the proper officer for sale and delivery. All bonds issued and not canceled are considered to be "outstanding." The amount of each issue of funded debt entered in the column "Total par value outstanding" should be divided so as to show:

(1) The par value of certificates or other evidences of funded debt (pledged or unpledged) held in the company's treasury, by its agents or trustees, or otherwise subject to its control; (2) the par value of certificates or other evidences of funded debt issued and outstanding and not held by the company, its agents or trustees, or subject to its control.

In the column "When payable" under "Interest" give the dates on which coupons fall due.

Under "Amount accrued during the year" give the aggregate of the monthly charges for the proportion of interest which has accrued on the

funded debt of the respondent, whether the same has matured or not during the period covered by this report; but interest which accrued previously to the date beginning the year covered by this report, although it may have matured within the year, should not be included in the "Amount accrued during the year." Interest should not be returned on funded debt of the reporting company "Held in treasury," "Pledged as collateral," or "In sinking or other funds."

Under "Amount paid during the year" give the actual amount of coupons retired or canceled, and also the amount covered by deposit of cash for payment. If the returns include the amount of coupons retired or canceled on securities held in the respondent's treasury, a statement of the aggregate amount of such coupons should be shown under "Explanatory Remarks" below.

For matured funded debt details similar to such as are required on page 19 (or 21) for unmatured funded debt should be given under "Explanatory Remarks" below.

In case any changes have taken place in the amount or character of "Funded debt" during the year covered by this report, such changes should be explained in detail on page 46.

EXPLANATORY REMARKS

FUNDED DEBT

Designation of Bond or Obligation	TERM		Total Par Value Authorized	Total Par Value Outstanding	TOTAL PAR VALUE HELD BY RESPONDENT			Total Par Value Not Held by Respondent	Rate	INTEREST		
	Date of Issue	Date of Maturity			In Treasury	Pledged as Collateral	In Sinking or Other Funds			When Payable	Amount Accrued during the Year	Amount Paid During the Year
Collateral Trust Bonds					NONE							0
Miscellaneous Funded Obligations:												
Promissory Note -	- December 28, 1973		\$ -	\$ 340 000	-	-	-	\$ 340 000	5%	On Demand	\$ 17 000	\$ -
Promissory Note -	- January 6, 1974		-	500 000	-	-	-	500 000	7%	On Demand	37 500	-
Equipment Obligations-(A) Refrigerator Cars Conditional Sale Agreement	- December 1, 1972		-	-	-	-	-	-	4-3/4%	Semi-annually	5 497	6 616
*Non-Negotiable Notes -	- December 31, 1973		-	27 206 376	-	-	-	27 206 376				
Promissory Note - Terminal Property and Refrigerator Cars - Real Property and Chattel Mortgage	- December 31, 1977		-	4 777 000	-	-	-	4 777 000	7%	Semi-annually	523 554	817 073
Automotive Equipment - Leases	- Various		-	1 757 879	-	-	-	1 757 879	Various	Monthly	-	218 939
			-	\$34 581 255	-	-	-	\$34 581 255			\$583 551	\$1 042 628

(A) Liquidated during calendar year

* On September 30, 1971, REA Express filed a suit in the U. S. District Court for the Southern District of N.Y. contending inter alia that said notes amounting to \$27,206,000 are null and void. A copy of REA's complaint on said suit is available upon request. Interest is not currently being paid on the notes. Accordingly, the Board of Directors, on December 21, 1971, directed that these notes be removed from "other obligations" and reflected in Stockholders' Equity. Interest at December 31, 1972, amounting to \$2,380,556 is also removed from current liabilities - Accrued expenses and added to Stockholders' Equity - Earned Surplus.

RECAPITULATION OF FUNDED DEBT

Line No.	Kind of bond or obligation (a)	Total par value outstanding (b)	TOTAL PAR VALUE HELD BY RESPONDENT			Total par value not held by respondent (f)	INTEREST					
			In treasury (c)	Pledged as collateral (d)	In sinking or other funds (e)		Amount accrued during the year (g)			Amount paid during the year (h)		
1	Collateral trust bonds	\$ NONE	\$ NONE	\$ NONE	\$ NONE	\$ NONE	\$		NONE	\$		NONE
2	Miscellaneous funded obligations Non-Neg. Notes	27 206 376	"	"	"	27 206 376	"		"	"		"
3	Receipts outstanding for funded debt	NONE	"	"	"	NONE	"		"	"		"
4	Equipment Obligations-Refrigerator Cars	"	"	"	"	"	5	497		6	616	
5	" " -Automotive Equip.	1 757 879	"	"	"	1 757 879	NONE			218	939	
6	Promissory Notes	5 617 000	"	"	"	5 617 000	578	054		817	073	
7	Total	34 581 255	NONE	NONE	NONE	34 581 255	583	551		1 042	628	

Line No.	Purpose of the issue (a)	Total par value issued during the year (b)			Cash realized on amount issued during the year (c)			Total par value outstanding (d)			Total cash realized (e)			Remarks (f)
11	Issued for cash:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	
12	Promissory Notes	NONE			NONE			4 777 000			12 500 000			
13	Issued for real property and equipment:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	
14	Automotive Equipment	NONE			NONE			1 757 879			NONE			
15	Issued for acquisition of securities:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	
16	NONE													
17	Issued for	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	
18	Refinancing of Advances	NONE			NONE			27 206 376			27 206 376			*
19	Promissory Note - Issued for													
20	Accounts Payable	NONE			NONE			340 000			NONE			
21	" "	NONE			NONE			500 000			NONE			
22														
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93														
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96														
97														
98														
99														
100	Total	NONE			NONE			34 581 255			39 706 376			

* See Page 15 for note.

INSTRUCTIONS FOR ANSWERING QUESTIONS ON OPPOSITE PAGE

Security for funded debt.

This table is intended to show what property is mortgaged for the payment of the funded debt reported on page 19. The statement should be concise, and should show the security given for every class of bond or other secured obligation outstanding against the company.

The entries of bonds or other secured obligations in the first column should be in the same order as on page 19. If any securities have been pledged for funded debt, they should be listed in detail in the last column with the par value of the amount of each security pledged. The securities pledged should also appear in the "Pledged" columns on pages 30, 31, 32 and 33, as may be appropriate.

Miscellaneous physical property.

This table should show a list of the properties whose valuation is included in account 503, "Miscellaneous physical property," in the General Balance Sheet, page 44, together with a statement of their revenues (or income), expenses, net income or loss, taxes, and book value. The net total of the column "Net income or loss" should be carried to the Income Account on page 27 and entered as an income or a deduction, as the case may require.

All items with a book value less than \$25,000 may be combined under a single entry designated "Minor items each less than \$25,000."

EXPLANATORY REMARKS

INSTRUCTIONS FOR ANSWERING QUESTIONS ON OPPOSITE PAGE

Cost of real property and equipment.

The purpose of this table is to show in detail the cost of all property covered by account 501, "Real property and equipment," as carried in the General Balance Sheet, page 44, classified in accordance with the Uniform System of Accounts for Express Companies. The expenditures for real property and equipment during the year should be assigned among the columns provided on the following basis of general application:

In the column headed "From special appropriations and through issues of securities" should be entered amounts which, as of the end of the year, represented additions and betterments made through the exchange of securities of the respondent's own issue and also through expenditures of funds realized from the sale of such securities or of other funds which were intended to be replaced with proceeds from the sale of actual or anticipated issues of such securities. Details respecting amounts so in-

cluded should be entered under "Explanatory Remarks" below. In this column also should be entered amounts representing expenditures of cash or other working assets for additions and betterments which, as of the end of the year, it had been determined should be charged to appropriations of Income or Surplus definitely set aside for the purpose of improvements.

In the column headed "From cash or other working assets" should be entered all amounts representing expenditures of cash or other working assets for additions and betterments other than amounts which, as of the end of the year, it had been determined to charge to special appropriations of Income or Surplus, or to meet through issues of securities.

The amounts entered in the column "Credits for property retired" should represent the credits to the several accounts for property abandoned, sold, or otherwise retired.

EXPLANATORY REMARKS

COST OF REAL PROPERTY AND EQUIPMENT

Line No.	Account	EXPENDITURES FOR REAL PROPERTY AND EQUIPMENT DURING THE YEAR												Total cost to close of preceding year				Total cost to close of year					
		From special appropriations and through issue of securities				From cash or other working assets *				Credits for property retired													
		(b)				(c)				(d)				(e)				(f)					
		\$	xx	xx	xx	\$	xx	xx	xx	\$	xx	xx	xx	\$	xx	xx	xx	\$	xx	xx	xx		
1	I. Land:	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx		
2	(121-01) Land and Land Rights											428	878		3	633	293		3	204	415		
3	II. Buildings:	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx		
4	(121-02) Buildings and appurtenances on land owned										1	124	692		7	946	729		6	822	037		
5	(121-10) Buildings and appurtenances on land not owned								20	128			267	813		6	472	768		6	225	083	
6	(121-08) Improvements to buildings not owned								299	658			270	901		6	419	706		6	448	463	
7	Total buildings								319	786			663	406		20	839	203		19	495	583	
8	III. Equipment:	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx		
9	(121-03) Revenue Equipment											14	180	944		63	143	913		48	962	969	
10	(121-04) Service Cars and Equipment								961	948			340	356			270	917			892	509	
11	(121-05) Shop and Garage Equipment								8	670			25	654			790	525			773	541	
12	(121-06) Furniture and Office Equipment								1	712			234	328		3	104	237		2	881	621	
13	(121-07) Miscellaneous Equipment								71	972			1	581	031		12	528	376		11	089	317
14																							
15																							
16																							
17																							
18																							
19																							
20	* Includes Reclassifications																						
21																							
22																							
23	Total equipment								1	054	302		16	362	313		79	207	968		64	599	957
24	Total real property and equipment								1	374	088		18	454	597		104	380	464		87	299	955

DEPRECIATION RESERVE—BUILDINGS AND EQUIPMENT

Give particulars of the credits and debits made to account No. 548, "Accrued depreciation—Buildings and equipment" during the year. If any entries are made in columns (d), (e), and (i), state the facts occasioning

such entries. The totals in columns (h) and (k), line 21 should agree with the amounts shown in the General Balance Sheet for account No. 548, or an appropriate explanation of the difference should be made.

Line No.	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE DURING THE YEAR									
			CHARGES TO OPERATING EXPENSES					Other credits			Total credits	
			Current accruals (c)		Prior year adjustments (d)			(e)			(f)	
1	II. Buildings:											
2	(122-02) Buildings and appurtenances on land owned	1 694 278	465	514							465	514
3	(122-10) Buildings and appurtenances on land not owned	1 981 397	156	807							156	807
4	(122-08) Improvements to buildings not owned	3 081 054	683	132							683	132
5	Total buildings	6 756 729	1 305	453							1 305	453
6	III. Equipment:											
7	(122-03) Revenue Equipment	51 215 030	5 452	056			(1)	260	000		5 712	056
8	(122-04) Service Cars and Equipment	194 531	335	376			(2)	483	158		818	534
9	(122-05) Shop and Garage Equipment	588 350	41	929							41	929
10	(122-06) Furniture and Office Equip.	2 984 563	171	075							171	075
11	(122-07) Miscellaneous Equipment	8 355 963	549	758							549	758
12												
13												
14												
15												
16												
17												
18												
19												
20	Total equipment	63 238 437	6 550	194				743	158		7 293	352
21	Total real property and equipment	69 995 166	7 855	647				743	158		8 598	805

Line No.	Account (a)	Balance at close of year (k)	DEBITS TO RESERVE DURING THE YEAR									
			Charges for retirements (b)		Other debits (i)			Total debits (j)			Balance at close of year (k)	
			(h)		(l)			(m)			(n)	
1	II. Buildings:											
2	(122-02) Buildings and appurtenances on land owned	1 580 278	579	514				579	514		1 580	278
3	(122-10) Buildings and appurtenances on land not owned	1 917 412	220	792				220	792		1 917	412
4	(122-08) Improvements to buildings not owned	3 521 539	240	647				240	647		3 521	539
5	Total buildings	7 021 229	1 040	953				1 040	953		7 021	229
6	III. Equipment:											
7	(122-03) Revenue Equipment	44 487 923	12	439 163				12	439 163		44 487	923
8	(122-04) Service Cars and Equipment	651 904	361	161				361	161		651	904
9	(122-05) Shop and Garage Equipment	608 106	22	173				22	173		608	106
10	(122-06) Furniture and Office Equipment	2 836 564	219	074				219	074		2 836	564
11	(122-07) Miscellaneous Equipment	7 757 622	664	241	(2)	483 158		1 148	099		7 757	622
12												
13												
14												
15												
16												
17												
18												
19												
20	Total equipment	56 342 119	13 706	512		483 158		14 189	670		56 342	119
21	Total real property and equipment	63 363 348	14 747	465		483 158		15 230	623		63 363	348

(1) Write off of salvage value on vehicles in excess of ten years old.

(2) Reclassification of Miscellaneous Equipment to Service Cars and Equipment.

DEPRECIATION RATES—BUILDINGS AND EQUIPMENT

1. Show in column (b) for each primary account, the composite rate used in computing the depreciation charges for the month of December, which should be the same as that appearing in the depreciation order in effect at the close of the year unless the use of component rates has been authorized, in which event show the composite rate actually developed from the component rates used. Show also the composite percentage for each of the general subdivisions and for all depreciable property, ascertained by dividing the depreciation accruals for December applicable thereto by the total ledger value as of December 1 of the primary accounts included therein. If any changes in the rates as prescribed were effective during the year give full particulars.

2. Show in column (c) for each primary account, for the general subdivisions indicated, and for all depreciable property, the ratios of the depreciation charges actually included in the accounts during the year to the average monthly ledger value of the property. Unless component rates have been used in computing the monthly depreciation charges or there have been changes in the composite rate for the primary accounts during the year, the percentages in columns (b) and (c) should be the same. The average monthly ledger value for computation of entries in column (c) should be determined by adding the monthly ledger value to which the depreciation rates were applied and dividing the total by 12.

Line No.	Account (a)	Annual composite rate at close of year (see instruction 1) (b)		Ratio of depreciation charges to average monthly ledger value (see instruction 2) (c)		Remarks (d)
			%		%	
1	II. Buildings:	XXXX	XX	XXXX	XX	
2	(121-02) Buildings and appurtenances on land owned	1	71	1	82	
3	(121-10) Buildings and appurtenances on land not owned	1	45	1	73	
4	(121-08) Improvements to buildings not owned	11	03	10	94	
5	For all depreciable buildings accounts	1	62	6	47	
6	III. Equipment:	XXXX	XX	XXXX	XX	
7	(121-03) Cars	3	19			
8	(121-03) Automobiles	11	42	4	53	
9	(121-03) Line Equipment	14	83			
10	(121-04) Service Cars and Equipment	11	42	17	64	
11	(121-05) Garage Equipment	3	44	5	39	
12	(121-05) Shop Equipment	6	63			
13	(121-06) Office Furniture and Equipment	6	00	5	77	
14	(121-06) Office Safes	2	00			
15	(121-07) Trucks	6	45	4	86	
16	(121-07) Miscellaneous Equipment	8	81			
17						
18						
19						
20	For all depreciable equipment accounts	3	95	9	07	
21	For all depreciable accounts	3	60	8	20	

INSTRUCTIONS FOR ANSWERING QUESTIONS ON OPPOSITE PAGE

Give the Income Account of the respondent for the year in accordance with the rules prescribed in the Uniform System of Accounts for Express Companies.

If the Operating Revenues, Express Privileges, and Operating Expenses

of any subsidiary companies are included in the returns made on the opposite page, a list showing the names of such companies should be given under "Explanatory Remarks" below.

Deficit entries should be indicated in parenthesis.

EXPLANATORY REMARKS

INCOME STATEMENT

300-OPERATING REVENUES

310	Domestic Express	\$236 463 795
320	Foreign Express	-
330	Interline Express	1 153 689
340	Other Express	109 277
350	Other Revenue	<u>2 461 892</u>
	Total Operating Revenues	<u>\$240 188 653</u>

500-OPERATING EXPENSES

510	Equipment Maintenance	\$ 15 973 699
520	Transportation	125 511 606
530	Terminal	74 956 855
540	Operations	3 124 797
550	Marketing	7 598 686
560	Finance and Administration	12 387 140
570	Personnel	858 429
590	Executive	<u>5 255 626</u>
	Total Operating Expenses	<u>\$243 666 838</u>
	Net Operating Revenue	<u>\$ (3 478 185)</u>

600-NONOPERATING INCOME

610	Noncarrier Income	\$ 334 918
620	Interest Income	258 208
630	Dividend Income	-
640	Other Income	<u>96 620</u>
	Total Nonoperating Income	<u>\$ 689 746</u>
	Total Income	<u>\$ (2 788 439)</u>

700-NONOPERATING EXPENSES

710	Interest Expense	\$ 1 121 613
720	Debt Expense and Credit	-
730	Other Expenses	<u>361 297</u>
	Total Nonoperating Expenses	<u>\$ 1 482 910</u>
	Ordinary Income Before Income Taxes	<u>\$ (4 271 349)</u>

800-INCOME TAXES ON ORDINARY INCOME

810	Income Taxes on Ordinary Income	\$ (24 698)
	Ordinary Income	<u>\$ (4 246 651)</u>

INCOME STATEMENT

900-EXTRAORDINARY AND PRIOR PERIOD ITEMS

910	Extraordinary Items (Net).....	-
920	Prior Period Items (Net).....	-
930	Income Taxes on Extraordinary and Prior Period Items.....	-
	Total Extraordinary and Prior Period Items.....	-
	NET INCOME (OR LOSS).....	<u>\$(4 246 651)</u>

RETAINED INCOME ACCOUNT

Deficit January 1, 1972 (Page 45)	\$(28 473 098)
Less: Equity in undistributed net earnings of Subsidiary Companies	20 065
Net Income (Loss) (Page 25)	<u>(4 246 651)</u>
Deficit December 31, 1972 (Page 45)	<u>\$(32 699 684)</u>

Note: Labor expenses, reflected in the above Income Statement, are subject to change for retroactive adjustments dependent on the outcome of labor negotiations currently being carried on.

INSTRUCTIONS FOR ANSWERING QUESTIONS ON THIS PAGE

Operating revenues

The returns in the upper table on this page should represent the Operating Revenues of the respondent classified in accordance with the instructions contained in the Uniform System of Accounts for Express Companies.

Separately operated properties

Under this heading should be entered amounts receivable or amounts

payable under the terms of agreements or contracts, whereby the profit or the loss resulting from the separate operation of the property of other companies having an independent corporate existence is receivable or payable in whole or in part by the respondent. The "Net total" should be carried to the Income Account and entered as "Separately Operated Properties—Profit" or as "Separately Operated Properties—Loss" on page 27.

OPERATING REVENUES

Line No.	Account (a)	Amount of revenue for the year (b)			Remarks (c)
		\$	xxx	xx	
1	I. TRANSPORTATION		xxx	xx	xx
2	(101) Express, domestic				
3	(102) Express, foreign				
4	(103) Miscellaneous				
5	Total transportation				
6	II. CONTRACT PAYMENTS		xxx	xx	xx
7	(104) Express privileges—Dr				
8	Revenue from transportation				
9	III. OPERATIONS OTHER THAN TRANSPORTATION		xxx	xx	xx
10	(105) Customs brokerage fees				
11	(106) Order and commission				
12	(107) Rents of buildings and other property				
13	(108) Money orders				
14	(109) C.O.D. checks				
15	(110) Limited and unlimited cheques				See Operating Revenues on Page 24
16	(111) Travelers cheques				
17	(112) Telegraph and cable transfers				
18	(113) Letters of credit				
19	(114) Foreign postal remittances				
20	(115) Profit on exchange and other financial revenue				
21	(116) Miscellaneous				
22	Total other than transportation				
23	Total operating revenues				

SEPARATELY OPERATED PROPERTIES

Line No.	Name of property (a)	Location (b)	Profit (c)		Loss (d)	
			\$		\$	
41						
42						
43						
44						
45						
46						
47						
48						
49						
50						
51						
52						
53						
54						
55						
56						
57						
58						
59	Net total					

INSTRUCTIONS FOR ANSWERING QUESTIONS ON PAGES 30 AND 31

An active express corporation is one which either operates express property or maintains an organization for financial purposes. An inactive express corporation is one which has been practically absorbed in a controlling corporation, and which neither operates express property nor maintains an organization for financial purposes.

No entries should be made on these pages for securities the valuation of which is represented in account 501, "Real property and equipment," in the General Balance Sheet, but a detailed statement of such holdings should be made under "Explanatory Remarks" below.

Securities of "Holding" companies should be included with "Other than express companies."

On pages 30 and 31 should be reported all stocks, except those issued or assumed by the respondent, that are shown as assets in the General Balance Sheet. These stocks are to be classified as "Pledged" or "Unpledged." If any of the stocks shown are pledged as security for funded debt, they should also be listed under "Securities pledged" on page 23.

Under "Cost or book value" give the valuation at which the stocks specified are carried to the balance sheet. The totals of this column under "Pledged" and "Unpledged" on page 30 should be entered against account 504(a), while the corresponding totals on page 31 should be included in the entries against account 505 (a).

In the columns under "Dividends declared" give the rates

and amounts of dividends declared during the year on the stocks reported. Amounts of dividends accruing on stocks sold or otherwise disposed of during the year should also be included, but the par value, or cost or book value, of such stocks should not be included in the totals. The dividends accruing on stocks controlled but not owned by the respondent should also be reported.

In case any changes in the holdings of stocks have occurred during the year covered by this report, a full explanation of such changes should be given on page 46.

A detailed explanation of changes during the year in the book value of securities owned should be made on page 46.

EXPLANATORY REMARKS

SECURITIES OWNED—STOCKS—NOT HELD IN SINKING OR OTHER FUNDS

Line No.	Name of corporation and security (a)	PLEDGED						UNPLEDGED						DIVIDENDS DECLARED			
		Total par value			Cost or book value			Total par value			Cost or book value			Rate	Amount		
		(b)			(c)			(d)			(e)			(f)	(g)		
		\$			\$			\$			\$			%	\$		
1	Stocks of system corporations:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xxx	xx	xx
2	Express companies—Active:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xxx	xx	xx
3																	
4	Railway Express Agency, Incorporated, of Virginia				NONE							25 000			NONE		
5																	
6	Express companies—Inactive:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xxx	xx	xx
7																	
8					NONE							NONE			NONE		
9																	
10	Other than express companies—Active:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xxx	xx	xx
11																	
12	REXCO, INC.				NONE				20 000			20 000			NONE		
13																	
14	Other than express companies—Inactive:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xxx	xx	xx
15																	
16																	
17																	
18	Total				NONE				20 000			45 000			NONE		

SECURITIES OWNED—STOCKS—Continued

Not Held in Sinking or Other Funds

Line No.	Name of corporation and security (a)	PLEDGED						UNPLEDGED						DIVIDENDS DECLARED			
		Total par value			Cost or book value			Total par value			Cost or book value			Rate	Amount		
		(b)			(c)			(d)			(e)			(f)	(g)		
		\$			\$			\$			\$			%	\$		
1	Miscellaneous investments in stocks:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xxx	xx	xx
2	Express companies—Active:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xxx	xx	xx
3																	
4								NONE									
5																	
6	Express companies—Inactive:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xxx	xx	xx
7																	
8								NONE									
9																	
10	Other than express companies—Active:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xxx	xx	xx
11																	
12	REA of Canada				NONE					49			49			NONE	
13	Central Cooperative Oil Association				NONE					25			40			NONE	
14	Certificate of Membership - Pinnacle Club				NONE					4 000			4 000			NONE	
15	Integrated Container Service Industries Corporation		165	942		1 661	901		NONE							NONE	
16																	
17																	
18																	
19																	
20																	
21																	
22																	
23																	
24																	
25																	
26																	
27																	
28																	
29																	
30	Other than express companies—Inactive:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xxx	xx	xx
31																	
32																	
33																	
34																	
35																	
36																	
37																	
38																	
39																	
40																	
41								NONE									
42																	
43	Total		165	942		1 661	901			4 074			4 089			NONE	

INSTRUCTIONS FOR ANSWERING QUESTIONS ON PAGES 32 AND 33

An active express corporation is one which either operates express property or maintains an organization for financial purposes. An inactive express corporation is one which has been practically absorbed in a controlling corporation, and which neither operates express property nor maintains an organization for financial purposes.

No entries should be made on these pages for securities the valuation of which is represented in charges to "Real property and equipment," as shown in the General Balance Sheet, but a detailed statement of such holdings should be made under "Explanatory Remarks" below.

Securities of "Holding" companies should be included with "Other than express companies."

On pages 32 and 33 should be reported all funded debt, except that issued or assumed by the respondent, that is shown as

assets in accounts 504 and 505 in the General Balance Sheet. This funded debt is to be classified as "Pledged" or "Unpledged." If any of the funded debt shown is pledged as security for other funded debt, it should also be listed under "Securities pledged" on page 23.

Under "Cost or book value" give the valuation at which the funded debt specified is carried to the balance sheet. The totals of this column under "Pledged" and "Unpledged" on page 32 should be included in accounts 504 (b) [and (c) when applicable] and 505 (b) [and (c) when applicable], respectively, while the corresponding totals on page 33 should be included in the entry against account 505 (b).

In the column under "Interest accrued" give the rates and amounts of interest accrued during the year on the funded debt reported. Amounts of interest accruing on funded debt sold or

otherwise disposed of during the year should also be included, but the par value, or cost or book value, of such funded debt should not be included in the totals. The interest accruing on funded debt controlled but not owned by the respondent should also be reported. Interest accrued should not be credited unless the income is reasonably assured by past experience, guaranty, anticipated provision, or otherwise. In other cases the amount shown should be based upon the interest actually collected, crediting within the year the portion earned.

In case any changes in the holdings of funded debt have occurred during the year covered by this report, a full explanation of such changes should be given on page 46.

A detailed explanation of changes during the year in the book value of securities owned should be made on page 46.

EXPLANATORY REMARKS

SECURITIES OWNED—FUNDED DEBT—NOT HELD IN SINKING OR OTHER FUNDS

Line No.	Name of corporation and security (a)	PLEDGED						UNPLEDGED						INTEREST ACCRUED		
		Total par value (b)			Cost or book value (c)			Total par value (d)			Cost or book value (e)			Rate (f)	Amount (g)	
		\$			\$			\$			\$			%	\$	
1	Funded debt of system corporations:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xxx	xx
2	Express companies—Active:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xxx	xx
3																
4								NONE								
5																
6	Express companies—Inactive:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xxx	xx
7																
8								NONE								
9																
10	Other than express companies—Active:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xxx	xx
11																
12								NONE								
13																
14	Other than express companies—Inactive:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xxx	xx
15																
16								NONE								
17																
18	Total							NONE								

SECURITIES OWNED—FUNDED DEBT—Continued
Not Held in Sinking or Other Funds

Line No.	Name of corporation and security (a)	PLEGDED						UNPLEGDED						INTEREST ACCRUED			
		Total par value (b)			Cost or book value (c)			Total par value (d)			Cost or book value (e)			Rate (f)	Amount (g)		
		\$	xx	xx	\$	xx	xx	\$	xx	xx	\$	xx	xx	%	\$	xx	xx
1	Miscellaneous investments in funded debt:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xxx	xx	xx
2	Express companies—Active:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xxx	xx	xx
3																	
4																	
5									NONE								
6	Express companies—Inactive:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xxx	xx	xx
7																	
8									NONE								
9																	
10	Other than express companies—Active:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xxx	xx	xx
11																	
12	Non-Negotiable Promissory Note-Terminal Properties, Inc.				NONE			409	154		409	154		6.8%	28	256	
13	Certificate of Deposit - Irving Trust Co.		50	000		50	000							5 1/2%	1	604	
14	Certificate of Deposit - Irving Trust Co.		30	000		30	000							5 1/2%	2	521	
15	Certificate of Deposit - First Pennsylvania Bank																
16	& Trust Co.		50	000		50	000							5%	1	090	
17	Certificate of Deposit - Bank of Albany		30	000		30	000							4 1/2%	1	046	
18	Certificate of Deposit - First Pennsylvania Bank																
19	& Trust Co.	2	700	000		2	700	000						5-3/8%	49	584	
20	Certificate of Deposit - Wells Fargo Bank		225	000		225	000							5%	11	594	
21	Certificate of Deposit - First National Bank,																
22	Chicago, Illinois		45	000		45	000							5%		131	
23																	
24																	
25																	
26																	
27																	
28																	
29																	
30																	
31																	
32																	
33																	
34																	
35																	
36																	
37																	
38																	
39																	
40	Other than express companies—Inactive:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xxx	xx	xx
41																	
42									NONE								
43																	
44	Total	3	150	000	3	150	000	409	154		409	154			95	826	

INSTRUCTIONS FOR ANSWERING QUESTIONS ON PAGES 34 AND 35

Marketable securities

See applicable instructions on pages 30 and 32.

The total of the column "Cost or book value" for Stocks on page 34 and the corresponding total for Funded Debt on page 35 should be included in accounts 504 and 505 in the General Balance Sheet.

Summary of securities owned

It is the purpose of the upper table on page 35 to provide for the assembling of all securities, except those held in sinking or other funds, owned by the respondent, classified as indicated by the various items, with the total par value and the total income received from each class.

For "Stocks" and "Funded debt," the entries should be made in accordance with the details shown on the various pages referred to.

If any entries are made for "Miscellaneous securities" owned, a detailed statement should be supplied (under "Explanatory Remarks" below)

showing the manner in which the "Cost or book value" of the securities concerned has been classified for the purposes of the balance-sheet statement.

The "Total" of the column "Dividends or interest" for "Stocks" should agree with the entry for account 307, "Dividend income," in the Income account, page 27, and the corresponding total for "Funded debt" should agree with the entry for account 308, "Income from funded securities." The income, if any, from "Miscellaneous securities" should be included in the entry for "Interest on other securities, loans, and accounts."

Securities owned or controlled through an intermediary

The lower portion of page 35 is for the entry of securities owned or controlled by the respondent through an intermediary which does not make an annual report to the Commission.

SECURITIES OWNED—Continued**Marketable Securities—Stocks**

Line No.	Name of corporation and security (a)	Par value of securities owned (b)			Cost or book value (c)			Dividends Declared		
								Rate (d)	Amount (e)	
		\$	XX	XX	\$	XX	XX	%	\$	XX
1	Express companies—Active:	XXX	XX	XX	XXX	XX	XX	XX	XXX	XX
2										
3					NONE					
4										
5	Express companies—Inactive:	XXX	XX	XX	XXX	XX	XX	XX	XXX	XX
6										
7					NONE					
8										
9	Other than express companies—Active:	XXX	XX	XX	XXX	XX	XX	XX	XXX	XX
10										
11					NONE					
12										
13										
14										
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28										
29										
30										
31										
32										
33										
34	Other than express companies—Inactive:	XXX	XX	XX	XXX	XX	XX	XX	XXX	XX
35										
36					NONE					
37										
38										
39	Total				NONE					

SECURITIES OWNED—Continued
Marketable Securities—Funded Debt

Line No.	Name of corporation and security (a)	Par value of securities owned (b)			Cost or book value (c)			INTEREST ACCRUED		
								Rate (d)	Amount (e)	
		\$	XX	XX	\$	XX	XX	%	\$	XX
1	Express companies—Active:	XXX	XX	XX	XXX	XX	XX	XX	XXX	XX
2										
3					NONE					
4										
5	Express companies—Inactive:	XXX	XX	XX	XXX	XX	XX	XX	XXX	XX
6										
7					NONE					
8										
9	Other than express companies—Active:	XXX	XX	XX	XXX	XX	XX	XX	XXX	XX
10										
11					NONE					
12										
13										
14										
15										
16	Other than express companies—Inactive:	XXX	XX	XX	XXX	XX	XX	XX	XXX	XX
17										
18					NONE					
19										
20										
21	Total				NONE					

SUMMARY OF SECURITIES OWNED
Not Held in Sinking or Other Funds

Line No.	Kind of security (a)	Par value (b)			Dividends or interest (c)		
		\$	XX	XX	\$	XX	XX
30	Stocks:	XXX	XX	XX	XXX	XX	XX
31	Stocks of respondent "In treasury" and "Pledged as collateral" (p.13)		114	182		NONE	
32	Stocks of express companies—Active (pp. 27, 28, 31)		NONE			NONE	
33	Stocks of express companies—Inactive (pp. 27, 28, 31)		NONE			NONE	
34	Stocks of other than express companies—Active (pp. 27 and 28)		190	016		NONE	
35	Stocks of other than express companies—Inactive (pp. 27, 28, 31)		NONE			NONE	
36	Total		304	198		NONE	
37	FUNDED DEBT:	XXX	XX	XX	XXX	XX	XX
38	Funded debt of respondent "In treasury" and "Pledged as collateral" (p.16)		NONE			NONE	
39	Funded debt of express companies—Active (pp. 29, 30, 32)		NONE			NONE	
40	Funded debt of express companies—Inactive (pp. 29, 30, 32)		NONE			NONE	
41	Funded debt of other than express companies—Active (pp. 29, 30, 32)		409	154		95	826
42	Funded debt of other than express companies—Inactive (pp. 29, 30, 32)		NONE			NONE	
43	Total		409	154		95	826
44	MISCELLANEOUS SECURITIES:	XXX	XX	XX	XXX	XX	XX
45	Miscellaneous securities of respondent "In treasury" and "Pledged as collateral"		NONE			NONE	
46	Miscellaneous securities of express companies—Active		NONE			NONE	
47	Miscellaneous securities of express companies—Inactive		NONE			NONE	
48	Miscellaneous securities of other than express companies—Active		NONE			NONE	
49	Miscellaneous securities of other than express companies—Inactive		NONE			NONE	
50	Total		NONE			NONE	

Does the respondent own or control any express securities (stock, funded debt, or miscellaneous) through any intermediary which does not make an annual report to the Interstate Commerce Commission? No

Insert below a list of such holdings, if any, giving name of corporation and of security held, par value of holdings, and name of intermediary through which control of such securities is established.

Line No.	Name of corporation (a)	Name of security held (b)	Par value of holdings (c)	Name of intermediary (d)
60		NONE	\$	
61				
62				

INSTRUCTIONS FOR ANSWERING QUESTIONS ON OPPOSITE PAGE

On the opposite page should be given details as indicated for the respective amounts included in balance sheet accounts 502, "Sinking funds;" 516, "Insurance and other reserve funds;" 517, "Provident funds;" and 518, "Fidelity and indemnity funds."

The names of the funds as entered in each table should be sufficiently descriptive to make identification easy.

Under "A. Income and disbursements during the year," should be entered the income and disbursements of the sinking or other funds for the year. The income may accrue from contributions by the respondent,

from investments, or from miscellaneous sources, such as profit derived from the purchase and sale of securities.

Disbursements should not include payments of cash for the purchase of securities to be held in the fund, nor should income include any credits, other than profits, on account of the conversion of securities into cash, etc.

Under "B. Assets at close of year," should be entered a detailed list of the securities held in each fund, the par value and the cost or book value of these securities, and the amount of cash held in the fund. The total assets will be the sum of the columns "Cost or book value" and "Cash in fund."

EXPLANATORY REMARKS

INSTRUCTIONS FOR ANSWERING QUESTIONS ON PAGE 40

The returns on page 40 should represent the Operating Expenses of the respondent classified in accordance with the instructions contained in the Uniform System of Accounts for Express Companies.

The various bases used in determining the amounts charged to operat-

ing expenses during the year for "Depreciation" should be shown in detail under "Explanatory Remarks" below.

Credit entries should be indicated in parenthesis.

EXPLANATORY REMARKS

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INSTRUCTIONS FOR ANSWERING QUESTIONS ON PAGE 40

The returns on page 40 should represent the Operating Expenses of the respondent classified in accordance with the instructions contained in the Uniform System of Accounts for Express Companies.

The various bases used in determining the amounts charged to operat-

ing expenses during the year for "Depreciation" should be shown in detail under "Explanatory Remarks" below.

Credit entries should be indicated in parenthesis.

EXPLANATORY REMARKS

Bases of Charges to Operating Expenses for Depreciation

Depreciation charges to Operating Expenses were made monthly in conformity with instructions prescribed by the Interstate Commerce Commission per letter dated March 16, 1971, reference ACA-K, noting procedures for effecting the change from the group plan of depreciation accounting to the unit plan effective January 1, 1970.

<u>Classes of Property by Accounts</u>		<u>Annual Percentage Rates</u>
* 121-02	Structures on Land Owned	
	Frame	1.67
	Other than Frame	1.33
	Capital Improvement Program	2.00
* 121-10	Structures on Land Not Owned	
	Frame	1.67
	Other than Frame	1.33
	Capital Improvement Program	2.00
* 121-08	Leasehold Improvements	11.03
* 121-03	Revenue Equipment	
	Refrigerator Cars	3.17
	Other than Refrigerator Cars	4.75
	Trucks - Gas - 1½ Ton and Less	-
	- Gas - 2 Ton and Over	-
	Tractors - Gas	11.88
	Trucks - Electric	-
	Electric Power Storage Batteries	-
	Trailers	7.92
	Trucks - Gas	11.88
	Safes	2.00
	Cargotainers)	20.00
	Downmetal Container Trucks)	
	Steel Containers	12.50
* 121-04	Service Cars	
	Trucks	11.88
	Tractors	11.88
	Trailers	7.92
121-05	Shop and Garage Equipment	
	Motors, Generators and Battery Equipment	4.00
	Motors and Appliances	3.33
	Trucks	2.86
	Machines and Appliances (Shop)	6.67
	Motors and Motor Generators	4.00

EXPLANATORY REMARKS

<u>Classes of Property by Accounts (Continued)</u>		<u>Annual Percentage Rates</u>
121-06	Furniture and Office Equipment	
	Billing Machines and Typewriters)	5.00
	Adding, Listing and Calculating Machines)	
	Rugs, Carpets and Draperies	10.00
	Scales	3.51
	Office Machines and Appliances	7.14
	Label Making Machine	10.00
	Motors	10.00
	Machines and Appliances	6.67
	Office Safes	2.00
121-07	Miscellaneous Equipment	
	Trucks and Trailers	2.86
	Electric Motor Trucks	3.33
	Electric Power Storage Batteries	9.09
	Gas Tractors - Platform, Garage and Shop	10.56
	Electric Tractors	7.92
	Passenger Automobiles	20.00
	Conveyor Equipment	-
	Auto Sort Conveyor	9.00
	Portable Roller Gravity Conveyor	5.63
	Machines and Appliances (Shop)	6.67
	Machines and Appliances (Office)	7.14
	Motorcycles	16.67
	Two-way Radio	9.00
	Personnel Carrier	16.67

* - Unit plan of depreciation accounting

O P E R A T I N G

Secondary Operating Expenses		P R I M A R Y O P E R A T I N G			
		Equipment Maintenance 510	Transportation 520	Terminal 530	Operations 540
01	Payroll	\$ 5 510 523	\$ 42 465 872	\$39 050 494	\$1 780 387
02	Employees' welfare	2 055 759	15 785 368	14 540 519	662 911
03	Advertising	-	-	-	-
04	Taxes and licenses	57 960	4 477 865	1 620 519	589
05	Utilities	21	3	1 547 344	-
06	Supplies	3 215 863	58 857	1 476 327	48 130
07	Services purchased	4 150 100	44 797	1 204 086	34 481
08	Unclassified	3 479	98 728	62 345	15 312
09	Traveling	10 256	293 297	307 633	352 013
10	Communications	264	39 771	4 265 780	17 204
11	Pensions	-	-	-	-
12	Insurance	-	6 711 557	284 842	-
13	Depreciation	201 582	5 148 474	2 479 996	(10 314)
14	Professional services	-	5 975	75	156 343
15	Donations	-	-	-	-
16	Uncollectible revenues	-	-	71 000	-
17	Equipment rentals	(34 298)	4 028 356	251 714	63 294
18	Purchased transportation	-	40 918 564	1 606	-
19	Commission agents	-	-	1 844 706	-
20	Real property rentals	65 695	75 052	5 946 189	2 607
21	Tires and tubes	710 554	89	2 605	5 590
22	Motor fuel and oil	25 941	5 460 316	(388)	-
23	Demurrage and detention	-	(103 092)	-	-
24	Regulatory fees	-	-	-	-
25	Surface substitute service	-	887	-	-
95	Other expense transfers	-	870	(537)	(3 750)
		\$15 973 699	\$125 511 606	\$74 955 855	\$3 124 797

E X P E N S E S

EXPENSE ACCOUNTS

Marketing 550	Finance and Administration 560	Personnel 570	Executive 590	Grand Total
\$4 115 135	\$ 6 641 523	\$ 8 869 030	\$1 295 898	\$109 728 862
1 534 785	2 467 390	(37 527 959)	481 227	-
59 898	-	-	136	60 034
6 690	1 414	13 659 369	297 495	20 121 901
(521)	2 289	-	(37)	1 549 099
195 939	646 968	43 434	61 484	5 747 002
175 140	344 100	100 946	124 434	6 178 084
159 548	43 614	43 336	80 216	506 578
901 290	221 084	30 959	173 578	2 290 110
8 770	99 310	5 396	7 629	4 444 124
-	-	959 697	-	959 697
-	151	14 639 379	35 109	21 671 038
-	23 709	-	11 063	7 854 510
113 677	189 400	18 048	388 289	871 807
-	-	-	4 919	4 919
-	463 556	-	-	534 556
298 295	928 397	16 794	46 630	5 599 182
-	4	-	-	40 920 174
-	-	-	-	1 844 706
15 470	333 472	-	268 215	6 706 700
14 737	559	-	1 190	735 324
-	-	-	-	5 485 869
-	-	-	-	(103 092)
-	-	-	(1 099)	(1 099)
-	-	-	-	887
(167)	(19 800)	-	(20 750)	(44 134)
\$7 598 686	\$12 387 140	\$ 858 429	\$3 255 626	\$243 666 838

INSTRUCTIONS FOR ANSWERING QUESTIONS ON PAGES 43, 44 AND 45

Taxes and assessments.

Taxes are classified according to the basis used for computing the amount to be paid. From this point of view, taxes are either ad valorem or specific. Fees and assessments which are not constant from year to year are not taxes within the strict meaning of this classification, but for the purpose of this report should be returned as "Miscellaneous."

Under ad valorem taxes should be returned all taxes computed on the basis of value, no matter by whom the appraisal is made, in what manner the appraisal is made, or to what grade of government the payment is made.

Under specific taxes should be included all taxes computed on some arbitrarily selected basis, as the amount of stocks and funded debt issued or outstanding; the gross or net earnings; the dividends paid; or any other pertinent quality or fact. In the column "Pay-roll taxes" include excise taxes levied on the carrier under the provisions of Federal and State Social Security Acts, Railroad Unemployment Insurance Act, and the Carriers' Taxing Act of 1937.

No provision is made for "franchise" taxes, because this word has no distinctive meaning as employed in State enactments. Most franchise taxes are taxes on the valuation of the whole or a part of the property, arrived at by some method prescribed in the statute; or they are current payments for a privilege. Such taxes find their place in the classification provided as specific or ad valorem.

It is intended that taxes that accrue on buildings and other real prop-

erty not used *directly in connection with* the express business of the respondent should be returned in the column provided under "Miscellaneous physical property" on page 23.

Taxes paid to the United States Government under internal-revenue acts should not be distributed by States.

The various kinds of United States Government taxes, such as income tax, taxes payable to the U.S. Government for old-age retirement and unemployment insurance, surtax on undistributed profits, stamp tax on sale or issue of capital stock, etc., should be separately reported.

The total of taxes on the opposite page should agree with the amount shown as "Express taxes" in the Income Account on page 27.

Comparative general balance sheet.

In making returns of "Assets" and "Liabilities" the instructions and definitions contained in the Uniform System of Accounts for Express Companies should be observed.

Contingent assets and liabilities should not be included in the body of the balance-sheet statement, but should be shown in detail in a supplementary statement.

Important changes reflected in the balance-sheet returns should be fully explained on page 46, in accordance with the provisions thereof.

All credit entries on the "Asset side" and all debit entries on the "Liability side" should be indicated in parentheses.

EXPLANATORY REMARKS

TAXES AND ASSESSMENTS

Line No.	State or Territory	AD VALOREM TAX		SPECIFIC TAX				Miscellaneous		Internal revenue, U.S. Government		Total	
		On the value of real and personal property	On the value of stocks or bonds, or on valuation based on earnings, dividends, or results of operations	On stocks, bonds, loans, etc.	On gross or net earnings, revenue, or dividends	On traffic, or some physical quality of property operated, or on privilege	Pay-roll taxes						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)			(j)	(k)
1	Alabama	\$ 16 192	\$ 1 745		\$ 8 112	\$ 4 199		\$ 37 587				\$ 67 535	
2	Alaska	48	100			25		75				248	
3	Arizona	23			2 761	685		8 674				12 143	
4	Arkansas	3 560	11			585		6 464				10 620	
5	British Columbia	-				300						300	
6	California	151 980	100		146 916	3 635		166 801				469 432	
7	Colorado	8 416			129	2 738		12 070				30 353	
8	Connecticut	44 044	16		2 201	102		63 930				110 293	
9	Delaware	3 821	7 835		498	57		10 312				22 523	
10	District of Columbia	-	36			100		10 618				10 754	
11	Florida	53 900	76		10 089	1 608		44 190				109 863	
12	Georgia	23 092			10	665		49 608				73 375	
13	Hawaii	1 848			253	112						2 243	
14	Idaho	(3 593)			10	325		6 085				2 827	
15	Illinois	186 997	160			614		255 897				443 668	
16	Indiana	61 231			832	5		47 758				109 826	
17	Iowa	10 662				15		22 117				32 794	
18	Kansas	5 523			3 203	70		20 338				29 134	
19	Kentucky	8 339				10		29 487				29 836	
20	Louisiana	8 798	175		1 830	613		25 249				36 065	
21	Maine	9 549				13		20 207				29 769	
22	Maryland	80 365	2 456			40		139 421				222 282	
23	Massachusetts	67 785			115	43		27 733				95 676	
24	Michigan	43 324	360			394		101 175				145 253	
25	Minnesota	41 165			5 009	22		40 271				86 467	
26	Mississippi	5 180	203			3 760		19 517				28 660	
27	Missouri	46 137			2 460	1 515		50 150				100 262	
28	Montana	424			838	17		5 432				6 711	
29	Nebraska	5 694				32		14 884				20 613	
30	Nevada	461				1 142		13 225				15 528	
31	New Hampshire	5 330			64	134		4 280				9 808	
32	New Jersey	47 731			6 217	153		62 682				116 783	
33	New Mexico	88			5	155		1 820				2 068	
34	New York	211 064	5 379		9 171	86 234		406 388				718 236	
35	North Carolina	20 882	202			5 463		128 355				154 902	
36	North Dakota	3 090				787		4 372				8 249	
37	Ohio	115 379	242		8 500	4 170		122 810				251 101	
38	Oklahoma	5 325				18		7 506				12 849	
39	Ontario	-										-	
40	Oregon	7 288				1 160		13 320				21 768	
41	Pennsylvania	38 748				3 565		212 687				255 000	
42	Carried Forward	1 331 290	18 796		209 253	125 283		2 221 195				3 905 817	

TAXES AND ASSESSMENTS

Line No.	State or Territory	AD VALOREM TAX		SPECIFIC TAX				Miscellaneous	Internal revenue, U.S. Government	Total
		On the value of real and personal property	On the value of stocks or bonds; or on valuation based on earnings, dividends, or other results of operations	On stocks, bonds, loans, etc.	On gross or net earnings, revenue, or dividends	On traffic, or some physical quality of property operated, or on privilege	Pay-roll taxes			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	Brought Forward	\$ 1 331,290	\$ 18 796		\$ 209 253	\$ 125 283		\$ 2 221 195		\$ 3 905 817
2										
3	Puerto Rico	406				30		71		507
4	Rhode Island	7 294			60	25		3 817		11 196
5	South Carolina	10 876			871	623		24 641		36 511
6	South Dakota	19				10		5 889		5 918
7	Tennessee	51 142	201		900	29		69 856		122 128
8	Texas	44 337			7 413			57 508		109 258
9	Utah	3 268	50		4	116		13 583		17 021
10	Vermont	293			2 784	36		9 282		12 395
11	Virginia	10 253			46 697	(10)		76 632		133 572
12	Washington	2 592			41	100		23 565		26 298
13	West Virginia	3 760	396		1 088	377		7 936		13 557
14	Wisconsin	10 743			843	17		49 892		61 495
15	Wyoming	392				150		5 172		5 714
16									(C) 1 648 672	
17	U. S. Government					(B) 254 985	13 756 243(A)		(D) (29 555)	15 630 345
18										
19	Total	1 476 665	19 443		269 454	381 771	13 756 243	2 569 039	1 619 117	20 091 732
20										
21										
22										
23										
24										
25	(A) Federal Excise Tax - Railroad Retirement Tax Act								11 391 784	
26	Unemployment Insurance Contributions - Railroad Unemployment Insurance Act								2 364 459	
27										
28								Total	13 756 243	
29										
30	(B) Federal Use Tax on Highway Motor Vehicles									
31										
32	(C) Air Excise Tax Paid to Airlines under Domestic Agreement									
33										
34	(D) Federal Income Tax Credit - Affiliated Companies (Not shown in Secondary Expense Account 04)									
35										
36										
37										
38										
39										
40										
41										
42	Total									

COMPARATIVE GENERAL BALANCE SHEET - ASSET SIDE

100-ASSETS

110-Current Assets

Balance at Beginning of Year			Balance at Close of Year	Net Change During Year Increase (Decrease)
\$ 602 906	111	Cash.....	\$ 171 711	\$(431 195)
660 000	112	Temporary investments.....	200 000	(460 000)
64 076	113	Notes receivable.....	43 116	(20 960)
21 806 692	114	Accounts receivable.....	19 024 906	(2 781 786)
(1 500 000)	115	Reserve for uncollectible receivables.....	(1 500 000)	-
262 722	116	Materials and supplies.....	193 053	(69 669)
1 761 851	117	Prepayments.....	2 639 944	1 128 093
857 025	118	Affiliate receivables.....	710 457	(146 568)
-	119	Other current assets.....	-	-
<u>\$24 515 272</u>		Total current assets.....	<u>\$21 733 187</u>	<u>\$(2 782 085)</u>

120-Tangible Property

\$34 385 298	121	Operating property	\$33 340 480	
		Less: 122-Accumulated Depreciation	62 133 036	
	123	Non-operating property	3 959 475	
5 433		Less: 124-Accumulated Depreciation	1 230 312	
<u>\$34 390 791</u>		Total tangible property.....	<u>\$23 936 607</u>	<u>\$(10 454 184)</u>

130-Permanent Investments

\$ 1 885 472	131	Affiliate investments.....	\$ 1 899 212	\$ 13 740
2 087 749	132	Other investments.....	2 075 095	(12 654)
<u>\$ 3 973 221</u>		Total permanent investments	<u>\$ 3 974 307</u>	<u>\$ 1 086</u>

140-Other Assets

\$ -	141	Intangible property.....	\$ -	\$ -
		Less: 142-Accumulated Amortization	-	-
841 478	143	Deferred charges.....	412 808	(428 670)
3 905 970	144	Special funds.....	3 008 372	(897 598)
<u>\$ 4 747 448</u>		Total other assets.....	<u>\$ 3 421 180</u>	<u>\$(1 326 268)</u>

<u>\$57 626 732</u>		TOTAL ASSETS	<u>\$53 065 281</u>	<u>\$(14 561 451)</u>
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BALANCE SHEET SUPPLEMENT

CONTINGENT LIABILITIES

December 31, 1972

(Not Reflected in Balance Sheet Liabilities Page 45)

(1) PENSION PLANS

(a) Supplemental Retirement Plan \$1,294,000

This plan covers substantially all employees not represented by collective bargaining agreements. The amount shown represents the excess of the actuarially computed value of vested benefits over the amount in the pension fund as of June 1, 1972.

(b) Unfunded Retirement Plan \$2,900,000

This older plan covers former employees. Although the company is not legally obligated to continue payments under the plan, the amount shown represents the estimated liability at June 25, 1972.

(2) OBLIGATIONS UNDER LEASE AGREEMENT \$6,800,000 PER ANNUM (APPROXIMATE)

A major portion of the Company's leases of terminal facilities, offices and transportation equipment are for terms of three years or less.

* On September 30, 1971, REA Express filed a suit in the U. S. District Court for the Southern District of N.Y. contending inter alia that said notes amounting to \$27,206,000 are null and void. A copy of REA's complaint on said suit is available upon request. Interest is not currently being paid on the notes. Accordingly, the Board of Directors, on December 21, 1971 directed that these notes be removed from "other obligations" and reflected in Stockholders' Equity. Interest at December 31, 1972, amounting to \$2,380,556 is also removed from current liabilities - Accrued expenses and added to Stockholders' Equity - Earned Surplus.

COMPARATIVE GENERAL BALANCE SHEET - LIABILITY SIDE

200-LIABILITIES

210-Current Liabilities

Balance at Beginning of Year			Balance at Close of Year	Net Change During Year Increase (Decrease)
\$ -	212	Dividends declared.....	\$ -	\$ -
5 000 000	213	Notes payable.....	2 000 000	(3 000 000)
6 272 910	214	Accounts payable.....	4 239 369	(2 033 541)
-	215	Income taxes accrued.....	-	-
5 544 622	216	Other taxes accrued.....	5 049 130	(495 492)
31 269 283	217	Accrued expenses.....	28 281 019	(2 988 264)
421 136	218	Affiliate payables.....	293 268	(127 868)
868 338	219	Other current liabilities.....	1 317 563	449 225
<u>\$49 376 289</u>		Total current liabilities	<u>\$ 41 180 349</u>	<u>\$ (8 195 940)</u>

220-Long-Term Obligations

\$ 3 667 364(A)	221	Equipment obligations.....	\$ 2 255 032(A)	\$ (1 412 332)
-	222	Bonds.....	-	-
-	223	Other long-term obligations.....	-	-
<u>\$ 3 667 364</u>		Total long-term obligations.....	<u>\$ 2 255 032</u>	<u>\$ (1 412 332)</u>

230-Advances Payable

\$ 840 000	231	Affiliate advances payable.....	\$ 840 000	\$ -
	232	Other advances payable \$31 486 223		
5 820 000(A)		Less: Notes held by Railroads 27 206 376*	4 279 847(A)	(1 540 153)
<u>\$ 6 660 000</u>		Total advances payable.....	<u>\$ 5 119 847</u>	<u>\$ (1 540 153)</u>

240-Other Liabilities

\$ 5 586 324	241	Reserves.....	\$ 5 201 158	\$ (385 166)
1 187 209	242	Deferred credits.....	2 385 935	1 198 726
<u>\$ 6 773 533</u>		Total other liabilities.....	<u>\$ 7 587 093</u>	<u>\$ 813 560</u>

250-Shareholders' Equity

\$ -	251	Preferred stock.....	\$ -	\$ -
2 416 268	252	Common stock.....	2 416 268	-
-	253	Capital stock subscribed.....	-	-
-	254	Capital surplus.....	-	-
(28 473 098)	255	Earned surplus.....	(32 699 684)	(4 226 586)
27 206 376		Adjustment for rail notes *	27 206 376	-
<u>\$ 1 149 546</u>		Total Shareholders' equity	<u>\$ (3 777 040)</u>	<u>\$ (4 226 586)</u>

<u>\$67 626 732</u>	TOTAL LIABILITIES	<u>\$ 53 055 281</u>	<u>\$ (14 561 451)</u>
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Note:

Estimated amount of future earnings which can be realized before paying Federal Income Taxes because of unused and available net operating loss carryover on December 31, 1972 \$39 450 000

(A) This amount includes installments of \$1,570,000 which will be paid during calendar year 1973.

IMPORTANT CHANGES DURING THE YEAR

It is the purpose of the questions asked on this page to obtain a full explanation of all important changes occurring during the year covered by this report, and attention is especially called to the necessity of answering these questions in an explicit manner. Specific dates

should be given in the answers to questions 1, 5, 6, and others, whenever pertinent.

See, also, "Instructions," pages 2, 10, 16, 18, 30, 32 and 42.

Present statements as follows:

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. All important changes during the year which result in (a) the beginning of new transportation service, (b) the abandonment of transportation service, or (c) a major reorganization or consolidation of transportation service. 2. All important purchases of equipment for new lines. 3. All other important physical changes. 4. All consolidations or reorganizations effected. | <ol style="list-style-type: none"> 5. All new stocks issued. 6. All new funded debt issued. 7. All changes in the respondent's holdings of stocks and funded debt. 8. Adjustments in the book value of securities owned and reasons therefor. 9. All other important financial changes. |
|--|--|

QUESTION NO. 1

NONE

QUESTION NO. 2

NONE

QUESTION NO. 3

NONE

QUESTION NO. 4

NONE

QUESTION NO. 5

NONE

QUESTION NO. 6

NONE

QUESTION NO. 7

NONE

QUESTION NO. 8

NONE

QUESTION NO. 9

NONE

CONTRACTS, AGREEMENTS, ETC.

Here give a concise statement of all important contracts, agreements, arrangements, etc., with other companies or persons, together with revisions, modifications, terminations, and other changes thereof, concerning the transportation of express matter or the conduct of express business, which became effective or were renewed during the year covered by this report. Give the statement in the following order:

1. Railroad companies.
2. Electric transportation companies or lines.
3. Carriers by water.
4. Motor carriers.
5. Other express companies.
6. United States Government.
7. Other contacts.

Information concerning contracts of minor importance may be omitted. A contract of minor importance is defined as one involving receipts or payments of less than \$25,000 per year, and which, by its terms, is otherwise unimportant.

Compliance with the requirements of this schedule does not relieve the respondent of the duty placed upon common carriers by Section 6(5), Part I, of the Interstate Commerce Act, which reads as follows:

"Every common carrier subject to this part shall also file with said Commission copies of all contracts, agreements, or arrangements with other common carriers in relation to any traffic affected by the provisions of this part to which it may be a party."

1. RAILROAD COMPANIES

At the present time the Company has no written contracts with the railroads except for written notices of intentions from these lines with respect to rates.

NO. 2 - NONE

NO. 3 - NONE

NO. 4 - NONE

NO. 5 - NONE

NO. 6 - NONE

NO. 7 - NONE

8. AIRLINE COMPANIES

REA AIR EXPRESS is a priority, expedited service provided by REA and 31 participating air carriers; REA offers this unique "AIR EXPRESS" service to more than 22,000 U. S. Communities through 522 airports.

The 1964 AIR EXPRESS Agreement was extended during a long period of negotiations and will remain in effect for six months after a decision has been rendered by the C.A.B. in either the rate case docket 22387 or service case docket 22388, unless further amended.

In 1971, AIR EXPRESS shipment volume was down more than 22% compared with the previous year. This drastic loss was the direct result of the labor difficulties encountered in April with a full week work stoppage. Shippers, threatened with the loss of disruption of AIR EXPRESS service, were forced to find other means of transportation. They could not afford to risk the possibility of delays if AIR EXPRESS were embargoed.

In December, an increase in the minimum rate of \$1.00 became effective. No other rate changes were made.

INSTRUCTIONS FOR ANSWERING QUESTIONS ON THIS PAGE

Upper part of page

In this table should be entered a list of all the equipment owned by the respondent at beginning of year and at close of year, together with its depreciated book value on those dates.

Lower part of page

In this table should be given the number and face value of the various

forms of remittance paper there listed which were issued during the year covered by this report.

In answer to the questions "Number of express offices in the United States at close of year" and "Number of offices in the United States at which money orders were on sale at close of year," give the number of regular local offices (not including branch offices in towns where regular offices were maintained) at which express matter was received and delivered and at which money orders were on sale.

COMPARATIVE STATISTICS OF EQUIPMENT OWNED

Line No.	Item (a)	AT BEGINNING OF YEAR		AT CLOSE OF YEAR	
		Number (b)	Value (c)	Number (d)	Value (e)
			\$		\$
1	(121-03) Revenue Equipment	8,492	128,883	8,765	4,475,046
2	(121-04) Service Cars and Equipment	67	76,386	95	240,605
3	(121-05) Shop and Garage Equipment	3,407	202,175	3,369	165,435
4	(121-06) Furniture and Office Equipment	10,943	219,674	9,744	45,057
5	(121-07) Miscellaneous Equipment	753	4,242,413	21,030	3,331,695
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23	Total		16,669,531		8,257,838

STATISTICS OF FINANCIAL PAPER ISSUED

Line No.	Item (a)	Number (b)	Amount (c)
41	(108) Money orders	NONE	NONE
42	(109) C.O.D. checks	145,882	22,753,722
43	(110) Limited and unlimited cheques	NONE	NONE
44	(111) Travelers' cheques	"	"
45	(112) Telegraph and cable transfers	"	"
46	(113) Letters of credit	"	"
47	Total	145,882	22,753,722

Number of express offices in the United States at close of year: Joint with railroads 55
All others 1,915

Number of offices in the United States at which money orders were on sale at close of year

Number of shipments carrying prepaid express charges, reported forwarded, and carrying collect express charges, reported received during year 16,990,000

EMPLOYEES, SERVICE, AND COMPENSATION

Particulars of the number of employees, of the services rendered by them, and of the compensation paid for such services should be compiled in accordance with the following instructions:

Column 1.—"Reporting division." refers to the divisions of employees shown in the Classification of Express Employees adopted by the Interstate Commerce Commission.

Column 2.—Averages called for in this column should be obtained by adding the number of employees on the payroll in each of the stated classes during the payroll period containing the 12th day of each month and dividing by 12. Every count should cover not only employees actually on duty during the period of the count, but also employees under pay not so on duty if absent from service on sick or other leave or held subject to call for duty.

Column 3.—Number of employees assigned to work less than

a full day, to be obtained by totaling the number of such employees at work each calendar day (less Sundays and holidays) and dividing by the number of such days.

Column 4.—Total hours of straight time divided by 7½ times the number of calendar days (less Sundays and holidays) in the year. This gives the number of persons required to accomplish the work done under straight time if each person worked 7½ hours a day every day except Sundays and holidays.

Column 5.—Hours paid for at basic rates before overtime.

Column 6.—Straight-time hours of employees assigned to work less than a full day.

Column 7.—Overtime hours of all employees.

Column 8.—Compensation for hours shown in column 5.

Column 9.—Compensation for hours shown in column 6.

Column 10.—Compensation for hours shown in column 7.

Column 11.—Total compensation for straight time, overtime,

and all other payments.

Extent of part-time work.—If any employees other than the "short-time" employees are assigned to work less than the normal number of days per week, the extent of such part-time assignments and the occupations affected should be explained.

"Full day" means the number of hours that employees in regular assignments are required to work on days other than Saturday or other short days in lieu thereof.

If any compensation was paid or is payable under labor awards of the current year, include the amount applicable to the current year in the appropriate columns and give particulars of amounts applicable to prior years (back pay) in a supplementary statement on page 51, by groups of employees. For purposes of this report, labor awards are intended to cover adjustments resulting from the decisions of Wage Boards and voluntary awards by the respondent incident thereto.

Line No.	Division No.	Reporting division	Average number of employees during the year	Daily average number of short-time employees	Number of employee-years (computed)	Total straight-time hours	Hours of short-time employees (included in preceding column)	Overtime hours	Total compensation for straight time	Compensation of short-time employees (included in preceding column)	Compensation for overtime	Total compensation
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1		I. EXECUTIVES, OFFICIALS, AND STAFF ASSISTANTS	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
2	1	Executive and general officers	49		50	101888			1478 013			1 478 013
3	2	Staff officials, division officers, and assistants	380		384	777461			5597 696			5 597 696
4	(901)	Total (executives, officials, and staff assistants)	429		434	879349			7075 709			7 075 709
5		II. PROFESSIONAL, CLERICAL, AND GENERAL	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
6	3	Professional and subprofessional assistants				352			3 009			3 009
7	4	Chief clerks (A)	14		14	28747			146 310			146 310
8	5	Chief clerks (B), head clerks, and clerical specialists	481		491	994083		25 033	4432 694		155 362	4 587 998
9	6	Clerks	877		893	1807714		42 439	7350 571		261 088	7 611 659
10	7	Nonlisting, adding, and calculating-machine operators	34		35	70069		619	275 504		3 748	279 252
11	8	Stenographers and typists	131		135	273153		891	1110 840		5 349	1 116 189
12	9	Office attendants	62		64	130249		484	522 420		3 093	525 513
13	10	Route agents										
14	11	Agents—office, depot, and terminal	457		478	966194		1 333	4772 016		8 568	4 780 584
15	12	Foremen—vehicle, depot, and platform	1 054		1 094	2214802		77 745	9563 740		489 379	10 053 119
16	13	Warehouse and platform clerks	1 487		1 543	3123674		118 153	12612 147		743 814	13 355 961
17	14	Warehouse and platform laborers	1 037		1 076	2176779		79 045	8743 024		490 203	9 233 227
18	15	Vehicle employees	4 289		4 492	9092130		614 872	39541 689		3 787 210	43 328 899
19	16	Police	23		24	47480		11	240 558		65	240 623
20	17	Claim agents and claim adjusters	7		7	14809		71	86 306		455	86 761
21	(902)	Total (professional, clerical, and general)	9 253		10 346	20940235		960 696	89400 828		5 948 274	95 349 102
22		III. TRAIN TRANSPORTATION	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
23	18	Train messengers										
24	19	Train helpers and guards										
25	(903)	Total (train transportation)										
26		IV. MAINTENANCE AND STORES	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
27	20	Foremen	112		116	233941		4 159	1190 043		30 618	1 220 661
28	21	Machinists	299		310	527187		18 102	2930 303		127 336	3 057 639
29	22	Other craftsmen	50		52	105660		3 901	488 762		26 199	514 961
30	23	Apprentices and helpers—all trades	14		15	29893		1 381	121 320		8 472	129 792
31	24	Garage employees	81		82	165765		3 366	668 699		20 586	689 285
32	25	Laborers, unclassified	4		4	8268		119	34 893		742	35 635
33	(904)	Total (maintenance and stores)	560		579	1170 714		31 028	5434 020		213 953	5 647 973
34	(905)	Grand total, all employees	10 942		11 359	22990 298		991 724	101910 557		616 227 108	072 784

COMPENSATION OF OFFICERS, DIRECTORS, ETC.

Give the name, position, salary, and other compensation, such as bonus, commission, gift, reward, or fee of each of its officers, directors, pensioners, or employees to whom the respondent paid \$40,000 or more during the year covered by this report as compensation for current or past service over and above necessary expenses incurred in discharge of duties. 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 transportation company (whether a subsidiary or not) or from a subsidiary company, reference to this fact should be made if his aggregate compensation amounts to \$40,000 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	Title	Salary per annum as of close of year (see instructions)			Other compensation during the year		
	(a)	(b)	(c)			(d)		
1			\$			\$		
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								

PAYMENTS FOR SERVICES NOT RENDERED BY EMPLOYEES

In the form below give information concerning payments, fees, retainers, commissions, gifts, contributions, assessments, bonuses, pensions, subscriptions, allowance for expenses, or any form of payments amounting in the aggregate to \$20,000 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 preceding schedule) for services or as a donation. In the case of contributions of under \$20,000 which are made in common with other carriers under a joint arrangement in payment for the performance of services or as a donation, each such contribution shall be reported, irrespective of the amount thereof, if the total amount paid by all contributors for the performance of the particular service is equal to the sum of \$20,000 or more.

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. The enumeration of these kinds of payments should not be understood as excluding other payments for services not excluded below.

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 service, and payments to other carriers on the basis of lawful tariff charges, as well as other payments for services which both as to their nature and amount may reasonably be regarded as ordinarily connected with the routine operation, maintenance, or construction of a railroad, but any special and unusual payments for services should be reported.

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	Nature of service	Amount of payment
	(a)	(b)	(c)
			\$
31	Mainstem, Inc.	Consulting	175 919
32	Nellson, Inc.	Advertising	91 128
33	Arthur Andersen & Co.	Auditing	80 000
34	Leva, Hawes, Symington, Martin & Oppenheimer	Legal	55 634
35	Cahill, Gordon, Sonnet, Reindel & Ohl	Legal	53 000
36	Ernst & Ernst	Auditing	52 020
37	Anderson, Allegaert & Russell	Legal	48 732
38	Richmar, Printing, Inc.	Advertising	43 037
39	Bleakley, Platt, Schmidt, Hart & Fritz	Legal	36 614
40	Aviation Advisory Service, Inc.	Consulting	30 300
41	J. Woodrow Thomas	Legal	21 500
42	Executive Health Examiners	Medical Examinations	21 341
43		TOTAL	\$709,226
44			
45			
46			
47	Total		

COMPENSATION OF OFFICERS, DIRECTORS, ETC.

Give the name, position, salary, and other compensation, such as bonus, commission, gift, reward, or fee of each of its officers, directors, pensioners, or employees to whom the respondent paid \$20,000 or more during the year covered by this report as compensation for current or past service over and above necessary expenses incurred in discharge of duties. 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 transportation company (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 the year when the salary is changed. Also, when a 10 per cent (or other per cent) reduction is made, the net rate and not the basic rate should be shown.

Name of Person	Title	Salary per annum as of close of year (see instructions)
(a)	(b)	(c)
T. Kole	President & Chief Executive Officer	110,000.00
A. M. Wischart	Senior Vice President & General Counsel, and Secretary	66,000.00
J. G. Cunningham	Senior Vice President-Operations	50,000.00
E. B. Kania	Vice President-Finance	40,000.00
C. F. Simonelli	Senior Vice President & Chief Administration Officer	70,000.00
P. J. Byrne	Vice President-Air & International Services	60,000.00
R. J. Corgel	Vice President-Labor Relations & Service Control	40,150.00
S. L. Aiges	Vice President-Labor Relations	38,701.39
J. J. C. Martin	Vice President-Traffic & Economic Regulation	40,000.00
D. J. Kerrigan	Vice President-Marketing	23,677.17
L. R. Masse	Vice President-Industrial Relations	34,136.98
F. D. Ruud	Vice President-Law	31,432.32
A. M. Curtis	Area Vice President	29,917.68
B. A. Simpson	Vice President-Marketing & Sales	32,607.28
J. Gallo	Area Vice President	34,903.96
J. F. McQuaid	Operations Vice President, Central	34,098.52
E. E. Parkinson	Operations Vice President, West	24,098.52
R. F. Maixner	Treasurer	30,712.99
W. S. Boden	Controller	24,922.86

Name of Person	Title	Salary per annum as of close of year (see instructions)
(a)	(b)	(c)
A. R. Taintor, Jr.	Assistant Secretary	32,254.68
C. M. Mohr	Director Marketing-Air Express & International	40,000.00
R. V. Carey	Manager Disbursements	20,168.11
R. J. Wellman	Regional Manager, Labor Relations	24,697.41
J. J. Kiely	Regional Manager	27,280.95
J. F. Goodson	Regional Manager	24,840.09
R. C. Beans	Regional Manager	25,579.81
W. Balabanow	Regional Manager, Labor Relations	24,455.47
M. T. Hopper	Regional Sales Manager	21,493.61
J. R. Sowell	Regional Manager	23,842.07
C. P. Kelly	Regional Staff Assistant	20,406.34
G. E. Cole	Director, Market Research	21,380.15
W. A. Tynlor	Manager, Real Estate	20,369.49
Cl Lane	Director, Labor Relations	29,608.92
B. R. Dravis	Director, Air Express	24,999.97
J. A. Teter	Director, Air Express Sales	27,952.20
P. C. Dotson	Regional Manager	23,842.07
R. A. Barshaw	Director, Line Haul Services	20,985.16
J. H. Boland	Director, Claims	22,614.41
M. J. Wozniak	Staff Assistant	22,422.98
J. A. Donnelly	Director, Computer Operations	22,279.54
P. H. Mason	Regional Manager	24,840.09
W. J. Thompson	Regional Manager, Air Express	20,328.68
R. R. Miller	Regional Manager	24,164.34
G. R. Blanda	National Account Executive	24,150.47
C. C. Hess	Regional Manager, National Accounts	20,369.49
R. C. Schlieske	Regional Manager	25,675.42
M. O. Hilgert	Systems Manager, Line Haul Control	26,683.17
T. E. Coyne	Regional Manager, Air Express	20,328.68
R. L. Hemmer	Director, Service Control	25,675.42
C. W. Rock	Assistant Vice President	25,533.43
A. E. Larsen	Corporation Manager, Internal Audit	25,219.69
W. W. Rosenberg	Assistant Director, Special Projects	20,265.71
D. J. McManus	Regional Staff Assistant	20,240.74
B. M. Berger	Director, Fleet Maintenance	23,305.00
F. V. DeBiase	Director, Personnel Administration	28,302.26
J. D. Fenty	Director, National Accounts	24,178.17
P. G. Wolfe	Director, Regulatory Proceedings	21,390.35
H. A. Buono	Regional Manager, National Accounts	24,247.15
J. A. Cunningham	Director, Systems Planning	23,287.72
E. E. Brown	Regional Manager	26,673.78
D. J. Christie	Regional Manager, Labor Relations	22,870.03
M. Engelsner	Director, Pricing	26,967.13
J. F. Cagnina	Director, Personnel Administration	27,307.80
K. E. Beehner	Director, Sales	23,832.97
J. J. Kincaid	Director, Insurance	23,984.74
K. E. Bostwick	Director, Computer Services	21,022.86
R. A. Hurman	Director and General Attorney	22,215.04

COMPENSATION OF OFFICERS, DIRECTORS, ETC.

Give the name, position, salary, and other compensation, such as bonus, commission, gift, reward, or fee of each of its officers, directors, pensioners, or employees to whom the respondent paid \$40,000 or more during the year covered by this report as compensation for current or past service over and above necessary expenses incurred in discharge of duties. 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 transportation company (whether a subsidiary or not) or from a subsidiary company, reference to this fact should be made if his aggregate compensation amounts to \$40,000 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 the year when the salary is changed. Also, when a 10 per cent (or other per cent) reduction is made, the net rate and not the basic rate should be shown.

Name of Person (a)	Title (b)	Salary per annum as of close of year (see instructions) (c)
T. Kole	President & Chief Executive Officer	110,000
C. F. Simonelli	Senior Vice President & Chief Administration Officer	70,000
A. M. Wischart	Senior Vice President & General Counsel, and Secretary	66,000
J. G. Cunningham	Senior Vice President-Operations	50,000 54,800
R. J. Congel	Vice President-Labor Relations & Service Control	40,150 44,783
P. J. Byrne	Vice President-Air & International Services	60,000
E. B. Kania	Vice President-Finance	40,000
J. J. C. Martin	Vice President-Traffic & Economic Regulation	40,000
C. M. Moni	Director Marketing-Air Express & International	40,000

VERIFICATION

The foregoing report must be verified by the oath of the officer having control of the accounting of the respondent. It should be verified, also, by the oath of the president or other chief officer of the respondent, unless the respondent states on the last preceding page of this report that such chief officer has no control over the accounting of the respondent. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

OATH

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

State of NEW YORK
County of NEW YORK

EUGENE B. KANIA
(Insert here the name of the affiant)

makes oath and says that he is VICE PRESIDENT-FINANCE
(Insert here the official title of the affiant)

of REA Express, Inc.
(Insert here the exact legal title or name of the respondent)

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

and including JANUARY 1, 1972, to and including DECEMBER 31, 1972.

E. B. Kania
(Signature of affiant)

Subscribed and sworn to before me, a NOTARY PUBLIC, in and for the State and
county above named, this 30th day of March, 1973.
My commission expires March 30, 1974 [Use an L.S. impression seal.]

Henry Fulle
(Signature of officer authorized to administer oaths)

HENRY FULLE
Notary Public, State of New York
Qualified in Putnam County
Commission Expires March 30, 1974

SUPPLEMENTAL OATH

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

State of NEW YORK
County of NEW YORK

WALTER S. BODAN
(Insert here the name of the affiant)

makes oath and says that he is CONTROLLER
(Insert here the official title of the affiant)

of REA Express, Inc.
(Insert here the exact legal title or name of the respondent)

that he has carefully examined the foregoing report; that he believes that all statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including JANUARY 1, 1972, to and including DECEMBER 31, 1972.

W. S. Bodan
(Signature of affiant)

Subscribed and sworn to before me, a NOTARY PUBLIC, in and for the State and
county above named, this 30th day of March, 1973.
My commission expires March 30, 1974 [Use an L.S. impression seal.]

Henry Fulle
(Signature of officer authorized to administer oaths)

HENRY FULLE
Notary Public, State of New York
Qualified in Putnam County
Commission Expires March 30, 1974

INSTRUCTIONS APPLYING TO OFFICE MEMORANDA, PAGE 55

[For use of Commission only]

Every entry on the opposite page should be clearly and carefully made, with *black ink*. Ditto marks ("") or "do." are not to be used.

Under "C. Correspondence," in the "Answer needed" column, use check (✓) if a reply to letter written is requisite; use "No" in other cases. A letter received pertaining to this report, but not in reply to a letter sent, should be recorded under "Answer;" and on the same line, under "Officer addressed," should be inserted the word "None." In case any letter received merely acknowledges receipt of letter sent, insert a second check (✓) under "Answer needed" to indicate that there is still lacking a reply to our original letter. When this reply comes to hand record it under "Answer," opposite the entry to which it properly pertains, at the same time crossing out thus (X) the "second check" just mentioned.

In the "Subject" column, under "D. Corrections," specify briefly the matter corrected.

In making entry of "Name" of "Clerk making examination," of "Officer addressed," of "Officer sending letter or telegram," "Officer of Commission," and "Clerk making correction," *always* enter the surname first, writing initials of name last, as, for example, Smith, J. H., Jones, J. R., etc. Make sure that the surname of every "Officer" is *correctly spelled* and that the *proper initials* are given.

Under "Title," use abbreviations as follows: Pres., V. P., Sec., Treas., Compt., Asst. Compt., Gen. Aud., Aud., Gen. Man., C. E., Gen. Supt., G. P. A., etc.

Under "Month," use the following: Jan., Feb., Mar., Apr., May, June, July, Aug., Sept., Oct., Nov., and Dec. Enter the numerals of the "Year" in full.

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