

ANNUAL REPORT 1973

REA EXPRESS INC.

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# ANNUAL REPORT

OF

REA EXPRESS, INC.

INTERSTATE  
COMMERCE COMMISSION  
RECEIVED

APR 13 1974

ADMINISTRATIVE SERVICES  
U. S. MAIL BRANCH

TO THE

## INTERSTATE COMMERCE COMMISSION

FOR THE

### YEAR ENDED DECEMBER 31, 1973



# ANNUAL REPORT

OF

REA EXPRESS, INC.

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TO THE

## INTERSTATE COMMERCE COMMISSION

FOR THE

**YEAR ENDED DECEMBER 31, 1973**

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)

# 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. REA Express, Inc.  
(See Instructions, p. 2.)

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	XXXXXXXXXXXXXX	XXXX	XXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
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	XXXXXXXXXXXXXX	XXXX	XXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
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43							
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 names 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							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							

## FACTS PERTAINING TO CONTROL OF RESPONDENT

1. Date of last meeting of stockholders for election of directors October 25, 1973
2. Date of last closing of stock books before end of year for which this report is made October 10, 1973
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. plus surcharge
- 16  $1\frac{1}{2}\text{¢}$  per 1st carfoot mile—  
87  $\frac{1}{2}\%$  of Carload Revenue (C&NW)
- 17 Special Graduate Charges

## EXPLANATORY REMARKS



PURCHASED TRANSPORTATION - SUMMARY

Line No.	Name of carrier (a)	Net change 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					
13	Railroads			3 453 056	
14	Motor			4 005 000	
15					
16	Air			36 495 283	
17					
18	TOTAL			43 953 841	
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38	Total				

\*Show decrease in parenthesis.

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					

NOT

APPLICABLE



# 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													
3	Preferred NONE												
4	Receipts outstanding for installments paid												
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:													
22	Common			NONE			NONE	2 356 000			NONE			
23	Preferred NONE													
24														
25	Issued for real property and equipment:													
26	Common													
27	Preferred													
28														
29	Issued for acquisition of securities:													
30	Common													
31	Preferred													
32														
33	Issued for Services (A)													
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	INTEREST			
	Date of Issue	Date of Maturity			In Treasury	Pledged as Collateral	In Sinking or Other Funds		Rate	When Payable	Amount Accrued during the Year	Amount Paid During the Year
Collateral Trust Bonds					NONE							
Miscellaneous Funded Obligations:												
Promissory Note -	- December 28, 1975		\$ -	\$ 340 000	-	-	-	\$ 340 000	5%	On Demand	\$ 17 000	\$ -
Promissory Note -	- January 6, 1976		-	500 000	-	-	-	500 000	7 1/2%	On Demand	37 500	-
*Non-Negotiable Notes -				27 206 376	-	-	-	27 206 376				
Promissory Note - Terminal Property and Refrigerator Cars - Real Property and Chattel Mortgage	- December 31, 1977		-	3 590 014	-	-	-	3 590 014	7%	Semi-annually	368 073	353 719
Automotive Equipment - Leases	- Various		-	1 325 495	-	-	-	1 325 495	Various Monthly		-	205 304
				32 961 885	-	-	-	32 961 885			422 573	559 023

\* 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, 1973, amounting to \$3,740,877 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-Automotive Equip.	1 325 495	"	"	"	1 325 495	"		205 304	
5	Promissory Notes	4 430 014	"	"	"	4 430 014	422 523		353 719	
6										
7	Total	32 961 885	"	"	"	32 961 885	422 523		559 023	

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)
21	Issued for cash:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	
22														
23	Promissory Notes		NONE			NONE		3 590 014		12 500 000				
24	Issued for real property and equipment:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	
25	Automotive Equipment		NONE			NONE		1 325 495		NONE				
26														
27	Issued for acquisition of securities:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	
28	NONE													
29														
30	Issued for	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	
31														
32	Refinancing of Advances		NONE			NONE		27 206 376		27 206 376			*	
33														
34	Promissory Note - Issued for													
35	Accounts Payable		NONE			NONE		340 000		NONE				
36	" "		NONE			NONE		500 000		NONE				
37														
38														
39														
40														
41														
42														
43														
44	* See Page 15 for note.													
45														
46														
47														
48														
49														
50														
51														
52														
53														
54	Total		NONE			NONE		32 961 885		39 706 376				

## 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 issue 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)					
	(a)	\$				\$				\$				\$				\$					
1	I. Land:	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x		
2	(121-01) Land and Land Rights											241	722		3	204	415		2	962	693		
3	II. Buildings:	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x		
4	(121-02) Buildings and appurtenances on land owned								11	500		778	339		6	822	037		6	055	198		
5	(121-10) Buildings and appurtenances on land not owned								411	280		304	899		6	225	083		6	331	464		
6	(121-08) Improvements to buildings not owned								601	109		3	461	035		6	448	463		3	588	537	
7	Total buildings							1	023	889		4	544	273		19	495	583		15	975	199	
8	III. Equipment:	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x		
9																							
10	(121-03) Revenue Equipment								190	599		16	585	250		48	962	969		32	568	318	
11	(121-04) Service Cars and Equipment								400			884	189			892	509			8	720		
12	(121-05) Shop and Garage Equipment								7	160			87	899			773	541			692	802	
13	(121-06) Furniture and Office Equipment								28	111			335	223			2	881	621		2	574	509
14	(121-07) Miscellaneous Equipment								166	981		3	335	072		11	089	317		7	921	226	
15																							
16																							
17																							
18																							
19																							
20																							
21																							
22																							
23	Total equipment								393	251		21	227	633		64	599	957		43	765	525	
24	Total real property and equipment							1	417	140		26	013	628		87	299	955		62	703	467	



## 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 (f), state the facts occasioning

such entries. The totals in columns (b) 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	Balance at beginning of year	CREDITS TO RESERVE DURING THE YEAR									
			CHARGES TO OPERATING EXPENSES				Other credits			Total credits		
			Current accruals		Prior year adjustment							
	(a)	(b)	(c)		(d)		(e)			(f)		
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	II. Buildings:											
2	(122-02) Buildings and appurtenances on land owned	1 580 278	548 058				20 184			568 242		
3	(122-10) Buildings and appurtenances on land not owned	1 917 412	541 461				6 728			548 189		
4	(122-08) Improvements to buildings not owned	3 523 539	65 889				29 155			95 044		
5	Total buildings	7 021 229	1 155 408				(1) 56 067			1 211 475		
6	III. Equipment:											
7	(122-03) Revenue Equipment	44 487 923	1 758 011							1 758 011		
8	(122-04) Service Cars and Equipment	651 904	180 721							180 721		
9	(122-05) Shop and Garage Equipment	608 106	41 038							41 038		
10	(122-06) Furniture and Office Equipment	2 836 564	106 146							106 146		
11	(122-07) Miscellaneous Equipment	7 757 622	416 708							416 708		
12												
13												
14												
15												
16												
17												
18												
19												
20	Total equipment	56 342 119	2 502 624							2 502 624		
21	Total real property and equipment	63 363 348	3 658 032						56 067	3 714 099		

Line No.	Account	Balance at close of year	DEBITS TO RESERVE DURING THE YEAR									
			Charges for retirements		Other debits			Total debits			Balance at close of year	
			(h)		(i)			(j)			(k)	
	(g)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	II. Buildings:											
2	(122-02) Buildings and appurtenances on land owned	1 950 574	197 946								1 752 628	
3	(122-10) Buildings and appurtenances on land not owned	2 074 050	321 551								1 752 499	
4	(122-08) Improvements to buildings not owned	1 286 500	2 332 083									
5	Total buildings	5 311 124	2 921 580									
6	III. Equipment:											
7	(122-03) Revenue Equipment	29 938 785	16 307 149								13 631 636	
8	(122-04) Service Cars and Equipment	7 902	824 723									
9	(122-05) Shop and Garage Equipment	565 508	83 636									
10	(122-06) Furniture and Office Equipment	2 574 509	368 201									
11	(122-07) Miscellaneous Equipment	4 130 143	4 044 187									
12												
13												
14												
15												
16												
17												
18												
19												
20	Total equipment	32 216 847	21 627 896								10 588 951	
21	Total real property and equipment	42 527 971	24 549 476								17 978 495	

(1) Depreciation expense on non-operating property.

## 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 building accounts	1	62	6	47	
6	III. Equipment:	XXXX	XX	XXXX	XX	
7						
8	(121-03) Cars	3	19			
9	(121-03) Automobiles	11	42	4	53	
10	(121-03) Line Equipment	14	83			
11	(121-04) Service Cars and Equipment	11	42	17	64	
12	(121-05) Garage Equipment	3	44	5	39	
13	(121-05) Shop Equipment	6	63			
14	(121-06) Office Furniture and Equipment	6	00	5	77	
15	(121-06) Office Safes	2	00			
16	(121-07) Trucks	6	45	4	86	
17	(121-07) Miscellaneous Equipment	8	81			
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 . . . . .	260 634 608
320	Foreign Express . . . . .	-
330	Interline Express. . . . .	1 311 642
340	Other Express. . . . .	175 767
350	Other Revenue. . . . .	<u>1 564 314</u>
	Total Operating Revenues . . . . .	<u>263 686 331</u> ✓

## 500-OPERATING EXPENSES

510	Equipment Maintenance. . . . .	19 322 598
520	Transportation . . . . .	138 730 192
530	Terminal . . . . .	30 954 424
540	Operations . . . . .	3 792 026
550	Marketing. . . . .	9 671 028
560	Finance and Administration . . . . .	14 469 860
570	Personnel. . . . .	210 873
590	Executive. . . . .	<u>3 417 174</u>
	Total Operating Expenses. . . . .	<u>270 568 175</u> ✓
	Net Operating Revenue . . . . .	<u>(6 881 844)</u>

## 600-NONOPERATING INCOME

610	Noncarrier Income. . . . .	19 451
620	Interest Income. . . . .	240 030
630	Dividend Income. . . . .	-
640	Other Income . . . . .	<u>58 197</u>
	Total Nonoperating Income . . . . .	<u>317 678</u>
	Total Income. . . . .	<u>(6 564 166)</u>

## 700-NONOPERATING EXPENSES

710	Interest Expense . . . . .	1 007 612
720	Debt Expense and Credit. . . . .	-
730	Other Expenses . . . . .	<u>927 674</u>
	Total Nonoperating Expenses . . . . .	<u>1 935 286</u>
	Ordinary Income Before Income Taxes . . . . .	<u>(8 499 452)</u>

## 800-INCOME TAXES ON ORDINARY INCOME

810	Income Taxes on Ordinary Income. . . . .	-
	Ordinary Income. . . . .	<u>(8 499 452)</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.....	<u>          </u>
	NET INCOME (OR LOSS).....	<u>( 8 499 452)</u>

RETAINED INCOME ACCOUNT

Deficit January 1, 1973	(35 699 684)
Net Income (Loss) (Page 25)	<u>( 8 499 452)</u>
Deficit December 31, 1973 (Page 45)	<u>(44 199 136)</u>

## 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)
		\$			
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		Loss	
			(c)		(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 (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	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)	PLEGGED						UNPLEGGED						DIVIDENDS DECLARED			
		Total par value			Cost or book value			Total par value			Cost or book value			Rate	Amount		
		(b)			(c)			(d)			(e)			(f)	(g)		
		\$	xx	xx	\$	xx	xx	\$	xx	xx	\$	xx	xx	%	\$	xx	xx
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																	
31																	
32																	
33																	
34																	
35																	
36																	
37																	
38																	
39	Other than express companies—Inactive:	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xx	xx	xxx	xxx	xx	xx
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 columns 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)	PLEGDED						UNPLEGDED						INTEREST ACCRUED		
		Total par value			Cost or book value			Total par value			Cost or book value			Rate	Amount	
		(b)			(c)			(d)			(e)			(f)	(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)	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)		
		\$	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						395,624			395,624			6.8%		6,726	
13	Certificate of Deposit-Irving Trust Co.	50,000			50,000									5.1%		2,292	
14	Certificate of Deposit-Irving Trust Co.	50,000			50,000									5.1%		2,292	
15	Certificate of Deposit-Irving Trust Co.	50,000			50,000									5.1%		2,231	
16	Certificate of Deposit-Irving Trust Co.	100,000			100,000									7.1%		3,017	
17	Certificate of Deposit-First Pennsylvania Bank &																
18	Trust Co.	100,000			100,000									7.1%		4,431	
19	Certificates of Deposit-First Pennsylvania Bank	1,000,000			1,000,000									6.8%			
20	& Trust Co.	500,000			500,000									9.4%		73,121	
21	Certificate of Deposit-Bank of Albany	30,000			30,000									4.0%		292	
22	Certificate of Deposit-First National Bank,																
23	Chicago, Illinois	30,000			30,000									5.0%		54	
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	1,910,000			1,910,000			395,624			395,624					94,456	

## INSTRUCTIONS FOR ANSWERING QUESTIONS ON PAGES 34 AND 35

**Marketable securities**

See applicable instructions on pages 31 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)		395	624		94	456
42	Funded debt of other than express companies—Inactive (pp. 29, 30, 32)		NONE			NONE	
43	Total		395	624		94	456
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)
		NONE	\$	
60				
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

### SINKING AND OTHER FUNDS

#### A. Income and Disbursements During the Year

[illegible]

\* - Accumulation of Discount

### B. Assets at Close of Year

[illegible]

**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

Classes of Property by Accounts (Continued)Annual  
Percentage Rates

121-06	Furniture and Office Equipment	
	Billing Machines and Typewriters )	5.00
	Adding, Listing and Calculating Machines )	
	Rugs, Carpets and Draperies	10.00
	Scales	3.57
	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

## P R I M A R Y O P E R A T I N G

Secondary Operating Expenses		Equipment Maintenance	Transportation	Terminal	Operations
		510	520	530	540
01	Payroll	6 514 860	51 493 878	45 718 602	2 329 741
02	Employees' welfare	2 301 469	18 281 441	15 964 053	811 803
03	Advertising	-	-	-	-
04	Taxes and licenses	50 714	4 296 776	1 236 536	3 144
05	Utilities	583	(3)	1 510 559	221
06	Supplies	4 325 260	6 700	1 910 614	87 940
07	Services purchased	5 305 283	17 379	1 551 091	213 218
08	Unclassified	9 764	61 322	108 068	54 587
09	Traveling	12 976	374 009	361 406	489 153
10	Communications	192	43 867	4 165 289	42 739
11	Pensions	-	-	-	-
12	Insurance	3 693	6 042 032	243 466	(1 157)
13	Depreciation	171 114	1 992 083	1 479 820	-
14	Professional services	-	1 729	-	355
15	Donations	-	-	-	-
16	Uncollectible revenues	-	-	-	5
17	Equipment rentals	16 989	5 103 308	229 133	93 111
18	Purchased transportation	-	43 951 707	2 109	25
19	Commission agents	-	9	1 417 930	-
20	Real property rentals	268 211	(42 060)	4 989 373	1 089
21	Tires and tubes	860 027	(55)	318	2 830
22	Motor fuel and oil	31 289	6 720 394	1 553	-
23	Demurrage and detention	-	46 897	-	-
24	Regulatory fees	-	-	-	-
25	Fire and Wreck	(511 560)	497 127	-	-
95	Other expense transfers	(42 048)	(213 797)	(271 724)	(12 755)
		<u>19 318 816</u>	<u>138 674 743</u>	<u>80 618 196</u>	<u>4 116 049</u>

## E X P E N S E S

E X P E N S E S				
EXPENSE	ACCOUNTS			
Marketing 550	Finance and Administration 560	Personnel 570	Executive 590	Grand Total
3 992 417	7 686 307	9 164 020	1 033 866	127 933 691
1 290 934	2 683 747	(42 016 363)	354 046	(328 870)
1 757 365	-	-	-	1 757 365
9 738	4 451	18 308 109	257 485	24 166 953
835	-	-	(238)	1 511 957
177 427	679 011	64 216	130 673	7 381 841
253 133	488 192	126 044	119 649	8 073 989
203 954	(41 044)	11 966	667 553	1 076 170
1 100 284	399 903	31 894	241 262	3 010 887
6 358	119 364	26	6 204	4 384 039
-	-	852 345	-	852 345
(849)	5 006	14 276 892	23 243	20 592 326
(12)	3 952	-	11 075	3 658 032
243 574	156 180	1 619	255 864	659 321
-	-	-	6 567	6 567
-	399 208	-	-	399 213
282 735	1 721 394	41 269	55 905	7 543 844
-	-	-	-	43 953 841
-	88	-	-	1 418 027
61	163 033	-	281 482	5 661 189
10 079	562	95	1 267	875 123
-	-	-	-	6 753 236
-	-	-	-	46 897
457	-	-	27	484
955	-	-	1 169	(12 309)
(91 978)	(61 383)	(67 707)	(46 591)	(807 983)
9 237 467	14 407 971	794 425	3 400 508	270 568 175



**MISCELLANEOUS INCOME**

### Miscellaneous income

Under this heading should be shown all items of income not specifically provided for elsewhere. The designation of all items included in "Miscellaneous income" should clearly indicate their character or else they

should be explained under "Explanatory Remarks" below. The net result shown in the column "Net miscellaneous income" should be carried to the Income Account on page 27.

Line No.	Source of income (a)	Gross income (b)	Expenses (c)	Net miscellaneous income (d)
1	Car mileage earnings from railroads on refrigerator cars owned by respondent	\$	\$	\$ 2 336
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				
51	Total			2 336

## 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 parenthesis.

**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 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)
		\$		\$		\$		\$		\$		\$		\$		\$	
1	Alabama		5 388				3203		7473		40631					56695	
2	Alaska				100				125							225	
3	Arizona		188		25		2733		160		7747					10853	
4	Arkansas		2 138				33		130		4763					7064	
5	British Columbia																
6	California		142 127				38255		726		114403					295511	
7	Colorado		10 389		105		22		3		12077					22596	
8	Connecticut		40 272		16		1949		100		76601					118938	
9	Delaware		3 154				198		6915		3494					13761	
10	District of Columbia		240		10				25		600					875	
11	Florida		0 615		5		7722		2530		55385					106257	
12	Georgia		21 709		5				765		32614					55093	
13	Hawaii				10		3912		100		30					4052	
14	Idaho		1 040				25		320		3888					5273	
15	Illinois		153 113		15		67		240		388556					541991	
16	Indiana		57 161		15		1961		302		34173					93612	
17	Iowa		11 420		27						20121					31568	
18	Kansas		3 411		20		558		225		10992					15206	
19	Kentucky		5 120		5						26688					31863	
20	Louisiana		3 473		5		1573		175		28079					33305	
21	Maine		4 737		10						6986					11733	
22	Maryland		75 261				705				(34083)					41883	
23	Massachusetts		135 498		35						59134					194667	
24	Michigan		35 832		193				10		73531					109566	
25	Minnesota		53 855		13		3266		15		22875					80024	
26	Mississippi		7 582		5				300		8673					16560	
27	Missouri		42 724		20		3789		235		43676					90444	
28	Montana		259		5		600				3587					4451	
29	Nebraska		3 860								7161					11021	
30	Nevada		1 062		10				442		7088					8602	
31	New Hampshire		5 213				260		70		3268					8811	
32	New Jersey		19 346		15		4363				170467					194191	
33	New Mexico		50		5		3		10		1044					1112	
34	New York		274 348				6162		1783		418481					700774	
35	North Carolina		12 115						5533		29587					47235	
36	North Dakota		2 715		10						2676					5401	
37	Ohio		63 063				10746		156		125662					199627	
38	Oklahoma		944		3				45		9940					10932	
39	Ontario																
40	Oregon		4 703		200		586		1020		2547					3056	
41	Pennsylvania		51 666				12638		198		207653					272155	
42	Total Carried Forward		1295 841		887		105329		30131		2 030795					3 463983	



# 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	\$ 1 295 841	\$ 887	\$	\$ 105329	\$ 30131	\$	\$ 2 030795	\$	\$ 3 462983
2	Puerto Rico	78				472				550
3	Rhode Island		15		64			2993		3072
4	South Carolina	9 384			103	206		22594		32287
5	South Dakota		10		119			5165		5294
6	Tennessee	38 707				2190		47394		88291
7	Texas	9 865			5535			37566		52966
8	Utah	1 941	5		10	25		11783		13764
9	Vermont	561	35					4684		5280
10	Virginia	12 263			57	359		72365		85044
11	Washington	3 474	3		39	286		13078		16880
12	West Virginia	5 262			31	1527		9555		16375
13	Wisconsin	18 105	15					22268		40388
14	Wyoming	255				100		9452		9807
15										
16										
17	U. S Government				(B)	197251	18 309 499(A)		(C)1 827222	20 333 972
18										
19	Total	1 395 736	970		111287	232547	18 309 499	2 289692	1 827222	24 166 953
20										
21										
22										
23										
24	(A) Federal excise tax - Railroad retirement Tax Act.								15 877870	
25	Unemployment Insurance contribution - Railroad Unemployment Insurance Act.								2 431629	
26										
27								Total	18 309499	
28										
29	(B) Federal use tax on Highway Motor Vehicles.									
30										
31	(C) Air Excise Tax paid to Airlines under Domestic Agreement.									
32										
33										
34										
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)
\$ 171 711	111	Cash.....	( 1 756 698)	( 1 928 409)
200 000	112	Temporary investments.....	9 082	( 190 918)
43 116	113	Notes receivable.....	43 617	501
19 024 906	114	Accounts receivable.....	23 160 692	4 135 786
(1 500 000)	115	Reserve for uncollectible receivables....	( 1 500 000)	---
193 053	116	Materials and supplies.....	245 637	52 584
2 889 944	117	Prepayments.....	2 743 849	( 146 095)
710 457	118	Affiliate receivables.....	3 096 843	2 386 386
---	119	Other current assets.....	---	---
<u>\$ 21 733 187</u>		Total current assets.....	<u>26 043 022</u>	<u>4 309 835</u>

## 120-Tangible Property

\$ 21 207 444	121	Operating property	59 829 896	
		Less: 122-Accumulated Depreciation	<u>41 739 816</u>	18 090 080
	123	Non-operating property	2 873 571	( 3 117 364)
<u>2 729 163</u>		Less: 124-Accumulated Depreciation	<u>788 155</u>	( 643 747)
<u>\$ 23 936 607</u>		Total tangible property.....	<u>20 175 496</u>	<u>( 3 761 111)</u>

## 130-Permanent Investments

\$ 1 899 212	131	Affiliate investments.....	1 899 212	---
2 075 095	132	Other investments.....	2 061 566	( 13 529)
<u>\$ 3 974 307</u>		Total permanent investments.....	<u>3 960 778</u>	<u>( 13 529)</u>

## 140-Other Assets

\$ ---	141	Intangible property.....	\$ ---	---
		Less: 142-Accumulated Amortization.	---	---
412 808	143	Deferred charges.....	232 204	( 180 604)
<u>3 008 372</u>	144	Special funds	<u>1 788 270</u>	<u>( 1 220 102)</u>
<u>\$ 3 421 180</u>		Total other assets.....	<u>2 020 474</u>	<u>( 1 400 706)</u>

<u>\$ 53 065 281</u>		TOTAL ASSETS	<u>52 199 770</u>	<u>( 865 511)</u>
----------------------	--	--------------	-------------------	-------------------



EXPLANATORY REMARKS

BALANCE SHEET SUPPLEMENT

CONTINGENT LIABILITIES

December 31, 1973

(Not Reflected in Balance Sheet Liabilities Page 45)

(1) PENSION PLANS

(a) Supplemental Retirement Plan \$1,329,000

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 market value of the pension fund as of January 1, 1972.

(b) Unfunded Retirement Plan \$2,500,000

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 July 1, 1973.

(2) OBLIGATIONS UNDER LEASE AGREEMENT \$6,000,000 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.

# EXPLANATORY REMARKS

- \* 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, 1973, amounting to \$3,740,877 is also removed from current liabilities - Accrued expenses and added to Stockholders' Equity - Earned Surplus.



## COMPARATIVE GENERAL BALANCE SHEET - LIABILITY SIDE

## 200-LIABILITIES

Balance at Beginning of Year		210-Current Liabilities		Balance at Close of Year	Net Change During Year Increase (Decrease)
\$	---	212	Dividends declared.....	---	--
	2 000 000	213	Notes payable.....	3 000 000	1 000 000
	4 239 369	214	Accounts payable.....	7 969 260	3 729 891
	---	215	Income taxes accrued.....	---	---
	5 049 130	216	Other taxes accrued.....	5 394 476	345 346
	28 281 019	217	Accrued expenses.....	33 295 013	5 013 994
	293 268	218	Affiliate payables.....	1 813 751	1 520 483
	1 317 563	219	Other current liabilities.....	2 794 586	1 477 023
\$	41 180 349		Total current liabilities.....	54 267 086	13 086 737
220-Long-Term Obligations					
\$	2 255 032(A)	221	Equipment obligations.....	2 070 496(A)	( 432 536)
	---	222	Bonds.....	---	---
	---	223	Other long-term Obligations.....	---	---
\$	2 255 032		Total long-term obligations.....	2 070 496	( 432 536)
230-Advances Payable					
\$	840 000	231	Affiliate advances payable	840 000	---
		232	Other advances payable 30 051 390		
	4 279 847(A)		Less: Notes held by Railroads 27 206 376 *	2 845 014(A)	( 1 186 833)
\$	5 119 847		Total advances payable.....	3 685 014	( 1 186 833)
240-Other Liabilities					
\$	5 201 158	241	Reserves.....	4 515 384	( 685 774)
	2 385 935	242	Deferred credits.....	2 238 282	( 147 653)
\$	7 587 093		Total other liabilities.....	6 753 666	( 833 427)
250-Shareholders' Equity					
\$	---	251	Preferred stock.....	---	---
	2 416 268	252	Common stock.....	2 416 268	---
	---	253	Capital stock subscribed.....	---	---
	---	254	Capital surplus.....	---	---
	(32 699 684)	255	Earned surplus.....	(44 199 136)	(11 499 452)
	27 206 376		Adjustment for rail notes *	27 206 376	---
\$(	3 077 040)		Total Shareholders' equity.....	(14 576 492)	(11 499 452)
\$	53 065 281		TOTAL LIABILITIES	52 199 770	( 865 511)

## 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, 1973 \$49 450 000

(A) This amount includes installments of \$1,567,000 which will be paid during calendar year 1974.

# 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:

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.
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 28 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 by its terms will remain in effect for six months after final decision (including court appeals) in either the C.A.B. rate case docket 22387 or service case docket 22388.

In December, 1973, the C.A.B. ordered the termination of the AIR EXPRESS Agreement, effective no later than June 5, 1974. REA Express has filed a Petition for Reconsideration of this order, which is pending.

## 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	8,765	4,475,046	4,861	2,629,533
2	(121-04) Service Cars and Equipment	95	240,605	1	818
3	(121-05) Shop and Garage Equipment	3,369	165,435	2,995	127,294
4	(121-06) Furniture and Office Equipment	9,744	45,057	8,676	---
5	(121-07) Miscellaneous Equipment	21,030	3,331,695	16,870	3,791,083
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23			8,257,838		6,548,728

## 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	109,926	22,736,614
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	109,926	22,736,614

Number of express offices in the United States at close of year: Joint with railroads 12  
All others 1,713

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 16,524,000



# 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 divisions" 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	xx xx	\$ xx xx xx	\$ xx xx	\$ xx xx	\$ xx xx xx
2	1	Executive and general officers	35		36	72481			1045350			1045350
3	2	Staff officials, division officers, and assistants	322		386	777756			5925454			5925454
4	(901)	Total (executives, officials, and staff assistants)	407		422	850237			6970804			6970804
5		II. PROFESSIONAL, CLERICAL, AND GENERAL	xx xx	xx xx	xx xx	xx xx	xx xx	xx xx	\$ xx xx xx	\$ xx xx	\$ xx xx	\$ xx xx xx
6	3	Professional and subprofessional assistants	12		12	25048			179257			179257
7	4	Chief clerks (A)	18		19	37475			204978			204978
8	5	Chief clerks (B), head clerks, and clerical specialists	525		535	1078071		37810	5432425		263229	5695654
9	6	Clerks	898		891	1796225		49753	8395862		342575	8738442
10	7	Nonlisting, adding, and calculating-machine operators	43		44	87945		1296	399632		8888	408525
11	8	Stenographers and typists	125		127	256228		1839	1165316		12118	1177434
12	9	Office attendants	65		68	137047		1651	643994		11947	655941
13	10	Route agents										
14	11	Agents—office, depot, and terminal	411		428	863695		1962	4795772		13934	4809706
15	12	Foremen—vehicle, depot, and platform	1060		1083	2183493		133395	10741416		234875	11676291
16	13	Warehouse and platform clerks	1734		1785	3598417		232289	16814358		1621285	18435643
17	14	Warehouse and platform laborers	1076		1099	2215037		127623	10306919		871833	11178752
18	15	Vehicle employees	4639		4830	9736725		894607	48565404		6175186	54740590
19	16	Police	29		29	59502		-	302005		-	302005
20	17	Claim agents and claim adjusters	7		7	14544		-	90565		-	90565
21	(902)	Total (professional, clerical, and general)	10642		10957	22089522		1482225	108037913		10255870	118293783
22		III. TRAIN TRANSPORTATION	xx xx	xx xx	xx xx	xx xx	xx xx	xx xx	\$ 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	xx xx	\$ xx xx xx	\$ xx xx	\$ xx xx	\$ xx xx xx
27	20	Foremen	110		115	230801		6924	1382864		64400	1447264
28	21	Machinists	317		329	663066		25513	3729516		220978	3950494
29	22	Other craftsmen	43		44	88722		3584	488196		26178	514374
30	23	Apprentices and helpers—all trades	10		10	20134		902	94066		6340	100406
31	24	Garage employees	76		76	153850		5094	718195		35058	753253
32	25	Laborers, unclassified	4		4	9003		271	44493		2000	46493
33	(904)	Total (maintenance and stores)	560		578	1165576		42288	6457330		354954	6812284
34	(905)	Grand total, all employees	11609		11957	24105335		1524513	121466047		10610824	132076871

Revised 4-25-74

## 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 a year when the salary is changed. Also, when a 10 percent (or other percent) reduction is made, the net rate and not the basic rate should be shown.

Line No.	Name of person (a)	Title (b)	Salary per annum as of close of year (see instructions) (c)			Other compensation during the year (d)		
1	P. J. Byrne	V.P.-Air & International	\$ 59	918	16	\$		
2	J. G. Cunningham	Sr. V.P.-Oper. & Maint.	54	809	59			
3	R. J. Corgel	V.P.-Labor & Service Cont.	44	783	51			
4	R. A. Simpson	Senior Vice President	47	724	28			
5	J. F. McQuaid	Area Vice President	42	958	72			
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, subscription, 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, irrespectively of the amount thereof, if the total amount paid by all contributors for the performance of the particular service is equal to the sum of \$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 (a)	Nature of service (b)	Amount of payment (c)		
31	Mainstem, Inc.	Consulting	\$	127	706
32	Cahill, Gordon, Sonnett, Reindel, & OHL	Legal		50	000
33	Anderson, Allegaert & Kill	Legal		40	563
34	Arthur Andersen & Co.	Auditing		40	000
35	Nellson, Inc.	Advertising		39	967
36	Richmar Printing, Inc.	Advertising		39	166
37	Bleakley, Platt, Schmidt, Hart & Fritz	Legal		35	175
38	Gary Bergman Associates	Consulting		31	850
39	Schlack & Co.	Consulting		27	317
40	Aviation Advisory Service, Inc.	Consulting		23	860
41	APA Company	Consulting		23	500
42	J. Woodrow Thomas	Legal		20	333
43					
44					
45					
46					
47	Total			499	437



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 } ss:

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, 1973, to and including DECEMBER 31, 1973

*E. Kania*  
(Signature of affiant)

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

county above named, this 29th day of MARCH, 1974

My commission expires

[ 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, 1976

SUPPLEMENTAL OATH

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

State of NEW YORK }  
County of NEW YORK } ss:

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, 1973, to and including DECEMBER 31, 1973

*Walter S. Bodan*  
(Signature of affiant)

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

county above named, this 29th day of MARCH, 1974

My commission expires

[ 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, 1976

## 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 (✓) 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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