In Memoriam

John Longanecker Webb was born in Scottdale, Pa., on March 17, 1890 and joined the Railroad there in 1908 as a Ticket Clerk. Subsequently, in 1913 he was made Chief Clerk to the Supervising Agent of the Pittsburgh Division, was appointed Station and Transfer Clerk at Pittsburgh in 1918, Assistant Supervising Agent on the Philadelphia Terminal Division later that year, and Supervising Agent of the Manhattan Division in 1920. He served in turn as Supervising Agent of the New York Division and Ticket Agent at Pennsylvania Station, New York; was promoted to Superintendent of Stations and Transfers—Central Region in 1927, transferred in the same capacity to the Eastern Region in 1933. He was made General Superintendent of Stations and Transfers in 1939 and was appointed Manager of Stations and Motor Service in 1943. On November 1, 1955, his title was changed to Manager, Freight Stations and Motor Service.

Mr. Webb, a leading figure in the development of coordinated rail and truck service and other advances in the handling of less-than-carload freight, was recognized as an expert in these fields throughout the railroad industry. He served on many Committees of the Association of American Railroads.

From December 1, 1953 until his retirement on March 31, 1957, Mr. Webb had direction of the trucking companies of The Pennsylvania Railroad Company.

Mr. Webb died suddenly on April 7, 1957.
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PREFACE

This is the history of the trucking operations of the Pennsylvania Railroad, starting with the first movement by truck and carrying through to the present time.

It is respectfully and affectionately dedicated to the late Joseph L. Scott, who had much to do with the early operations and forming and carrying out the policies of the railroad in this field.

One of "Joe" Scott's most valuable assets was his ability to select and train young men, and most of the officers who have carried the operations of the railroad's trucking companies to their present high state of efficiency received training under him.

Mr. Scott, admired and respected by all who knew him, passed away on May 2, 1938, at a time when the trucking activities of the Pennsylvania were at their broadest scope. No history of the Pennsylvania trucking activities would be complete without recognition of his ability, initiative and resourcefulness.
"Then Came the Motor Truck"

PART I

The Story of Trucking on the Pennsylvania
"THEN CAME THE MOTOR TRUCK"

The story of trucking on the Pennsylvania Railroad

By JOHN L. WEBB

Manager, Freight Stations and Motor Service

THE EARLY DEVELOPMENT OF TRUCKING:

Drayage of traffic to and from railroad stations began the day the first shipment moved by rail. It was done with various forms of conveyance — wheel-barrows, buggies, buckboards, drays and wagons, depending on the volume to be moved and the distance to and from the rail station.

Before the motor truck, the railroad was the only medium of transportation, because in most areas there were no paved roads over which traffic could move, and in all areas, there was nothing but horse-drawn vehicles to move it. After the introduction of the automobile, it was only a short time until somebody, in effect, put a truckbed on an automobile chassis, but for a time the automobile continued to be considered a luxury and the motor truck an undependable means of transporting freight.

The years, of course, have proven how wrong this conclusion was, but few could then foresee the developments of the future or the effect they would have on transportation by rail. Every year brought improvement in motorized highway equipment and in the highways on which to move it.

It must be difficult for one not having had the opportunity to watch the early development of highway transportation to visualize the situation that existed in the early 20th century. At that time, with all traffic moving by rail, it was almost necessary for progress that a community be located on a railroad, and the Pennsylvania Railroad, like others, had thousands of small communities located on its lines, to and from which traffic moved.

An illustration is the territory between Scottdale, Pa., and Connellsville, Pa., a distance of seven miles, with seven small communities at which passenger trains stopped "on flag" and at which package freight had to be loaded and unloaded. The final movement of this freight was by a "local" or "peddle" freight train, meaning that agreed upon stations loaded a car for the area, keeping the freight for each destination together in the car and in the order, by stations, in which it would be unloaded. Every "local" freight train had to carry men to unload or load freight as the train passed along the railroad.

This was the general practice, and it was advantageous to concentrate freight for "local" freight trains at some point reasonably close to destination. The Pennsylvania, like other railroads, operated small transfer stations adjacent to the areas to be served. Through these the traffic moved, and here it was loaded in delivery station order into the "local" or "peddle" cars.

Much handling was incurred in order to get the freight to the final transfer point. A good illustration is the situation on the Pennsylvania, where every large city was an important transfer point and there were stations which operated as minor transfers at most junction points with branch lines.

In addition, with none of the present competition, the volume was such that large transfer stations, independent of receiving and delivery operations, were located at strategic points over the railroad such as Waverly, N. J.; Philadelphia (Mantua), Pa.; Northumberland, Pa.; Columbia, Pa., White Hill Transfer at Lemoyne, Pa.; Harrisburg, Pa.; Cresson, Pa.; Pitcairn, Pa.; Pittsburgh-Federal Street, Pa.; Alliance, Ohio; Cincinnati-East End, Ohio; Balti-
more-Calvert Street, Md.; and, jointly with the other northern and southern railroads, Potomac Transfer, just south of Washington, D. C. (Of these facilities, all but Philadelphia Transfer, Pittsburgh-Federal Street and Baltimore-Calvert Street stations disappeared long ago, and none of the facilities remaining is used as a transfer or even to handle L.C.L. traffic.)

"THEN CAME THE MOTOR TRUCK" with a broad implication that was not discernible to most at the time it began to locally displace horse-drawn vehicles—namely, that these vehicles could run over the highways just as readily as the automobile. From the beginning, the motor truck provided door-to-door service, picking up freight at the shipper's door and taking it to the consignee's door, providing overall a very satisfactory service without many of the difficulties with which a shipper was faced when using rail. Service was naturally advertised as the principal advantage.

While the service by motor truck was what might be called introductory and experimental, it immediately proved successful and of value to the public. Management recognition of its worth and promise was clearly set forth in the company's Annual Reports for the years 1924, 1925, 1926, 1928 and 1929.

Increase in the volume of traffic moved by motor truck, as equipment and roads improved, led to much discussion concerning ways and means of meeting the competition and emphasizing service, not only as it related to time en route, but also with respect to simplification of handling procedures in the larger cities, of which Philadelphia and Pittsburgh were good examples.

At one time the Pennsylvania had 32 freight stations in Philadelphia receiving and delivering L.C.L. traffic, all served by box cars, even though the final transfer point for much of the traffic was only a few miles away. Because of the large volume of L.C.L. traffic moving over the rails, there was no station that could handle all of the traffic. If there had been such a station, the expense of operating it would have been prohibitive.

The situation at Pittsburgh was the same, but can be more readily described by the author, who was promoted into the Supervising Agent's office in Pittsburgh on August 16, 1913. The Pennsylvania operated various freight stations which served patrons according to the territory into which their freight was going to move or from which it had been received. Pittsburgh-Duquesne Freight Station handled traffic to and from the East, but was not large enough to handle all of the outbound traffic over the platform and into cars, as was the ordinary method. Cars were therefore placed in a large team yard and the patron's wagon had to distribute outbound freight from car to car according to its destination, with the railroad keeping men in the cars to check and stow the freight as it was received. The other stations did not require movement of the vehicle from car to car, but Pittsburgh-16th Street Station handled only freight to and from the line from Oil City to Buffalo; Pittsburgh-26th Street Station, to and from stations in Allegheny Valley; Grant Street Station, in and out over the Panhandle route to St. Louis; and Penn Street Station, in and out over the Fort Wayne route to Chicago. Shady-side and East Liberty Stations handled freight to and from all points.

In Allegheny, directly across the Allegheny River, traffic to and from the East and West was handled at North Avenue Station. Originally Anderson Street Station, and later Federal Street Station, handled freight to and from all points, but loaded much of it through transfers.

On the South Side, across the Monongahela River, two stations, Pittsburgh-Carson Street and Pittsburgh-23rd Street, handled traffic to and from all points.
It was entirely possible that a patron located in Pittsburgh and desiring the quickest service would have to send his vehicles to all of these stations in order to ship his freight, although any one of them would take all of the traffic for the slower handling through transfer stations. Except to ship by river barge, and this service was very limited, there was no other way to move freight.

Nevertheless, steam packets were operated on the rivers, even up the Monongahela. These boats carried passengers as well as freight and were, while serving a limited area, an accepted means of transportation.

Many will recall the “Steamer Maryland Route” for passengers to New England, with through cars operating by rail to Jersey City, where they moved via the Steamer Maryland to Harlem River thence via rail to New England. But few may remember that the “Steamer Maryland Route” was also used to transport freight cars, with through L.C.L. cars operated from transfer stations on our railroad to transfer stations on the New Haven Railroad.

Some will recall the situation on the Delmarva Peninsula, where many shore towns were served by boats of the Baltimore and Virginia Steamship Company, with freight moving into Baltimore by rail and then by boat to the many towns along the Eastern Shore of Maryland; also the movement by ferry from Baltimore to Love Point, where L.C.L. freight was loaded into cars to move out over the Baltimore and Eastern Railroad.

THE START OF “SUBSTITUTED” SERVICE

The officers of the Pennsylvania were quick to see how movement by truck, for much of the distribution of L.C.L. traffic, would materially reduce expense by taking off the railroad local freight trains, always a hazard to service and economical operations, because of interference with other train movements. In January, 1923, they introduced “substituted” service, meaning operation of motor trucks in place of local freight trains.

One of the original operations in this field, in which the author was privileged to participate, was on the east end of the New York Division. Equipment was hired from a company operating in the area, but much assistance came from companies manufacturing automotive equipment.

The late John Wargo, who drove one of the original trucks for Scott Bros., Inc., supplied some details of this early operation in December, 1956, a month before his death. The trucking equipment was kept in a garage in Bordentown, N. J., he said, and each day the drivers would go to Bordentown, pick up their trucks, move empty to Trenton, secure their loads, and operate their respective runs. They would then return to Trenton, unload their freight, and take the empty equipment back to Bordentown.

Mr. Wargo recalled that the equipment operated was mostly White, Mack, Diamond T and Garford. All equipment was of the five-ton variety, with solid tires, bodies with 42-inch racks and bows, and equipped with tarpaulins. Practically all of the roads were dirt, he said, and during bad weather they got stuck in mud almost every day.

Problems that arose in the rapid development of the service, using hired equipment, pointed to the advisability of the railroad’s owning the equipment, so that it could be arranged in the manner best suited to meet the railroad’s objectives. On December 15, 1926, the American Contract and Trust Company made the first investment—the purchase of 2500 shares in Scott Bros., Inc., a Philadelphia company, for $25,000.

The second investment was the purchase of 1400 shares of preferred stock of the Pennsylvania Transfer Company of Pittsburgh on May 23, 1928, for
The third investment was the purchase of 30% of the shares of the Baltimore Transfer Company of Baltimore City, a Maryland Corporation, (2688 shares on October 10, 1928, and 600 shares on March 17, 1930) for $82,200.

These purchases, all by the American Contract and Trust Company, were followed in quick succession by investments in the following companies:

- **April 18, 1929** ............ Del-Mar-Va Motor Transport Co., Norfolk, Va... $ 1,000
- **July 11, 1929** ............ Buffalo Storage & Carting Co., Buffalo, N. Y...... 185,000
- **October 1, 1929** .......... The Edwards Transfer Co., Columbus, O. .... 15,000
- **November 12, 1929** ....... The Union Station Transfer Co. of Dayton, O .... 15,000
- **December 2, 1929** .......... Merchants Trucking Co., Norfolk, Va......... 15,200
- **December 2, 1929** and January 20, 1930... The Cleveland Cartage Co. .......... 112,500
- **December 31, 1929** ...... The Moreton Truck Co., Detroit, Mich. ...... 42,000
- **March 31, 1930** ............ The Willett Co. of Chicago ................. 400,000
- **September 17, 1930** ...... Terminal Trucking Co., Jersey City, N. J ........ 1,000
  (name changed to Excelsior Trucking Co. September 18, 1930)

On September 29, 1934, and January 10, 1935, investments of $400. and $5,600., respectively, were made in a newly organized company, Willett Co. of Indiana, and on June 26, 1935, the Union Transfer Affiliated Company of Philadelphia was purchased for $50,000.

The acquisition of interests in these companies also gave the railroad, through the American Contract and Trust Company, an interest in their subsidiaries, which as of June 30, 1935 were:

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**THE DEVELOPMENT OF “SUBSTITUTED” SERVICE AND THE USE OF COMPANY-OWNED EQUIPMENT:**

The overall result is well known, for the service immediately proved successful and has been gradually extended until today it covers approximately 86.8% of the railroad, the only territory not served is that where volume and location of highways still preclude an economical establishment of the service.

It was and is necessary for the trucking companies performing this service to secure “rights” to perform it from the various state regulatory authorities if intra-state traffic is to be handled, as is always the case.

One of the most valuable certificated rights held by Pennsylvania Truck Lines was issued by the Pennsylvania P. U. C. on March 6, 1933. This
certificate permits Pennsylvania Truck Lines to transport intra-state traffic over any highway route paralleling the railroad for distances up to 50 miles from the originating station. In other words, we automatically have rights to transport intra-state traffic up to 50 miles from any zone station now established or which may be established in the future.

There are, at present, 286 routes operating from 142 zone stations.

THE ESTABLISHMENT OF THE “TRUCK BODY” PLAN:

On November 5, 1931, a new form of co-ordinated rail and truck service known as the “Truck Body” plan was established. Under the plan, truckmen used equipment with demountable bodies to pick up solid loads of freight in the city of origin. The truck bodies had hooks on them, located at each of the four corners, and when loaded they were moved to the rail yard where ordinary “team track” cranes, using cables and spreaders, picked up each body from its chassis and set it on a car. The car was then moved to destination and the pick-up operation reversed for delivery.

There was extensive usage of the service along the Eastern Seaboard for some years after its establishment, but it gradually declined until the movements were occasional, rather than regular. While the tariffs were permitted to remain in effect to accommodate the few who were using the service, they were gradually reduced in coverage, and finally cancelled on June 25, 1954.

It is a rather odd happening that about two years after this tariff was cancelled, a truckman, bothered by difficulties in over-the-road movement in the same area, asked our railroad to participate in the issuance of a tariff to cover much the same kind of movement except that the shipper, in addition to furnishing his own box or body, would also own or lease the flat car on which it would move. Whether the I.C.C. will approve a rate for this service is not yet known, but the interesting factor is that there are some who still believe in the value of such movements and are willing to “buck” precedents.

THE ESTABLISHMENT OF PICK-UP AND DELIVERY SERVICE:

The companies which we owned or in which we had an interest formed the nucleus of the trucking operations of the Pennsylvania. Most of them were performing over-the-road service for the public, in addition to substituted service for account of the railroad and extensive trucking service in local areas, and were prominently in the picture when, on December 1, 1933, the Pennsylvania established pick-up and delivery service for L.C.L. traffic.

This was done to meet the service offered by motor common carriers operating over the highways, which were constantly increasing in number and extending their coverage, with the freight picked up at the door of the consignor and delivered to the door of the consignee.

Weeks of preparation were involved, as it was necessary to acquaint both the public and the truckmen who were to perform the service with our intention and the methods we would follow. Conferences with 700 draymen to be employed, and with our agents, were held over the railroad.

Many will recall that this followed experimental operations such as those started between Philadelphia and Atlantic City-Ocean City, N. J., on June 25, 1932; between New York and Long Island Rail Road stations on October 1, 1932; and between Philadelphia-Camden-Chester-Marcus Hook-Wilmington-Baltimore and Delmarva Peninsula stations on March 20, 1933. This was not a complete service within the station to station rate; it was so applied within a distance of 260 miles, but beyond 260 miles there was an added charge.

On April 1, 1936, a tariff was filed for the complete service within the
rate, but was suspended by the I.C.C. and was not allowed to go into effect until December 1, 1936.

History has a way of repeating itself: this was not the first time pick-up and delivery service had been established. The records show that free pick-up and delivery service was inaugurated in 1867 by the Pennsylvania Railroad (PB&W) on traffic moving between New England points, New York City and Philadelphia on the one hand and Baltimore and Washington on the other hand. The governing tariff provided for free pick-up and delivery when shipments moved under first, second and third class rates to or from Baltimore and first, second, third and fourth class rates to or from Washington.

At Baltimore, the Baltimore Transfer Company was engaged to handle the traffic at a rate of 5¢ per cwt. for first class, 4.5¢ per cwt. for second class and 4¢ per cwt. for third class, the average payment being 4.5¢ per cwt.

Free pick-up and delivery service was inaugurated by the Baltimore and Ohio Railroad in the year 1886 upon completion of its line between Philadelphia and Baltimore. This railroad employed the Blue Line Transfer to perform the service at Baltimore at a rate of 4.25¢ per cwt.

The free pick-up and delivery service was originally started by the Pennsylvania Railroad to compete with water transportation, and also because of the lack of station facilities in both the Baltimore and Washington areas to take care of the increased volume of traffic.

The first railroad pick-up and delivery service was finally withdrawn by both railroads September 1, 1913, because of the complaint of other large eastern cities of discrimination.

THE ESTABLISHMENT OF HIGHWAY COMMON CARRIER SERVICE FOR THE PUBLIC:

It had been hoped that pick-up and delivery service would stop the diversion of traffic to the highways, but, although helpful, it was not conclusive. Because of the continuing diversion, it was decided, following the passage of the Motor Carrier Act in 1935, to meet this competition by purchasing additional trucking companies which held common carrier rights paralleling the important main lines of the Pennsylvania.

This was to broaden the service so that those desiring to ship by rail could continue to do so and, so that those who saw advantage in having their traffic move over the highways, could get the same service from the railroad. On October 23, 1935, the Board of Directors of the Pennsylvania Railroad passed the following resolution:

"Resolved that the Board authorizes the expenditure, as the President may direct, of $600,000. in connection with the expansion of trucking in accordance with such procedure as is required by the Interstate Commerce Act or applicable State Laws."

Messrs. J. L. Scott, President, and G. G. Young, Vice President, Scott Bros. and other wholly-owned companies, and R. J. Littlefield, Superintendent of Motor Service, were delegated to make necessary purchases. These, of course, required approval of regulatory authorities, meaning that a satisfactory purchase had to be arranged and then be approved.

Initial purchases included those of the Barker Motor Freight Lines, having common carrier rights over extensive areas in Ohio and Indiana, completed on April 16, 1937, for $25,000; the Alko Express Lines, operating between Pittsburgh and Lancaster, on April 30, 1937, for $183,002; and the Chicago-Cincinnati Motor Freight Lines, on May 11, 1937, for $15,000. All purchases were made by the Pennsylvania Truck Lines.
These three purchases, together with the rights held by the trucking companies already owned or partially owned, gave the Pennsylvania Railroad substantial coverage, but additional Ohio intra-state rights were needed for the performance of substituted service. Therefore, the rights of the Merchants Transfer Company of Delaware, Ohio, were purchased on April 29, 1937, for $3,500.; those of the Lecrone Transportation Company on April 10, 1939, for $1,500.; and those of the Strawser Motor Freight Lines on August 25, 1942, for $4,000.

The application to the Interstate Commerce Commission to acquire the Barker Motor Freight Lines was the first application made by the Pennsylvania Railroad under the provisions of the Motor Carrier Act of 1935. The hearings extended over many months, as there was great fear on the part of the trucking industry that the railroad was going to hurt its growth, and everything possible was done to keep the railroad out of the long-haul trucking field. The truckers worked through members of Congress and members of the Interstate Commerce Commission, and it was necessary for the railroad to prove that these common carrier rights would be used to promote railroad transportation as well as regular truck transportation. This was accomplished by showing that the trucking company would be used in furnishing "substituted" service as well as continuing over-the-road common carrier trucking.

An important development was a requirement by the Interstate Commerce Commission that before they would approve the purchase of the Barker Motor Freight Lines by the Pennsylvania Truck Lines, ownership of the latter company had to be transferred from the American Contract and Trust Company to the Pennsylvania Railroad. This was done and it so remains to this day. The comment of the Commission was:

"We are informed that there has been a legal question as to whether or not the railroad, under its charter, has the right to own directly the stock of a motor carrier, and that it was for this reason that stock of vendee and other motor-carrier companies was acquired through the Contract Company. We are further informed that as quickly as the legal right of the railroad to hold motor-carrier stock directly is definitely determined, or it is felt safe, in the opinion of counsel, to do so, the Contract Company will either dissolve or will relinquish its ownership of motor-carrier securities to the railroad. It is indicated that counsel now believe that, under the Motor Carrier Act, 1935, direct ownership of the securities of motor carriers can be justified."

The Commission approved the acquisition of the Barker Motor Freight Lines, and one of the conditions of the approval read as follows:

"That the Pennsylvania Railroad Company take such steps as are legally possible to acquire, subject to our approval, from the American Contract and Trust Company all interest which the latter owns in Pennsylvania Truck Lines, Incorporated."

In a subsequent order entered on March 6, 1937, in 5 M.C.C. 9, the Commission approved the acquisition by the Pennsylvania Railroad of control of Pennsylvania Truck Lines by purchase of its entire capital stock for a sum not in excess of $267,666.64.

THE DEATH OF PRESIDENT J. L. SCOTT AND ADMINISTRATIVE CHANGES:

On May 2, 1938, Joseph L. Scott died. Mr. Scott was President of the companies wholly-owned by the American Contract and Trust Company and the Pennsylvania Railroad, and was one of the best informed and most widely respected men in the industry.
On June 1, 1938, George G. Young, who, as Vice President, had worked closely with Mr. Scott, was elected President of the wholly-owned companies.

On May 1, 1942, following a decision that the continuing growth of the wholly-owned companies and problems of operations required jurisdictional changes, Joseph P. McArdle, formerly Manager of the Willett Company of Indiana, was appointed President of that company and also of the Pennsylvania Truck Lines, Buffalo Storage and Carting Company, Alko Express Lines, and Excelsior Express Company. Mr. Young continued as President of Scott Bros., Union Transfer Affiliated Company, Peninsula Auto Express Company and Merchants Trucking Company.

SITUATION AS OF DECEMBER 1, 1943 — PROMOTION OF THE AUTHOR:

The situation as of December 1, 1943, was that the Pennsylvania had blanketed its railroad with trucking companies that were performing over-the-road common carrier service and/or "substituted" service, as well as "local" service, and was fulfilling the intention of the President, with Board of Directors' approval, to place itself in a position where patrons, desiring their traffic to move via rail could use the Pennsylvania, and those desiring their traffic to move via highway could use a trucking company in which the Pennsylvania had either complete or partial interest. System direction of the trucking companies was a part of the responsibilities of J. C. Rill, Chief of Freight Transportation, to whom the author, as General Superintendent of Stations and Transfers, reported.

The date of December 1, 1943, is mentioned because that was the date of my appointment to the newly established position of Manager of Stations and Motor Service, reporting to the Vice President of Operations, and taking over responsibility for the operation of the trucking companies. With the appointment came advice from J. F. Deasy, Vice President of Operation, that something had to be done about the financial situation of the companies. Some of them were heavily in debt and their future, as will be explained later, looked precarious.

THE DISCONTINUANCE OF HIGHWAY COMMON CARRIER SERVICE FOR THE PUBLIC:

On December 13, 1943, just 12 days after this appointment and approximately eight years after the railroad entered into over-the-road common carriage by motor truck, President Clement, in a message to Pennsylvania Railroad stockholders, advised that:

"As to trucking service the policy of the Pennsylvania Railroad is to perform either by ownership or by contract such collection and delivery service as is necessary for it to render a complete transportation service to the public and such accessorial service as will enable it to attract business to the rail lines."

On March 1, 1944, Mr. Clement called Fred Carpi, then Assistant General Traffic Manager, and me to his office, and said he wanted to discuss getting the trucking companies of the Pennsylvania Railroad out of motor common carrier service for the public.

This was the "proceed" signal we had been anticipating and action was started immediately, but to get the most out of the over-the-road rights, which were valuable because of the enactment of the Motor Carrier Act of 1935, a long series of negotiations was required with various companies desiring to
extend their operations. It was not until May 27, 1948, that J. M. Symes, then Vice President of Operations, on the basis of completion of sales or of negotiations for sales, subject to Interstate Commerce Commission approval, was finally able to advise the President that:

..."with the sale of Alko Express Lines, the Pennsylvania Railroad will be entirely out of over-the-road common carrier operations, activities being confined entirely to station-to-station, local transfer and pick-up and delivery service for the railroad, and local service for the public in the cities where the remaining companies operate."

Most of the operating rights obtained through the purchase of trucking companies in 1937, to establish common carrier service, had been used to expand the operations of the Pennsylvania Truck Lines and the identity of the individual companies had been lost. With the exception of Alko Express Lines, it was largely a question of selling these same rights.

The interstate rights between Chicago and Cincinnati were sold to H. F. Hahne on December 28, 1945, for $12,000.; the Ohio intra-state rights were sold to John Morrison on May 22, 1946, for $1,000.; the Ohio irregular intra-state rights were sold to the Strawser Motor Freight lines on May 22, 1946, for $1,600.; and the interstate rights between Columbus, Ohio, and Detroit, Michigan, were sold to P. J. Cummins on May 22, 1946, for $7,500.

Buffalo Storage and Carting Company on December 31, 1944, sold its rights to operate over the highway between Buffalo and Cleveland for $10,000., and its vehicles and inventories for $80,000. This also cleared up an objection of the New York Central Railroad, which claimed this operation was an invasion of its territory.

The Edwards Transfer Co., Columbus, Ohio, was sold to D. E. Edwards, the original owner, on September 1, 1944, for $8,000.

The Union Station Transfer Co. of Dayton, Ohio, was sold to J. G. Hill on March 19, 1947, for $7,500.

The Union Transfer Affiliated Company, which had maintained its identity, operating common carrier service between Philadelphia-Newark-New York, Philadelphia-Baltimore-Washington, and Philadelphia-Seashore points, suspended operations on February 28, 1948, and sold its operating rights for $42,000—part to Highway Express Company for $5,000., part to L. L. Evans for $12,000., and the balance to A. Duie Pyle for $25,000. On July 21, 1948, Union Transfer paid the American Contract and Trust Company $156,282.73 as settlement for outstanding stock. The balance of the company's cash, $222.73, was turned over to the American Contract and Trust Company at a later date, making the total payment $156,505.46, and the company was dissolved on October 20, 1949. As the American Contract and Trust Company had to pay the company's corporate income tax and federal income tax, amounting to $10,324.58, only $146,180.88 was realized on its original investment of $150,000.

The Peninsula Auto Express was merged with Scott Bros. on April 1, 1950. With this merger, the Interstate Commerce Commission cancelled the irregular route rights extending from Wilmington to Philadelphia, Ambler, West Chester and Marcus Hook and into New Jersey. Proceedings to bring this change about were originated on July 18, 1945.

The Merchants Trucking Company, operating common carrier service from Norfolk-Cape Charles to the Maryland-Virginia State Line, found no purchaser until April 2, 1951, when the rights were sold to the Triple Transportation Company for $1,000.
It may have been noted that no comment has been made on the disposition of the Del-Mar-Va Motor Transport Company, of Norfolk, Va.; the Moreton Truck Company, of Detroit, Mich.; and the Excelso Trucking Company, of Jersey City, N. J.

The Del-Mar-Va Motor Transport Company, what might be called a holding company, had been dissolved August 10, 1940, and its subsidiary, the Merchants Trucking Company, retained.

The Moreton Truck Company lost its importance when management decided to put the Pennsylvania Transfer Company into the area in December, 1935, to perform terminal services for the railroad and service for Joseph T. Ryerson Company, and the 240 shares of stock purchased December 31, 1929, by A. C. & T. had been sold back to Mr. Moreton on October 24, 1939, for $200., charging off $41,800. to profit and loss.

Scott Bros., Inc., performed the job that was intended for Excelso. The latter company was dissolved on January 23, 1947.

Companies in which the railroad had an interest which were performing over-the-road service for the public and also “substituted” or “local” service for the railroad were the Willett Company of Chicago, Cleveland Cartage Company of Cleveland, the Baltimore Transfer Company of Baltimore, and their subsidiaries. Since their operation for the railroad was on a contract basis and entirely independent of the over-the-road operations, it was agreed that there would be no conflict in policy in continuing partial ownership in these companies. They were not a part of the proceedings authorized in October, 1935, whereby the railroad took steps to provide over-the-road service for the public. Consequently, the partial ownership in these companies was continued and the railroad continued to hold minority representation on the Boards of Directors, with only one move made necessary by later developments.

That move, on November 16, 1943, followed a protest from the New York Central Railroad that the Pennsylvania Railroad was invading its territory through partial ownership in the Western Express Company, a subsidiary of the Cleveland Cartage Company, operating over the highway from Toledo, Ohio to Boston, Mass., and directly following the line of the New York Central Railroad. As a result, the railroad officers who were on the Board of Directors of the Cleveland Cartage Company and its subsidiaries, resigned from directorships in the Western Express Company, leaving the guidance of this company completely in the hands of the non-railroad members. The New York Central was advised of this action and satisfied with it. That situation has continued up to present writing.

INDEBTEDNESS OF WHOLLY-OWNED TRUCKING COMPANIES:

A few days after my appointment as Manager of Stations and Motor Service, the question of the indebtedness of certain of the wholly-owned trucking companies came to the front and J. F. Deasy, Vice-President of Operations, requested that something be done about it. My experience in the widespread station operations of the Pennsylvania Railroad had long since established that the only way to find out why expenditures were high or out of line was to go on the ground and get the facts, and that is what I did with this new problem. This was the situation I found:

Scott Bros., Inc. .......... Indebtedness—To the First National Bank of Philadelphia .......... $ 100,000*

“ —To the American Contract & Trust Company .......... 281,700

Total $ 381,700

14
Pennsylvania Truck Lines, Inc.  
"—To Scott Bros. (For equipment & insurance premiums... $ 229,627  
"—To Pennsylvania Railroad... 219,300  
"—To Buffalo Storage & Carting Company ......... 30,000  

Total $ 478,927

Alko Express Lines, Inc. .....  
"—To Pennsylvania Truck Lines, Inc. .......... $ 251,377  

Union Transfer Co. ...........  
"—To Scott Bros. .................. $ 59,703  

Grand Total $1,171,707

* Protected by a $100,000 Government Bond

This indebtedness and the operating losses of these companies were the cause of Mr. Deasy’s comment and the answer was, frankly, a puzzle to me, particularly since the suggestions I began to receive toward getting the companies back on their feet were, to a certain extent, theoretical.

One of these suggestions was to incorporate a new company in Delaware for the purpose of owning and leasing equipment to our trucking companies, the new company to have an authorized capital stock of one million dollars, with all of the then owned equipment of our trucking companies to be sold to the new company for the undepreciated book value, and with the cash return to be used for payment of the debts. Perhaps because the plan only partially met the situation, as it would not have wiped out the indebtedness, or perhaps, because of its complexity nothing was done about it.

From calls personally received from the public in the Pittsburgh area, almost as soon as my appointment was announced, I learned that, aside from the inter-company indebtedness described above, the Pennsylvania Truck Lines were so badly in debt locally that they were unable to buy gasoline and other necessary supplies except for cash. The record showed that the Alko Express Lines would have had to cease operations if they had not been supported by the Pennsylvania Truck Lines, and, in turn, the ability of the latter company to keep going was largely through loans it had received from the Pennsylvania Railroad and from Scott Bros.

In justice to the officers of Scott Bros., it should be said that while the company had an indebtedness of $381,700., the sum of $100,000. of that debt was protected by a $100,000. government bond paying interest at a rate of 2½% annually, while Scott Bros. paid only 1½% to the First National Bank of Philadelphia for the loan. It is doubtful if the company would have had any serious financial difficulties if it had not been for the help it was required to give the Pennsylvania Truck Lines.

In any event, theorizing was not the answer to the problem, which was real and worse than I had anticipated. The record showed that there was a total inter-company indebtedness of $1,171,707., and a net indebtedness of $601,000., but when bills due outside companies for services, supplies, etc., were included, the totals went up to around $1,500,000. and $1,000,000., respectively.

I had yet not made a report to Mr. Deasy on the analysis of a program to meet the situation, which would have been simplified by the elimination of inter-company indebtedness, when there came what seemed to be a “crowning blow” to an already badly muddled situation.

It was a requirement that Scott Bros. spend $275,000. the company did not have, to meet a situation that developed at Philadelphia and New York. At those points, the Federal Government had seized 12 car floats, making
necessary the purchase of 35 tractors, 76 trailers and 25 trucks for moving freight in lieu of float service.

A suggestion was made to Mr. Deasy that, to clarify the inter-company situation, the American Contract and Trust Company make a loan of $250,000 to the Alko Express Lines and a loan of $60,000 to the Union Transfer, with the understanding that this money would be used to pay off inter-truck company indebtedness, and sufficient cash would reach Scott Bros. to enable the purchase of the needed equipment. I also included a suggestion for the payment of all inter-company indebtedness over a five-year period.

THE RECORD OF INDEBTEDNESS, AS OF MAY 1, 1944, GIVEN TO MR. DEASY:

**Scott Bros.**

<table>
<thead>
<tr>
<th>Date</th>
<th>From</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. 13, 1941</td>
<td>First National Bank of Philadelphia</td>
<td>$100,000.00</td>
</tr>
<tr>
<td>Mar. 4, 1941</td>
<td>American Contract and Trust Company</td>
<td>106,700.00</td>
</tr>
<tr>
<td>Aug. 13, 1941</td>
<td>American Contract and Trust Company</td>
<td>100,000.00</td>
</tr>
<tr>
<td>Sept. 8, 1941</td>
<td>American Contract and Trust Company</td>
<td>75,000.00</td>
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</table>

**TOTAL** .................................................. **$381,700.00**

Collateral used to secure the $100,000 from the First National Bank of Philadelphia is a $100,000 Government Bond paying interest at the rate of 2½%. Scott Bros. pay 1½% interest per year to the First National Bank of Philadelphia.

Indebtedness to the American Contract and Trust Company bears interest of 2% per annum and is paid currently.

**Penna. Truck Lines**

<table>
<thead>
<tr>
<th>Date</th>
<th>From</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec. 31, 1939</td>
<td>Scott Bros. for equipment</td>
<td>$ 86,000.00</td>
</tr>
<tr>
<td>Jan. 1, 1940</td>
<td>Scott Bros. for equipment</td>
<td>28,000.00</td>
</tr>
<tr>
<td>May 1, 1940</td>
<td>Scott Bros. for equipment</td>
<td>10,226.00</td>
</tr>
<tr>
<td>Jan. 1, 1941</td>
<td>Scott Bros. for insurance premiums paid</td>
<td>45,000.00</td>
</tr>
</tbody>
</table>
| Dec. 31, 1942| Scott Bros. for insurance pre-

miums paid                              | 19,474.00      |
| Various dates | Scott Bros. for miscellaneous service | 40,927.25      |

**TOTAL** .................................................. **$229,627.25**

Mar. 4, 1941, borrowed from P.R.R. for working capital ........................................ $ 69,300.00

July 17, 1941, borrowed from P.R.R. for working capital ........................................ 50,000.00

Aug. 13, 1942, borrowed from P.R.R. for working capital ........................................ 100,000.00 **$219,300.00**
Mar. 1, 1942, borrowed from Buffalo Storage & Carting Company for working capital ........ $ 20,000.00
May 1, 1942, borrowed from Buffalo Storage & Carting Company for working capital .......... 10,000.00 $ 30,000.00

TOTAL .................................. $478,927.25

Pennsylvania Truck Lines pays 2% interest to Scott Bros. on the money owed to them; 2% to P.R.R.; 1% to Buffalo Storage & Carting Company.

Alko Express Lines
Owe Penna. Truck Lines for services rendered and material supplied:
Pick-up and Delivery service at Pittsburgh ........ $187,729.23
Drivers, helpers, mechanics, etc. .................. 34,604.94
Materials and supplies, including gasoline .......... 17,439.37
Joint terminal expense, Pittsburgh ................ 3,040.71
Equipment ................................... 3,198.86
Insurance premiums paid .......................... 2,298.84
Equipment rent .................................. 1,613.27
Miscellaneous ................................... 1,452.08

TOTAL .................................. $251,377.80

This is a revolving account. Penna. Truck Lines continues to perform service for Alko and Alko pays them some money every month which is applied to their bills. The oldest bill on record is April 1942, covering Pick-up and Delivery service in Pittsburgh.

Union Transfer Affiliated Company
Borrowed from Scott Bros. for equipment, dating back to Jan. 1940 ...................... $ 31,700.00
Owes Scott Bros. for services rendered—revolving fund covering proportion of Scott Bros. expense, Philadelphia — work performed for Union Transfer .................................. 28,008.39 $ 59,708.39

TOTAL INDEBTEDNESS ALL SOURCES ................................ $1,171,707.94
INTER-TRUCK COMPANY INDEBTEDNESS ............... 570,707.94

NET INDEBTEDNESS OF WHOLLY-OWNED TRUCKING COMPANIES, ELIMINATING INTER-TRUCK COMPANY DEBT .. $ 601,000.00

THE PLAN THAT WAS GIVEN TO MR. DEASY FOR THE LIQUIDATION OF INDEBTEDNESS OF MAY 1, 1944:

Summary of indebtedness
Total amount of money borrowed from bank, American Contract and Trust Company and Pennsylvania Railroad by wholly-owned truck companies .................. $601,000.00

Financing additional truck equipment and liquidating inter-truck company debts
Amount to be borrowed from American Contract and Trust Company
   Alko Express Lines ................................. $250,000.00
Union Transfer Affiliated Company ........ $ 60,000.00 $310,000.00

Total indebtedness after borrowing ........................................ $911,000.00

Payment by Scott Bros. to American Contract and Trust Company, resulting from payment of inter-truck company indebtedness ........................................ $ 14,000.00

(Scott Bros. will have $275,330.64 to pay for new equipment)

Net indebtedness of wholly-owned truck companies to be paid off over a period of five years ....................... $897,000.00

Alko Express Lines will owe American Contract and Trust Co. ....................... $250,000.00

(This is to be liquidated $50,000 per year for five years)

Penna. Truck Lines will owe Pennsylvania Railroad ............................... $219,300.00

(This will be liquidated $44,000 per year for five years)

Scott Bros. will owe American Contract and Trust Company ....................... $267,700.00

(This will be liquidated $54,000 per year for five years)

Scott Bros. will owe First National Bank of Philadelphia ........................ $100,000.00

(This can be liquidated at will. It is secured by a $100,000 U. S. Bond on which Scott Bros. receive 2½% and pay First National Bank 1½%)

Union Transfer Affiliated Company will owe American Contract and Trust Company .... $ 60,000.00

(This will be liquidated $12,000 per year for five years)

* * * * *

Inter-truck company indebtedness of wholly-owned truck companies that will be liquidated

Alko Express Lines will pay Penna. Truck Lines .... $251,377.30

Penna. Truck Lines will pay Scott Bros. ............. 229,627.25

Penna. Truck Lines will pay Buffalo Storage & Carting Co. ....................... 30,000.00

Union Transfer Affiliated Co. will pay Scott Bros. .... 59,703.39

TOTAL ........... $570,707.94

DEVELOPMENTS ON THE PLAN AND FURTHER EMERGENCIES:

The plan met with Mr. Deasy's approval and on May 4, 1944, a request was made to President Clement for his approval. Mr. Clement agreed and, on May 15, 1944, the checks were handed to me and were immediately delivered to President McArdle of Alko Express Lines and President Young of the Union Transfer Company. The program as shown above was completed and the needed equipment purchased by Scott Bros.
This raised the inter-company indebtedness to:

- Alko Express Lines to American Contract & Trust Co. ............... $250,000
- Scott Bros., Inc. to American Contract & Trust Co. .............. 267,700
- Scott Bros., Inc. to the First National Bank of Philadelphia ...... 100,000*
- Pennsylvania Truck Lines, Inc. to Pennsylvania Railroad ...... 219,300
- Union Transfer Co. to American Contract & Trust Co. .......... 60,000

* Protected by a $100,000 Government Bond

$897,000

This emergency had scarcely passed when a new one broke out with the Pennsylvania Truck Lines with respect to indebtedness to outside companies, which, as mentioned earlier, had so adversely affected its credit rating that it had to make cash payments for its purchases. The company badly needed 30 pieces of equipment for replacement and had ordered them, but they would not be delivered until immediate payment could be promised.

This meant I had to go again to Mr. Deasy and ask his approval for a further loan of $200,000.—$61,000. for the equipment and $139,000. to pay overdue bills. The loan was authorized, and was the last loan required by the trucking companies. The check was sent to President McArdle on December 4, 1944, raising the Pennsylvania Truck Lines' indebtedness to the Pennsylvania Railroad to $419,300., total borrowing for all the trucking companies to $1,097,000. and their overall indebtedness, including outside debts, to $1,400,000.

THE FIRST STEPS TOWARDS REHABILITATION:

Meantime, on April 26, 1944, Presidents Young and McArdle had been asked to set up a program, partially quoted below, by which they were to be guided:

1. Every company will immediately establish the policy of rigid but intelligent economy, every action taken and every penny spent to be considered in relation to efforts to begin an operation “in the black” beginning May 1, 1944.

2. Every company will show monthly operating results on a new form C. T. 174, which will show where the revenue came from and where the money went.

3. Because much of our financial difficulty has been caused by inability to replace equipment when it wore out, all companies will, monthly, place all depreciation accruals in a “sacred” fund to be used for replacement purposes only. (This action is reviewed in detail later.)

To show the depth of the economy program, one of the factors covered was telephone expense where the companies were doing entirely too much telephoning when mail could be used; another was legal expense, where they were paying too much money for individuals to attend hearings concerning applications to establish competitive service and preparing reports concerning them when we were not too much interested in the proposition. A policy was established to take such action only when absolutely necessary to protect our interests.

ESTABLISHMENT OF A MANAGEMENT ORGANIZATION:

A management organization was established for the companies with one individual handling labor matters; another, maintenance, purchases and supplies; another, personnel and safety, etc.
REVIEW OF OPERATIONS AND REPORT ON EARNINGS:

It was arranged that every month, on the morning of the day of meetings of Boards of Directors, the Presidents were to come to my office where, prior to the meeting, we would go over every factor of operation, discuss the results, and jointly agree on action to be taken on each unfavorable factor. This plan continues up to the present day.

A regular report was made to the Vice-President of Operations concerning progress and the following is quoted from a report made on May 11, 1944:

Alko Express Lines: Out of a total force of 154 men, 58 have been dropped from the service, a reduction of 37%. In dollars, this means a saving of about $100,000. per year.

Penna. Truck Lines: Out of a force of 639 men, a reduction of 30 men or 5% has been made to date. In dollars, this means a saving of around $64,000. per year.

Scott Bros.: Expenses have been reduced $10,000. per month in Philadelphia and $8,000. per month in New York, or on an annual basis, $216,000. This has been brought about by better control of expenses, elimination of overtime and the hire of outside equipment by getting greater production out of owned equipment.

Union Transfer Affiliated Co.: This is a small operation, but lost $11,000. last year. A review of its operation has resulted in a saving of around $24,000. per year.

IMPORTANT CHANGES IN PERSONNEL:

It was at this time that a very important change in personnel took place. At the time of my appointment as Manager of Stations and Motor Service, Mr. J. P. McArdle was President of the Pennsylvania Truck Lines, Excelsior Express Co., Alko Express Lines, Buffalo Storage & Carting Company and the Willett Company of Indiana. (The name of the latter company was changed to Penntruck Company on January 10, 1947.)

About April 1, 1946, J. F. Deasy, Vice President of Operations, telephoned me at home one night and asked me to suggest an officer of our trucking companies who, by age and experience, could be loaned to the Government for a very important assignment in operating trucks overseas. After talking possibilities over with President Young, I suggested to Mr. Deasy his consideration of R. W. Tackbary, who was then General Manager of Operations in New York City, where Scott Bros. performed pick-up and delivery service and some transfer work for the Pennsylvania Railroad. Mr. Deasy requested that Mr. Tackbary be in his office at 9:00 o’clock the following morning, which was arranged. Mr. Deasy and President Clement promptly ratified the selection and similar approval came from Army personnel, in Washington. Then, as arrangements to relieve Mr. Tackbary were being made, word came that, due to a change in planning, his services would not be required, and he resumed his former duties.

Knowing from their conversation with me that both Mr. Clement and Mr. Deasy were impressed with Mr. Tackbary’s possibilities, and believing in striking when the “iron is hot,” I suggested a short time later, in conversation with Mr. Deasy concerning operations and indebtedness of our trucking companies, that the territory assigned to J. P. McArdle, from Harrisburg to Chicago and St. Louis, was entirely too large to permit him to keep in close touch with the money, even the pennies, spent by our trucking companies under my rehabilitation plans. Mr. Deasy agreed and it was decided that a
new territory would be established, for which there would be a President located in Pittsburgh. We further agreed that R. W. Tackbary would be the new President.

The situation was talked over with Mr. McArdle, then living in Chicago, and I learned that, for personal reasons, he could not move to Pittsburgh. We then agreed that he would continue the operation of the Willett Company of Indiana, in a growing territory. Effective June 1, 1946, Mr. Tackbary was appointed President of the Pennsylvania Truck Lines, Alko Express Lines, and Excelsior Express Company, all Pittsburgh companies, and the Buffalo Storage & Carting Company, of Buffalo, and immediately moved to Pittsburgh.

CLEARING THE INDEBTEDNESS:

The efforts of Messrs. Young, McArdle and Tackbary to rehabilitate the operations under their control were successful. With the closer supervision that was enabled by the changes in territory, the seeking of remunerative local work for the public, the close scrutiny that was given each dollar of expenditure, and close adherence to the plan of holding all depreciation accruals for replacement of revenue equipment, the operations of the companies continued to improve. At the close of 1951, all companies were operating "in the black," debts had been paid, dividend payments resumed and increased, and instead of being a liability to the railroad, our trucking companies were, and have continued to be, an asset. All have modern garages and up-to-date equipment, and no equipment is operated beyond its normal depreciation period because of lack of cash to replace it.

It may be argumentative to point to any particular factor as having been the answer to the rehabilitation of the companies, but in my judgment there were two—first, the careful supervision of operations, with no expenditures too small to receive attention; second, the ability, because of holding depreciation accruals "sacred," to replace worn-out equipment.

There can be no dispute that the way was long and wearisome, and there were setbacks because of the continuing necessity of replacing worn-out equipment while the "sacred" depreciation funds, starting from scratch, were insufficient to meet the situation, but the continuing progress showed we were on the right track.

Not the least of our difficulties was the fact that we had completely lost the confidence of most of our Directors, who considered our situation so hopeless that we had difficulty, at times, in getting even a quorum to attend Board meetings. Time after time, the quorum was only secured by personal solicitation on my part.

Although the picture had improved rapidly, there were still some problems. One of these was the necessity for the Pennsylvania Truck Lines to assume the $250,000. indebtedness of the Alko Express Lines to the American Contract and Trust Company when Alko, which had discontinued operations October 15, 1949, was dissolved on August 6, 1951, and its operating rights sold as a part of our policy to withdraw from over-the-road common carrier service.

The Pennsylvania Truck Lines had not been able to do much with its indebtedness of $419,300. to the Pennsylvania Railroad until the year 1947. By the end of that year, the debt had been reduced to $399,000. On December 31, 1948, it was $317,300. At the end of 1949, as the result of taking over the assets and liabilities of the Alko Express Lines, the indebtedness had in-
creased to $479,300. to the American Contract and Trust Company, $141,300. to the Pennsylvania Railroad, $44,000. to the Buffalo Storage and Carting Company, and $44,000 to the Penntruck Company. The latter two companies had advanced, respectively, $44,000. and $46,000. to the Pennsylvania Truck Lines to enable quicker payment of debts to the parent companies.

At the end of 1950, the indebtedness was $242,000.—$150,000. to the American Contract and Trust Company, $70,000. to Buffalo Storage and Carting Company, and $22,000. to the Penntruck Company.

At the end of 1951 the indebtedness on the books was $86,000 to the Buffalo Storage and Carting Co., but actually that amount was covered by a check drawn on December 31st, leaving the Pennsylvania Truck Lines completely free of any indebtedness.

The records also show that as of December 31, 1944, Scott Bros. had repaid $42,700. of its indebtedness to the American Contract and Trust Company, leaving a balance of $225,000. which remained unchanged until December 31, 1947. In 1948 the company was able to begin regular payments on the indebtedness, and as of December 31, 1948, the balance had been reduced to $181,000. On December 31, 1949, it has been reduced to $141,000.; on December 31, 1950, it was down to $41,538; and by July 1, 1951, it had been fully paid off.

The final remaining rehabilitation problem of the companies, involving a deficit in the earned surplus account of the Excelsior Express Company, Inc., caused by certain changes in the financial structure in 1937, was met by the company's earning of a sufficient net to clear the deficit, permitting it to resume payment of normal dividends in 1953.

SALE OF STOCK BY THE WILLETT COMPANY OF INDIANA:

The three larger wholly-owned trucking companies were Scott Bros., Inc., Pennsylvania Truck Lines, Inc. and the Willett Company of Indiana (name later changed to Penntruck Co.). It may have been noted that in discussing the indebtedness of the companies, only the first two were prominently mentioned. While the Willett Company of Indiana never operated in the "red," it did, in the year 1945, with a gross of $476,218., produce a net of only $890. This placed it close to the situation of Scott Bros., Inc. and Pennsylvania Truck Lines, Inc., which had both operated in the "red" for that and immediately prior years.

The Willett Company did a little better in 1946, when it had a gross of $814,293. and net of $19,112., and in 1947, when it had a gross of $1,361,311. and a net of $93,572. Up to April 5, 1947, the company had borrowed $129,000. from a "rehabilitation fund" I had established, using cash of the Merchants Trucking Company, Buffalo Storage & Carting Company, and Peninsula Auto Express, as will be covered later in a more detailed explanation of the fund. Concerned with the financial difficulties of the company, the Board of Directors decided that the company was under-capitalized and requested that 9,200 shares of stock of the company, authorized but not issued, be purchased by the American Contract and Trust Company for $230,000. This was done on April 16, 1948. It was the only such financing in the late history of the companies.

THE COMPANIES MOVE TO THE "OFFENSE":

It might even be said that, overall, the companies passed from a defensive position to an offensive one when, on June 22, 1948, the Buffalo Storage and Carting Company, with management approval, reduced its outstanding shares
of stock from 2,178 to 1,750, paying the American Contract and Trust Company $42,800. for the shares retired. This “offensive” position is further illustrated by the fact that in late years the companies, while asking for and receiving increased compensation on work performed for the public when wage rates go up, have only asked for increased compensation from the railroad when their situation indicated the advisability of so doing. Another illustration is the companies’ practice of paying all bills within the discount period.

There is an old saying that “the Lord helps those who help themselves,” and that, our Presidents tried to do. It is believed that advantage was taken of every opportunity to economize, although there was no hesitating to spend whatever was necessary in the best interest of the companies. We endeavored to handle every company expenditure as if it were a personal one, and watched our budgets just as carefully as most families must, both in the making and in the following.

As will be more fully described later, we carefully kept in the bank the money charged to depreciation, not to be used except for equipment replacements, and the money to pay taxes. We took, and still do take, every discount available for prompt settlement of the numerous purchases a trucking company must make, and saw that others were paid within the required period.

For a long time, we practically lived on a “day to day” basis, meaning that we had to decide the day’s cash problems as they developed, and it was a long weary battle—but we won.

As is usually true when one tries, we received “breaks.” Because of making joint returns with the railroad, for example, we had no income tax to pay for the year 1946, and we were able to put the money we had accumulated for this purpose into our “sacred” fund for replacement of equipment, together with 50% of our profits from operations. This made up, in part, for the periods before the fund was established.

As was noted earlier, our smaller companies had not met with the disasters of our larger ones, but the same requirements applied to all, and all profited.

One cannot put into words the discouragements, the disheartenments, the feelings of frustration of the earlier years, nor should time be taken to write or read of them, but a more detailed explanation of some of our problems and the answers, as well as the further activities of the companies, may be helpful.

**ESTABLISHMENT OF A “REHABILITATION FUND”:**

When on December 1, 1943, I took over system direction of the trucking companies wholly-owned by the American Contract and Trust Company, and the Pennsylvania Truck Lines wholly-owned by the Pennsylvania Railroad, there were, in all, nine companies. It may have been noted that only four of them, Scott Bros., Pennsylvania Truck Lines, Alko Express Lines and Union Transfer Company, were covered in the description of the indebtedness.

This was because the Merchants Trucking Company, Norfolk, Va.; the Peninsula Auto Express, Wilmington, Del.; the Excelsior Express Company, Pittsburgh, Pa.; and the Buffalo Storage & Carting Company were not involved in the same difficulties and did not become so involved. The Willett Company of Indiana, while not involved in the early situation, later came into the picture temporarily, but was extricated by a purchase of stock by the American Contract and Trust Company, the only such purchase during my administration, as has been explained.
On June 28, 1946, realizing that circumstances might occur where our
companies that had serious debts would need temporary financial help, I
consulted with Vice President Pabst, for the American Contract & Trust
Company, and Mr. Deasy on the advisability of setting up, for a period of
two years, a rehabilitation fund. It was proposed that the fund be established
with available cash to be advanced by the Merchants Trucking Company, the
Peninsula Auto Express and the Buffalo Storage and Carting Company, and
that it be used to aid any of the other companies requiring assistance.

Mr. Pabst immediately agreed but Mr. Deasy asked that the suggestion
be held open. Meantime, the Willett Company of Indiana had ordered equip-
ment to cost about $100,000, with the intention of its Directors that a sale of
stock, authorized earlier but not sold, would be made. However the sale had
not received executive approval and had been withdrawn, leaving the company
with no money to pay for the equipment. This situation was presented to Mr.
Deasy, and he finally approved the plan for a rehabilitation fund on September
6, 1946. The fund was established on October 31, 1946, and titled the “Re-
habilitation Fund,” although it was more commonly known as the “Phila-
delphia Fund.”

President Young of Scott Bros. was designated to handle the fund and it
was financed for at total of $129,100. — $25,000. from the Peninsula Auto
Express, $41,000. from the Merchants Trucking Company and $63,100. from
the Buffalo Storage & Carting Co. These companies were to receive 1½% interest on their investment, to be paid by the companies receiving the loans.

As was to be expected under the circumstances, the Willett Company of
Indiana made the first withdrawal. It drew $25,000 on November 5, 1946;
followed with $40,000 on December 26, 1946; and the Penntruck Company
(a change of name from the Willett Company of Indiana) drew $40,000. on
March 1, 1947, and $24,000. on April 5, 1947. This practically depleted the
original fund. However, the agreed upon interest had been paid to the com-
panies furnishing the cash, and, of course, there still remained in the fund the
required payments on the debts that had been made by the Penntruck Com-
pany, which had reduced its indebtedness to $107,690.

Because the Penntruck Company was the only company that had to take
advantage of the money made available through the fund, a second look was
taken at the original financing of the company. This showed that the Amer-
ican Contract and Trust Company had purchased 2,800 shares for $70,000.
between May 7, 1934, and December 18, 1935—a low capitalization consid-
ering the size and development of the company and its return to the American
Contract and Trust Company of $51,520. in dividends up to the close of 1940.
It was decided that the company was under-capitalized, and on April 16, 1948,
the American Contract and Trust Company purchased 9,200 shares of Penn-
truck Company stock for $230,000.

On April 21, 1948, the Penntruck Company repaid its remaining indebt-
dness of $107,690., to the “Philadelphia Fund” and as no need had developed
for further maintenance of the fund, it was closed on April 27, 1948, by the
return of the advances to the owners.

Following these payments, the Buffalo Storage & Carting Company, on
June 22, 1948, used $42,800. to retire 428 shares of its stock owned by the
American Contract & Trust Company, and the Merchants Trucking Com-
pany, also owned by the American Contract & Trust Company, declared an
extra dividend of $20,800.
RETIREMENT OF STOCK BY THE BUFFALO STORAGE & CARTING CO.:

As of May 24, 1948, the Buffalo Storage & Carting Company was owned by the American Contract & Trust Company, which held 2178 shares, with a total investment of $217,800.

The former company, in addition to performing pick-up and delivery service at Buffalo and substituted service along the line of the Buffalo Division for the Pennsylvania Railroad, had also performed common carrier service for the public between Buffalo and Cleveland until December 31, 1944. When this service was discontinued in line with policy, the company’s gross revenue dropped from around $500,000 a year to around $250,000 a year, and the company was over-capitalized for the volume of traffic it was handling.

As a result of the return of cash the company had placed in the rehabilitation fund, it had cash on hand in excess of its requirements. On May 24, 1948, I recommended to Mr. Symes that 428 shares of its stock, value $42,800, be retired as the initial step to bring the capitalization more in line with its gross. I told Mr. Symes that the Buffalo Storage and Carting Company had no debts and no equipment problems, had paid a divided of $5.00 per share in 1947, and would earn and pay, subject to approval, a similar dividend the latter part of 1948. After consultation with G. H. Pabst, then President of the American Contract and Trust Company, authority to go ahead was given, the action was approved by the Board of Directors on May 26, 1948, and the transaction was completed on June 22, 1948.

PROTECTION OF DEPRECIATION ACCRUALS:

The most important problem with which I was faced when placed in charge of our trucking companies was equipment that had worn out, or was wearing out, with no money available to replace it.

This was because depreciation accruals, while included in the monthly expense, were a paper record only and the money was allowed to remain with other funds and became “cash on hand” except in the records.

It followed that when cash was needed, that which was available was used, including the depreciation accruals. The result was that replacements were always a problem, and with the larger companies an impossibility.

An illustration was the situation with the Paige Milk Company, Pittsburgh, Pa., which leased 47 pieces of equipment from the Pennsylvania Truck Lines to deliver milk in the Pittsburgh area. The equipment had reached a point where it had to be replaced as it was no longer meeting service requirements, but the depreciation accruals that would have enabled this, had been spent for other purposes.

The contract was cancelled in September, 1946, and the equipment sold to the Paige Milk Company under a recapture clause in the agreement.

A short time before I was placed in charge of the companies, similar action had been taken for the same reason with equipment used in heavy hauling in the Pittsburgh area, inability to replace worn out equipment causing a withdrawal from the service.

Both of these operations had been remunerative and would have remained remunerative if the money had been available to replace the equipment when it wore out. It was known that this same situation existed and was further developing on equipment used to supply service to the railroad. To prevent a repetition and place our trucking companies in a position where the replacement of equipment when it wore out would be assured, avoiding high mainte-
nance expenditures, there was established a separate bank account in which
every dollar of depreciation accruals on equipment was to be placed, with an
agreement with the Presidents that cash in the "sacred" fund could be used
only for replacement of equipment.

The plan soon began to show results in better operations and reduced
maintenance expenses, and it is still followed wholeheartedly by our Pres-
idents on the basis that it enabled rehabilitation of our companies and was an
important factor in the return to operation "in the black." All the companies
purchase "short term" bonds or make other recommended investments, so
that they get a return on the money.

THE FREIGHT CLAIM SITUATION:

In a memorandum made following a conference of May 8, 1944, with the
Presidents, there is a rather interesting item reading: "900 claims in dispute
between the Freight Claim Agent and wholly-owned trucking companies,
question of responsibility." This meant, as of that date, there were 900 claims
paid to patrons by the Freight Claim Agent of our railroad for which respon-
sibility had been placed with the wholly-owned trucking companies, principally
Scott Bros. and the Pennsylvania Truck Lines, with neither trucking company
having the cash to reimburse the railroad. The railroad was owed a peak of
$95,484. by Scott Bros., $24,272 by the Pennsylvania Truck Lines, and
around $5,000. scattered over the other companies—a total of about $124,756.

It was the practice of Scott Bros. and the Pennsylvania Truck Lines, when
they admitted responsibility, to send an "I.O.U." to the Freight Claim Agent
in lieu of cash. The Freight Claim Agent passed the indebtedness on to the
Treasurer in the form of an accounts receivable bill for collection through that
office—a burdensome and ineffective procedure, particularly since the truck-
ing companies, as suggested above, were not able to make more than token
payments on the bills.

Records indicate it was not deemed advisable to make any change in the
practice until December 20, 1946 when it was arranged to go on what might
be termed a cash basis. The Presidents would make monthly payments on their
earlier indebtedness, and for the future, when the facts indicated responsi-
bility of one of the wholly-owned trucking companies, the Freight Claim
Agent would write the President of the Company, sending him the papers for
his review, and asking for reimbursement on the basis of the facts in the papers.

If the President accepted the responsibility, he would send a check to the
Freight Claim Agent, but if he did not accept it, he would send his explanation
and the papers to the Superintendent of Stations and Transfers (now Super-
intendent, Freight Stations) of the region involved, for further investigation.
If the Superintendent’s investigation still pointed to the definite responsibility
of the trucking company, he would arrange for a conference with the President
and endeavor to come to an agreement on responsibility. If agreement was
reached, the papers would go back to the Freight Claim Agent with either a
check from the trucking company or advice of rail responsibility. If conference
brought no agreement, the papers would be sent to the Manager of Stations
and Motor Service for arbitration of the dispute, and his decision was to be
accepted by both sides.

It is my recollection that since this practice was established there has
not been one instance of claims submitted for arbitration where the facts,
either in the papers or developed later as a result of "leads" in the papers, did
not definitely point to the responsibility. The result is that every dispute has
been settled on the facts, which has meant not only prompt settlement, but also
that weaknesses on both sides have been developed and corrected. What was a troublesome factor has been entirely eliminated to the satisfaction of all—including the Treasurer, who now receives no claims for collection.

GARAGES:

When a trucking company establishes operations, it naturally must have a facility where equipment can be maintained and, at times, stored. The general situation with respect to garages is covered in the chronological history of operations that follows, but there are a number of interesting situations that merit further description.

One of these situations is with Scott Bros., which has for years maintained the President’s office and a general office in space leased from the railroad in a facility at 1000 South Broad Street, Philadelphia. This was in earlier years a passenger station of the Philadelphia, Baltimore and Washington Railroad, and later was operated as an L.C.L. facility under the name of Broad and Washington Avenue freight station.

Scott Bros.’ garage is in a facility at 25th and Wharton Streets, Philadelphia, which they rent at a fair price but have been unable to buy because for years it has been tied up in the settlement of an estate.

On October 22, 1948, a portion of the lot on the opposite side of 25th Street was purchased for $25,201., and on June 19, 1950, the remainder of the lot was purchased for $25,038. This property was acquired partially because of increased need for outside storage space and partially because of the thought of President Young that sometime a facility might be built, with Scott Bros. occupying the street floor and with the second and other floors above used as a warehouse for traffic to move in via the Pennsylvania, whose tracks run overhead past the site. If this possibility should never develop and the growth of the city should indicate advisability of moving the garage to a less prominent point, Scott Bros. would stand to profit handsomely on the purchase.

Somewhat the same situation exists in New York, where Scott Bros. performed transfer service for the Pennsylvania Railroad beginning June 1, 1935, when it seemed advisable, because of increasing prices, to have at least part of the transfer work of the railroad done by a wholly-owned company, and where later they performed pick-up and delivery service.

When a garage they had rented was sold, Scott Bros. on October 1, 1945, purchased a property at 605-615 West 42nd Street for $215,000., using money borrowed from the American Contract and Trust Company for the purpose.

On July 15, 1949, due to loss from operations and claim from other truckmen that, because of reduced volume, they were in a position to economically handle all of the traffic of the Pennsylvania, Scott Bros.’ operations were withdrawn. The garage was vacated and a lease was negotiated for its use as a garage for automobiles, a facility badly needed in the area. The lease carried an annual rental of $36,000. for a ten-year period, with the requirement, as a protection to Scott Bros., that the tenth-year payment of $36,000., would be paid in advance.

It was realized when this property was purchased that in time it would materially enhance in value, but few could anticipate the remarkable increase in values that has taken place in this area. When the ten-year period of the lease expires, if there are not any good reasons why Scott Bros. should renew it, it is estimated that the property for which the company paid $215,000. could be sold for at least $500,000. Regardless of what occurs, Scott Bros. stands to receive an excellent profit on the investment.
The American Contract and Trust Company received monthly payments on the loan from Scott Bros. and the indebtedness was completely paid off on December 1, 1953.

There is also an interesting story back of the construction of the Pennsylvania Truck Lines' garage in Pittsburgh. In May, 1928, the company, then known as the Pennsylvania Transfer Company of Pittsburgh, issued 1,500 shares of preferred stock, valued at $150,000., to build a garage at 110-116 South Main Street, Pittsburgh. The American Contract and Trust Company purchased 1,400 shares and interests of John J. Casey, who had built the garage, bought the other 100 shares. The American Contract and Trust Company acquired 50 of the latter shares on December 22, 1931, and the other 50 on April 20, 1933. The garage was completed on March 22, 1929, with 27,000 sq. ft. of space on the ground floor. On February 28, 1936, the name of the company was changed to Pennsylvania Truck Lines, and on September 9, 1936, a second floor was added to the garage at a cost of $35,000. One of the efforts in the late '40's to rehabilitate the company was to secure income from the second floor, which had not been needed for several years, and it was rented for $719 per month. While there have been several changes in occupants, there has been a continuous and increasing income from this source. It now returns $933 per month.

ESTABLISHMENT OF MERCHANDISE CONTAINER SERVICE:

This service was established on June 20, 1928. Steel shipping containers, with a capacity of 12,000 pounds, were devised as a means of direct movement of merchandise traffic from shipper's door to consignee's door.

The containers were loaded at shipper's place of business and trucked to the rail head, where they were lifted by crane to rail cars for movement. Upon arrival at destination, they were lifted by crane to a motor vehicle for movement to the consignee.

When the service was originally established, the tariff provided for a combination weight and mileage rate. The I.C.C. on its own motion instituted an investigation, however, and effective July 20, 1931, prescribed a new rate basis, eliminating the mileage basis and establishing class rates not lower than third class, subject to the carload rate as a minimum when higher than third class.

This brought a sharp increase in the charges for short hauls and effectively barred the rail carriers from meeting truck competition with containers.

In July, 1932, the I.C.C. modified its findings somewhat, but it still left an unsatisfactory rate situation and the service was eventually cancelled, leaving us with a lot of steel containers on our hands.

I was Superintendent of Stations and Transfers at Pittsburgh, Pa., when a decision had to be made on how to use the steel containers, and I recall a conference on the subject in the office of the General Superintendent of Stations and Transfers, R. K. Stackhouse, in Philadelphia.

It is my recollection that out of this conference came a decision to use them in L.C.L. service to points then served by car, to save transfer of traffic en route. The result was satisfactory and I remember that more containers were purchased to increase coverage of this service.

The container service continued until the latter part of 1950, when, as Manager of Stations and Motor Service, I made a study to determine its worth—first, because of the remarkable increase in coverage of "substituted" truck
service; second, because of reduction in volume of L.C.L.; third, because the containers were becoming old and required extensive repairs; and, fourth, because of the need in other service for the 614 flat cars required to move them.

I recommended to Mr. Symes the withdrawal of the container service, to which he agreed, and it was made effective October 20, 1950, giving a material impetus to the movement of traffic in “substituted” motor service.

ESTABLISHMENT OF CARLOAD TRAILER SERVICE:

On September 15, 1932, to meet motor truck competition, a service was established for the handling of freight in semi-trailers to and from New York City stations.

The service, still in operation, contemplated the substitution of motor truck service for car float service between the Jersey Shore and New York City. Patrons using this service can consign carload freight to the railroad’s New York Stations for Tractor-Trailer Service, and upon arrival at the terminal yard serving the destination (Harsimus Cove), the cars are switched to the Pennsylvania Railroad team tracks at Jersey City, where the consignee is notified of arrival and orders the cars delivered at his convenience.

Upon receipt of the order for delivery, the railroad transfers the lading from the cars to trucks or trailers and delivers them to the designated New York City station. From this point the consignee moves the trailer, without unloading the contents, to his place of business. On outbound traffic, the arrangement is simply reversed.

For this service, the patron pays the regular established carload rates plus a charge of 6 1/4 cents per 100 pounds for transferring freight between cars and trailers. In addition, a rental charge of 33 cents per hour or fraction thereof is assessed for the use of trailers for the first 24-hour period, which is normally all that is required by the patron to load or unload the trailer at his place of business.

This service has proved so attractive to the shipping public that during the year 1956 a total of 5,679 inbound cars and 345 outbound cars were handled in this manner.

ESTABLISHMENT OF CARLOAD PICK-UP AND DELIVERY SERVICE IN THE NEW YORK AREA:

Also to meet over-the-road motor truck competition, The Pennsylvania Railroad on May 1, 1933, established pick-up and delivery service of carload freight at a plus charge in the New York and New Jersey Metropolitan Area.

Under the provisions of freight tariff 88-G ICC A-1041, patrons may consign their carload shipments to any of the Pennsylvania Railroad Stations designated for delivery service, and upon arrival at the terminal yards serving the destinations (which in the case of Jersey City and New York is Harsimus Cove), such cars will be placed at the Jersey City team tracks and consignee will be notified of the arrival.

Upon receipt of the consignee’s request to deliver such cars, the Pennsylvania Railroad will arrange to unload the goods from the car to trucks and deliver same to the patron’s door. On outbound traffic, the procedure is reversed. A complete service is thus furnished at rates predicated upon the carload minimum as provided in the uniform freight classification. Rates generally range from 16 to 43 cents per 100 pounds, in addition to the regular carload rates from origin to destination.
While this service proved very attractive at its inception, primarily because of the low rates, which at that time ranged as low as 6 cents per 100 pounds, the carload trailer service became so popular that it has superseded carload delivery service in the New York Area.

“SUBSTITUTED” SERVICE FOR RAILWAY EXPRESS TRAFFIC AND U. S. MAIL:

While “substituted” service for movement of less carload freight traffic dates back to 1923, similar handling of “head-end” passenger traffic (mail and express) did not start until the late 1940’s, and then on a limited basis. With the increasing need to reduce deficits in the operation of passenger service, a “substituted” service for handling “head-end” traffic has become more important, and today there are several studies underway to greatly expand this type of service.

In 1953, a “substituted” service for handling U. S. mail between Philadelphia and Paoli, and Philadelphia and West Chester was inaugurated. This permitted the withdrawal of expensive train service in these areas, with resulting economies to the railroad.

In 1955, “substituted” service for “head-end” traffic was expanded in the Harrisburg-Lancaster-Lewistown-Bellefonte area, and later between Pittsburgh-Johnstown and Altoona.

In the early months of 1957, “substituted” service for both mail and express was established between Emporium and Erie, Pa., and between Harrisburg and Hagerstown. At the present time, studies are underway to establish “substituted” service for “head-end” traffic between other points on the railroad.

DISPATCHING OF TRUCKS BY RADIO:

Early in 1955, two-way radio communication for transportation purposes had developed to the point where usage of the system by the wholly-owned trucking companies seemed desirable. The first installation was made at Pittsburgh on April 18, 1955. An antenna was placed on the tower of radio station WKJF at a rental of $600. annually, and a master station was established at the Pittsburgh-11th Street freight station. Ten new truck units with aluminum bodies were equipped with radio, and the installation was so successful that the number of trucks so equipped was gradually increased.

The service improvements were surprising and resulted in much favorable comment from patrons. We had frequent advice that our pick-up trucks arrived at shippers’ doors within minutes after the telephone call for service was made.

This quick service was the result of being able to contact a truck operating in the area, perhaps delivering or picking up freight in the same block, whereas without radio the truck could not be contacted until its return to the station, unless the driver had occasion to call the station.

Another important advantage was the ability of the driver, or even the patron, to talk to the station if any question came up on traffic being delivered. Misunderstandings that might have resulted in freight being refused, at least temporarily, were cleared up satisfactorily and the freight accepted.

Because clearance of these complications meant better service to the patrons and increased production for the company, the equipped fleet was gradually increased to 25 trucks.

Following the Pittsburgh installation, we similarly equipped 23 trucks at
Philadelphia, five at Columbus, five at Indianapolis, and 10 at Detroit.

At the moment, there are no further plans for expansion, but our radio service is now being equipped with "Conelrad" receiving sets which are to be integrated into our system so that the service can be monitored in the event of air raid alarms. This is a requirement of the Federal Communication Commission.

THE RECLAMATION OF OIL:

During World War II, when the war effort took priority on gasoline and oil and other essential materials, our companies, like others, faced the problem of rationing. As a possible source of adequate supplies of lubricating oil for motor truck equipment, the question of reclaiming used motor oil was reviewed in detail through industry and through the Pennsylvania Railroad's Altoona Shops. A considerable volume of reclaimed oil was obtained through the forwarding of used motor oil from motor truck equipment to the Altoona Shops. However, it was discovered after some usage that reclaimed oil lacked most of its original properties with regard to detergency and non-corrosive elements. As the rationing situation improved, the shortages diminished, and the program was eventually discarded because of the conclusion that the reclaimed oil had a definite disadvantage in its use in high-speed, close-tolerance, motor truck engines.

AN EXPERIMENT WITH STEEL CORD TIRES:

In late 1955, it was decided the wholly-owned trucking companies would experiment with the utilization of pneumatic tires, incorporating the latest principle of steel cord in place of rayon or nylon cord, which were said to have longer life and greater wearing qualities and resistance to blow-out. The purpose of the experiment was to determine whether or not, from an economical standpoint, such tires were of interest in our operations. As a consequence, several of the vehicles of the eastern group of trucking companies were equipped with these tires and arrangements made for periodic inspections and reports of tire condition, elapsed mileages and other details. The experiment is continuing.

THE DISPUTE ON THE USE OF AIR OR VACUUM BRAKES:

After many years of operation and continuing experimentation, the Presidents of our wholly-owned trucking companies are in agreement that the best interest of the companies, from the standpoint of economies and operation, is generally served by the use of vacuum-operated brakes instead of air brakes. Both systems of brake operation are manufactured by the same companies, but there is a saving of up to $350 per vehicle in the purchase of vacuum brakes. There is also a saving in maintenance.

The qualifying word "generally" is used with intent, for our Presidents, while favoring vacuum brakes, use air brakes on equipment that will make long over-the-road runs. From my viewpoint, the problem automatically resolves itself into one of economy—why should we spend an additional $350 to put air brakes on equipment when vacuum brakes satisfactorily meet the purpose.

This again illustrates the careful thought and study that our Presidents are giving to all factors of operation and maintenance, and the fact that they are not "stampeded" by the views of those not fully acquainted with our operations and problems.
OUR LEGAL ADVISORS:

Our wholly-owned trucking companies have, since 1935, retained the services of the law firm of McNees, Wallace and Nurick, of Harrisburg, Pa., as general counsel. This firm, well known and well equipped to handle legal matters pertaining to Federal and State regulation, has performed many outstanding services for the companies. These services have included not only the obtaining of additional operating rights, where necessary for the account of the railroad, but also the clarification of rights, defense in tests of rights, and many associated matters.

THE AUTHOR’S CONCLUSIONS ON THE INDEBTEDNESS, POLICIES AND FUTURE:

Trucking operations, as seems to be true with much other business, run in cycles. Cycle One is the origination of the business; Cycle Two is its normal growth; Cycle Three is over-expansion and resulting financial difficulties; Cycle Four (and here is where the Pennsylvania’s trucking operations begin to differ from the normal pattern) is the failure of companies because of financial difficulties, with many disappearing entirely. Although the Pennsylvania companies were at one time going that way, they were able to rehabilitate themselves. Cycle Five, which many do not reach, is a move toward greater activities, but with a careful watch over operations to preclude the possibility of over-expansion and resultant losses.

It is said that “a burned child dreads the fire.” It is doubtful that any of our companies will ever revert to the serious and untenable situation described in Cycle Three. Assuredly they will not if the facts remain clear, which is partially the reason for the writing of this history. Through it, those to come will have the benefit of what has happened in the past and the steps that were necessary to put the companies back on a sound operating basis.

In late years, the operations of the trucking companies owned by the Pennsylvania Railroad have been a matter of pride to those who have information on their earlier situation, and who have helped in any way in their rehabilitation. If there are any other large trucking companies in the country operating without one penny of other-than-current indebtedness, the situation is not known to the writer.

Our companies admittedly were aided by circumstances such as, because of a joint return with the railroad, freedom from Federal income tax payments in the year 1946, and reduced payments in several years thereafter; also, the reduction in L.C.L. volume following the war years, which enabled conservation of equipment.

On the other hand, the continued reduction of volume in late years, due to diversion of L.C.L. traffic to trucks and “forwarders” and the growth of “consolidators,” has meant that the wholly-owned trucking companies had less remunerative L.C.L. traffic to pick up and deliver, and a higher percentage of the lighter traffic. Nevertheless, their overall volume and net has increased and reached new levels because of the constant search for additional remunerative traffic from sources other than the railroad, secured under competitive bidding.

Assuredly, our trucking companies reached Cycle Five when, on October 31, 1952, J. M. Symes, then Vice President of Operation, advised Regional Vice Presidents that the Pennsylvania Railroad would discontinue the ownership of ordinary automotive equipment, and that, as such equipment wore out and additional equipment was required, the new equipment would be pur-
chased by the remaining operating companies and leased to the railroad. The "remaining companies" were Scott Bros., Pennsylvania Truck Lines, Buffalo Storage and Carting Co., the Merchants Trucking Company and the Penntruck Company.

The plan also provided that all leasing and rentals from outside companies or individuals was to be discontinued, and that vehicles were to be secured from the wholly-owned trucking company serving the area where they were needed.

The plan was just getting under way when, on January 12, 1953, in a proceeding known as "Leasing and Interchange of Vehicles by Motor Carriers" (Ex Parte M.C.—43), the U. S. Supreme Court approved the rules and regulations issued by the Interstate Commerce Commission governing the lease and interchange of motor vehicles which stated, in part, that "a common carrier by truck (the wholly-owned trucking companies) cannot lease equipment without drivers to a non-common carrier by truck (the Pennsylvania Railroad)."

This decision required the promulgation of a new plan under which Scott Bros. established the Scott Truck Leasing Co., Inc. to lease equipment in the area served by Scott Bros. and the Merchants Trucking Co.; the Pennsylvania Truck Lines established the Excelsior Truck Leasing Co., Inc. to lease equipment in the area covered by the Pennsylvania Truck Lines and the Buffalo Storage and Carting Co.; and the Penntruck Company established the Penntruck Leasing Co., Inc. to lease equipment in the territory covered by the Penntruck Company.

In line with efforts to simplify the corporate structure of the railroad, two of these truck leasing companies—The Scott Truck Leasing Company, Inc. and Penntruck Leasing Company, Inc.—were soon thereafter merged with the Excelsior Truck Leasing Company, Inc. The ownership of the latter company was taken over by the American Contract and Trust Company.

The Presidents of the wholly-owned trucking companies act as General Managers of the Excelsior Truck Leasing Company, Inc., in their respective territories.

The story of the Excelsior Truck Leasing Company is one of continuing development, and it has already moved into the second cycle in supplying equipment to the railroad for TrucTrain service. The American Contract and Trust Company was called upon to capitalize Excelsior for only $1,000., since the operating companies, who only a few short years before had indebtedness of $1,500,000., had advanced to the leasing company a total of $1,100,000. in sums ranging from $25,000. by the Merchants Trucking Company, Inc. to $527,385. loaned by the Pennsylvania Truck Lines, Inc. As of December 31, 1956, this debt had been reduced to $689,019.

Equipment needs which could not be financed by the operating companies have been taken care of through bank loans secured by the Excelsior Truck Leasing Company, and these are also being paid back.

The arrangement is working out just as anticipated, giving the railroad a saving and the Excelsior Truck Leasing Company a profit.

It would be inappropriate to close any story of trucking on the Pennsylvania without mention of the further promotion of R. W. Tackbary, who was so prominently involved in the rehabilitation of the operating companies. On June 1, 1956, Mr. Tackbary was appointed General Manager, TrucTrain, on the staff of J. P. Newell, Vice President of the railroad.

G. A. Rouse, Vice President of the companies formerly under Mr. Tackbary's jurisdiction, was appointed Acting President of these companies.
It seems unlikely that the next few years will see any change of consequence in the Pennsylvania trucking formation. The five operating companies have been studied for further consolidation, but this has been found inadvisable because of loss of valuable operating rights that would occur.

Greater responsibility for our trucking companies in the future is indicated by their aid to the railroad in supplying highway service for U. S. Mail, enabling the discontinuance of unprofitable passenger trains; the economies to be secured and the box cars to be made available for other service by moving more of the shorter hauls of L.C.L. traffic by truck from zone stations; and the aid of the trucking companies in expanding the growth of rail bill of lading TrucTrain service.

Regardless of what these responsibilities may be, the trucking companies owned by the Pennsylvania Railroad will meet them.
"Then Came the Motor Truck"

PART II

Chronological History of Companies
Alko Express Lines

(JOHNSTOWN, PA.)

1925: Four businessmen of Johnstown, Pa., who, in 1925, organized the Johnstown Terminal Storage Co., from which later developed Alko Express Lines, were each well known in Johnstown because of his business affiliations. Their names and their business activities were as follows: Reuben Alwine (a local transfer drayman), John C. Cosgrove (President, West Virginia Coal and Coke Co.), Frank Kinzy (President, Thomas Kinzy Lumber Co.) and David Ott (Brother-in-law of Frank Kinzy and also associated in the lumber business). The name “ALKO” was derived by taking the “AL” from the name of Alwine, “K” from the name Kinzy and “O” from the name Ott.

1929: After four successful years as partners in the Johnstown Terminal Storage Co., the partners decided to enter the trucking field and for two years after 1929, the highway venture was operated as a part of the operations of the Johnstown Terminal Storage Co.

1931: On March 10, 1931, the trucking interests were separated from the storage company operation and, as a result, “Alko Express Lines” was incorporated as a separate and distinct company to engage solely in highway transportation. The company was capitalized at $10,000 and, at time of incorporation, operated two vehicles, principally in local cartage service in Johnstown. Mr. David Ott served as the first President, being in office from March 10, 1931 until January 15, 1937.

From 1929 to 1931, the highway operations were illegal in that they were performed without proper regulatory authority from the Pennsylvania Public Service Commission. With the formation of “Alko Express Lines,” applications for certificated rights were filed with State and Federal regulatory bodies; the first intra-state certificate being issued in 1931, to cover operations between Johnstown and Somerset, and the first interstate certificate, authorizing service between Johnstown, Pa. and Cumberland, Md., being subsequently issued.

1933: With proper authority, operations were extended to Pittsburgh, Bellefonte, Harrisburg and intermediate points.

1934: Because of competitive developments, Pennsylvania Railroad officers had been studying possibilities of establishing common-carrier over-the-road truck service in the territory served by its rail lines, in order to provide the shipping public with either rail or truck service and, at the same time, certain trucking companies, already holding certificated rights in Pennsylvania Railroad territory, were found to be desirable for performing substituted service for the railroad.

1936: The Alko Express Lines met both objectives and its purchase was first studied and then recommended. In order for Pennsylvania Truck Lines, the logical company, to purchase Alko Express Lines, I.C.C. authority had to be secured. The first hearing was held at Harrisburg, Pa. on April 27, 1936, and the I.C.C. denied the petition. A second petition, seeking a rehearing, was filed and on November 30 another hearing was held and the purchase was approved by the I.C.C. on March 24, 1937.
1937: The order by the I.C.C., in the proceeding known as MCF-4, specifically stated the sale would promote public interest by enabling the Pennsylvania Railroad to utilize motor vehicles in its service to the public and would not unduly restrain competition.

As a result of the I.C.C. order, on April 30, 1937, Pennsylvania Truck Lines purchased 59.55 shares of Alko stock for $60,000 and, at the same time, Mr. Joseph L. Scott was elected President of the company, in place of John C. Cosgrove, who had served in that capacity since January 15, 1937. From the period of incorporation up to 1937, Alko made money each year; and, without increase of capitalization, and entirely from earnings, had increased the equipment owned from two units in 1929 to 72 units in 1937.

1938: Negotiations between the owners of Alko Express Lines and officials of Pennsylvania Truck Lines developed that the owners were willing to sell the company outright for $107,500. This price was later agreed to by railroad interests, and on December 31, 1938, through purchase of the remaining 600 shares of stock, Pennsylvania Truck Lines acquired a 100% stock interest in the Alko Express Lines. However, between the date when the price of $107,500. had been agreed to and the date final settlement was made, Alko had acquired additional equipment worth $15,502. It was then agreed that Pennsylvania Truck Lines would pay additional for this equipment and, at the time of final settlement, including the earlier purchase of 59.55 shares of stock, Pennsylvania Truck Lines invested $183,002. to purchase the company, of which $145,370.35 represented amount paid for outstanding stock and $37,631.75 represented amount paid for other tangible and intangibles.

The plans of the railroad to have Alko Express Lines perform a coordinated rail and truck service did not materialize for several reasons:

1) It was impracticable to handle rail less-carload traffic on highway vehicles engaged in an exclusive common-carrier service as schedules could not be adapted for the handling of both types of traffic, and give each the service it required.

2) While Alko Express Lines did possess certificated rights paralleling the Pennsylvania Railroad, it did not possess the necessary authority to serve the smaller stations of the railroad and the use of Alko was accordingly found impracticable for adaptation to substituted service. It developed that it was more practical to secure necessary certificated rights in the name of Pennsylvania Truck Lines and have that company operate vehicles for the exclusive handling of substituted service traffic.

Mr. George G. Young was elected President on June 1, 1938, following the death of Mr. Scott, and served until March 1, 1942.

1941: Extensive intra-state rights were granted to the company in the "Grandfather application" Docket MC-59093, issued March 29, 1941, permitting operations between Lancaster, Pa. and Pittsburgh, Pa., via U. S. Routes 22 and 30. These routes closely paralleled the Pennsylvania Railroad.

1942: Mr. J. P. McArdle was elected President on March 1, 1942 and served in that capacity until June 1, 1946.
1944: Due to the inability of the company to secure adequate rates at an early date after granting wage increases to employes; the fact that eastbound traffic was much greater than westbound, resulting in excess empty mileage; poorly located and inadequate terminal facilities; high maintenance costs during the war years because of inability to secure parts; and the fact that equipment depreciation money was spent for other purposes, resulting in a lack of cash to replace worn-out equipment, the company's losses during the three year period, 1942 to 1944, totaled $264,012. It was, therefore, necessary, on May 12, 1944, to borrow $250,000. from American Contract and Trust Co. to continue operations. While it was programmed to repay this indebtedness at the rate of $50,000. per year, the debt was not paid off at the time of the sale of the company in 1949 and this indebtedness had to be assumed by the parent company, Pennsylvania Truck Lines.

In order to reduce its losses, service to 31 of the smaller towns was embargoed, first in 1942; again in 1943. This latter embargo lasted until September 27, 1944, when, at the request of the Pennsylvania Public Service Commission, due to many complaints from patrons, it was removed.

1945: From May 16, 1945 to March 1946, Alko performed pick-up and delivery service for the Pennsylvania Railroad at Altoona, Pa.

During the early months of 1945, in an effort to integrate operations of the company with those of the railroad, some Pennsylvania Railroad less carload freight was trucked from Altoona to Pittsburgh.

During the year, 14.2% of the company's gross came from work performed for the Pennsylvania Railroad.

1946: Mr. R. W. Tackbary was elected President on June 1, 1946, and served in that capacity until the sale of the company on October 15, 1949.

In order to conform to the December 1943 railroad policy of disposing of all common-carrier truck operations, it was decided to sell the company's local rights east of Hagerstown, Chambersburg and Harrisburg to Motor Freight Express, a wholly-owned subsidiary of Baltimore Transfer Company, in which American Contract and Trust Co. had a 30% stock interest. In addition, Motor Freight also desired rights for through service between Harrisburg and Pittsburgh. For these rights, Motor Freight was willing to pay $15,000. The balance of the local rights, west of Harrisburg and Chambersburg, were to be sold to Reuben Alwine and John C. Cosgrove, two of the original founders of the company, for $15,000.

1947: While this proposed action met with the approval of the Pennsylvania Public Utility Commission, the I.C.C. would not approve, due to the split nature of the rights involved. This left the company in the position of being forced to continue operations without sufficient cash.

To meet the emergency, connecting line freight received at Harrisburg and York was embargoed for various periods of time; minimum rates were considerably increased and a 10¢ arbitrary charge was imposed at certain smaller points not affected by an embargo. In addition, equipment was leased from Pennsylvania Truck Lines and other companies to augment the diminishing Alko Fleet. The use of "Gypsies," whereby tractors and 30-foot trailers were leased on a mileage basis, was also resorted to. Under this plan, the Gypsy operators were paid
15¢ a mile for the use of their equipment and usual tariff rates were collected and retained by the company. With heavy and large volume capacity loads, the Gypsy arrangement proved quite profitable.

1948: Motor Freight Express decided upon the outright purchase of all rights held by Alko and a price of $30,000. was agreed upon and appropriate applications filed with the I.C.C. and Pennsylvania Public Utility Commission. Hearings before the Pennsylvania Public Utility Commission were held on March 22, July 20 and September 29. Hearings before the I.C.C. were held on June 1 and 2, and, on November 26, Examiner Williams of the I.C.C. issued a report recommending approval of the sale of these rights to Motor Freight Express. Protestants filed exceptions to the Examiner’s recommended order.

1949: On May 13, 1949, in an order dated May 2, 1949, the I.C.C. sustained the recommendations of the Examiner and authorized the transfer of the Alko rights to Motor Freight Express. A total of 17 petitions were filed against this action; however, the I.C.C. refused to reconsider the matter and permitted the transfer to be made effective October 15, 1949.


The only remaining equipment, 12 tractors and 12 trailers, was absorbed by Pennsylvania Truck Lines with appropriate “book value” credits being applied against Alko’s indebtedness which had been taken over by Pennsylvania Truck Lines. All other property, such as furniture, typewriters and other office equipment, etc., was taken over by Pennsylvania Truck Lines and credit, on an appraised value, applied against Alko’s indebtedness.

1951: The Alko Express Lines was dissolved on August 6, 1951.
Baltimore Transfer Company of Baltimore City
(MARYLAND CORPORATION)

1867: Two residents of Baltimore, Philip S. McLaughlin and John H. Deigan, established a trucking business for the purpose of conducting a local general delivery service in the City of Baltimore.

1890: Following the death of Mr. Deigan, Mr. McLaughlin acquired his partner's interest and continued to operate the business.

1892: On July 12, 1892, the company was incorporated in the State of Maryland with an authorized capital stock of $80,000 divided into 3,200 shares, par value $25.00 each. The company was formed for the purpose of carrying on a forwarding and warehousing business in the City of Baltimore and all the counties in the State of Maryland.

Headquarters were established at 301-319 North Front Street, Baltimore, Md.

1919: On October 10, 1919, Mr. C. Hoffberger, who operated the C. Hoffberger Co., acquired an interest in the company and continued operations from the North Front Street address.

1921: In February 1921, the charter was amended to increase the authorized capitalization of the company to $180,000. The $180,000 capitalization was divided into 4,000 shares of preferred stock and 3,200 shares of common stock, each with a par value of $25.00.

1923: Company erected a large brick building on the south side of Front Street, extending through to Fallsway Street.

1927: By this time, company was equipped to perform general pick-up and delivery service, and also to conduct heavy hauling for the public. Its affairs were under capable management and those connected with the company were personally well regarded and considered to possess outstanding business ability. Late in the same year, when railroad policy was to branch out into the trucking field and buy into various companies throughout its system, the Pennsylvania Railroad became interested in the company.

1928: In October 1928, a reorganization was effected whereby The Baltimore Transfer Co. of Baltimore City, together with the C. Hoffberger Co., entered into a plan as of December 31, 1927, so that all rights, property, etc., of these two companies, subject to their liabilities, were conveyed to the Merchants Terminal Corp. The company was then liquidated, except for seven shares of common capital stock, and the articles of amendment to the charter, decreasing the amount of capital stock, were filed on October 9, 1928.

Later in the same day, the management filed additional articles of amendment to the charter increasing the capital stock to 10,000 shares, each with a par value of $25.00. All of the provisions of the charter, except the first paragraph, were changed by inserting other provisions, the most important being that the company was to engage in a general transfer, trucking, forwarding and rigging business.

After all negotiations with the management of the Baltimore Transfer Co. of Baltimore City had been completed, railroad officials unanimously recommended that a financial interest be obtained in this company, these recommendations being presented to the American
Contract and Trust Co.'s Board of Directors. After the American Contract and Trust Co. Board approved the purchase of a 30% interest in this company, a check for $67,200 was given to Samuel H. Hoffberger, Esq. on October 10, this money covering the purchase of 2,688 shares of common stock. Capital stock issued when American Contract and Trust Co. made its initial purchase was 8,960 shares, having a total value of $224,000.

1929: On October 15, company declared a 2% dividend for the quarter ending September 30. American Contract and Trust Co. received $1,344 as its share of the dividend.

1930: In March, 1930, a further amendment to the charter was made, increasing the authorized capital stock from 10,000 to 20,000 shares, with a par value of $25.00. This was necessary as the company had purchased, on February 15, all of the outstanding stock of the Eagle Transfer Co., Washington, D. C., the equipment and rights of the Prout Line, also of Washington, and had in mind the acquisition of several additional companies in the near future.

On March 27, 1930, 2,000 additional shares of stock were issued, 1,400 being sold to Merchants Terminal Corp. and 600 to American Contract and Trust Co., leaving percentage of ownership undisturbed.

During the same year, the company acquired common-carrier over-the-road trucking rights throughout the States of Maryland, Delaware, New Jersey, New York and Virginia.

In August, it was decided to secure rights in the State of Pennsylvania and at that time, Baltimore Transfer Co. purchased the entire assets, equipment and good will of Roffenberger's Express for $85,000.

As a result of the purchase of Roffenberger's Express, Motor Freight Express was formed and incorporated in the State of Pennsylvania on October 6 as a wholly-owned subsidiary of the Baltimore Transfer Co.

1933: On December 1, the company inaugurated pick-up and delivery service for the Pennsylvania Railroad Co. in the City of Baltimore.

1940: The company was successfully operated throughout the depression years and entered the period of World War II in excellent financial condition. For this, full credit must be given to the Hoffberger management.

1956: At the present time, the company owns and operates terminals at Richmond, Va., Washington, D. C., Baltimore, Md. and Jersey City, N. J.; operates a trucking service in Baltimore, Md. and vicinity; operates interstate service between Baltimore, Md., Washington, D. C. and New York, N. Y. and between Washington, D. C., Richmond and Petersburg, Va.; performs pick-up and delivery service for Pennsylvania Railroad in Baltimore, Md.; owns 100% interest in Eagle Transfer Co. of Washington, D. C., Motor Freight Express of York, Pa. and the Baltimore Transfer Co. of Baltimore City, Inc., the latter a Virginia corporation, not operative, but with charter retained for possible future use; has issued capital stock valued at $274,000., of which American Contract and Trust Co. owns $82,200., or 30%, and Merchants Terminal Corp. of Baltimore, Md. owns the balance.
Bay Bridge Company
(CLEVELAND, OHIO)

1950: The Bay Bridge Co. was incorporated under the laws of the State of Ohio on May 9, 1950, in order to erect and move machinery and equipment for the general public in the Cleveland, Ohio, area. The authorized capitalization was established at $50,000, with 250 shares of no par value stock. Of the authorized stock, 10 shares have been issued, all being purchased by the Cleveland Cartage Co., each share having a stated value of $200 per share.

The officers of this company are the same as those of its parent company, the Cleveland Cartage Co.

1957: The company employs various building tradesmen as the particular job involved may require, and continues to function in the erecting and moving of machinery and equipment.

The officers and directors of this company are:

Officers

J. C. DeVenne............... President and Treasurer
J. W. DeVenne .......... Executive Vice President
A. F. Amor .................. Vice President
W. H. Amor .................. Vice President
P. G. Viall .................. Vice President
W. S. DeVenne ............... Secretary

Directors

H. M. Phillips
H. P. Lacey
J. L. Webb
D. K. Chase
I. Grossman
L. H. Blake
Ann Ninmer
Buffalo Storage and Carting Company, Inc.  
(BUFFALO, N. Y.)

1868: Thomas J. Avery founded the Buffalo Carting Co. in the year 1868 by commencing operations with a two-wheel mule-drawn vehicle.

1874: William Perry Taylor, then Division Superintendent of the Michigan Central Railroad, bought out Thomas J. Avery and a new company was formed with the following officers being elected: W. P. Taylor—President, C. D. Taylor (brother of W. P. Taylor)—Vice President, T. J. Avery—Treasurer, F. J. Abel—Secretary, and Rollin Martin—Superintendent.

1883: The name of the company was changed from Buffalo Carting Co. to Buffalo Storage and Carting Co. as a result of the acquisition of contracts from various department stores to deliver packages and parcels for them. About this same time, a large six story brick structure was erected at 350 Seneca Street on the site of the present garage facility, this building being the first public warehouse erected in the city of Buffalo.

1885: For a three year period, commencing in 1885, the company operated a horse-drawn bus line on Seneca and Elk Streets in Buffalo under the name of the Buffalo Stage Co. A five cent fare was charged but this service was later discontinued because of lack of patronage. The equipment owned, consisting of eighteen buses, purchased second hand in New York City, was sold.

1890: The Buffalo Storage and Carting Co. performed local drayage service for practically every business and industry in Buffalo and to perform this service, it used various types of horse-drawn equipment and was the first carting company in Buffalo to use a van-type body with three horses. The hourly rental for such a vehicle and driver was $1.50 with drivers receiving $32.50 per month. The company handled all material in connection with the construction of the Ellicott Square Building, constructed in Buffalo about 1896, which, at that time, was said to be the largest office building in the world. For the handling of materials in connection with the construction of this building, the company received rates varying from 4¢ to 6¢ per cwt., depending upon the distance from the railroad station involved.

1893: The Cobb Cartage Co. was purchased and merged with the Buffalo Storage and Carting Co.

1902: On June 11, 1902, the company was incorporated with an authorized capitalization of $10,000., made up of 100 shares of stock valued at $100.00 each. Mr. W. P. Taylor received the entire stock issue in exchange for the former unincorporated Buffalo Storage and Carting Co. The first officers were: W. P. Taylor—President, C. D. Taylor—Vice President, and F. J. Abel—Secretary and Treasurer.

1903: The company leased a plot of ground from the New York Central Railroad at Scott and Van Rensselaer Streets, Buffalo, and erected thereon a one-story brick warehouse building for storage purposes. The property was known as the Scott Street Warehouse. Following this action, the company purchased a property at 150 Myrtle Avenue to be
used as a shop and garage facility. This property, with a frontage (100 feet) on Myrtle Avenue, was very near the company's six story warehouse located at 350 Seneca Street.

1904: The six story brick warehouse, erected in 1883, was completely destroyed by fire. At the time of the fire, the warehouse was loaded to capacity and the fire burned for a period of one week, being constantly attended by firemen during this period. Twelve of the 190 horses stabled in the basement of the building perished in the fire.

1905: The present warehouse and garage facility, a three story structure, was erected on the same site where the fire occurred.

During this year the first motor vehicle was purchased and placed in service.

The company continued to prosper under the direction of President William Perry Taylor and had 270 horses and about 200 employees, as well as its own blacksmith shop. The company built its own wagons and made its own harnesses, this work being done at a property located on Louisiana Street, adjacent to the old Western New York and Pennsylvania Railroad passenger station. This latter property was disposed of in 1933, after acquisition of the company by American Contract and Trust Co.

In addition to performing a package and parcel delivery service for the various department stores in Buffalo, the company leased horses and delivery wagons to stores who supplied their own drivers to perform an identical service.

1908: The Buffalo Dray Co. was purchased during this year and merged with the Buffalo Storage and Carting Co.

Rates charged in 1908 for pick-up and delivery service ranged from 15¢ cwt. to 50¢ cwt., the 50¢ cwt. rate being charged for service into suburban Buffalo areas. A sliding scale, depending upon mileage to the delivery point, was in effect and the company performed pick-up and delivery service from all railroad stations in Buffalo, except that of the New York Central. Of interest is the fact that practically all supervisory employees of other local drayage companies in the Buffalo area had been employed, at one time or another, by the Buffalo Storage and Carting Co.

1910: The authorized capital stock was increased from $10,000 to $150,000 in February 1910. At the same time, President W. P. Taylor sold the properties at 350 Seneca Street and 150 Myrtle Avenue to the company in exchange for 1,400 shares of stock valued at $100.00 each.

1918: Throughout the years the company continued to prosper, however, never operated outside the immediate area of Buffalo. During 50 years of continuous service, only three work stoppages occurred, the most serious being in 1918.

1923: Mr. Frank J. Abel, Secretary and Treasurer, and a Director of the company, died and Mr. Anthony L. Perazzo was elected Secretary and a Director and Mrs. Clarence D. Taylor was elected Treasurer.

1925: During this year, the last horses and horse-drawn vehicles were sold.

1928: Sometime prior to 1928, Mr. Harvey C. Miller, a Philadelphia businessman and, at the time, President of Scott Bros., along with repre-
sentatives of the Pennsylvania Railroad, organized the Keystone Warehouse and the Keystone Transfer Co., both in the City of Buffalo, the transfer company performing a local cartage service in Buffalo in competition with the Buffalo Storage and Carting Co.

At about this same time, railroad officials were developing the possibilities of purchasing an interest in established trucking companies throughout the rail system to transport freight as an auxiliary to rail service. The Buffalo Storage and Carting Co. was one of a group of companies in which the railroad officials became interested.

1929:

On July 11, 1929, American Contract and Trust Co. purchased 1,500 shares of Buffalo Storage and Carting Co. stock at a cost of $150,000., and, at the same time, loaned the company $35,000. Officers of the company at that time were: William P. Taylor—President, Clarence D. Taylor—Vice President and General Manager, and A. L. Perazzo—Secretary.

President Taylor resigned as a Director and President of the company and was succeeded by Nelson M. Redfield, who remained with the company for only a short time, and who was succeeded by Mr. Perry E. Wurst.

The Board of Directors, at a subsequent meeting, authorized an increase in capitalization from $150,000. to $250,000. and, at the same time, authorized the purchase of the Keystone Transfer Co. for $32,800. from Keystone Warehouse Co. to be paid for with 328 shares of capital stock out of the original issue of 1,500 shares. This required the Buffalo Storage and Carting Co. to purchase 328 shares of stock from American Contract and Trust Co., thereby reducing American Contract and Trust Company's holdings to 1,172 shares. The company's note, for purchase of these 328 shares of stock, was accepted by American Contract and Trust Co. At the time, company was also indebted to American Contract and Trust Co. for $35,000., as a result of advances made, and, at the same Board meeting, action was taken to authorize the issuance of 350 additional shares of stock which were turned over to American Contract and Trust Co. and the indebtedness cancelled. American Contract and Trust Co. then received, at a later date, 328 additional shares of stock which were issued to settle the company's note of $32,800. American Contract and Trust Co. then purchased the 328 shares of stock held by the Keystone Warehouse Co., making their total ownership 2,178 shares of Buffalo Storage and Carting Co. stock.

With the purchase of the Keystone Transfer Co., all equipment and employees of the transfer company were absorbed by the Buffalo Storage and Carting Co. and the Keystone Transfer Co. was dissolved.

The Board of Directors also accepted the resignations of the following and increased the number of Directors to seven: Perry E. Wurst—President, C. D. Taylor—Vice President, General Manager and Director, A. L. Perazzo—Secretary and Director, and A. L. Eaton—Director.

The following officers and directors were elected: Joseph L. Scott—President and Director, Martin Frash—Vice President and Manager, Miss A. E. Senn—Secretary and Treasurer, George J. Adams, E. W. Smith, P. J. Swartz, Harvey C. Miller and Arnold L. Eaton—Directors.

In October 1929, Mr. J. Winfield Scott was elected Assistant Secretary and Assistant Treasurer.

At various times from 1929 through 1944, the company transported freight in over-the-road service from Buffalo to Cleveland under
contract with the Cleveland and Buffalo Transit Co. In the early years, this service was performed only during the winter months when Lake Erie was closed to navigation, however, as the Cleveland and Buffalo Transit Co. gradually withdrew from the operation of boat service, the intercity movement was performed on a year-around basis. In 1929, the Cleveland and Buffalo Transit Co. operated four boats, however, during World War II only one boat remained and that was ultimately taken over by the U. S. Navy for training naval personnel. The owner of the Cleveland and Buffalo Transit Co. was Mr. Alva Bradley, who at one time owned the Cleveland Indians American League Baseball Team.

1930: In January, the By-laws of the company were amended to create the position of Chairman of the Board and Mr. Harvey C. Miller was elected to that position.

It was during this year that the first contractual arrangements in Buffalo, N. Y. were made for the hauling of fabricated steel products from warehouses of the Joseph T. Ryerson Steel Co. to consumers in the Buffalo and Western New York areas. The company furnished nine vehicles with drivers for this service and, in 1930, charges were as follows:

- Truck capacity up to 10,000 pounds .............. $ 9.00 per day
- Truck capacity 10,001 pounds to 14,000 pounds. 11.50 per day
- Truck capacity 14,001 pounds to 24,000 pounds. 15.50 per day
- Trailers are furnished when requested at the rate of $1.50 per day.

James H. Watson was elected Secretary and Treasurer in March 1930. His resignation was accepted in November 1930 and Miss V. Mitchell was appointed Acting Treasurer.

1931: George G. Young, who had been transferred from Scott Bros. in Philadelphia, was elected Vice President, succeeding Martin Frasch. This appointment became effective May 1, 1931.

1932: Local transfer service from the Pennsylvania Railroad station in Buffalo to other railroad stations in Buffalo was inaugurated.

1934: During this year the company inaugurated common-carrier over-the-road service between Buffalo and Syracuse and, prior to 1936, operated substituted service routes for Pennsylvania Railroad between Buffalo and Olean; Buffalo and Warren and Buffalo and Erie. These routes, including the Buffalo-Syracuse operation were suspended prior to June 1, 1936.

The Scott Street Warehouse, erected in 1903 on New York Central Railroad property, and valued at $64,000 in 1929 when American Contract and Trust Co. acquired control of the company, was torn down in May 1934 and the net value thereof removed from the records.

1935: In April, Mr. George G. Young was elected to the position of Secretary and Treasurer in addition to Vice President.

1936: James F. Breuil and W. H. Bennett, who had organized the Frontier Fuel Oil Co., negotiated with Buffalo Storage and Carting Co. to lease vehicles for delivery of the fuel oil. Twenty-seven vehicles were required, seventeen for delivery of fuel oil to private homes. Originally, drivers were furnished with the vehicles, but at a later date, only the vehicles were furnished, the Frontier Fuel Oil Co. furnishing the
drivers. The contract continued until 1953 when, due to a change in the oil company policy, the oil company bought the equipment for $15,000. and resold it to the drivers, who now act as salesmen-distributors.

During the year, the following personnel changes were made: William A. Abberger was appointed General Manager in January and J. W. Scott was elected Secretary and Treasurer in May.

1937: Pick-up and delivery service in Buffalo, N. Y. was inaugurated in conjunction with Pennsylvania Railroad less-carload traffic.

Mr. F. J. DeMars was appointed Manager and Mr. J. W. Scott was appointed Custodian of Records.

1938: President Joseph L. Scott died on May 2, 1938 and Mr. G. G. Young was elected President, effective June 1, 1938. At the same time, Miss R. I. Kane was appointed Assistant Secretary and Assistant Treasurer.

In October, the by-laws of the company were changed, creating the position of General Auditor and Mr. Peter J. Mooney was appointed as such effective November 1.

Mr. Anthony Perazzo, who had been a Director and Secretary of the company prior to 1929 and who continued to serve in various capacities, was retired and given a pension of $50.00 monthly.

1939: The American Trucking Associations awarded a silver plaque to the company for its safety record and in 1940, as a result of another good safety performance, the company received a Certificate of Merit.

1941: On February 24, 1941, Pennsylvania Railroad substituted service between Buffalo and East Aurora, N. Y., was inaugurated.

1942: Mr. George G. Young resigned as President on March 1, 1942 and Mr. J. P. McArdle was elected to succeed him. Mr. McArdle had been Manager of the Willett Co. of Indiana (now Pentruck Co.).

In addition to Mr. McArdle's appointment, the following appointments were made: B. S. Johnson—Manager, Purchases and Maintenance, P. T. Stackhouse—Manager, Labor Relations, W. Robert Smith—Manager, Insurance, and B. Gingerich—Manager, Tariffs.

1943: Miss R. I. Kane resigned as Assistant Secretary and Assistant Treasurer and Miss Claire H. Crawshaw was elected to succeed her.

1944: Miss Crawshaw resigned as Assistant Secretary and Assistant Treasurer in September 1944.

On December 31, 1944, the Cleveland-Buffalo operations, under contract with the Cleveland and Buffalo Transit Co., were discontinued and the certificated rights, which the company held, were sold for $10,000., largely because of objection voiced by the New York Central Railroad who felt that this operation was, in reality, an invasion of their territory. In addition to the sale of rights, the vehicles and other supplies used in this operation were sold for $80,000. The last boat sold to the U. S. Navy by the Cleveland and Buffalo Transit Co. was converted to a flat top airplane carrier training ship and was commissioned as "SEANDBEE."
1946: Mr. R. W. Tackbary was elected a Director and President of the company effective June 1, following the resignation of Mr. J. P. McArdle. Mr. Tackbary had been formerly associated with Pennsylvania Truck Lines and Scott Bros. and, prior to his appointment was General Manager, New York Division, of Scott Bros.

Mr. P. J. Mooney resigned as General Auditor in May 1946 and Mr. Elmer Williamson was appointed his successor, effective June 1.

1947: On January 13, 1947, Pennsylvania Railroad substituted service between Buffalo, N. Y. and Olean, N. Y. was inaugurated.

On July 31, 1947, the property located at 150 Myrtle Avenue, which was purchased in 1903 as a shop and garage facility, was sold to Murry's Delivery Service for $26,500. With the sale of this property, and rehabilitation of the main property at 350 Seneca Street, all operations were combined under one roof thereby permitting simplification of operations.

1948: On May 1, the company inaugurated a retirement plan for officers, supervisory and office forces on a voluntary and contributory basis for all who elected to participate.

On June 22, 1948, the company retired 428 shares of outstanding capital stock by purchase from American Contract and Trust Co. at par value of $100.00 per share. With this purchase American Contract and Trust Company's holding was reduced to 1,750 shares.

Mr. W. Robert Smith, Manager, Insurance, resigned and the position was abolished. The positions of Manager, Purchases and Maintenance and Manager, Tariffs were also abolished.

1949: In December 1948, Mr. G. A. Rouse, who had previously held various positions with Scott Bros. and Merchants Trucking Co. was elected Vice President, effective January 1, 1949.

Mr. F. J. DeMars, who had been Manager since 1937, died in June and Mr. E. J. Fisher, who had been Manager of Scott Bros., New York Division, was appointed General Manager of the company in September.

1950: The second and third floors of the garage facility were leased to the Lee Distributing Co. at a rental of $5,000 per year.

1951: Metal signs advertising Pennsylvania Railroad “Keystone Merchandise Service” were attached to the sides of all vehicles engaged in the handling of less-carload traffic.

The company, along with other draymen, established a trailer equipment pool in the Buffalo area, to eliminate return of empty equipment in transfer service of less-carload traffic between railroad stations.

1952: To simplify operations and to have vehicles operating in substituted service work under the jurisdiction of railroad officers having jurisdiction over the stations, three Pennsylvania Truck Line routes operating in the former Northern Division area of the railroad were transferred to Buffalo Storage and Carting Co. who purchased the equipment at book value.
Through Aetna Life Insurance Co. a group accident, sickness and death benefit plan for all office and supervisory forces was established in November 1952.

1953: Contract with the Frontier Oil Co. to furnish equipment for the distribution of fuel was cancelled due to a change in oil company policy. The Frontier Oil Co. purchased the equipment involved for $15,000 and resold it to the drivers, who now act as salesmen-distributors.

Due to a ruling of the I.C.C. with respect to leasing of vehicles, two buses which had been leased to the Pennsylvania Railroad were sold, at book value, to Excelsior Truck Leasing Co.

1954: Company’s petition to the New York State Public Service Commission to transport iron, steel and steel-mill products for the Joseph T. Ryerson Co. within a 250 mile radius of Buffalo was denied. To meet the situation, Excelsior Truck Leasing Co. leased the required vehicles to the Ryerson Co.

An audit of the company’s certificated rights by the New York State Public Service Commission resulted in the Commission requesting forfeiture of certain dormant petroleum transport rights held by the company. After review of the matter, it was decided to hold only those rights in and between Erie and Monroe counties, based on the possibility of a railroad requirement for the handling of diesel fuel in this area.

1955: Mr. Elmer Williamson, General Auditor of the company, retired December 31, 1954 and Mr. L. S. Stetser was appointed as his successor effective January 1, 1955.

Installation of a gas tank and pump at the Ryerson Warehouse, in order to reduce lost time of drivers, was completed as were major repairs to the elevator located in the Seneca Street garage facility.

L. F. Stetser resigned as General Auditor effective July 1, 1955, and Mr. J. T. Sullivan was appointed as his successor.

1956: A representative of the Public Service Commission of New York made an examination of the company’s records on October 31, 1955, and took exception to the leasing of automotive equipment to Joseph T. Ryerson for customer delivery in Erie and Niagara Counties. General Counsel, Gilbert Nurick, arranged for a conference in Albany, N. Y. on January 11 with Mr. J. B. Potts, Chief of the Motor Carrier Bureau of the New York Commission. It was agreed that Excelsior Truck Leasing Co. should take over this leasing and render service to the same extent and in the same manner as in the past, except that a vehicle operating between Buffalo, Niagara Falls and North Tonawanda should not display the Ryerson name on the door panels.

Effective February 27, company was granted I.C.C. authority to extend substituted service from Olean, N. Y. to Bradford, Pa.

In March, pick-up and delivery operations at Buffalo, N. Y. were consolidated on one platform of the Pennsylvania Railroad Buffalo freight station to permit simplification of the handling of inbound and outbound less-carload traffic and to eliminate the need for shuttling equipment from one platform to the other.

In May, one of the company’s vehicles was caught in a “flash” flood at Warren, Pa. The vehicle had to be completely overhauled.
On May 1, Mr. R. W. Tackbary, due to his appointment as General Manager—TrucTrain for the Pennsylvania Railroad, was granted a leave of absence, and on August 1, Mr. G. A. Rouse was elected Acting President and Mr. R. Y. Timmons, former Manager of Merchants Trucking Co., Norfolk, Va., was elected Assistant Vice President of the company.

Company had to allow "across-the-board" wage increases to its employees in February and August as a result of labor agreements affecting all Teamster Union employees in the area.

On August 29, a formal notification was received from the Curtiss Candy Co. stating that a new lease covering the floor space occupied on the second floor of the Seneca Street Building would not be negotiated as the Curtiss Candy Co. desired to make changes in their sales and distribution methods, the new plan eliminating the necessity of warehousing facilities at seven or eight cities, including Buffalo. The vacated space, which rented for $475.00 per month, was immediately listed with several real estate brokers in an effort to find a suitable tenant. Curtiss Candy Co. vacated the space on November 30.

During the year the company completely rehabilitated thirteen trailers and purchased one new tractor and six new 16-foot closed type bodies, for mounting on existing chassis.

Mr. J. T. Sullivan resigned as General Auditor of the company, effective November 30, 1956.
Cement Transport, Inc.
(CLEVELAND, OHIO)

1950: Cement Transport, Inc. was incorporated under the laws of the State of Ohio on April 21, 1950, in order to deliver cement from one particular cement manufacturer in the general area surrounding Cleveland. After one year's experience, it was necessary for the company to cancel its contract due to the very poor loading conditions, resulting in exorbitant expense, at the loading dock of the cement manufacturer.

The authorized capitalization of this company consisted of 250 shares of no par value stock, having a stated value of $50,000. Sixty shares of this, the only outstanding stock, were purchased by the Cleveland Cartage Company and the following officers were elected:

- J. C. DeVenne .................. President and Treasurer
- W. S. DeVenne .................... Secretary
- J. W. DeVenne .................... Vice President

1954- In 1954, Cement Transport began purchase of trailers for inter-
1956: company leasing and the company continues to perform this type of service as of today.
Central Transit Company  
(CLEVELAND, OHIO)

1935: In order to permit solicitation, forwarding, transporting, sorting and distribution of property, the Central Transit Co. was organized by the Cleveland Cartage Co. and was incorporated in the State of Ohio on March 16, 1935.

Authorized capitalization was established at $5,000. and authorized stock consisted of 250 shares of no par value stock, with a stated value of $20.00 per share, all of which is owned by Cleveland Cartage Co.

The officers and directors of this company were the same as the parent company, Cleveland Cartage Co.

Company also sought franchises and rights to buy, sell and otherwise deal in new and used motor vehicles of every type as well as to supply parts and accessories. In addition, it was also intended that the company would operate its own garage and repair shop and have the right to purchase, lease, contract or maintain buildings or property necessary or incidental to the operations of the company.

1940-1957: Central Transit Co. operated only as a contract-carrier, principally transporting items of steel, originating or terminating in Allegheny County, Pa. or in Cuyahoga County, Ohio.

The present officers and directors of the company are as follows:

Officers

J. C. DeVenne ............... President and Treasurer
J. W. DeVenne ............... Executive Vice President
A. F. Amor ..................... Vice President
W. H. Amor ..................... Vice President
P. G. Viall ..................... Vice President
W. S. DeVenne ................ Secretary

Directors

H. M. Phillips
H. P. Lacey
J. L. Webb
D. K. Chase
I. Grossman
L. H. Blake
Ann Ninmer

53
Cleveland Cartage Company

(CLEVELAND, OHIO)

1915: To perform a general trucking business in the Cleveland, Ohio area, Mr. John C. DeVenne organized the Cleveland Cartage Co. and incorporated the company on November 15, 1915, under State of Ohio laws. Mr. DeVenne was elected President, Mr. Werner Smith, Vice-President and Mr. Charles Buss, Secretary.

Capitalization in the amount of $10,000 was authorized and 100 shares of stock valued at $100.00 each, were issued and were all acquired by Mr. John C. DeVenne.

In spite of the many hardships encountered in the early days, Mr. DeVenne brought the company through various difficult stages and, under his management, the company prospered and expanded to the point where today, hardly a day passes that you don't see a bright yellow truck bearing the name “Cleveland Cartage” plying the highways or byways around Cleveland.

The company acquired its first vehicle in 1915. This was a new 4½ ton truck with a “worm” drive and this same vehicle, equipped with hard rubber tires, is a part of the fleet today.

1928: Mr. A. F. “Del” Amor joined the company and helped stimulate the rapid expansion program. Mr. Amor is Vice-President of the company today.

Authorized capitalization was increased to $100,000. and number of shares of stock to 1,000.

1929: The Toledo Cartage Co. was purchased on June 10.

In line with Pennsylvania Railroad's policy of buying into leading trucking companies along its rail system, rail officials investigated the financial condition of the company and Mr. E. W. Smith, then Vice-President of the Central Region of the railroad, met with President DeVenne and discussed the possibility of the Pennsylvania Railroad purchasing an interest in the company.

On August 10, 1929, Mr. DeVenne made an initial proposition to the Pennsylvania Railroad that the company's capitalization be increased to $500,000. by issuing up to 5,000 shares of stock valued at $100.00 each; that a 150% stock dividend be declared to existing stockholders, and that the Pennsylvania Railroad invest $200,000. by the purchase of 2,000 shares of stock.

On October 25, final arrangements were consummated and it was agreed that present stockholders would receive a $15,000. cash dividend and that American Contract and Trust Co. would invest $90,000. for 450 shares of the then existing 1,000 shares of stock. This transaction was completed on December 2, 1929, and, after reorganization of the company, the following officers and directors were elected:

Officers

President and General Manager ........... John C. DeVenne
Vice-President ......................... E. S. Hanson
Secretary and Treasurer ................. W. G. Smith
Auditor ............................. L. M. Blake
Directors
John C. DeVenne
W. S. DeVenne
E. S. Hanson
W. G. Smith
G. J. Adams
G. F. Norton
P. L. Grove

At the time of American Contract and Trust Co.'s investment, the Cleveland Cartage Co. had 67 units: 38 trucks, 8 tractors, 21 trailers and 3 business cars. The company was equipped with necessary tackle, winches, hoists, blocking, poles, etc., to move heavy freight of every description, including contractors' equipment, large pieces of machinery, trees, safes, etc., as well as to conduct a general hauling and rigging business of all kinds.

The Board of Directors, at its meeting on December 16, 1929, authorized an increase in capitalization from $100,000. to $250,000. (1,500 additional shares of stock).

1930: In January, 500 shares of the stock were issued and American Contract and Trust Co. purchased 225 shares for $22,500. on January 20.

At the March 3 meeting of the Board of Directors, the company was authorized to purchase the O'Brien Hoisting and Erecting Co. for $5,000. It was also during this month that the company started work for the Pennsylvania Railroad, the first being that of handling less-carload transfer freight between various railroad stations in Cleveland.

During 1930, the company experienced difficulty in making money and, as a result, a retrenchment program had to be instituted and much of the overhead expenses were reduced. The company sought to take over local work for National Freight Delivery as the additional revenue received would considerably help the company to stay "in the black."

On December 22, 1930, Mr. Joseph L. Scott was elected as a director to succeed Mr. G. F. Norton.

1931: In January, the company took over local work for National Freight Delivery Co., not only in Cleveland but also in Detroit. With this additional work, the company "weathered the storm" in 1931 and completed the year showing a slight profit.

On October 19, 1931, the management of the company organized a new company—The Western Express Co.—and incorporated this company in the State of Ohio. Western Express was organized to secure various interstate certificates in Ohio, Michigan, Indiana, Massachusetts and Pennsylvania in order to avoid any unfavorable publicity due to Pennsylvania Railroad's interest in the parent company.
1932: In February, the company experienced a work stoppage in an endeavor to eliminate a “closed shop” union agreement. While not completely satisfactory to the management, a new agreement, more satisfactory than the former agreement’ was reached.

Mr. J. A. Appleton was made a Director of the firm.

1933: Due to the depression and lack of business, the company operated with very small profits and it was decided to conduct a complete survey of all operations in order to dispense with unprofitable aspects of the business. Mr. Joseph L. Scott was called in to undertake this survey and, as a result, some equipment and rights were sold in order to satisfy large creditors. Additional overhead personnel were dismissed and excessive tire inventories were diminished. In December, the company contracted with the Pennsylvania Railroad to perform pick-up and delivery service in the city of Cleveland.

1934: By January 1, 1934, over-the-road operations were suspended and operations confined to terminal work and, after seven months, financial results were satisfactory, in that a slight net was earned.

Two lawsuits for a total of $175,000. were pending and in addition to these financial woes, it was discovered that the Manager of one of the subsidiary companies was illegally using company funds for personal use. Mr. Joseph L. Scott suggested a special meeting of the Board of Directors to place this matter before them in an endeavor to create a permanent change in the management.

Stockholders, and number of shares owned, at this time were:

<table>
<thead>
<tr>
<th>Stockholder</th>
<th>No. of Shares</th>
<th>Par Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Contract &amp; Trust Co.</td>
<td>675</td>
<td>$67,500</td>
</tr>
<tr>
<td>A. F. Amor</td>
<td>33</td>
<td>3,300</td>
</tr>
<tr>
<td>L. H. Blake</td>
<td>15</td>
<td>1,500</td>
</tr>
<tr>
<td>J. C. DeVenne</td>
<td>441</td>
<td>44,100</td>
</tr>
<tr>
<td>W. S. DeVenne</td>
<td>12</td>
<td>1,200</td>
</tr>
<tr>
<td>I. Grossman</td>
<td>15</td>
<td>1,500</td>
</tr>
<tr>
<td>E. M. Hanson</td>
<td>128</td>
<td>12,800</td>
</tr>
<tr>
<td>C. Ninmer</td>
<td>4</td>
<td>400</td>
</tr>
<tr>
<td>F. O. Smith</td>
<td>177</td>
<td>17,700</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,500</strong></td>
<td><strong>$150,000</strong></td>
</tr>
</tbody>
</table>

The lawsuits were settled by a payment of $19,500.

1935: On March 16, 1935, the company formed a new organization, Central Transit Co., and incorporated this company under Ohio laws.

This company was organized to engage in contract trucking, principally transporting items of steel, originating or terminating in Allegheny County and Cuyahoga County, Ohio.

Substituted service for the Pennsylvania Railroad between Cleveland and Bedford was inaugurated during this year.
1936: The company operated through the balance of the depression years in a somewhat disharmonious fashion; however, with the end of the depression and return to normal business activities, the company again prospered and is today, recognized as one of the leaders in the Midwest trucking industry, owning several subsidiary companies and at least 900 vehicles of all types and sizes, a large part of them being engaged in the transportation of products and equipment of industry, every day and night, rain or shine.

1945: In order for the company to actively engage in terminal operations at the Reconstruction Finance Corporation Warehouse CLE 15, known as the Wardwell Ordinance Depot, near Warren, Ohio, it was decided to organize and incorporate a new company to be known as Reserve Moving and Erecting Company. This was done on July 1, 1945.

1946: To engage in leasing of commercial vehicles and trucks, either in single units or on a fleet basis, to customers who could supply their own drivers, the company organized and incorporated a new company, Trucklease, Inc. on December 12, 1946.

1950: On April 21, 1950, a new company, Cement Transport Co., was formed in order to deliver cement from one particular cement manufacturer.

On May 9, 1950, a new company, Bay Bridge Co., was formed in order to erect and move machinery and equipment in the Cleveland, Ohio, and surrounding area.

1955: On June 22, 1955, a new company, Riverside Trucking Co., was formed in order to engage in the hauling of cement from a particular cement manufacturer.

1956: On March 13, 1956, a new company, Fairport Trucking Co. was formed to do trucking at Fairport and Painesville, Ohio.

1957: The company performs pick-up and delivery service and substituted service for the Pennsylvania Railroad in the Cleveland area and since inauguration of TrucTrain Service, has performed terminal service on TrucTrain trailers in Cleveland.

The following wholly-owned subsidiary companies are operated by the Cleveland Cartage Co.:

1. Toledo Cartage Company
2. Western Express Company
3. Lakeside Properties, Inc.
4. Reserve Terminals Company
5. Trucklease, Inc.
7. Bay Bridge Company, Inc.
8. Cement Transport, Inc.
9. Riverside Trucking Company, Inc.
10. Fairport Trucking Company, Inc.
Del-Mar-Va Motor Transport Company
(NORFOLK, VA.)

1929: In order to conduct trucking operations in the Norfolk, Va. area for the Pennsylvania Railroad Co. the Del-Mar-Va Motor Transport Co. was incorporated in Virginia on February 16, 1929.

At the time of incorporation, 1,400 shares of common stock, having a par value of $50.00 per share, and 600 shares of preferred stock, also having a par value of $50.00 were authorized. Total authorized capitalization was $100,000.

The American Contract and Trust Co. purchased 20 shares of common stock for $1,000 on April 18, 1929. This was the only stock issued.

The Merchants Express Co., while organized in 1917, was not incorporated until October 7, 1929. This company performed substituted service operations for the railroad as early as 1924, and was sold to the Harvey Miller interests in early 1929. On July 24, 1929, the controlling interest in this company was transferred from the Norfolk Tidewater Terminal Co. (a Harvey Miller enterprise) to the Del-Mar-Va Motor Transport Co., and, at the time of incorporation, was renamed the Merchants Trucking Co.

With the acquisition of the Merchants Trucking Co., American Contract and Trust Co. had two trucking companies in Norfolk, one, the Del-Mar-Va Motor Transport Co., a concern which never operated, and two, the Merchants Trucking Co., which had actually been operating since 1917.

It was decided that the equipment, etc. which had been purchased from the Merchants Express Co. by the Del-Mar-Va Motor Transport Co., should be sold to the Merchants Trucking Co., thereby giving American Contract and Trust Co. a stock interest in one trucking company already operating in Virginia territory. This was done on December 2, 1929 when American Contract and Trust Co. purchased 304 shares of Merchants Trucking Co. stock at a cost of $15,200.

1940: Due to the organization of Merchants Trucking Co., and the purchase of Merchants by American Contract and Trust Co., the Del-Mar-Va Motor Transport Co. was never called on to commence trucking operations and the company (Del-Mar-Va Motor Transport) went out of existence on August 10, 1940.
Eagle Transfer Company
(WASHINGTON, D. C.)

1918: The Eagle Transfer Co. was incorporated under the laws of the District of Columbia on September 14, 1918 with rights to engage in local cartage work. Under the guidance of its founders, Louis Abrahams, Joseph Abrahams and Mendes J. Mannes, the company became firmly established as a local drayman in the Washington, D. C. area.

1929: In the latter part of this year, the Baltimore Transfer Co. became interested in this organization, with the idea of purchasing it, to have it perform the Baltimore Transfer Co.'s work in the Washington, D. C. area.

1930: Negotiations, which started early in the year, were completed on February 5, and the sale of Eagle Transfer Co. stock was completed. Baltimore Transfer Co. paid $32,500. to acquire the stock of Eagle Transfer, however, the actual cost to Baltimore Transfer Co. was $42,181.58, which included good will and equipment, accounts receivable and an adjustment for insurance and taxes.

The total outstanding stock, at time of acquisition by The Baltimore Transfer Co., was divided between Louis Abrahams (51 shares), Joseph Abrahams (25 shares) and Mendes J. Mannes (24 shares). The first Board of Directors were: Saul C. Hoffberger, Louis Abrahams and Mendes J. Mannes.

1931: At a meeting of the Board of Directors on January 13, the interests of the American Contract and Trust Co. were recognized when George M. Smith and George J. Adams of the Pennsylvania Railroad, were appointed Trustees, together with Herbert G. Kaufman, Samuel H. Hoffberger and Saul C. Hoffberger.

1932: Immediately after the new company was formed, the progressive ideas of the parent company, The Baltimore Transfer Co., were installed. An immediate reaction, which turned a lagging company into an aggressive profitable enterprise followed. New business was sought and acquired, and until the end of 1955, the company conducted a pick-up and delivery service for the Pennsylvania, Chesapeake & Ohio, Richmond, Fredericksburg and Potomac and Southern Railroads in Washington, D. C. and vicinity. These pick-up and delivery services were discontinued effective January 1, 1956 and, at the present time, the company performs a common-carrier service in the Virginia, Washington, D. C. and Maryland area. The capital stock of the company is owned entirely by the Baltimore Transfer Co., in which American Contract and Trust Co. has a 30% interest.

1956:
Edwards Transfer Company
(COLUMBUS, OHIO)

1913: The Edwards Transfer Co. was established in 1913 by Mr. D. E. Edwards, who operated the company as an individual until March 4, 1918, when the company was incorporated under the laws of the State of Ohio. The company was primarily engaged in local cartage work in Columbus, Ohio, and long distance hauling from Columbus.

1929: In line with the policy of the Pennsylvania Railroad to acquire an interest in progressive truck companies, and have them perform substituted service and handle other auxiliary or supplemental work for the railroad as might be required, the Edwards Transfer Co. was selected as the best trucking company in the Columbus, Ohio territory in which to secure a financial interest.

As a result of negotiations, American Contract and Trust Co. acquired a 40% interest in the company on October 1, 1929, at a cost of $15,000. On October 1, 1929, officers and directors of the newly organized company were elected, authorized capitalization of $5,000 was increased to $50,000. and the amount of stock outstanding was increased from $3,500. to $20,000.; $12,000. of which was to go to the Edwards' interests and $8,000. to American Contract and Trust Co.

The officers elected were: D. E. Edwards—President, G. J. Adams—Vice-President, and Mrs. Jennie Edwards—Secretary and Treasurer.

1930-1932: Due to overall economic conditions in these depression years, the company did not prosper, and consideration was given to disposing of the American Contract and Trust Company's interest in the company. However, in view of the pending pick-up and delivery service and the development of a container car service, rail officials recommended that American Contract and Trust Co. should maintain its interest in the company.

1934: Due to mismanagement, petty jealousies and friction among the employes, it was necessary for the Board of Directors to take action. As a result, accounting procedures were changed and specific job descriptions outlining duties for each member of the organization were set up for the sole purpose of correcting inefficiencies.

1936: Company showed signs of making progress and in 1936 produced a net of $3,200., however no dividends could be paid because of Ohio laws prohibiting payment of dividends when a surplus in the deficit account existed.

1938: Edwards management, on June 11, requested from the Pennsylvania Railroad a 3¢ cwt. increase in rate paid for pick-up and delivery service in Columbus, which, at that time, was 7¢ cwt. It was stated the company had incurred a loss of $2,055. during the period December 1, 1937 through March 31, 1938. On August 11, 1938, a special meeting of the Board of Directors was called to discuss the situation regarding the Pennsylvania Railroad's Columbus, Ohio pick-up and delivery work and management's proposal to terminate its contract with the Pennsylvania Railroad. Subsequently, a railroad auditor was brought in to analyze the company's books and developed that instead of the claimed loss on pick-up and delivery operations at Columbus, there was an
actual profit of $1,690.; however, the auditor inferred his final result could be in error due to difficulty encountered in evaluating basic driver’s reports and lack of information covering diversion of maintenance accrual funds.

1939: Company earned a profit throughout these years and paid dividends amounting to $12,360. during this five year period.

The name of this company was changed to Edwards Transfer and Storage Co. on December 29, 1943.

1944: Mr. J. M. Symes, who at the time was Vice-President of the former Western Region of the Pennsylvania Railroad, recommended that American Contract and Trust Co. dispose of its holdings in the company as the equipment was in poor condition, services had never been fully satisfactory and the company controlled very little traffic which might possibly move by rail. Mr. Edwards was approached about the possibility of American Contract and Trust Co. disposing of its interest and, after further negotiations, Mr. Edwards agreed to turn over to Pennsylvania Truck Lines all of the equipment, appraised at $8,000., used in the Pennsylvania Railroad’s pick-up and delivery operations at Columbus, in return for American Contract and Trust Company’s interests. Pennsylvania Truck Lines, who was to take over the pick-up and delivery work at Columbus, needed this equipment to augment its fleet in order to handle this work.

On September 1, 1944, the transaction was completed and the three directors representing American Contract and Trust Company’s interest tendered their resignations.
Excelsior Express Company, Inc.  
(PITTSBURGH, PA.)

1898: A charter, granted by the Commonwealth of Pennsylvania on July 21, 1898, for the purpose of transporting passengers and merchandise of all kinds was issued to Messrs. R. T. Roswell, W. E. Walsh, W. B. Carson, G. B. Motheral and C. H. Dixon, resulting in the establishment of the Liberty Express Co., Pittsburgh, Pa., predecessor of Excelsior Express Co.

Four hundred shares of stock, valued at $50.00 each, representing $20,000., were authorized and each of the foregoing individuals subscribed for eight shares and deposited $400., a total of $2,000., with the Treasurer to commence operations.

Shortly after incorporation, a financial interest was secured by Dawson Callery, President of the Pittsburgh Railways, who took an active part in the business until disposition to the Ford interests, some time during 1916.

During the early days of its existence, the Liberty Express Co. engaged in numerous transportation activities in the Pittsburgh area, handling both property and passengers in horse-drawn vehicles. Foremost among these were:

1. Transportation of scenery and theatrical effects between the various railroad depots and theatres in the Pittsburgh area.
2. Transportation of baggage between railroad depots, hotels and private residences in the Pittsburgh area.
3. Transportation of currency, in armed vehicles, between banks and stores in the Pittsburgh area. From the outgrowth of this operation, Brinks Express was ultimately organized.
4. Transportation of passengers between Pittsburgh railroad stations.
5. Lease of horse-drawn stages for transportation of passengers on picnics.

1916: While the exact date cannot be determined, it was during this year that the Liberty Express Co. was sold to Joseph Ford and his children, Elizabeth, James D., Walter B., and son-in-law, J. A. Reinhart. At the time of the purchase, the main office of the company was located in the Triangle Building in downtown Pittsburgh. Joseph Ford had been conducting an express service of his own prior to the purchase of this company, and, through the purchase, was able to greatly expand his activities.

1918: On June 10, 1918, the name of the company was changed from Liberty Express Co. to Excelsior Express Co., and directors at that time were: Joseph Ford, Walter B. Ford and J. A. Reinhart.

On July 16, the capital stock of the company was increased from $20,000. to $60,000. for the purpose of acquiring real estate and additional equipment. With this authorization, the Excelsior Express Co. purchased the express business of Joseph Ford for 648 shares of stock or $32,300. The purchase from Joseph Ford included an office building located at 6333-37 Penn Avenue, Pittsburgh, on which there was a $17,000. mortgage.
1919:  Joseph Ford died in the latter part of 1918 and his son, Walter B. was elected President of the company on January 13, 1919. The company flourished and paid regular dividends up until 1927.

1927:  On April 26, the company petitioned the Pennsylvania Public Service Commission for authority to borrow $25,000. in order to secure from the Colonial Trust Co. of Pittsburgh a mortgage in this amount. At the time, there were 880 shares of stock outstanding, all of which were in the possession of the Ford family or their heirs. The company's petition was granted and the loan secured.

1929:  In the early part of this year, the Pennsylvania Transfer Co. of Pittsburgh (now Pennsylvania Truck Lines) offered to purchase the company. As a part of the purchase plan, the property at 6333-37 Penn Avenue, Pittsburgh was sold to Anna S. Ford, widow of Joseph, for $1.00 and the mortgage of $25,000. against this property, held by the Colonial Trust Co. was assumed by Mrs. Ford.

On April 1, 1929, the company was sold for $10,306. to the Pennsylvania Transfer Co. of Pittsburgh. All 880 outstanding shares of stock were acquired by the Pennsylvania Transfer Co. and, at a special meeting held on the same date, Mr. James Simpson, President of Pennsylvania Transfer Co., was elected President of Excelsior Express Co. Mr. Simpson remained in that capacity until August 6, 1929 at which time Mr. E. W. Smith succeeded him as President.

1935:  The question of consolidation of Excelsior Express Co. with Pennsylvania Transfer Co. was discussed on April 4, and on several occasions after that date; however, because of the very broad nature of the charter of Excelsior Express Co., covering both the transportation of passengers and property, no action was taken.

1936:  On February 28, the parent company, Pennsylvania Transfer Co. of Pittsburgh changed its name to Pennsylvania Truck Lines.

1937-1940:  On December 17, 1937, the par value of stock was reduced from $50.00 to $15.00 per share, thereby reducing authorized capitalization on the 1200 authorized shares of stock from $60,000. to $18,000. As only 880 of the 1200 authorized shares of stock had been issued, capitalization was actually reduced from $44,000. to $13,200. On February 29, 1940, in a similar action, par value of stock was reduced to $10.00 per share, reducing capitalization from $13,200. to $8,800.

Mr. G. G. Young was elected President on June 1, 1938 and served in that capacity until March 1, 1942.

The company paid dividends amounting to $15,000. in 1937, $6,000. in 1938, $1,760. in 1939 and $5,000. in 1940 to its owner, Pennsylvania Truck Lines.

1942:  Mr. J. P. McArdle was elected President on March 1, 1942 and served in that capacity until June 1, 1946.

In October 1942, the company took over the operation of a bus service furnished for transportation of Pennsylvania Railroad employees between Carnegie, Pa. and Scully Yards. In this operation, which was originally inaugurated in 1921 by Lucot and Remp, and in 1929, was taken over by the Pennsylvania Transfer Co. of Pittsburgh, the company furnished three buses on a standby and mileage charge basis.
1946: Mr. R. W. Tackbary was elected President of the company on June 1, 1946 and served in that capacity until consolidation of the company with Pennsylvania Truck Lines on March 31, 1955.

1948: On December 1, 1948, Mr. G. A. Rouse was elected as Vice-President of the company.

1950: Gross revenues of the company totaled $44,482, of which 67.2% came from operation of the bus service for the railroad and 32.8% from other local sources. Company paid a dividend of $1,320., the first such dividend in 10 years. On August 31, the company paid an outstanding indebtedness of $10,707. to Pennsylvania Truck Lines, leaving the company free of all debts and with sufficient cash on hand to purchase two new buses to replace existing equipment.

1951: Based on earnings in 1951, the company would have paid a dividend to its owner, Pennsylvania Truck Lines, but, on advice of counsel, no dividend was paid because of a long-standing deficit of $13,150. in the surplus account.

1952: In July, the company was named as the Pittsburgh, Pa. representative of the National Truck Leasing System and through contacts made, established a remunerative service.

1953: The contract to provide bus service for Pennsylvania Railroad employees to and from Scully Yard was cancelled, the railroad making arrangements with a local bus company to extend service into that area.

1954: In the interest of simplification of structure, proceedings were initiated to merge the company with Pennsylvania Truck Lines. I.C.C. and Penna. P.U.C. hearings were held and a favorable order permitting the merger was received from both commissions.

Due to temporary difficulties, the Ertl Baking Co. of Pittsburgh became indebted to the company for $11,666. covering leased equipment. Negotiations, concluded in December, resulted in a cash payment of $3,000. and payment of $1,000. weekly until the indebtedness was paid off.

1955: Company was merged with Pennsylvania Truck Lines on May 31, 1955.
Excelsior Truck Leasing Company, Inc.
(PITTSBURGH, PA.)

1950: The Excelsior Truck Leasing Co., as it is known today, was formed in February 1954; however, the formation and development of the company actually began in the year 1950 when studies were made to develop the economics and advisability of furnishing motor truck equipment (highway trucks of all types, tractors, trailers, station wagons, automobiles and work or gang buses, but excluding special equipment such as automotive welding machines, truck cranes, earth moving machinery, rail-highway trucks, etc.) used by the railroad on a lease basis versus an ownership basis.

On May 1, motor truck equipment owned by the railroad consisted of 762 units (640 trucks, 35 tractors and 87 trailers), with an estimated ledger value of $800,000. An additional $64,000 was spent each year to lease or rent 340 vehicles from outside individuals or companies, these vehicles being required to supplement the fleet of trucks owned by the railroad. Generally, all vehicles were assigned to the M.W. and M.E. Departments, although some vehicles were assigned to the Transportation, Station, Real Estate and Police Departments. In Philadelphia and Jersey City, railroad owned vehicles were garaged, maintained, and assigned from one central location, railroad employes performing this work.

The study developed that approximately $100,000 per year, in maintenance expense alone, could be saved by the railroad if the wholly-owned trucking companies were to own and maintain these vehicles and lease them to the railroad. Other economies, such as better utilization of equipment through quicker repairs, coordination of leased equipment with that presently owned and operated by the wholly-owned trucking companies and elimination of duplicate garage facilities and supplies indicated a total savings of $234,800 per year.

The development of a suitable plan covering leasing of equipment to the railroad was hampered by a number of situations, including I.C.C. Docket Ex Parte MC-43, relating to leasing practices; an adjustment required because of the difference of depreciation practices; as used by the railroad and as used by the trucking industry; and certain local situations (Philadelphia and Jersey City) involving maintenance.

1952: On October 8, a plan which met all obstacles, was proposed and on October 31, instructions were issued to the then Regional Vice Presidents directing that as ordinary railroad owned automobile equipment wore out, or as additional equipment was required, instead of being purchased by the railroad, the new equipment would be furnished by the wholly-owned trucking companies and supplied to the railroad on a lease basis. It was the expectation that, because the normal life of power equipment is five to six years and trailer equipment six to eight years, the earnings of the wholly-owned trucking companies would, over the period of years, enable them to accumulate funds necessary to finance the program. The plan also provided that all leasing and rentals of vehicles from outside companies or individuals was to be discontinued and these vehicles leased from the wholly-owned trucking company serving the area where the vehicle was required. In order to
conserve cash, the plan provided, in its original inception, that vehicles requiring an expenditure in excess of $5,000 would not be furnished, the railroad to continue purchasing the more expensive type of equipment. Charges to the railroad for equipment furnished by any wholly-owned trucking company was established at actual cost plus 4%.

A program was worked out so that railroad employees engaged in vehicle maintenance work at Philadelphia and Jersey City would not be immediately affected; the railroad maintenance force at these points to be reduced gradually, commensurate with replacement of equipment, thus avoiding any labor claims.

Plan also stipulated that when vehicles were required by the railroad, either as a replacement or as expansion, the division superintendent would inquire of the trucking company as to whether or not the particular equipment involved could be furnished. When an affirmative reply was received, the superintendent would process, through channels, a request to the operating vice president for the replacement or additional vehicle. Each request, when received by the vice president, was reviewed by the chief of motive power or the chief engineer and then approved or not approved by the vice president—operations.

1953:

The U. S. Supreme Court, in a decision on January 12, in the proceeding known as "Lease and Interchange of Vehicles by Motor Carriers" (Ex Parte MC-43), approved the rules and regulations issued by the I.C.C. governing the lease and interchange of motor vehicles. This decision affected the overall plan of the railroad leasing vehicles from the various wholly-owned trucking companies in that a common carrier by truck (the wholly-owned trucking companies) could not lease equipment without drivers to a non-common carrier by truck (the Pennsylvania Railroad).

To meet the I.C.C. leasing regulations, a new plan was worked out and three separate leasing companies were established. To preserve lines of demarcation, and to follow the three-region organizational set-up then in effect on the railroad, it was decided that Scott Truck Leasing Co. would handle leases within the territory served by Scott Bros. and Merchants Trucking Co., that Excelsior Truck Leasing Co. would handle leases within the territory served by Pennsylvania Truck Lines, Excelsior Express Co. and Buffalo Storage and Carting Co. and Penntruck Leasing Co. would handle leases within the territory served by Penntruck Co. These leasing companies were organized, incorporated and registered in the various states in order to do business, with ownership remaining with the wholly-owned trucking companies. The authorized capital stock of each company was established as 25,000 shares valued at $10.00 per share, ($250,000). The new companies continued to lease equipment to the railroad on the same basis as formerly performed, i.e., 4% over cost.

During the year, the wholly-owned trucking companies advanced a total of $204,177. to the three leasing companies, Scott Bros.—$16,077., Pennsylvania Truck Lines—$100,000., Merchants Trucking Co.—$13,100. and Penntruck Co.—$75,000.

1954:

During the month of January, additional advances were made to the three truck leasing companies by the wholly-owned operating companies as follows: Scott Bros.—$105,923. and Pennsylvania Truck Lines—$25,000.
In order to provide simplification of corporate structure, and a reduction in the number of subsidiary companies owned by the railroad, the boards of directors of the three leasing companies authorized, on January 29, 1954, the dissolution of Scott Truck Leasing Company, Inc. and Penntruck Leasing Company, Inc. and the merger of these two companies with Excelsior Truck Leasing Company, Inc., this latter company to handle all leasing matters on the railroad. Excelsior Truck Leasing Co., which, in its original status, only handled leases in the territory served by Pennsylvania Truck Lines, Excelsior Express Co. and Buffalo Storage and Carting Co. was expanded to cover the entire Pennsylvania Railroad System and, at the same time, three separate divisions (Eastern, Central and Western) were set up for operating conveniences; the Eastern Division to handle leasing matters in Eastern Region territory, the Central Division to handle leasing matters in Central Region territory and the Western Division to handle leasing matters in Western Region territory.

The President of each major truck company was appointed to serve as General Manager of his respective division of Excelsior Truck Leasing Co. and, as such, was held responsible for all operations conducted by Excelsior Truck Leasing Co. in his particular region of the railroad.

The company was qualified to do business in each of the states in which the Pennsylvania Railroad operates and commenced activities on February 1, 1954. All outstanding stock of Scott Truck Leasing Co. and Penntruck Leasing Co. was purchased by Excelsior Truck Leasing Co., appropriate officers were elected and American Contract and Trust Co. purchased 100 shares of stock formerly owned by Pennsylvania Truck Lines—the only outstanding stock of the company—at a cost of $1,000.

With the formation of one leasing company, all leased equipment owned, first by the trucking companies and second, by the three leasing companies, was transferred to Excelsior Truck Leasing Co. ownership at ledger (book) value and the amount of money involved, $335,100, which had been furnished by Scott Bros. ($122,000.), Merchants Trucking Co. ($13,100.), Pennsylvania Truck Lines ($125,000.) and Penntruck Co. ($75,000.), was considered as advances to Excelsior Truck Leasing Co. Additional money to purchase vehicles for lease to the railroad came from the trucking companies and, with the inauguration of TrucTrain service in July 1954, the trucking companies, having furnished the cash to the leasing company to purchase the trailers required, were drained of all available cash. In fact, it was necessary to borrow $50,000. from American Contract and Trust Co. to complete the payment on TrucTrain trailers. To continue the leasing plan covering M.W., M.E., etc. vehicles, it became necessary to secure cash from outside sources and in December, arrangements were completed to borrow $750,000. from the First Wisconsin National Bank of Milwaukee, this being the first time money was secured from outside sources. During the same month, an additional loan was received from the American Contract and Trust Co. in the amount of $37,500.

At the end of the year, a total of 349 units of equipment were under lease to the railroad and others; 137 trailers in TrucTrain service, 200 vehicles in the M.W., M.E., etc. departments and 12 units to outside companies.
1955:  The registration of Excelsior Truck Leasing Co. in all states in which the Pennsylvania Railroad operates was completed in February.

In March, the restriction of spending not more than $5,000. per unit for lease to the railroad was raised to $7,500. per unit.

The loan agreement with the First Wisconsin National Bank of Milwaukee dated December 1, 1954, was consummated in two loans since it was not possible to use the entire amount within the time limit specified in the original agreement. The first loan amounted to $446,262.53 and covered the period December 7, 1954 to May 31, 1955; the money being withdrawn in amounts of at least $25,000. during this period. The second part of the loan was negotiated on June 1, 1955 for the amount of $302,367.99 and covered the period June 1, 1955 to December 31, 1955. As a result, of the $750,000. originally agreed upon, only $748,630.52 was actually used.

At the end of the year, a total of 754 units of equipment were under lease to the railroad and others, 333 trailers in TrucTrain service, 403 vehicles in the M.E., M.W., etc. departments and 18 units to outside companies.

As of December 31, total indebtedness of the company was as follows:

<table>
<thead>
<tr>
<th>Company</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Wisconsin National Bank of Milwaukee</td>
<td>$684,528</td>
</tr>
<tr>
<td>Pennsylvania Truck Lines, Inc.</td>
<td>$415,245</td>
</tr>
<tr>
<td>Scott Bros., Inc.</td>
<td>$259,306</td>
</tr>
<tr>
<td>Pentruck Co., Inc.</td>
<td>$185,046</td>
</tr>
<tr>
<td>American Contract &amp; Trust Co., Inc.</td>
<td>$87,500</td>
</tr>
<tr>
<td>Buffalo Storage &amp; Carting Co., Inc.</td>
<td>$53,800</td>
</tr>
<tr>
<td>Merchants Trucking Co., Inc.</td>
<td>$24,600</td>
</tr>
</tbody>
</table>

TOTAL $1,710,025

1956:  On January 13, a temporary loan of $820,250. was received from American Contract and Trust Co. to cover the purchase of an additional 200 TrucTrain trailers. This money was required until negotiations with the First National Bank in St. Louis were concluded. At the same time an additional loan of $319,679.78 was negotiated with the First Wisconsin National Bank of Milwaukee to permit the continued purchase of “long term” vehicles—other than TrucTrain trailers. Advances were received in amounts of not less than $25,000. and covered the period January 1, 1956 to June 30, 1956.

On March 14, negotiations with the First National Bank in St. Louis were concluded, when $856,932.50 was received and deposited in the Mellon National Bank and Trust Co. at Pittsburgh. At the same time, the company issued a check in the amount of $824,842.97 to American Contract and Trust Co., in repayment of loan made by the latter company on January 13 as a temporary measure to permit the purchase of the TrucTrain trailers.

In view of bank financing, the restriction of spending not more than $7,500. per unit for lease to the railroad was lifted in March.

In May, the company paid American Contract and Trust Co. $37,500, covering repayment of an advance made in December 1954.
To provide accounting simplification, the books of the Eastern and Western Divisions of Excelsior Truck Leasing Co. were consolidated with those of the Central Division and all accounting is now performed at the Pittsburgh, Pa. office.

In June, $50,000. was paid to American Contract and Trust Co. in repayment of advance made in June 1954. With this payment, Excelsior completely repaid its indebtedness to American Contract and Trust Co.

During the same month, since money advanced by the wholly-owned trucking companies was used to purchase and process vehicles leased to the railroad, and because Excelsior Truck Leasing Co. could not, during the early years, make scheduled repayments on its indebtedness, due to depreciation accruals being used for further expansion of the company, it was necessary to establish a plan for repayment of this indebtedness so that when the vehicles are worn out and require replacement, there would be no outstanding indebtedness on these particular vehicles. The plan stipulated a monthly payment of $15,400. on this indebtedness commencing July 1. On the basis of such a plan, Merchants Trucking Co. would be completely repaid by August 1956, Buffalo Storage and Carting Co. would be fully repaid by November 1956, and commencing with the month of December 1956, the monthly payment of $15,400. would be applied to the indebtedness of the three larger companies, 50% to Pennsylvania Truck Lines and 25% each to Scott Bros. and Penntruck Co.

In August, sufficient surplus cash was on hand to permit, in addition to the programmed repayment, a special payment of $142,400. to the wholly-owned trucking companies. With the programmed payment of $15,400., and this special payment, all of the indebtedness to Merchants Trucking Co. and Buffalo Storage and Carting Co. was completely repaid and $50,000. was repaid to Pennsylvania Truck Lines and $25,000. each to Scott Bros. and Penntruck Co.

At the end of the year, a total of 1,050 units of equipment were under lease to the railroad and others, 518 trailers in TrucTrain service, 520 vehicles in the M.E., M.W., etc. departments and 12 units to outside companies.

As of December 31, total indebtedness of Excelsior Truck Leasing Co., which is being paid from depreciation accruals on the equipment, was as follows:

<table>
<thead>
<tr>
<th>Company</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pennsylvania Truck Lines, Inc.</td>
<td>$331,215</td>
</tr>
<tr>
<td>Scott Bros., Inc.</td>
<td>$165,535</td>
</tr>
<tr>
<td>Penntruck Co., Inc.</td>
<td>$192,269</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$689,019</strong></td>
</tr>
<tr>
<td>First Wisconsin National Bank of Milwaukee</td>
<td>$824,957</td>
</tr>
<tr>
<td>First National Bank in St. Louis</td>
<td>$714,090</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>$2,228,066</strong></td>
</tr>
</tbody>
</table>

On January 31, 1957, available cash on hand permitted another special payment on the company's indebtedness to the wholly-owned trucking companies and, in addition to the scheduled monthly payment of $15,400, a payment of $36,000 was made to the operating companies with 50% going to Pennsylvania Truck Lines and 25% each to Scott Bros. and Penetruck Co.
Excelso Trucking Company, Inc.
(JERSEY CITY, N. J.)

1930: This company was incorporated in the State of Delaware on September 10, under the name "Terminal Trucking Co., Inc.," having been formed for the purpose of handling freight for the Pennsylvania Railroad from Jersey City to freight stations in New York City. The agreement with the United States Forwarding Co., who performed this work, was due to terminate on October 31, and it was deemed advisable to utilize the services of a wholly-owned company.

On September 18, the name of the company was changed to Excelso Trucking Co., Inc., inasmuch as the company was to be domiciled in the states of New York and New Jersey; and, at that time, there already existed in New York a company under the name Terminal Trucking Co.

The total authorized capital stock of the company amounted to 5,000 shares of no par value, 10 shares of which were subscribed for by the incorporators: J. L. Scott, G. A. Rouse and G. F. Norton at $100.00 per share. These shares were purchased by the American Contract and Trust Co. on September 17, 1930.

1934: Since the company did not operate during the years 1930-1934, the first formal Board of Directors Meeting was held on March 22, 1934 at which time the following officers were elected: J. L. Scott—President, G. G. Young—Vice-President, and G. F. Norton—Secretary and Treasurer.

1937: On February 17, Mr. G. J. Adams wrote Mr. J. C. Rill, then Chief of Freight Transportation for the Pennsylvania Railroad, regarding the advisability of keeping this company active by paying the $40.00 franchise taxes to the states of Delaware, New York and New Jersey. In view of the uncertainty of the outcome of Scott Bros. applications to the I.C.C., it was decided to retain the franchise of this organization.

In May, J. Winfield Scott was appointed Secretary-Treasurer, vice G. F. Norton, resigned.

1938: Mr. G. G. Young was elected President on June 1, following the death of J. L. Scott on May 2.

1947: While the company had never commenced operating, it was retained for protection of I.C.C. rights in the New York City - Jersey City areas. However, with Scott Bros. securing the rights and performing the services originally set up for Excelso Trucking Co., it was finally deemed advisable to dispose of the interests and the dissolution became effective January 23, 1947.
Fairport Trucking Company
(FAIRPORT, OHIO)

1956: The Fairport Trucking Co. was incorporated in the State of Ohio on March 13, 1956, for the purpose of trucking at Fairport and Painesville, Ohio. The authorized capitalization of this company was established at $25,000., with 250 shares of no par value stock. Only 50 shares have been issued, all being purchased by the Cleveland Cartage Co., at a declared value of $100.00 per share.

The officers of this company are as follows:

J. C. DeVenne ............... President and Treasurer
W. S. DeVenne .................. Secretary
J. W. DeVenne .................. Vice President
Hill Transfer Company
(DAYTON, OHIO)

1938: The formation of this company was brought about by a complaint made by R. M. Noyer, Inspector for the Ohio Public Utilities Commission, who observed that Union Station Transfer Co. was violating an Ohio Public Utilities Commission order by operating both as a common and contract carrier.

The Hill Transfer Co. was incorporated by the Union Station Transfer Co. on February 23, for the purpose of conducting the latter’s common-carrier operations, at the time when Union Station Transfer Co. was operating as a contract carrier for General Motors between Moraine and Dayton, Ohio, and for the Dayton Daily News.

At the time of its incorporation, the Hill Transfer Co. had authorized stock of 100 shares, no par, all of which were outstanding, and the company had a stated capital of $500.00. The stock was distributed as follows: John G. Hill (90 shares), William M. Matthews (5 shares) and H. H. Altick (5 shares), all of whom were named as Directors of the company.

On March 19th, the two companies were separated and the following officers elected: John G. Hill—President and Treasurer, William F. Grieser—Secretary.

The Union Station Transfer Co. leased to the Hill Transfer Co. 28 trucks and one trailer, at a monthly rental of $150 per unit, including gasoline and oil.

During the existence of the company, it was never definitely known which company, whether Union Station Transfer or Hill Transfer Co., had the common or contract carrier rights and there seemed to be an overlapping with both companies exercising both rights.

1944: The company reached its peak in gross revenue during the years 1939 and 1940, but later declined rapidly and on December 28, 1944, the company was dissolved.
Jefferson Corporation
(CHICAGO, ILL.)

1949: On March 9, 1949, the Willett Co. of Chicago, Ill. organized and incorporated in the State of Illinois, a new company known as the Jefferson Corporation.

The company was organized for the purpose of buying, selling, and dealing in motor trucks, motor truck parts and accessories. The scope of the operation, however, was primarily intended as a more profitable means of disposing of equipment retired from the fleet of the parent company, The Willett Co.

At time of incorporation the authorized capitalization was $50,000, consisting of 1,000 shares of common stock each having a par value of $50.00 per share. Of the authorized stock, the Willett Co. purchased 50 shares for $2,500 on March 9, 1949.

1957: Due to the problems of taxation, activities of this company have been curtailed, however, the company has not been dissolved.

American Contract and Trust Co. is interested in this company due to its 33-1/3% stock ownership in the Willett Co.
1946: Lakeside Properties, Inc., a wholly-owned subsidiary of the Cleveland Cartage Co., was incorporated under the laws of the State of Ohio on June 6, 1946.

It was organized for the purpose of owning, holding, receiving, taking title to, acquiring, erecting, constructing, improving and controlling any and all kinds of real estate whether improved or not. The Charter of the company indicates that such transactions can include, without limitation thereto, any and all kinds of buildings, terminals, garages, office properties, store rooms, warehouses, factories and shops, and to engage generally in the business of owning and operating real and personal properties of every character and description, either within or outside the State of Ohio.

The foregoing activities were in furtherance of, but not in limitation of, the general capacity and powers conferred upon the company by the General Corporation Act of the State of Ohio.

Company was capitalized by the issuance of 250 shares of no par value stock (stated value $250,000.) which are entirely owned by the Cleveland Cartage Company.

1956: Company owns real estate of the associated companies of the Cleveland Cartage Co. located in Syracuse, Rochester and Buffalo, N. Y., Cleveland and Toledo, Ohio, Erie, Pa. and Springfield and Boston, Mass. Real estate mortgages totaled $24,304.

One of the major properties owned by this company is the building located at East 40th Street and Hamilton Avenue, Cleveland, Ohio, which is known as Cleveland's greatest industrial warehouse. This building, which has about 3½ acres under one roof, is located in the midst of lake-front manufacturing and provides a convenient, modern warehouse for storing all types of non-perishable industrial materials from small packaged items to high tonnage equipment. Its 196,000 square feet of concrete floor, truck drive-through, two inside railroad sidings and complete modern materials handling devices makes it a popular terminus for truck, rail and lake transportation.

The American Contract and Trust Co. is interested in the company through its 45% stock interest in Cleveland Cartage Co.
Merchants Trucking Company, Inc.
(NORFOLK, VA.)

1917: The Merchants Express Co. of Norfolk, Va. was formed in the year 1917 by W. L. Gunn, a citizen of Norfolk, for the purpose of engaging in local cartage work. In addition to hauling freight locally between the railroad stations and patrons in the Norfolk area, this company secured a contract to handle naval supplies between Norfolk City and the Norfolk Naval Base which was under construction at that time. Operations were conducted by three members of the Gunn family with the assistance of four employees.

1924: Substituted service operations for the Pennsylvania Railroad between Norfolk, Va. and Portsmouth, Va. were started on October 26, 1924.

1925: The company was sold to George Fett who successfully carried on the local drayage business in Norfolk.

1929: In the early part of this year, the business was sold by George Fett to the Norfolk Tidewater Terminal Co., owned by the Harvey Miller interests. On July 24, 1929, controlling interest was transferred from the Norfolk Tidewater Terminal Co. to the Del-Mar-Va Motor Transport Co., a wholly-owned subsidiary of the American Contract and Trust Co., and operations were placed under the direction of Joseph L. Scott.

On October 7, company was incorporated under the laws of the Commonwealth of Virginia and renamed Merchants Trucking Co., the following officers being elected: Harvey C. Miller, President, Joseph L. Scott—Vice President and General Manager and W. B. McKinny—Secretary and Treasurer.

On December 2, 1929 American Contract and Trust Co. purchased 304 shares of stock at a cost of $15,200.00.

1930: The company expanded rapidly due to the successful solicitation of transfer work between railroads and boat lines. During this year, the company purchased the motor truck equipment and certificates of the Accomac Transfer Co. of Accomac, Va. These certificates permitted the company to perform over-the-road common-carrier service from Norfolk to all points on the Eastern Shore of Virginia to the Virginia-Maryland state line. The Accomac Transfer Co., which had been operating in the territory between points north of Cape Charles, and occasionally through to Philadelphia and New York, was dissolved.

J. W. Scott was appointed Assistant Secretary and Assistant Treasurer.

The company remodeled a truck so that it could be driven on to the steamer that the Pennsylvania Railroad was operating between Cape Charles and Norfolk, and temporary service was inaugurated from Norfolk. At the same time, the railroad remodeled several barges operating between Little Creek and Cape Charles so that Merchants Trucking Co. could place trailers on them, further expanding the over-the-road service.

Increase in business necessitated the cancellation of a lease on a small garage at 1005 Bermuda Street, Norfolk, and a property at 1017
Cove Street was leased for a freight receiving platform, garage and office.

The company charged its customers on the basis of rail rates, with free pick-up and delivery service.

Neither the "decked-over" railroad barges nor the time schedule met the service requirements, so as soon as the Virginia Ferry Company placed larger boats in service, the company utilized that service instead of the railroad barge service.

1933:

On July 1, 1933 local transfer of L.C.L. traffic between the Pennsylvania Railroad, Norfolk, Va., St. Julian Ave. Freight Station and stations of other railroads in Norfolk was started.

On December 1st, pick-up and delivery service was established at Norfolk, Portsmouth and Cape Charles, Va. in line with Pennsylvania Railroad system policy. Also on December 1, substituted service in Accomac and Northampton Counties was started, operating one unit each from the zone stations of Parksley and Cape Charles.

Inasmuch as the Peninsula Auto Express Co. was operating common-carrier over-the-road service between New York, Philadelphia and points in Delaware and the Eastern Shore of Maryland, the over-the-road service of Merchants Trucking Co. was extended to Salisbury, Md. by interchanging trailers with the Peninsula Auto Express. This interchange service was discontinued when the Peninsula Auto Express ceased their over-the-road service shortly after the Pennsylvania Railroad inaugurated its pick-up and delivery service. The Merchants Trucking Co. then limited their operations to the State of Virginia. The over-the-road service described above was the first such service paralleling the Pennsylvania Railroad lines by an affiliate of the railroad company.

1936:

President Harvey C. Miller died July 24, 1936 and Joseph L. Scott was elected to succeed him. At the same time, G. Alan Rouse was elected Vice-President and General Manager, and J. W. Scott was appointed Custodian of Records.

1938:

On June 1, 1938 George G. Young, who had been Vice-President of Scott Bros., Buffalo Storage and Carting, Pennsylvania Truck Lines, Excelsior Express Co. and Alko Express Lines, was elected President of the company following the death of Joseph L. Scott on May 2, 1938. Miss R. I. Kane was appointed Assistant Secretary and Assistant Treasurer and J. W. Scott was elected Treasurer. In October, W. B. McKinney resigned as Secretary and J. W. Scott was elected to that position, also continuing as Treasurer. In October, P. J. Mooney was appointed General Auditor of the company.

1940:

Company was awarded a “Certificate of Merit” for its safety record by the American Trucking Associations.

1942:

On January 12th, the company inaugurated, in conjunction with Peninsula Auto Express and Union Transfer Affiliated, a through freight service between Norfolk, Philadelphia and New York. As it was impossible to balance the volume of traffic moving in this service and also because of World War II restrictions, the service was discontinued in September.

Mr. G. M. Storminger, who had been Manager of the company, resigned, and Mr. R. Y. Timmons was appointed to succeed him.
On March 1, the following appointments were made: P. T. Stackhouse—Manager, Labor Relations; W. Robert Smith—Manager, Insurance, and Bernard Gingerich—Manager, Tariffs.

On June 1, a larger property located at 1840 Church Street, Norfolk, was leased as the space at 1017 Cove Street was no longer adequate to meet the requirements of the expanding company.

1943: With the expansion of less-carload traffic, as a result of World War II, it was necessary to operate two tractor trailer units daily from both Parksley and Cape Charles.

1946: Mr. Peter J. Mooney, General Auditor of the company, resigned in May 1946 and Elmer Williamson was appointed General Auditor effective June 1.

1947: The company purchased a prefabricated quonset type building and had it erected on property adjacent to the Pennsylvania Railroad St. Julian Avenue Freight Station. This building is now used for office, shop and garage facilities and was erected at a cost of $27,000. Occupancy of this facility took place on January 1, 1948.

1948: On May 1st, the company inaugurated a retirement plan, insured by the Aetna Life Insurance Co., for all officers, supervisory and salaried employees who elected to participate.

On December 31, W. Robert Smith resigned as Manager, Insurance and G. A. Rouse resigned as Vice-President and General Manager to accept the position of Vice-President of Pennsylvania Truck Lines, Pittsburgh, Pa. The positions of Manager, Purchases and Maintenance and Manager, Tariffs were abolished.

1949: W. T. Mecouch was elected Vice-President on January 1.

In April, Paul T. Stackhouse retired and the position of Manager, Labor Relations was abolished.

1950: The company secured a mail contract from the Hinkle Steamship Co. to transport mail, destined to foreign ports, from the Norfolk Post Office to the Steamship Pier.

As a part of the simplification of present structure of various Pennsylvania Railroad subsidiary trucking companies, consolidation of this company with Scott Bros. was considered. No action was taken because of advice from the Virginia Corporation Commission that all common-carrier trucking companies doing business in the State of Virginia, must be incorporated in that state. Substituted service operations of this company come under the category of common-carrier service.

1951: The company possessed two intrastate certificates and one interstate certificate, the latter being limited to the handling of traffic in substituted service for the Pennsylvania Railroad in Accomac and Northampton Counties, Virginia. One of the intrastate permits covered the performance of local drayage anywhere in the State of Virginia, while the other, acquired from the Accomac Transfer Company, permitted common-carrier rights over irregular routes in the two Del-Mar-Va Peninsula Counties of Virginia. This certificate permitted the operation of intrastate substituted service for the Pennsylvania Railroad, but also required the company to conduct a common-carrier over-the-road service for the public between Norfolk and all points in
Northampton and Accomac Counties. In line with previously declared railroad policy, a hearing was held before the Virginia Corporation Commission at Richmond on March 1, to consider the company's petition to have its intrastate certificate limited to the performance of substituted service for the railroad along regular routes and to sell the common-carrier over-the-road rights to Tripple Transportation Company for $1,000. This petition was approved by the Commission and rights were transferred to Tripple Transportation Co. on April 2. With this sale of rights, the common-carrier over-the-road operations of transporting general commodities for the public terminated.

1952: A health, accident and death insurance plan for the benefit of the supervisory and clerical forces was placed in effect in November 1952.

During the year, the company received 50.8% of its gross revenue from service performed for the public. This service included dump trucks for the hauling of sand, gravel and concrete mixes, as well as transportation, in general, for the public.

1953: During the year, all Pennsylvania Railroad subsidiary trucking companies were plagued with requests for wage increases, fringe benefits, etc. The Merchants Trucking Co., one of a few Norfolk trucking companies that employed teamster union help, was faced with prohibitive demands that would have placed the company under a competitive disadvantage. The increases in wages requested were declined and the employes told that if pursued, the company would withdraw its services.

A contract was negotiated with the Ford Motor Co., requiring the company to have vehicles meet incoming airplanes at the Norfolk airport for delivery of merchandise to the Ford Assembly Plant.

1954: On September 15, in the face of low bids by small companies employing non-union help, Merchants Trucking Co. secured a temporary contract for hauling U. S. Mail between Norfolk, Va. and New York City. This work produced a gross of $6,000. per month and a net of approximately $600.

The possibility of merging this company with Scott Bros. was again reviewed, however, Virginia law still requires a trucking corporation operating under a Virginia certificate to be domesticated in that State and such a merger was not possible.

For six months of 1953, Merchants Trucking Co. was overcharged by the Virginia Ferry Corporation, due to errors in calculating length of vehicles. A settlement was finally concluded on September 15, 1954 when a refund of $250. was received.

1955: On January 1st, L. F. Stetzer was appointed General Auditor following the retirement of Elmer Williamson on December 31, 1954.

On July 1, J. T. Sullivan was appointed General Auditor following the resignation of L. F. Stetzer.

Throughout the year, local and terminal work for the general public increased steadily. In this respect, local cartage, lease of vehicles for construction purposes, rigging and heavy hauling, etc. provided a source of revenue that had a direct influence on the financial results for the year. Insofar as Merchants Trucking Co. was concerned, revenues derived from work performed for the general public accounted for 73.8% of the total revenues for the year 1955. In 1950,
work performed for the general public only amounted to 25.1% of the company's revenue.

At the conclusion of the temporary contract for the hauling of U. S. Mail between Norfolk and New York City, the Post Office Department requested bids on a two year basis. Merchants Trucking Co. was again the successful bidder and was awarded the contract.

All operations at Norfolk ceased on Monday and Tuesday, September 19 and 20 as the result of hurricane "Ione." On these two days the U. S. Mail operation to New York City operated via Washington and Baltimore.

1956: The company was successful in obtaining a contract for the hauling of 1,000 tons of steel for construction projects in the Norfolk area.

On August 1, B. V. Sterling was appointed Terminal Manager to succeed R. Y. Timmons who was transferred to Pennsylvania Truck Lines at Pittsburgh, as Assistant Vice-President of that company. Mr. Sterling was also appointed representative to receive I.C.C. notifications in the State of Virginia.

On November 30, 1956, Mr. J. T. Sullivan resigned as General Auditor of this company.
The Metzger Cartage Company
(CHICAGO, ILL.)

1936: The Metzger Cartage Co. was incorporated on August 14 in the State of Illinois, with home office located at 700 South Des Plaines Street, Chicago, Ill.

Initially, 80 shares of stock valued at $100 per share, were subscribed to by Truman Metzger (39 shares), Lewellyn Metzger (40 shares) and Graham Penfield (1 share).

At the time of its incorporation, the following officers were elected: Howard L. Willett, Sr.—President and Director, Truman Metzger—Vice-President and Director, Henry Manske—Secretary and Director, and Lewellyn Metzger—Treasurer.

The operations of this company included a pick-up and delivery service in the City of Chicago, and also within a 50-mile radius of that city.

1938: On February 1, the company was merged with the Willett Co. of Chicago, Ill.

The company was not dissolved but retained by the Willett Co. for possible future use, its sole asset being a note from the Willett Co. for $6,489, which represented the entire assets of the Metzger Cartage Co. at the time of the merger.

1943: The company remained in a dormant state until January 2, when it was finally dissolved.

At no time did either the Pennsylvania Railroad or the American Contract and Trust Co. have an investment in this company, but American Contract and Trust Co. was interested in this company due to its 33-1/3% stock investment in the parent company, the Willett Co.
Moreton Truck Company  
(DETROIT, MICH.)

1871-1928: In 1871, the Moreton Truck Co., Ltd. was founded by E. Fostes Moreton who operated the company on a partnership basis. The company performed all kinds of heavy and local hauling in the Detroit, Mich. area, particularly for the Detroit and Cleveland Navigation Co; also, for patrons who received or forwarded traffic via the Pere Marquette Railroad or the Pennsylvania Railroad. The company's equipment consisted of both horse-drawn and motor vehicles and for the period 1923 through 1928, showed profits ranging from a low of $10,387. in 1927 to a high of $38,542. in 1925, the company showing a profit of $25,722. in 1928.

1929: In line with the Pennsylvania Railroad policy of buying into progressive trucking companies and have them perform substituted service for the railroad and handle other auxiliary or supplemental work for the railroad, a study of the Moreton Truck Co. resulted in American Contract and Trust Co. acquiring a 40% interest in the company on December 31, 1929, through purchase of 240 shares of stock at a cost of $42,000.

The company was reorganized after American Contract and Trust Co. acquired an interest and the partnership method of management was dissolved. New officers were: E. F. Moreton—President and General Manager, B. F. Whesler, Jr.—Vice President, and W. P. Miller—Secretary and Treasurer.

Unfortunately, after the investment by American Contract and Trust Co. had been made, many weaknesses in management developed. The company was neither progressive nor modern and their methods of operation became obsolete.

1935: From 1930 through 1934, the company showed losses averaging $13,941. per year, however, after five months of 1935, showed a profit of $4,600. due to work it performed for the Pennsylvania Railroad and the Joseph T. Ryerson Co., the latter contractual work being controlled by the railroad. These two accounts alone amounted to 90% of the gross revenues of the company. It was very evident that the favorable showing for 1935 was largely due to Pennsylvania Railroad traffic.

In August of 1935, Mr. J. F. Deasy, Vice President—Operations for the Pennsylvania Railroad, reviewed the Moreton Trucking Co. operations and reported as follows:

"After reviewing this situation it is the opinion of our people that the Moreton Truck Co. has no possibility of developing into a progressive organization, and in view of our controlling 90% of the gross business, it is recommended that we put an operating branch of the Pennsylvania Transfer Co. at Detroit to do this work. Such an arrangement would permit utilizing of modern equipment in this territory and enable us to build up a trucking company on a sound basis, and in a very short time wipe out the loss which would accrue to us by giving up our interest in the Moreton Truck Co., namely, $42,000."
Approval of this recommendation was endorsed by Messrs. Fell, Franklin and County.

In December 1935, the railroad withdrew its business from the Moreton Truck Co. and established Pennsylvania Transfer Co. in Detroit and by the end of 1936, the Moreton Co. suffered losses totaling $31,170. These losses, together with the crippling drivers' strike, caused the company to economize wherever possible and it was during this time that Mr. Moreton offered to purchase American Contract and Trust Co.'s interest for $1,000. However, American Contract and Trust Co. wanted $5,000 for its interest in the company.

During these years the Moreton Truck Co.'s revenues continued to decrease, economies were made, and, irrespective of this, the company failed to respond. As a result, American Contract and Trust Co. agreed to sell its holdings to President E. F. Moreton for $200.00, providing Mr. Moreton signed a release indemnifying Pennsylvania Railroad, American Contract and Trust Co., and their Directors, against any loss or claims filed against the companies, past, present and future. This transaction took place on October 24, 1939 and American Contract and Trust Co. charged $41,800 to the profit and loss account.

On September 6, 1940, Mr. S. T. Stackpole, Pennsylvania Railroad's Freight Traffic Manager at Detroit and a former Director of the Moreton Truck Co. reported to American Contract and Trust Co. that company had disbanded and ceased operation.
Motor Freight Express
(YORK, PA.)

1930: The Motor Freight Express was incorporated under the laws of the State of Pennsylvania on October 6, 1930, with authorized capitalization of $150,000., the company being organized and incorporated to operate the rights purchased from Roffenberger's Express by Baltimore Transfer Co. The authorized capital stock of the company consisted of 7,500 shares, having a par value of $20.00 per share, of which 3,750 shares ($75,000.) were issued. All stock issued was purchased by the Baltimore Transfer Co.

The officers at the time of incorporation were: Saul C. Hoffberger—President, Samuel H. Lebovitz—Vice-President and General Manager, Samuel H. Hoffberger—Treasurer, Martin A. Ferris, Jr.—Secretary and R. S. Krebs—Assistant Secretary.

Shortly after the incorporation, Motor Freight Express purchased the York-Baltimore Transportation Company, and the Dierolf Express. An office was established at York, Pa. and service was inaugurated over the routes purchased, utilizing six or seven vehicles.


1942: The main office of the company was moved to its present location and terminal on King Street in York, Pa.

1945: On January 29, company further expanded its operations in the eastern Pennsylvania territory, particularly around Lancaster, Pa., by purchasing additional operating rights from the Conestoga Transportation Co.

1948: In June the certificated rights of the Adams Transit Co. permitting operations in Pennsylvania between Gettysburg, York, East Berlin and Hanover were purchased.

1949: On November 16, Motor Freight purchased all rights held by Alko Express Lines from Pennsylvania Truck Lines of Pittsburgh for the sum of $30,000. This purchase gave the company both interstate and intra-state rights in the territory between Philadelphia and Pittsburgh, Pa. Immediately following the acquisition of these certificated rights, Motor Freight Express purchased new equipment and erected a modern terminal at Pittsburgh.

1950: The company operates interstate between Altoona, Hanover, Harrisburg, Johnstown, Bedford, Lancaster, Philadelphia, Pittsburgh, Reading and York, Pa., and the New York Metropolitan area, as well as Baltimore, Md. Extensive intra-state operations are also conducted between the above Pennsylvania points.

The company maintains terminals of its own at York, Baltimore and Pittsburgh, rents a portion of the Pennsylvania Railroad's freight stations at Altoona, Bedford and Lewistown and leases terminal facilities at a number of other points.

The issued capital stock (3,750 shares, valued at $75,000.) is owned entirely by Baltimore Transfer Co., in which American Contract and Trust Co. has a 30% interest.

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Peninsula Auto Express
(WILMINGTON, DEL.)

1921: Messrs. H. M. Veasy, C. H. Cole and John B. Bratton, former employes of E. I. Du Pont Co. at Wilmington, Del., organized Peninsula Auto Express and incorporated the company on April 1, 1921. These three men, while with Du Pont, were engaged in the manufacture of American Dyes, and had been furloughed as a result of the end of World War I and the return to the American market of German manufactured dyes. Mr. Veasy happened to notice a newspaper article sponsored by the Wilmington, Del. Chamber of Commerce, advocating the inauguration of a truck line to connect Wilmington with the "Down State" agricultural operators. From this idea, Peninsula Auto Express was organized through the efforts of Veasy, Cole and Bratton with the assistance of a Wilmington Del. attorney. Mr. Bratton was elected the first President of the company and served in that capacity until January 3, 1923 and the first office was located at 224 French Street, Wilmington.

Operations commenced shortly after incorporation through the use of two war surplus Liberty truck chassis acquired from the U. S. Government, equipped with bodies which were built by the Watson Wagon Works of Wilmington.

1922: Due to inability of the company to earn sufficient net to support three different families, Messrs. Cole and Bratton sold out, in late December 1922, to the Bush Line, a Steamship Company, and the following officers were elected as of January 3, 1923: President, H. T. Bush; Vice-President, B. R. Veasy (father of H. M. Veasy) and Secretary and Treasurer, H. M. Veasy.

With the advent of new capital, supplied by the Bush Line, operations were expanded by furnishing a pick-up and delivery service for package freight handled by boat between Philadelphia and Wilmington. Over-the-road operations from Wilmington to Wyoming, Del. were inaugurated with general merchandise freight being transported on the Southbound trip and agricultural products being transported Northbound. The office was moved from 224 French Street to the Bush Line Terminal at the foot of French Street.

1924: Due to high costs for handling Bush Line pick-up and delivery traffic, the company operated in the "red" during 1922 and 1923; however, made a slight profit in 1924 and continued on a profitable basis thereafter.

1929: In November, the Wilson Line purchased the Bush Line, and the Bush Line's interest in the company, and consolidated the steamship operations of both companies.

1930: In January, the Wilson Line purchased the Veasy interests in Peninsula Auto Express for $20,000, and through this purchase, controlled 100% of the stock. However, George B. Junkin, President of the Wilson Line, had no desire to operate both a steamship company and a trucking company and, as a result, on January 23, sold 1,083 shares of Peninsula Auto Express stock to Scott Bros., for $32,490., the Wilson Line realizing a profit of several thousand dollars on the transaction.

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After acquisition of the company by Scott Bros., the office was moved to Philadelphia and Mr. Harvey Miller became President, Mr. H. M. Veasy was retained as the Wilmington manager until May 1933, when he resigned. The principal reason for acquisition of this company by Scott Bros. was to enable Scott Bros. to perform a substituted service operation along the Pennsylvania Railroad as, for the nine years preceding acquisition by Scott Bros., Peninsula Auto Express had successfully been engaged in a common-carrier over-the-road service in Eastern Shore territory and it was believed the good will and contacts already established would be of value to the railroad in the conduct of such an operation.

1933: On March 20, Peninsula Auto Express furnished the railroad with fourteen units to serve the Maryland Eastern Shore territory in substituted service. Zone stations were established at Dover, Delmar and Bridgeville; the drivers and drivers’ helpers performed the loading and unloading of box cars which transported traffic to and from various other Pennsylvania Railroad zone stations established throughout the railroad system. This type of operation proved very economical to the railroad and, in turn, was profitable to Peninsula Auto Express.

On December 1, the Pennsylvania Railroad established system-wide pick-up and delivery service and Peninsula Auto Express was engaged to do this work in Wilmington, Del.

1935: On April 9, the Board of Directors considered the advisability of consolidating Peninsula Auto Express with the parent company, Scott Bros., however, no formal action was taken at that time.

1936: On April 25, Mr. J. L. Scott was elected President of the company, succeeding Mr. Harvey Miller. Mr. Scott became the fourth President of the company and served in that capacity until his death in 1938. At the same time, the company filed an application with the I.C.C. for its Grandfather Rights Certificate.

1938: On June 1, 1938, Mr. G. G. Young was elected President of the company and served in that capacity until March 31, 1950 when the company was consolidated with Scott Bros. and on October 1, 1938, Mr. P. J. Mooney was appointed General Auditor of the company.

1943: Of the revenues earned by the company, 70% came from work performed for the railroad and 30% came from other sources. By 1949, railroad work accounted for 86% of the company's gross income.

1944: The Board of Directors, at a meeting held on April 27, approved of a plan to consolidate Peninsula Auto Express with the parent company, Scott Bros., thus acting on the idea of consolidation first discussed in 1935.

1945: On July 18th, the company's application to the I.C.C. for consolidation was filed and a hearing was set for December 4 at Philadelphia.

1946: On May 2, I.C.C. Examiners Englehart and Smith recommended denial of the application on the basis that such a consolidation would not be in the public interest. Exceptions to this report were filed on May 21 by company counsel, McNees, Wallace and Nurick, and on October 21, the I.C.C. issued a favorable order authorizing the consolidation, but with the stipulation that the irregular route rights of Penin-
sula Auto Express, used for performance of substituted service for the Pennsylvania Railroad, be converted to regular route rights. On December 23, a petition to the I.C.C. was filed by counsel for the opening of the Grandfather Certificate of the company.

1948: The I.C.C. subsequently assigned April 24 as the date to hear the company’s petition under the Grandfather’s Certificate. This hearing was held in Camden, N. J. and the recommended report of the I.C.C. Examiner was issued on December 9, granting rights to the company on a regular route basis to conduct substituted service for the Pennsylvania Railroad in Delaware and Maryland, south of Wilmington, Del. and north of Chincoteague, Va. The recommended report of the examiner was sustained by Division 4 of the I.C.C. with the understanding that the irregular route rights extending from Wilmington, Del. to Philadelphia, Pa., Ambler, Pa., West Chester, Pa. and Marcus Hook, Pa. and irregular route rights into New Jersey be cancelled.

1950: The I.C.C. order was carried out to a completion by February 3 when the commission reissued the Grandfather Certificate of Scott Bros., incorporating therein the rights transferred from Peninsula Auto Express.

On April 1, the company ceased to exist and all operations were consolidated with those of Scott Bros. At this time the company owned four trucks, sixteen tractors and twenty-four trailers, all of which were transferred to the ownership of Scott Bros.
Pennsylvania Truck Lines, Inc.  
(PITTSBURGH, PA.)

1850: John W. Haney formed and operated, as a single proprietor, the John Haney Transfer Co., hauling freight between points on the Pittsburgh riverfront and the Pennsylvania Railroad Freight Station on the north side of Pittsburgh, to shippers and consignees in the municipality.

1852: Mr. Haney purchased the cartage firm of Clark and Thaw of Pittsburgh and established operating headquarters at the Pennsylvania Railroad Duquesne Freight Station.

1865: During this year, Allentown Express, the largest local cartage company in the Pittsburgh area, was purchased.

1895: Expanding further, the company entered the moving and rigging business. Equipment, at this time, consisted of 54 horses, 4 mules and 34 wagons and there were 70 employees. The rate for pick-up and delivery of freight in the city limits was set at 3¢ per cwt; drivers received a wage of $50.00 per month and were required to curry and clean their horses as there was no harness or blacksmith shop.

1898: On November 1, a partnership was formed by Mr. Haney, Edwin F. Pearson and Edwin E. Zeigler to do business under the trade name of Pennsylvania Transfer Co., Ltd. The partnership was limited to a three-year agreement with each partner contributing $1,200 in cash, together with horses, wagons and other equipment valued at $3,800, a total investment of $5,000 each, or $15,000. John W. Haney was elected Chairman of the partnership and Edwin F. Pearson, Secretary-Treasurer.

1900: The partnership was reorganized for a period of five years and authorized capitalization increased to $20,000.; however, due to his age and health, John W. Haney was not a partner in the reorganization. Two hundred shares of stock, each having a par value of $100.00, were issued; 75 shares each to Edwin E. Zeigler and Edwin F. Pearson, 20 shares each to Samuel A. Kreps and Samuel W. McKown, and 10 shares to James Simpson. All partners were named Managers and E. E. Zeigler was elected Chairman, S. A. Kreps—Vice Chairman, E. F. Pearson—Secretary and S. W. McKown—Treasurer.

1903: John W. Haney died.

1906: The partnership was extended for nine years to 1915 and then nine additional years to 1924, with only few changes in the ownership of the capital stock taking place.

1917: The capitalization of the partnership was increased from $20,000 to $40,000. and 200 additional shares of stock, valued at $100.00 each, were issued.

1924: Partnership was again extended for a period of two years. Capital stock at this time was owned by James Simpson (100), John McConnell (100), C. A. Graham (55), Franklin L. Miller (50), George H. Adams (50) and Fred Kartlick (45).
1925: The partnership was incorporated under the name “Pennsylvania Transfer Co. of Pittsburgh” and the following officers were elected: James Simpson—President, Fred Kartlick—Vice President, C. A. Graham—Secretary, and John W. McConnell—Treasurer.

1926: During this year the company purchased the business and equipment of Alpern Brothers, a local motor truck hauling firm, and Harry I. Alpern was elected a director of the corporation.

1927: Company continued to grow and, during this year, purchased the Pittsburgh Storage and Transfer Co.

1928: The charter of the company was amended to permit the issuance of 1,500 shares of preferred stock, valued at $100.00 each, having a cumulative interest of 6%. This was done to secure cash in order to build a garage in Pittsburgh, Pa.

On May 23, the American Contract and Trust Co. acquired its first interest in this organization by the purchase of 1,400 shares of preferred stock for a total investment of $140,000, with voting rights equal to common stock. The officers at that time were James Simpson—President, Charles A. Graham—Treasurer, and Fred J. Kartlick—Secretary.

In July, the company disposed of all horses and horse-drawn equipment.

On August 1, the company took over from Scott Bros. the substituted service operation in the Pittsburgh area, Scott Bros. having succeeded Beaver Valley Service Co. This operation involved approximately 80 tons of less-carload traffic daily, requiring the use of five trucks.

At a meeting of the directors of the company on November 15, 1928, H. I. Alpern was elected Chairman of the Board.

1929: On March 2, a new fireproof garage at 110-116 South Main Street, Pittsburgh, Pa., containing 27,000 square feet, was completed.

On April 1, company purchased the Excelsior Express Co., a local baggage and express business in Pittsburgh, for $10,306. At the same time, the following officers were elected: John F. Casey—Chairman of the Board of Directors, James Simpson—President, Fred J. Kartlick—Vice President, Charles A. Graham—Secretary, and John W. McConnell—Treasurer.

During August, American Contract and Trust Co. increased its financial interest in the company and a reorganization took place with the following resignations submitted: James Simpson—President, John W. McConnell—Director and Treasurer, Charles A. Graham—Director and Secretary and Fred J. Kartlick—Director and Vice President. New officers elected were: E. W. Smith—President, Joseph L. Scott—Vice President, James Simpson—Secretary and Treasurer, and J. Winfield Scott—Assistant Secretary and Treasurer.

In September, company acquired the bus service of John Lucot, the service having been instituted in 1921 by the firm of Lucot and Remp, who held the Ford Agency at Sheridan, Pa. The purchase carried with it five buses and the operation of three routes: Carnegie to Scully, Sheridan to Scully and McKees Rocks to Scully. The latter two routes were shortly discontinued and the remaining operation between Scully Yard and Carnegie, Pa. was subsequently transferred from this company to
the Excelsior Express Co. whose charter permitted the transportation of passengers.

1930: In May, the company purchased from Scott Bros. all of the motor trucks and other equipment that the latter company was operating in Western Pennsylvania and Ohio, issuing 436 shares of common stock in payment therefor, and, with this acquisition, P. T. Stackhouse, who was in charge of Scott Bros.’ substituted service operations in the then Central Region territory, became associated with the company. At the same time, Harvey C. Miller, part owner of Scott Bros. was appointed a Director of the company.

1931: As a result of American Contract and Trust Co. dissatisfaction with the management of the company, Joseph L. Scott was appointed President on April 2, following the resignation of E. W. Smith. Mr. Scott held this position until his death in May 1938. Paul T. Stackhouse was elected Secretary-Treasurer and Manager with headquarters in Pittsburgh.

In the later part of this year, the company was advised by the Public Utility Commission of Pennsylvania that it must secure a Certificate of Public Convenience and Necessity to continue the performance of substituted service for the Pennsylvania Railroad and to comply with this request, it was necessary to amend the company’s charter.

1933: On March 6, the Pennsylvania Public Service Commission authorized the company to operate trucks in lieu of freight cars for the Pennsylvania Railroad along any route paralleling the railroad not in excess of 50 miles from origin station. The company made immediate plans to exercise this authority.

During this year, the Pennsylvania Railroad awarded a contract to the company to perform pick-up and delivery service in the City of Pittsburgh.

On December 18, the first contract with the Pennsylvania Liquor Control Board to handle liquor in cases from Try Street Terminal to State Stores in the Pittsburgh Metropolitan area, was secured. This operation was later expanded until, at the present time, this traffic is handled to 27 counties in Western Pennsylvania.

1934: Paul T. Stackhouse was elected Vice President, Secretary and Treasurer.

On October 22, the Public Utility Commission of Pennsylvania ruled that the Pennsylvania Truck Lines would be the only railroad affiliated company to be issued intra-state rights in Pennsylvania for substituted service.

1935: George G. Young was elected a Vice President of the company.

In October, pick-up and delivery service and transfer service for the Pennsylvania Railroad and the hauling of steel for Joseph T. Ryerson & Sons was inaugurated in Detroit, Mich.

1936: In January, Paul T. Stackhouse resigned as Vice President.

E. B. Hankey, Jr. was appointed General Manager.

On February 28, the company’s name was changed from Pennsylvania Transfer Co. of Pittsburgh to Pennsylvania Truck Lines due to acquisition of additional companies and expanding operations.
The erection of a second floor on the garage facility at 110 South Main Street, Pittsburgh, was completed.

1937: The purchase of 59.55 shares of stock in Alko Express Lines was completed on April 30, 1937, at a cost of $60,000. Later, all stock and equipment of Alko was purchased and the company had a total of $183,002, invested. Alko operated in Pennsylvania between Lancaster and Pittsburgh and contiguous territory with headquarters in Johnstown, and was acquired chiefly for the purpose of conducting a common-carrier service between Philadelphia, Pittsburgh and intermediate points, and also to give the railroad access to common-carrier rights in that territory for the performance of substituted service. For policy reasons, this company was never merged with Pennsylvania Truck Lines. Expanding further, on April 29, 1937, the company purchased the intra-state rights and holdings of the Merchants Transfer Company of Delaware, Ohio, at a cost of $3,500., which permitted the intra-state hauling of freight between Columbus and Marion, Ohio.

To comply with the requirements of the I.C.C., J. Winfield Scott was appointed Custodian of Records of the company.

In order to progress the plans of the Pennsylvania Railroad, insofar as common-carrier over-the-road operations were concerned, Barker Motor Freight Lines was purchased on April 16, 1937 at a cost of $25,000. and the Chicago-Cincinnati Motor Freight Lines was purchased on May 11, 1937 at a cost of $15,000. Barker Motor Freight Lines, with headquarters in Columbus, Ohio, operated a general over-the-road trucking business in the States of Ohio, Indiana and Michigan and the latter performed a similar service between Cincinnati, Ohio, and Chicago, Ill. The necessary approvals by the several State Commissions and the I.C.C. were eventually received and the Certificates of Public Convenience and Necessity, that were received through these purchases, permitted the company to perform over-the-road service in the general area from Chicago, Ill. to Cincinnati, Ohio to Lancaster, Pa., and included such large cities as Cleveland, Toledo, Columbus, Dayton, Detroit, Pittsburgh, Johnstown, Altoona, Harrisburg and Lancaster.

One of the requirements of the I.C.C., in approving the purchase of the Barker Motor Freight Lines, was that the Pennsylvania Railroad must control the outstanding stock of the Pennsylvania Truck Lines. As a result, the American Contract and Trust Co. and Scott Bros. sold to the Pennsylvania Railroad all outstanding stock (1,500 shares of preferred and 17,282 shares of common) for $447,666.

1938: A freight interchange arrangement at Lancaster, Pa. was established with the Union Transfer Affiliated Co., which permitted the handling of freight shipments to and from points within a thirty-five mile radius of Philadelphia, as well as between points in New Jersey, Delaware, Maryland and New York City. Union Transfer Affiliated Co. was owned by American Contract and Trust Co. and its president was Joseph L. Scott.

Joseph L. Scott, President of the company, died on May 2, 1938.

In May of this year, Miss Regina I. Kane was appointed Assistant Secretary and Assistant Treasurer and on June 1, George G. Young was elected President and J. W. Scott—Secretary and Treasurer.

The By-laws of the company were changed in October, creating the position of General Auditor and Peter J. Mooney was employed in the new assignment.
1939: Continuing its expansion program, the company, on April 10, 1939, purchased the intra-state rights of the C. W. McMath Co. (Lecrone Transportation Lines) for $1,500., permitting the company to extend service generally from Columbus, Ohio through Newark, Newcomers-town, Uhrichville to Steubenville and the West Virginia State Line at a point opposite Wheeling.

1940: A Certificate of Merit Award for Safety was received from the American Trucking Associations.

1941: Company entered into an agreement with the Paige Milk Co. of Pittsburgh for local delivery of milk in the Pittsburgh area. Operation involved the lease of 47 pieces of equipment to the milk company with Pennsylvania Truck Lines performing the maintenance and Paige supplying the driver-salesman.

At the time Pennsylvania Truck Lines was expanding, through purchase of common-carrier truck companies, efforts were made to purchase the Central Motor Freight Lines which held extensive rights between Columbus, Indianapolis and Chicago. A favorable I.C.C. Examiner's report was received but was not sustained by the Commission. One of the conditions of the purchase was that Pennsylvania Truck Lines secure the necessary Grandfather rights for Central Motor Freight. However, since Central Motor Freight was in bankruptcy at the time of the hearing, and had not operated for several years, the Commission denied the purchase application and the proceedings were dropped.

1942: Mr. George G. Young resigned as President effective March 1, 1942, and Mr. J. P. McArdle, who had been Manager of the Willett Co. of Indiana, was elected to fill the vacancy and to also serve as a director. Coincident to the change in Presidents, the following appointments were made: G. Alan Rouse—Manager, Purchases and Maintenance, Paul T. Stackhouse—Manager, Labor Relations, W. Robert Smith—Manager, Insurance and Bernard Gingerich—Manager, Tariffs.

During May, E. B. Hankey, Jr. Manager at Pittsburgh was granted a furlough for the duration of the war and C. A. Siple was appointed Acting Manager until July when he was appointed Manager. B. S. Johnson was appointed Assistant Manager of Purchases and Maintenance to succeed R. J. Lawrence.

On August 25, the intra-state rights of Strawser Motor Freight Lines, a company operating between Columbus and Circleville, Ohio, were purchased for $4,000. in order to acquire additional local intra-state rights for the performance of substituted service.

1943: Regina I. Kane resigned as Assistant Secretary and Assistant Treasurer in May and Claire H. Crawshaw was appointed her successor.

On December 13, the President of the Pennsylvania Railroad advised, in a message to stockholders of the railroad, that as to trucking service, the policy of the Pennsylvania Railroad was to perform a pick-up and delivery service, a substituted service and other accessorrial trucking, but not to continue long distance over-the-road service. The announcement of this policy compelled the sale of Alko Express Lines, and portions of this company's Central and Western operations.

Common-carrier over-the-road operations of this company had been conducted at a loss during the war years and finally, because of equipment shortages, it was necessary to embargo most of the points
in the territory between Pittsburgh and Chicago, having the effect of discontinuing service to the more unprofitable portions of the route and the continuance of service between the larger metropolitan areas. This action was severely criticized by all regulatory bodies although, from an operating viewpoint, it proved extremely beneficial and was similarly extended to Alko Express Lines.

1944: B. S. Johnson, Manager, Purchases and Maintenance, resigned in February and no successor was named.

On September 1, company began pick-up and delivery service for the Pennsylvania Railroad at Columbus, Ohio.

During the same month, Claire H. Crawshaw resigned as Assistant Secretary and Assistant Treasurer.

1945: In October, E. B. Hankey, Jr. returned to his former position as Manager at Pittsburgh and C. A. Siple was appointed Supervisor of Operations.

On December 27, the over-the-road interstate rights between Chicago, Ill. and Cincinnati, Ohio were sold to H. F. Hahne for $12,000.

1946: R. W. Tackbary was elected a Director and President of the company effective June 1, 1946. At the same time, Elmer Williamson was appointed General Auditor of the company succeeding P. J. Mooney who had resigned.

Conforming further to railroad policy to dispose of certain over-the-road trucking activities, portions of the Ohio regular route intra-state certificate were sold to John Morrison for $1,000.; the Ohio irregular route intra-state certificate was sold to the Strawser Freight Lines for $1,800; and interstate rights between Columbus, Ohio and Detroit, Mich. were sold to P. J. Cummins for $7,500., all sales occurring during May.

Contract covering the leasing of trucks to the Paige Milk Co. at Pittsburgh, which had been in effect since 1941, was cancelled in September and the equipment sold to the milk company under a recapture clause in the agreement. At the same time, C. A. Siple, Supervisor of Operations at Pittsburgh, resigned to accept a position with the Paige Milk Co.

In November, Max C. Wolfe, who had held various positions with the company, was appointed Supervisor of Operations.

Pick-up and delivery operations at Detroit, Mich. and Columbus, Ohio were transferred to the Pentruck Co.

1947: By April, all of the common-carrier over-the-road operations had been discontinued.

In October, Superintendent of Operations, Max C. Wolfe, was appointed General Manager.

1948: Effective May 1, the company inaugurated a group retirement plan insured by the Aetna Life Insurance Co., covering officers, supervisory and salaried employees who elected to participate. Retirement payments commence at the age of sixty-five years, providing employee elects to retire at that time.

On December 31, W. R. Smith resigned as Manager, Insurance, and the position was abolished. The position of Manager, Tariffs, was also abolished.
During the same month, G. Alan Rouse was elected Vice President of the company, effective January 1, 1949, and the position of Manager, Purchases and Maintenance, was abolished. Similarly, the position of General Manager was abolished and Max C. Wolfe was appointed Manager, Line Haul Service.

1949: In October, B. Proske was appointed Superintendent of Maintenance.

1950: In January, "direct" pick-up and delivery service was established from Pittsburgh 11th Street to Sharpsburg, Aspinwall and Etna, and similar service was contemplated to fourteen other points in Allegheny County. Prior to this time, freight to and from these points was handled either in substituted service or box cars and local draymen employed to perform the pick-up and delivery service.

In November, the second floor of the Pittsburgh garage facility, unused for several years, was leased to the International Harvester Co. on a month to month basis at a rental of $350 per month.

Because of excessive rate demands by an independent drayman at Akron, Ohio, Pennsylvania Truck Lines took over the pick-up and delivery operations on February 20, 1950.

An expanded substituted service was established in the Pittsburgh area, thereby assisting the railroad in its plans to close the Pitcairn Transfer operation on September 27, 1950.

1951: On March 1, the second floor of the Pittsburgh garage facility was leased to the United Parcel Company who remodeled the facilities to suit their requirements. The lease covered a five year period at an annual rental of $9,300.

A revision in the Pennsylvania Tax Laws, stating that registration fees may no longer be taken as a deduction from gross receipts tax, resulted in an additional expense to the company of approximately $13,000.

1952: Because of excessive rate demands by an independent drayman at Canton, Ohio, Pennsylvania Truck Lines took over pick-up and delivery operations on May 12, 1952.

On October 1, the Public Utilities Commission of Ohio removed a clause requiring a "prior or subsequent" movement by rail from certificates covering intra-state rights for the performance of substituted service.

Three routes operated on the old Northern Division by Pennsylvania Truck Lines were turned over to the Buffalo Storage and Carting Co. who purchased the equipment at book value. This was done to simplify operations and to have trucks operating in such service placed under the jurisdiction of railroad officers having supervision over the stations.

A health, accident and death benefit plan for supervisory forces was inaugurated in November.

For the first time in the history of the company, a dividend was paid on the common stock in addition to the regular dividend on preferred stock.

1953: Pennsylvania Tax Laws were again revised in August to permit trucking companies operating in the State of Pennsylvania, to deduct vehicle registration fees from the gross receipts tax. This resulted in an annual saving to the company of approximately $15,000.
1954: On April 18, installation of two-way radio was completed on ten trucks engaged in pick-up and delivery operations in Pittsburgh. Project was accomplished at a cost of $9,500, including master station and antenna.

Negotiations with the Teamsters Union at Pittsburgh resulted in the elimination of the mandatory assignment of helpers on tractor trailer units. This action produced monthly economies of $2,000.

Twenty-five trailers were reconditioned, repainted and sold to Excelsior Truck Leasing Co. for use in TrucTrain service.

During the year, a number of aluminum body trucks were purchased for use in pick-up and delivery operations at Pittsburgh. These trucks proved to be highly desirable in pick-up and delivery service.

Company continued the practice, when financial conditions permitted, of deferring requests to the railroad for increased compensation to offset wage increases.

1955: L. F. Stetzer was appointed General Auditor on January 1, following the retirement of Elmer Williamson on December 31, 1954.

Excelsior Express Co. was merged with Pennsylvania Truck Lines effective with the close of business May 31. From a policy standpoint, it was decided that any further steps to consolidate trucking companies would be held in abeyance rather than jeopardize valuable operating rights presently held by the individual companies under authority of various State Commissions and the I.C.C.

J. T. Sullivan, who, at one time, had been employed by Scott Bros., was appointed General Auditor on July 1, following the resignation of L. F. Stetzer.

While labor demands during the year caused no actual work stoppage, insofar as the wholly owned companies were concerned, a serious interruption of work by employes of the Western Pennsylvania Motor Carriers Association occurred in the Pittsburgh area from July 11 to August 10. Dispute caused all traffic in and out of Pittsburgh to be handled by rail with the result that the facilities of Pennsylvania Truck Lines, not a member of the association, were overtaxed. This required the hiring of as much additional outside equipment and chauffeurs as could be obtained.

Two-way radio equipment, installed on pick-up and delivery trucks, resulted in increased production and caused much favorable comment among patrons in the Pittsburgh area.

Negotiations were satisfactorily concluded with the Teamsters Union of Pittsburgh permitting an increase in the number of cases loaded on equipment engaged in liquor hauling. Change was made possible due to the weight limitation law enacted in Pennsylvania providing for a maximum gross weight of 60,000 pounds, compared with the old limit of 45,000 pounds. Number of cases loaded were increased from 8% to 10% resulting in material savings to the company.

1956: In January, 50 new TrucTrain trailers, purchased by Rail-Trailer Co. and leased to the railroad, were processed at the company's Pittsburgh garage. In addition, 175 of the 250 TrucTrain trailers purchased by Excelsior Truck Leasing Co. were also processed at the company's garage.
In January, company concluded arrangements with the Pennsylvania Railroad for installation of a 3,000 gallon gasoline storage tank and pump at the Pittsburgh Preble Avenue TrucTrain Terminal. Installation permitted on-the-ground service to tractor equipment assigned TrucTrain operations and eliminated much shuttling to the company's maintenance facility.

Effective June 8, substituted service operations in the Ohio River Valley were rearranged to provide a more economical and flexible service, resulting in an improved service to patrons in that area.

Mr. R. W. Tackbary, President, was granted a temporary leave of absence effective June 1, following his appointment as General Manager—TrucTrain, Pennsylvania Railroad. Vice President, G. A. Rouse, was appointed Acting President of the company on August 1 and R. Y. Timmons, formerly Manager of Merchants Trucking Co. at Norfolk, Va., was appointed Assistant Vice President.

A substituted service operation between Columbus and Coshocton, Ohio was inaugurated on July 9.

On November 23, substituted service between Akron and Orrville, Ohio was established. This service eliminated the need of a daily box car between Cleveland and Orrville and resulted in an improved service to patrons in that area.

On November 29, tractor-trailer service was established for the handling of U. S. mail between Greensburg and Pittsburgh, Pa.

During November and December, night shuttle operations were inaugurated between Altoona and Clearfield, Pa., Altoona and Philipsburg Pa., Pittsburgh and Donora, Pa. and Pittsburgh and Vandergrift, Pa. Less-carload freight is now being moved in trailers during the night hours, making it available for handling at these stations early the next morning. This new form of substituted service has many advantages, including the release of box cars for other traffic, faster and more economical service, and the availability of the same tractor power for other purposes during daylight hours.

J. T. Sullivan resigned as General Auditor, effective November 30.

On December 7, the company submitted rates to the Meredith Publishing Co. of Des Moines, Iowa for the unloading and delivery of carloads of magazines at Pittsburgh. Under the proposed plan, tonnage of approximately 95,000 pounds per month, presently moving into Pittsburgh via over-the-road truck service, would move to Pittsburgh by rail for subsequent delivery to the Pittsburgh Post Office and the Baltimore and Ohio and Pittsburgh and Lake Erie Railroad depots in Pittsburgh.
Substituted service on the former Eastern and Central Regions of the Pennsylvania Railroad was inaugurated in 1923 by Scott Bros., a company incorporated in the State of Delaware. Operations were conducted in Pennsylvania and Eastern Ohio; however, Indiana law prevented the extension of substituted service into that state unless such operations were conducted by a company incorporated in Indiana. This was the reason for the establishment of a company, later to be known as Penntruck Company, Inc.

During the early part of 1930, the American Contract and Trust Co. purchased a small interest in the Willett Co. of Chicago, Ill., with the expectation of having that organization perform substituted service in the former Western Region territory of the railroad. However, because the Willett Co. was an Illinois Corporation, it, too, was not permitted by Indiana law to extend its operations to perform intra-state substituted service in the State of Indiana. Because of this situation, railroad officials suggested that Howard Willett, Sr., President of Willett Co., organize an Indiana company to handle interstate and intra-state traffic for the Pennsylvania Railroad in Indiana.

The new company, founded by Mr. Willett, was incorporated on May 7, 1934 and, because of Howard Willett's financial interest, was called The Willett Company of Indiana, with Howard Willett, Sr. serving as its first President.

Under the articles of incorporation, the issuance of 400 shares of common stock, at a par value of $25.00 per share, was authorized. Howard Willett, Sr., purchased the first 40 shares at a cost of $1,000. and, in addition to himself, other investors were A. T. Willett and Henry W. Manske. Howard L. Willett, Sr., E. W. Taylor and W. J. Richeson, the latter from Logansport, Ind., and one of the first truck drivers employed by the new company, comprised the first Board of Directors.

The first stock purchase by American Contract and Trust Co. was made on September 29, at which time the company purchased 16 shares of stock for $400.00.

On November 6, the Articles of Incorporation were amended to increase the authorized common stock from 400 shares to 4,000 shares, and on December 18, the articles were further amended to increase the number of authorized shares to 12,000, at a par value of $25.00 per share, resulting in an authorized capitalization of $300,000.

American Contract and Trust Co. made subsequent stock purchases on January 10, November 19, and December 30 and by 1936, American Contract and Trust Co. had a total of $70,000 invested, representing 2,800 shares of stock.

It was during this year that Mr. J. P. McArdle, who had, for twelve years, been associated with General Motors Truck Co., was appointed Manager of the company's operations.

Joseph L. Scott was elected President of the company on May 6, following the resignation of Howard Willett, Sr.
1938: Joseph L. Scott died on May 2 and George G. Young was elected President, effective June 1. Mr. P. J. Mooney was appointed General Auditor of the company in October 1938.

1939: On January 23, Pennsylvania Railroad pick-up and delivery operations at South Bend, Ind. were taken over by the company. Prior to this time, the company operated seven substituted service and three local transfer operations in the cities of Logansport, Fort Wayne, South Bend and Indianapolis.

1940: During this year, eight additional substituted service operations were inaugurated in the Indiana-Illinois territory.

1941: The company continued to expand, in line with the requirements of the railroad, and handled pick-up and delivery service for the railroad at Louisville, Ky., Terre Haute, Ind., Fort Wayne, Ind. and Grand Rapids, Mich. In addition, ten new substituted service routes were placed in operation.

1942: George G. Young resigned as President on March 1, and Joseph P. McArdle, Manager of the company, was elected to succeed Mr. Young on the same date.

1944: Pick-up and delivery operations were further expanded to include Jeffersonville, Richmond, Logansport, New Albany, Ind., Kalamazoo, Mich. and Milwaukee, Wisc.

1945: During the year, Indianapolis, Ind. was added to the pick-up and delivery operations of the company as were six new substituted service routes in the State of Michigan.

1946: Pick-up and delivery operations at Detroit and Columbus, formerly performed by Pennsylvania Truck Lines, were taken over by this company.

1947: Due to the fact that the Willett Co. organized and operated this company during the period immediately after its incorporation, it was known as the Willett Company of Indiana. With the withdrawal of Howard Willett's financial interest and full control by American Contract and Trust Co., the name, Willett Co. of Indiana, was changed to Pennttruck Co., Inc. on January 10, 1947.

1948: Prior to April 16, 1948, only 2,800 of the 12,000 shares of the authorized stock had been issued, and all 2,800 shares were held by the American Contract and Trust Co. Due to expansion, the financial condition of the company was such that it required action to either borrow funds or issue more stock. It was decided to issue the remaining 9,200 shares of stock, this being done on April 16 when American Contract and Trust Co. purchased the remaining 9,200 shares of stock. As a result, $230,000 became available for working funds.

A new pension plan for officers, managers, clerical and supervisory forces of the company was inaugurated on May 1, 1948.

1949: The ultimate plan for this company, from a policy standpoint, was to have it take over and conduct all of the substituted service operations in the former Western Region territory of the railroad and, with the exception of the handling of Ryerson Steel traffic at Detroit, all of the
revenue came from services performed for the railroad. During the year, revenue from Ryerson traffic represented 9.7% of the total revenue.

1950: Company discontinued pick-up and delivery operations at South Bend, Ind. on February 16, due to light volume. This work was then assigned to a local trucker on a contractual basis.

Construction of a new highway through Detroit, Mich. resulted in relocation of rented garage facilities in that city.

1951: Services performed for the Pennsylvania Railroad were materially expanded through the distribution of more than 1,000,000 gallons of diesel fuel oil in the Chicago area, and plans were studied for similar distribution at other points.

The company leased an unused portion of the Pennsylvania Railroad Columbus, Ohio freight station and, after remodeling subleased it to the U. S. Post Office Department as a mail-truck-terminal with Penntruck Co. performing transfer service between the passenger station, yards and the new terminal on a remunerative basis. The Post Office Department, through other contractors, performed a Star Route service to the area surrounding Columbus.

1952: A health, accident and death benefit plan for supervisory forces was inaugurated in November.

1953: The construction of a garage and service building at Chicago, which was started in 1952, was completed at a cost of $19,000.

1954: Authority was received from the Public Utilities Commission of Ohio, permitting the company to handle diesel fuel in the State of Ohio.

To assist in the inauguration of “TrucTrain” service on the Pennsylvania Railroad, twenty-five trailers were reconditioned, repainted and sold to Excelsior Truck Leasing Company for subsequent leasing to the railroad.

1955: On January 1, L. F. Stetzer was appointed General Auditor following the retirement of Elmer Williamson on December 31, 1954.

On July 1, J. T. Sullivan was appointed General Auditor following the resignation of L. F. Stetzer.

The Post Office Department at Columbus contracted for larger truck-terminal facilities and discontinued the use of that portion of the railroad’s freight station subleased to them by Penntruck Co. Inasmuch as contract was non-cancellable, the Post Office Department was obligated to pay the company $850.00 per month through September 1956.

Installation of two-way radio equipment on pick-up and delivery trucks operating in Columbus, Indianapolis and Detroit resulted in increased production and favorable comments from patrons in those cities.

1956: On March 6, a company truck was damaged and its driver injured in an explosion of nitro-cellulose at the Shelby Paint Co. plant in Indianapolis, Ind.

Pick-up and delivery operations were discontinued at Terre Haute, Ind., effective April 2, due to continued losses sustained by Penntruck.
Co. in connection with the operation, and contract was given to an independent drayman. Service was reestablished by Penntruck Co. on May 7, following cancellation of contract by the independent drayman who was also unable to realize any profits from the operation.

On November 15, new office quarters were secured in the Chicago Freight Station building at 323 West Polk Street, Chicago.

On November 30, Mr. J. T. Sullivan resigned as General Auditor of the company.
Reserve Terminals Company
(CLEVELAND, OHIO)

1945: In order to permit an expansion of operations; to submit quotations and to secure contract work at the Reconstruction Finance Corporation Warehouse CLE 15, known as the Wardwell Ordnance Depot near Warren, Ohio, the Reserve Moving and Erecting Co. was incorporated, under Ohio laws, in July 1945. The company was incorporated so that its books could be examined at any time by Government officials to determine the margin of profit being earned.

The Wardwell Ordnance Depot, located on 58 acres of ground with a building 880' x 175', was being used by Reconstruction Finance Corporation as a storage depot for Government materials.

The company was originally capitalized in the amount of $15,000, with all stock being purchased by the Cleveland Cartage Co. The Officers and Directors were the same as those of the parent company, Cleveland Cartage Co.

1946: Authorized capitalization was increased to $50,000 and Cleveland Cartage Co. purchased all additional stock issued, making their total holdings 250 shares.

1950 The name of the company was changed to “Reserve Terminals Company” in January 1950 in order to more accurately describe the type of operations the company performed. A building quite similar to that of the Reconstruction Finance Corporation, with about 3½ acres under one roof, owned by Lakeside Properties, another wholly-owned subsidiary of Cleveland Cartage Co., is now operated by Reserve Terminals Co. This building is located at East 40th Street and Hamilton Avenue in Cleveland and is Cleveland's greatest Industrial Warehouse. Its location is in the midst of lake front manufacturing, and provides a convenient, modern warehouse for storing all types of non-perishable industrial materials—from small packaged items to high-tonnage equipment. Its 196,000 square feet of concrete floor, truck drive through, two inside railroad sidings and complete, modern materials handling devices makes it a popular transfer terminus for rail, truck and lake transportation.

The American Contract and Trust Co. is interested in the company through its 45% stock interest in Cleveland Cartage Co.
Riverside Trucking Company
(CLEVELAND, OHIO)

1955: The Riverside Trucking Co. was incorporated under the Ohio State laws on June 22, 1955, in order to engage in the hauling of cement from a cement manufacturer.

The authorized capitalization of the company consisted of 250 shares of no par value stock, but with a declared value of $100.00 per share, or $25,000. Only 5 shares of the authorized stock have been issued, these five shares being purchased by the Cleveland Cartage Co. for $500.00.

The officers of the company are the same as those of the Cleveland Cartage Co., as follows:

J. C. DeVenne .................. President and Treasurer
J. W. DeVenne ................. Executive Vice President
A. F. Amor ...................... Vice President
W. H. Amor ..................... Vice President
P. G. Viall ........................ Vice President
W. S. DeVenne .................... Secretary
Scott Bros., Inc.

(PHILADELPHIA, PA.)

1868: A partnership—Scott Bros.—was formed by James F. and Samuel Scott for the purpose of operating a livery stable and a general horse and wagon delivery service in the City of Philadelphia, with the first office located at 146 South Street. A third brother, Joseph W., worked for the firm but was not admitted as a partner and, in due course, his son—Clarence R. and J. Waldo, also became employees.

1898: Clarence R. Scott was admitted into the partnership.

1901: A large property known as 1529-1539 South Front Street, Philadelphia, was purchased and became the new headquarters of the firm. The property, extending through to Water and Tasker Streets, contained a stable yard, two large barns, three small houses and one larger house. One small house was converted into a carriage house, one into an office and one rented to an employee, but eventually was remodeled for additional office space. The larger house was occupied by Samuel Scott along with his three sons—Joseph L., John Paul and Samuel, all of whom began working for the partnership at an early age.

During the early years of the firm, some of the larger better known customers included the Bell Telephone Co., Western Electric Co., Keystone Telephone Co., Philadelphia Electric Co. and several departments of the City of Philadelphia. To these and other customers, Scott Bros. furnished horse-drawn vehicles on a daily, weekly or monthly basis and, in a few instances, on a hundred weight basis.

1905: One of the original partners, Samuel, died and the business continued under the management of James F. and Clarence R. Scott.

1908: The estate of Samuel Scott was apportioned equally to his three sons, Joseph L., J. Paul and Samuel, and Joseph L. was selected by his brothers to represent them in the management of the firm.

1912: The firm purchased the rigging and safe moving business of J. A. McKeefry and the steel hauling and heavy hauling business of A. H. Berry.

1916: The remaining charter partner—James F. died in October and in his will he instructed his Executors—Joseph W., Clarence R. and Joseph L. Scott—to enter into an agreement with his then partners to continue the partnership for a period of eleven years. This was done and the records disclose that the profits or losses each year were divided three-ninths to the Estate of James F., three-ninths to Clarence R. and one-ninth each to Joseph L., J. Paul and Samuel.

1917: J. Winfield, a son of Clarence R., entered the service of the firm, which at that time, in addition to the Scott family representatives, included one bookkeeper and two clerks.

The business expanded rapidly as a result of World War I; teams and motor trucks were furnished to many government construction projects, including League Island Navy Yard, Hog Island Ship Building Yard, Woodbury Bag Loading Plant, Camp Meade, Worth Steel, Chester Housing Project and others. Many saddle horses were also leased to the U. S. Government at various locations.
Prior to World War I and continuing thereafter, the firm handled most of the steel, building stone, etc. in the local Philadelphia area including materials for the Benjamin Franklin Bridge (formerly Delaware River Bridge), steel and lumber for the Broad Street Subway and building materials for the Post Office and Federal Reserve Building.

1922: As a result of increased business it became necessary to employ additional office help and Miss Regina I. Kane was employed as a bookkeeper.

1923: It was during this year, after many conferences with Pennsylvania Railroad officials, that substituted service was inaugurated for the Pennsylvania Railroad and less-carload traffic, formerly handled in peddle freight trains, moved to motor trucks. Joseph L. Scott represented the firm in these negotiations and although his proposals were accepted by the railroad, it was deemed advisable, since an estate was involved in the partnership, to organize a new company to exclusively handle the work for the Pennsylvania Railroad. The original partnership was to continue to serve its many other customers. It was at this time that Scott Bros. was incorporated under the laws of the State of Delaware and the following officers were elected: Joseph L. Scott—President, Clarence R. Scott—Vice President and Treasurer, and Charles A. Paterson—Secretary.

1924: The growth of the business required larger quarters and a property at the northeast corner of Water and Dickinson Streets was leased for a period of ten years. The existing building located on that property was remodeled into a motor truck repair shop, a blacksmith shop and a rigging loft, with office quarters constructed on the second floor, and a new garage building was erected along the Dickinson Street side to Delaware Avenue.

In the face of increased demands for motor trucks, the number of horses and wagons, owned by the company, were reduced and the corner lot on the northwest corner of Water and Dickinson Streets, previously rented for the purpose of storing wagons, was then utilized to stable horses. The former property at 1529 South Front Street was sold.

Substituted service for the Pennsylvania Railroad Co. between Overbrook and Downingtown, Paschal and Wilmington, and other routes on the then P.R.R. Atlantic, Trenton, New York and Maryland Divisions was inaugurated. At Philadelphia the company provided a pick-up and delivery service for Stone's Express Co. who performed a truck-rail-truck service between Philadelphia and New England points.

1925: Operations proving unprofitable, an over-the-road service within a 30 mile radius of Philadelphia was discontinued. This service had been started the previous year and rates charged were based on railroad tariffs, with free pick-up and delivery service.

1926: On June 25, Scott Bros. partnership was sold to Scott Bros., Inc., a Delaware Corporation, and the following officers were elected: Harvey C. Miller—President, Walter B. McKinney—Vice President, George M. Richardson—Treasurer, and Joseph L. Scott—Secretary and General Manager.

In September, the new company purchased the assets of P. T. Stackhouse of Philadelphia who, at that time, operated a trucking business under the name of C. D. Hackett. Mr. Stackhouse entered the
service of Scott Bros. and continued to supervise these same operations even though his office was in the Merchants Warehouse Company’s building at Delaware Avenue and Chestnut Street.

The company was awarded the job of moving the Pennsylvania Railroad’s office furniture and equipment from the many Philadelphia office buildings to the new offices at 15 North 32nd Street. This project was accomplished on a very rigid schedule under the direct supervision of Mr. Stackhouse.

On December 15, the American Contract and Trust Co. purchased 2,500 shares of common stock of Scott Bros., Inc.

1927: 
During this year, the company purchased the motor equipment and substituted service contracts with the railroad from the Beaver Valley Service Co. of Pittsburgh for $40,000., and the equipment and three substituted service contracts from the Valley Service Co. of Coshocton, Ohio for $16,750. Mr. Stackhouse was then transferred to Pittsburgh to supervise these operations and opened an office and garage at 851 Beach Avenue, Pittsburgh.

Due to the many complaints received from customers about slow deliveries by horse-drawn equipment, all remaining horses and wagons were sold.

In March, the company entered into a contract with the Pennsylvania Railroad to operate a bus line at Chambersburg, Pa. and Mr. G. A. Rouse, who was employed by the firm in 1926, was assigned to supervise these operations. This contract was terminated in December and one bus transferred to Pittsburgh where it was placed in service for the railroad between Irwin and Trafford, Mr. Rouse returning to the Philadelphia office.

With the tremendous expansion of the corporation, an Insurance and Safety Department was needed and in August, Mr. Eugene L. Harold was hired as Superintendent of Insurance and Safety.

1928: 
Company insurance policies were placed through a new broker by Mr. Harold and considerable savings were realized. Up to this time, employes would make collections for any co-worker who was unable to work due to illness. Several of the employes approached General Manager J. L. Scott for assistance in setting up a plan to eliminate these collections and it was then that Mr. Harold set up and managed a benefit plan which was open to any employe on a voluntary basis. The company made a small initial contribution and those who wished to be included in the plan made small weekly contributions which entitled them to sick benefits of $6.00, $9.00 or $12.00 weekly. The plan continued in effect until 1933 when it was dissolved and the amount of cash on hand distributed to participants on a percentage basis.

J. Paul Scott, a son of one of the original partners, died.

1929: 
In July, the American Contract and Trust Co. purchased all of the outstanding stock of the Buffalo Storage and Carting Co. and Mr. Joseph L. Scott, Secretary and General Manager of Scott Bros. was elected President and a Director of the newly purchased company. Inasmuch as the American Contract and Trust Co. had also purchased the controlling interest in the Pennsylvania Transfer Co. of Pittsburgh in 1928, Mr. Joseph L. Scott was also elected as a Director of the latter company. Concurrent with these organizational changes, G. A. Rouse and J. Winfield Scott were relieved of most of their duties with
Scott Bros. and acted as Assistants to Joseph L. Scott, supervising in general, the operations, purchases and maintenance work of the Buffalo and Pittsburgh activities.

Mr. George J. Junkin and a group of Philadelphia businessmen purchased the Wilson Line which operated passenger and freight boat service between Philadelphia and Wilmington, and eventually, the Wilson Line purchased the Bush Line, a competitor serving the same territory. The Bush Line operated two trucking companies; (1) The Bush Express, which owned nine trucks for pick-up and delivery service in the City of Wilmington and in other cities of Delaware and Maryland—as far as Havre De Grace, and in the State of Pennsylvania adjacent to Delaware—as far as West Grove, and (2) The Peninsula Auto Express Co. which performed pick-up and delivery service in Delaware—as far as Milford, and the surrounding territory, but did no local hauling in the City of Wilmington. This latter company had been incorporated under the laws of the State of Delaware in 1921.

Scott Bros. purchased the nine trucks and other equipment of Bush Express, then owned by the Wilson Line, for $20,000. and all of the outstanding stock of the Peninsula Auto Express Co. for $32,400. It also purchased, at the depreciated book value, the motor vehicles which were used in freight service by the Wilson Line.

1930: On January 23, Scott Bros. assumed formal control of Peninsula Auto Express and elected new officers, the same as those of the parent organization.

In April, the company offered to purchase the National Freight and Delivery Co. of Philadelphia for $75,000., this price to include the 104 motor vehicles and the franchise for operating within a 60 mile radius of Philadelphia. Because the liabilities of this concern greatly exceeded its assets, a satisfactory agreement was not possible and a receiver was appointed, the National Freight and Delivery Co. of Philadelphia ceasing operations. Representatives of Scott Bros. then negotiated with the Receiver for the purchase of certificates, and whatever good will and business remained, for $10,000. The Pennsylvania Public Service Commission approved the transfer of the certificates and since the Union Transfer Co. of Philadelphia had an organization capable of handling the traffic formerly handled by National Freight and Delivery Co., arrangements were made with Union Transfer to operate under National’s certificated rights and pay Scott Bros. one half of the purchase price of $10,000. This agreement stated that Union Transfer would handle shipments weighing up to 500 pounds and Scott Bros. would handle shipments weighing in excess of 500 pounds.

During May, negotiations were completed for the sale of the rights, motor vehicles, office furniture, garage shop equipment, etc., of Scott Bros. Pittsburgh Division, to the Pennsylvania Transfer Co. of Pittsburgh for 436 shares of the latter company’s common stock. Mr. P. T. Stackhouse was then transferred from Scott Bros. operations in Pittsburgh to the Pennsylvania Transfer Co. as Secretary and Manager of that company.

On October 30, 1930, Mr. George G. Young, who had previously had wide experience in the construction industry, had been employed by the White Motor Co. and the General Motors Truck Co., entered the service of Scott Bros. and in May 1931 was transferred to Buffalo as Vice President of the Buffalo Storage and Carting Co.
1931: Clarence R. Scott, one of the original partners, died in August.

During this year, the company performed a considerable amount of hauling for general contractors and sub-contractors engaged in constructing new subways for the City of Philadelphia. The city, at the time, was unable to pay cash to the general contractors for their work and, while a Bond Issue was not popular in financial circles, the general contractors were forced to accept City of Philadelphia 4½% Bonds in settlement. Scott Bros.' Board of Directors authorized acceptance of such bonds in lieu of cash settlement for invoices rendered contractors who were constructing the subway.

On November 5, 1931, truck-rail-truck service was inaugurated between Philadelphia and New York, with Scott Bros. performing the terminal services in Philadelphia and Motor Haulage and Stones' Express Co. performing the terminal services in the New York area.

1932: In July, the officers of the company were authorized to purchase $100,000 of United States Government 4½% Bonds.

1933: An intra-city freight transfer service was inaugurated between the many freight stations of the Pennsylvania Railroad in Philadelphia. At the same time, the company commenced pick-up and delivery service, on an experimental basis, in Delaware and along Eastern Shore points of Maryland and while this service was supplemental to the substituted service units operating in that area, it was necessary to augment the fleet of equipment being used. Since Peninsula Auto Express was competing with the Pennsylvania Railroad in this area, the over-the-road service of Peninsula Auto Express was discontinued and the Scott substituted service units were transferred to Peninsula Auto Express who took over the substituted service operations. Pick-up and delivery service was also inaugurated for the Pennsylvania Railroad in the City of Philadelphia. To handle the volume of traffic, the city was zoned and six other draymen, in addition to Scott Bros., were awarded contracts.

It was during this year that the company commenced to retire its preferred stock and by the end of the year, preferred stock had been reduced from 1,670 shares to 667 shares.

1934: The Pennsylvania Railroad Company's electrification project between Baltimore and Washington created a heavy demand for equipment and as many as 32 trucks and cars were leased to the railroad in connection with this construction program. About this same time, the management audited the books and appraised the equipment of the Truck Rental Co. of Philadelphia, with a view of purchasing same; however, the proposed purchase was never consummated. The books of the Union Transfer Co. of Philadelphia were also audited for the purpose of purchasing their operating rights and truck equipment but no agreement was negotiated.

Due to the fact that the Pennsylvania Public Service Commission had issued a broad certificate to the Pennsylvania Transfer Co. of Pittsburgh, permitting them to parallel the Pennsylvania Railroad lines throughout the state with motor truck substituted service, and had at the same time, denied Scott Bros. the right to perform a similar service in the eastern part of the state, the Pennsylvania Transfer Co. purchased from Scott Bros. the equipment that had been operating this service. Since Pennsylvania Transfer Co. did not have sufficient cash to purchase this equipment, Scott Bros. advanced them $15,000. at an interest rate of 6% per annum.
Leases on properties at Water and Dickinson Streets, Philadelphia, terminated in November and a new lease was signed with the Central City Chevrolet Co. for premises at 25th and Wharton Streets. The entire facilities of Scott Bros. were moved into these new quarters and the lease, with certain qualifications, is still in effect today.

During the year, a profit of $310.80 was realized on the sale of the City of Philadelphia Bonds, valued at $8,800, which were accepted in 1931.

The Nagle National Protective Agency, Inc. of Baltimore, Md., a transporter of money and securities, offered to sell all of its outstanding capital stock to Scott Bros. but after an audit and complete investigation had been made, it was decided that the company should not enter that phase of the transportation industry.

1935:

On June 1, an intra-city terminal operation was inaugurated for the Pennsylvania Railroad Co. in New York City, including Jersey City and Brooklyn. All of the tractors and trailers used in this service were purchased new and, at first, were stored in a public garage at 27th Street near 11th Avenue in New York City.

The company entered into an agreement with the Union Transfer Affiliated Co. to maintain, repair, paint and/or build such equipment as was required in their operations, as well as to handle Union Transfer Affiliated Company’s leasing, hiring, renting, selling and/or interchanging of equipment.

On July 31, eighteen of the units under lease to the Pennsylvania Railroad during the electrification project were returned to the company.

In December, George G. Young was appointed General Superintendent of the company and J. Winfield Scott was appointed Assistant General Manager and Assistant Secretary.

Directors of the company authorized the purchase of the W. G. Corporation from the United States Truck Lines, Inc. for a total consideration of $10,000. and the necessary papers were filed with the I.C.C.. The W. G. Corporation was a local cartage operator in Jersey City, N. J. with most of its services being performed for the Joseph T. Ryerson Steel Co.

1936:

In April, Mr. Harvey C. Miller was elected Chairman of the Board, Mr. J. L. Scott—President, Mr. George G. Young—Vice President, Mr. J. W. Scott—Treasurer, and Mr. W. B. McKinney—Secretary.

Pick-up and delivery service was inaugurated for the Pennsylvania Railroad in a zoned section of New York City.

In June, the general offices of the company were moved to the present location, 1000 South Broad Street, Philadelphia, and the general offices of the Union Transfer Affiliated Co. were merged with those of Scott Bros.

Mr. Harvey C. Miller, Chairman of the Board, died on July 24.

In September, Mr. J. Winfield Scott was appointed Custodian of Records in compliance with the Motor Carrier Act of the I.C.C.

Mr. W. Robert Smith was employed as Superintendent of Insurance and Safety following the resignation of Mr. E. L. Harold.
1937: The 436 shares of common capital stock of the Pennsylvania Transfer Co. of Pittsburgh, received in exchange for equipment, and which, because of a 100% stock dividend, had increased to 872 shares were sold to the Pennsylvania Railroad Co. on March 19, 1937.

The company had 212 pieces of motor equipment leased to the James McGraw Co. the Arundle Corporation, Vare Brothers and the Pennsylvania Railroad in conjunction with the railroad’s electrification project between Paoli and Harrisburg and between Harrisburg and Baltimore.

The Directors authorized the incorporation in the State of New York of Scott Truck Lines, Inc. for services then being performed by Scott Bros. in New York City; however, the new company never went into operation and Scott Bros. continued to perform its New York operations.

In December, an additional garage was leased at 24th and Washington Avenue, Philadelphia. This property, primarily used for the equipment of the Union Transfer Affiliated Co. was released within a short time.

1938: In May, Miss Regina I. Kane, who was employed in 1922 as the company’s first bookkeeper, was elected Assistant Treasurer and Assistant Secretary, and Mr. J. Winfield Scott was appointed General Manager as well as Treasurer.

Mr. Joseph L. Scott died May 2, 1938.

The American Contract and Trust Co. investment, which began in 1926, was completed following the death of Mr. Joseph L. Scott. With this purchase, American Contract and Trust Co. acquired 100% control of all stock (18,000 shares) and had a total cash investment of $316,146. in the company for purchase of stock.

On June 1, Mr. George G. Young was elected President and a Director of the company. At the same time, Mr. J. Winfield Scott resigned as General Manager but remained as Treasurer and Assistant Secretary.

Mr. P. J. Mooney was appointed General Auditor of the company in October.

By December the fleet of motor vehicles of the New York operations had increased to the extent that it was deemed advisable to lease a garage in New York City for the storage, maintenance and for office space. A property at 536-542 West 26th Street, New York City, was leased for these purposes.

On December 22, 1938, the remaining 114 shares of preferred stock were retired.

1939: In September, Mr. W. B. McKinney resigned as Secretary and J. Winfield Scott was elected Secretary as well as Treasurer.

In April, the company purchased a garage at 144 North Olden Avenue, Trenton, N. J. for $15,000.

1942: During this year, the following appointments were made: G. A. Rouse—Manager, Purchases and Maintenance, Paul T. Stackhouse—Manager, Labor Relations, W. Robert Smith—Manager, Insurance, and Bernard Gingerich—Manager, Tariffs.
1943: Samuel Scott, a son of one of the original partners of Scott Bros., died September 9.

As a result of the company's petition, and an ensuing I.C.C. order, the contract rights and equipment of the W. G. Corporation were transferred to Scott Bros., who owned 100% of the outstanding stock. The W. G. Corporation was dissolved on August 10.

New York City operations had increased to such an extent that it was again necessary to seek larger garage and office facilities and a property located at 34th Street and 11th Avenue was leased and occupied on February 1, 1944.

1944: Mr. Robert W. Tackbary, who had been previously employed by Pennsylvania Truck Lines, and later transferred to Scott Bros. at Philadelphia, was appointed Manager of the New York and Northern New Jersey operations in February.

1945: Mr. Tackbary was promoted to General Manager, New York Division, in March.

The garage under lease at 34th Street and 11th Avenue, New York City, changed ownership and Scott's lease was cancelled, resulting in the company purchasing a three-story garage property at 605-615 West 42nd Street, New York City for $215,000. The American Contract and Trust Co. loaned the money to Scott Bros. to make the purchase.

1946: On June 1, 1946, Mr. Robert W. Tackbary resigned as General Manager, New York Division, to become President of the Pennsylvania Truck Lines, Excelsior Express Co., Alko Express Lines and the Buffalo Storage and Carting Co. He was, at the same time, elected a member of the Board of Directors, not only of these companies, but also of Scott Bros., Merchants Trucking Co., Union Transfer Affiliated Co. and Peninsula Auto Express.

Mr. P. J. Mooney resigned as General Auditor of the company in May 1946 and was succeeded by Mr. E. Williamson, whose appointment became effective June 1, 1946.

1948: A new pension plan for officers, managers, clerical and supervisory forces of the company was inaugurated on May 1.

Mr. Paul T. Stackhouse, who had faithfully served the company for 22 consecutive years, but who, by reason of his age, was ineligible for a retirement pension under the new plan, was granted a life pension of $150.00 per month from date of his retirement (March 31, 1949).

A lot at the southwest corner of 25th and Wharton Streets was purchased at a cost of $25,000 to provide more space for the storage of equipment.

The positions of Manager, Purchases and Maintenance and Manager, Insurance were abolished in December following the resignation of Mr. W. R. Smith as Manager, Insurance and Mr. G. A. Rouse as Manager, Purchases and Maintenance, the latter having resigned to accept the position of Vice President of Pennsylvania Truck Lines, Excelsior Express Co., Buffalo Storage and Carting Co. and Alko Express Lines.

1949: On January 1, 1949, Mr. W. T. Mecouch Jr., who had held various positions with the company since 1936, was elected Vice President of
Scott Bros., Merchants Trucking Co. of Norfolk, Va., and Peninsula
Auto Express Co.

Miss Regina I. Kane, Assistant Secretary and Assistant Treasurer,
died in February.

The position of Manager, Labor Relations was abolished in April
following the retirement of Mr. Paul T. Stackhouse.

In July because of operating losses and assurance from outside
draymen of their ability to economically handle traffic, the company
ceased all motor truck operations in the New York City area and the
equipment was either transferred to other locations or sold.

The New York garage, purchased in 1945, was leased to the Tel-
Mor Operating Corp. for a period of ten years at an annual rental of
$36,000. Lease required the lessee to pay $3,000. per month and to
absorb all taxes and insurance premiums on the property. Lessee, as
security for faithful performance on their part, deposited with Scott
Bros. $36,000. in cash, the rent for the tenth year of occupancy. The
deposit was invested in United States Government Bonds.

1950:

In April, the company purchased a vacant lot—200' x 200' at the
northwest corner of 25th and Reed Streets, Philadelphia, in order to
provide more storage space for highway equipment. Lot, of the same
depth and adjoining the lot previously purchased at the southwest
corner of 25th and Wharton Streets, permitted the squaring off of a lot
that extends from Wharton to Reed Street along the west side of 25th
Street, westward for a distance of approximately 200 feet. At this
time, much thought was given to the erection of a building, to be used
as a garage and general warehouse, but the plan was abandoned because
of exorbitant construction costs.

The I.C.C. approved merger of Peninsula Auto Express with Scott
Bros. effective April 1, 1950.

For a number of years, Scott Bros. had performed substituted
service over two routes paralleling the Long Island Rail Road. Follow-
ing the withdrawal of the company from operations in the New York
area, it was decided the company should also relinquish its Long Island
operations and this operation was taken over by the Motor Haulage
Co. of New York on August 4.

The company handled most of the steel for the extension of the
Pennsylvania Turnpike from Carlisle, Pa. to King of Prussia, Pa.; also
the steel for the construction of the North Street bridge at Harrisburg.

During the year, "direct" pick-up and delivery service was inaug-
urated between Trenton, N. J. and points in the New Brunswick, N. J.
area, and between Philadelphia and points in the Chester, Pa. area. This new service permitted the Pennsylvania Railroad to withdraw
station platform forces at New Brunswick and Chester.

1951:

Following the decision to abandon plans for the construction of a
garage on the property at 25th and Wharton Streets, a lease was signed
with the owners of the present garage for a five year period from
August 1, 1951, at an annual rental of $18,000.

Since it was necessary to have a repair shop in Wilmington, Del.,
3,500 square feet of floor space was leased at 2 Thorn Street, Wilming-
ton in September.

A change in the Pennsylvania Tax Laws, providing that registra-
tion fees could no longer be taken as a deduction from the gross receipts
tax resulted in an additional annual expense of approximately $13,000.

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To avoid unnecessary purchase of equipment by Pennsylvania Truck Lines and to conserve Pennsylvania Truck Lines' cash, Scott Bros. leased vehicles to the Pennsylvania Truck Lines to be used in substituted service operations in the Philadelphia area.

1952: During this year, 53.7% of the company's gross came from service performed for the general public particularly in the heavy hauling field. Among the unusual items handled for the public was a 140' girder weighing 80 tons, numerous portable cranes weighing up to 65 tons each, an art shipment valued at $80,000,000, which was moved from the Art Museum in Philadelphia to a steamship for export, radar towers, government machines from the University of Pennsylvania to Aberdeen, Md., the racing boat "Miss Philadelphia" and enamel coated fresh water pipe 40' long and 48" in diameter.

John A. Brown, with a 15 year "no accident" record, received the "Driver of the Month" award from the Pennsylvania Motor Truck Association and the Arthur Godfrey "Gentleman of the Highway" citation. A health, accident and death benefit plan for supervisory forces was inaugurated in November.

1953: Final payment on the 1945 loan of $215,000 by the American Contract and Trust Co. for the purchase of the New York City garage, was made during the year.

Execution of a contract with the Central Railroad of New Jersey to handle less-carload freight in substituted service along the line of the New York and Long Branch Railroad using the same equipment that handled traffic of the Pennsylvania Railroad, permitted the withdrawal of Central Railroad of New Jersey equipment.

Company took over the handling of mail and baggage between Philadelphia and stations on the main line to Paoli and on the West Chester Branch, enabling the railroad to eliminate operation of "bobtail" trains.

A contract was negotiated with Universal Carloading and Distributing Co. to perform pick-up and delivery work at Trenton and also to bring freight, originated by Universal, to Philadelphia for inclusion in cars loaded at the Universal operation at Butler Street Freight Station.

A second change in the Pennsylvania Tax Laws, permitting trucking companies, operating in the State of Pennsylvania, to deduct vehicle registration fees from the gross receipts tax, resulted in an annual economy to the company of $13,570.

1954: The Teamsters Union labor agreement, covering Trenton and North Jersey, expired on August 31, 1954, however, operations continued on the same basis as before under a one month's extension. Throughout this period of time, the Teamster Unions in New York City were negotiating a new labor contract and were successful in attaining their goal as most of the New York City operators signed contracts in accordance with demands of the Union. In early October, operations in the Trenton, N. J. and North Jersey area became troublesome and Scott Bros. could not, due to a general work stoppage on October 15, furnish drivers for Trenton or for the Ryerson Company at Jersey City. The Teamsters' Unions involved were requesting a 66¢ per hour increase, which was unreasonable. To render a service to the Ryerson Company, trucks were leased from outside companies, these vehicles being operated by

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Scott Bros. employees. This arrangement was effective from October 15 to November 22, when an agreement for settlement of the difficulties was reached.

The Trenton work stoppage resulted in pickets being sent to Philadelphia on November 1, and shortly thereafter to Wilmington, Bridgeville, Dover and Delmar, Del. During the period from November 1 to November 22, Scott Bros. were approximately 90% shut down and, other than the Jersey City Ryerson operations, the only services rendered were U. S. mail and a few contract jobs where the equipment was kept away from Scott's garage.

As a result of the labor difficulties, the company operated at a loss of $28,418 during the month of November.

An I.C.C. decision, prohibiting certified motor common carriers from leasing vehicles to non-motor common carriers, resulted in the formation of Scott Truck Leasing Co. On September 1, 1953, company was incorporated under the Delaware State Laws. All equipment that had been operating under the leasing plan was then transferred to the new company. Most of these vehicles were leased to the railroad to meet the railroad policy of leasing vehicles rather than owning and maintaining their own vehicles. On January 29, 1954, Scott Truck Leasing Co. was merged with Excelsior Truck Leasing Co., a Pittsburgh concern, to permit a simplification of corporate structure. Leasing operations in the eastern part of the railroad were handled by the Eastern Division of Excelsior Truck Leasing Co. and Mr. G. G. Young was appointed General Manager. At the same time, Mr. J. Winfield Scott was appointed Assistant Secretary and Assistant Treasurer of Excelsior Truck Leasing Co.

For nearly three years, company had leased much equipment to the U. S. Steel Co. for use during construction of the Fairless Works, Morrisville, Pa. The last unit, in service 33 months, was released by the steel company in January.

During February, the work of moving the Railway Express Agency offices from 18th and Market Streets to their new facilities at 30th Street, Philadelphia, was completed.

On March 12, substituted service was inaugurated between points in Delaware and Maryland replacing services formerly performed by Baltimore Transfer Co. who had requested relief from their contract.

The pick-up and delivery territory in Philadelphia, formerly served by John Sheahan Trucking Co. and Mack Transportation Co. was taken over by Scott Bros., as a result of the other companies giving up their contracts. With this change, approximately 90% of the Philadelphia territory is now served by Scott Bros.

During the vacation season, signs were posted on 150 units advertising Pennsylvania Reading Seashore Lines train service to seashore points.

Twenty-five trailers were reconditioned, repainted and sold to Excelsior Truck Leasing Co. to assist in the inauguration of TrucTrain service on the Pennsylvania Railroad.

1955:

L. F. Stetzer was appointed General Auditor effective January 1, following the retirement of Elmer Williamson on December 31, 1954.

On February 21, through interchange service was established between Federal Street Station, Philadelphia and stations on the Pennsylvania-Reading Seashore Lines, with Scott Bros. moving the trailers
to and from Camden, N. J. and Pennsylvania Reading Seashore Line
drayers handling to and from stations on that railroad.

On July 1, J. T. Sullivan was appointed General Auditor following
the resignation of L. F. Stetzer.

During the period when employes of trucking companies in the
New England and Pittsburgh areas were involved in a work stoppage,
much additional less-carload traffic was diverted to rail handling. In
July, Scott Bros. pick-up and delivery tonnage, in the Philadelphia area
alone, increased more than 1,500 tons, making it necessary to hire and
lease many additional vehicles during the month.

As a result of the disastrous floods in Pennsylvania on August 18,
company furnished emergency equipment to Western Electric Co. and
to the Brann and Stuart Co. Some of these vehicles were in 24 hour
service during the first weekend of the flood.

J. L. Rihl, a former employe of Scott Bros. and more recently
employed by the Pennsylvania Railroad as Supervisor of Motor Service,
was appointed Assistant to the Vice President, Scott Bros., effective
September 1.

During the year, important outside contracts included the hauling
of several works of art by Sir Jacob Epstein. These were the works of
art which aroused so much publicity, both favorable and unfavorable,
among art critics in the United States. Other important activities
included the renewal of contract with the Western Electric Co. hauling
of 25,000 tons of steel for the Pennsylvania and New Jersey approaches
to the Philadelphia-Gloucester “Walt Whitman” bridge, and the hauling
of steel for the new Sheraton Hotel and Transportation Center Building
in the City of Philadelphia.

1956: In January, company completed the processing of 75 trailers for
use in TrucTrain operations. These trailers were a part of the 250 new
trailers purchased from Fruehauf Trailer Co., the other 175 having
been processed at the Pittsburgh garage of Pennsylvania Truck Lines.

During March, company was awarded the contract of relocating
two 450 ton stone pylons at 21st Street and Benjamin Franklin Park-
way, Philadelphia.

On April 30, company took over the hauling of U. S. mail between
Bridgeville and Wilmington, Del.

During the month of May, “direct” pick-up and delivery service
was established from Philadelphia to Norristown and Conshohocken, Pa.

As a result of a Scott Bros. driver reporting a broken window in
the office door of the Wilmington, Del. freight station a trespasser was
apprehended in the act of tampering with the railroad safe.

In October, Board approval was obtained for a lease arrangement
with the Pennsylvania Railroad for utilization of space in the Meadows
Shop, Kearny, N. J. The space, 60’ by 100’ will be leased at 30¢ per
square foot, per year, or an annual rental of $1,800., and will be used
in processing and repairing vehicles of the Excelsior Truck Leasing
Co. garaged in the North Jersey-New York area.

J. T. Sullivan resigned as General Auditor, effective November 30.

The job of moving Pennsylvania Railroad offices from the Sub-
urban Station Building, Philadelphia, to the new Transportation Center
Building, was awarded to Scott Bros., this work being completed
in March 1957.

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Scott Truck Lines, Corporation
(NEW YORK, N. Y.)

1937: This company was incorporated in the State of New York on August 20, when it was decided that a new trucking company should be formed to provide pick-up and delivery service for the Pennsylvania and Long Island Rail Road Companies in the New York City Metropolitan area.

The purpose of this company was to carry on a general trucking, forwarding, contracting and stevedoring business, including the collection, handling, transportation and delivery of baggage, parcels, mail, express, goods, wares and merchandise and products of any and all kinds of industries, in any and all kinds of conveyances and vehicles used therefor on land or in the air.

The authorized capitalization was $500,000, consisting of 10,000 shares of stock at a par value of $50.00 each. The subscribers of the Certificate of Incorporation, J. C. Rill, J. L. Scott and R. G. Richardson, agreed to take ten shares each.

J. C. Rill, J. L. Scott, G. J. Adams and G. G. Young were elected directors of the corporation, together with the following officers: J. L. Scott—President, G. G. Young—Vice President and J. W. Scott—Secretary and Treasurer.

On August 31, the American Contract and Trust Co. purchased the 30 issued shares of stock for $1,500. to become the sole owner.

It might seem strange that this corporation never became operative, but it must be remembered that the company was formed in view of anticipated difficulties by Scott Bros. in connection with the pending pick-up and delivery case before the I.C.C. in 1937. When, at this hearing, opposition voiced objection to a foreign corporation performing this operation and agreed that a domestic corporation should be delegated the work, Scott Truck Lines, Corporation was formed. However, the I.C.C. rendered its famous decision holding that certificates were not required for an operation of this type and Scott Bros. continued to perform this service in the New York and Jersey City area.

The franchise was paid and company retained on an inactive status until July 16, 1954, at which time dissolution became effective.
Sherman's Valley Transportation Company
(NEW GERMANTOWN, PA.)

Is an unincorporated line, operating under Certificate of Public Convenience granted.
Was engaged in trucking and passenger business between Newport and New Germantown, Pa.

This company has no capital stock.
Initially in October, 1928, the Susquehanna Coal Company, in which Pennsylvania Railroad Company owns a 100% stock interest, advanced $12,450.00 for purchase of equipment and working capital.
The line has operated at a continuous loss since commencement of operations in November, 1928.

<table>
<thead>
<tr>
<th>Debit balance in Profit and Loss December 31</th>
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<tr>
<td>$724.94</td>
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<table>
<thead>
<tr>
<th>Net Loss</th>
<th>November and December, 1928</th>
<th>$724.94</th>
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<tr>
<td>Year 1929</td>
<td>51.13</td>
<td>776.07</td>
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<tr>
<td>1930</td>
<td>206.31</td>
<td>982.38</td>
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<tr>
<td>1931</td>
<td>498.52</td>
<td>1,480.90</td>
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<td>1932</td>
<td>1,220.17</td>
<td>2,701.07</td>
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<td>1933</td>
<td>2,646.54</td>
<td>5,347.61</td>
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<td>1934</td>
<td>2,580.39</td>
<td>7,928.00*</td>
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*Does not include loss on sale of 2 buses in December, 1934, not taken into accounts in December, 1934.

Truck service was discontinued and trucks sold sometime in early months of 1935.

Susquehanna Coal Company Ownership of Note:

<table>
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<tr>
<th>Date Due</th>
<th>Amount</th>
<th>Interest rate</th>
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<td>10/8/28 On demand</td>
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<tr>
<td>Less:</td>
<td>Reduction to nominal value by charge to Profit and Loss</td>
<td>12,449.00</td>
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<td>Balance June 30, 1935</td>
<td>$1.00</td>
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</tbody>
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The Susquehanna Coal Co. was dissolved December 31, 1940.
Toledo Cartage Company

(Toledo, Ohio)

1929: On June 10, 1929, the Cleveland Cartage Co. purchased the Toledo Cartage Co. and reorganized the company, incorporating it in the State of Ohio on December 28, 1929, after American Contract and Trust Co. had acquired a financial interest in the Cleveland Cartage Co.

The authorized capitalization of the company, at time of incorporation, was $500. consisting of 5 shares of stock valued at $100. each. The main office of the company was located at 143 South Saint Clair Street, Toledo, Ohio.

1930: On March 3, 1930, the Officers and Directors were:

President and Director ................. John C. DeVenne
Vice-President and Director .......... E. S. Hansom
Secretary-Treasurer and Director ....... W. G. Smith
Auditor ................................... L. M. Blake
Director .................................. W. S. DeVenne
Director .................................. G. J. Adams
Director .................................. G. F. Norton
Director ................................. P. L. Grove

During the month of March, President DeVenne, without Board approval, decided to increase the capitalization of the company from $500. to $50,500. with Cleveland Cartage Co. purchasing the stock. Mr. DeVenne’s reasoning for this action was that the company needed to be placed on a sound financial basis and that it needed a good financial rating. While this opinion was approved by Pennsylvania Railroad Vice-President and Comptroller F. J. Fell, Jr., it was agreed that only $25,000. should be invested in the company and that only 245 additional shares of stock should be issued.

1931: Mr. J. L. Scott and Mr. C. F. Lingenfelter replaced G. F. Norton and P. L. Grove as Directors of the company.

1937: Manager W. W. Blowney admitted in May 1937 that he had been illegally cashing company checks since January 1934 and that he had taken approximately $5,000. of company funds for personal use. As the company was protected by a Bond covering Mr. Blowney, the amount embezzled was repaid to the company.

1947-1957: The company operates a local cartage service in and about Toledo, Ohio and has, from time to time, been engaged by the Pennsylvania Railroad to perform pick-up and delivery service in Toledo. Operations are presently on an irregular call and demand basis for interstate service to points in Michigan and on a regular call and demand basis for intrastate service, to and from Lucas County. Company also performs a machinery installation and erection service to patrons in the Toledo area.

American Contract and Trust Co. is interested in the company through its 45% stock interest in Cleveland Cartage Co.
Trucklease, Inc.
(CLEVELAND, OHIO)

1946: Trucklease, Inc., a wholly-owned subsidiary of Cleveland Cartage Co., was incorporated in the State of Ohio on December 12, 1946 to acquire, purchase, own, repair, maintain, operate, sell, lease, service, store and otherwise handle automobiles, trucks, motor vehicles, attachments, accessories, materials, machinery, tools, equipment, supplies, fuels, oils, tires and tangible personal property of all kinds and description; to acquire, purchase, own, construct, establish, equip, lease, manage and operate garages and service stations and generally to do any and all things necessary or incidental thereto.

The maximum number of shares of no-par stock was authorized as 250, however, in 1946, only one share was issued, for which $1,000. was paid.

1947: Forty-nine additional shares of stock, valued at $1,000. each, were purchased by Cleveland Cartage Co., making a total of 50 shares issued.

1951: Officers and Directors of the company were as follows:

President and Director ................. John C. DeVenne
Vice-President and Director ............. W. H. Amor
Treasurer and Director ................. J. W. DeVenne
Secretary and Director ................. W. S. DeVenne
Director ................................ J. L. Webb
Director ................................. E. L. Hoffman
Director ................................. G. P. Lacey

1957: Trucklease, Inc. today leases commercial vehicles and trucks in single units or fleets to any customer who can supply his own driver. The company was one of the first members of National Truck Leasing Association.

The American Contract and Trust Co. is interested in the company through its 45% stock interest in Cleveland Cartage Co.
Union Station Transfer Company, Inc.
(DAYTON, OHIO)

1922: The Union Station Transfer Co. was originally known as the Union Station Co. and its operations were chiefly conducted in the Dayton, Ohio, territory. In the early days, the company operated as a proprietorship.

1929: In line with the policy of the Pennsylvania Railroad to acquire an interest in progressive truck companies, and have them perform substituted service and handle other auxiliary or supplemental work for the railroad as might be required, the Union Station Transfer Co. was selected as the best trucking company in the Dayton, Ohio territory in which to secure a financial interest.

On October 24, the company was incorporated in the State of Ohio under the name, Union Station Transfer Co., Inc. At the time of incorporation, the company assumed rights to acquire, own, hire, lease and rent motor propelled and horse-drawn vehicles, cranes and equipment for erection work and to act as a common-carrier for the transportation of persons, freight, merchandise and other property; to act as a forwarder of freight; and to carry on all operations incidental to the operation of a trucking and forwarding business.

On November 12, American Contract and Trust Co. acquired a 30% interest in the company for $15,000.

The first meeting of the stockholders was held in Dayton, Ohio, on November 13, at which time the following officers and directors were elected: J. G. Hill—President and Director, G. J. Adams—Vice-President and Director, W. Grieser—Secretary, Treasurer and Director, M. J. Humbrecht—Assistant Secretary and Assistant Treasurer, and L. W. Coate, S. F. Hart, T. J. Cavanaugh and J. L. Scott—Directors.

1930: On November 7, Mr. J. L. Scott was elected Vice-President to succeed Mr. G. J. Adams.

During the depression years, the company suffered distressing financial difficulties as the volume of traffic being handled was not sufficient to support a trucking organization with a large overhead.

One of the company's two best clients, National Freight Forwarding Co., requested a rate reduction; however, upon the insistence of Vice-President J. L. Scott that rates charged were competitive and in line, the request was denied. As a result, National Freight Forwarding Co. became delinquent in payment of bills, and this created a precarious financial situation for the Union Station Transfer Co.

1932: A plan, whereby the Union Station Transfer Co. would take over abandoned short-line railroads in the Dayton, Ohio area and operate thereon specially equipped flanged wheel vehicles, was submitted on April 22, to railroad officers. This idea was carefully considered; however, the economies were not sufficient to permit a profitable enterprise and the plan was dropped.

1934: In this year, serious consideration was given to the advisability of disposing of the interest held in this company. However, due to the policy of the railroad to expand pick-up and delivery service throughout its system, it was decided the interest in this company should be retained.
1938: Due to a complaint by an inspector of the Ohio Public Utilities Commission, who observed that this company was violating a Commission order by operating both as a common and contract carrier, the Board of Directors authorized the formation of a subsidiary company, The Hill Transfer Company. The new company was incorporated on February 23, in Ohio, for the purpose of conducting common-carrier operations.

1946: Throughout the late 1930's, the company hovered between “Red” and “Black”; but, with the advent of World War II, and increased business, the company became exceedingly independent in its attitude toward the Pennsylvania Railroad. In January, the company demanded a pick-up and delivery rate increase from the railroad, retroactive to November 9, 1945, and submitted a bill for $6,900. This constituted an ultimatum, since the officers of the company stated that unless they were reimbursed $6,900, the Pennsylvania Railroad could consider the pick-up and delivery contract terminated.

1947: The rate argument continued with mounting dissatisfaction between the railroad and Union Station Transfer Co., and finally, when the railroad could see no future in the company, it was decided that American Contract and Trust Co. should dispose of its 30% interest in the company. This was accomplished on March 19, when American Contract and Trust Co. sold its 30% stock interest to Mr. J. G. Hill for $7,500.
Union Transfer Affiliated Company

(PHILADELPHIA, PA.)

1867: The Union Transfer Co., from which later developed the Union Transfer Affiliated Co., was incorporated in Pennsylvania in February 1867 for the purpose of transporting passengers, baggage and parcels within the City of Philadelphia and counties adjacent thereto. The authorized capital stock, at time of incorporation, was $25,000; however, company had authority to increase capitalization from time to time as circumstances demanded.

1882: A stock dividend of 10% was declared March 13th.

1884: A stock dividend of 50% was declared April 14th.

1889: A stock dividend of 100% was declared December 16th.

1910: A stock dividend of 100% was declared December 12th.

1930: Prior to this time, Scott Bros., under a lease agreement with Union Transfer Co., handled all traffic weighing in excess of 500 pounds, the Union Transfer Co. confining its operations to traffic weighing less than 500 pounds.

As a result of an agreement between Scott Bros. and the Receivers of the National Freight and Delivery Co., this agreement being subsequently approved by the Pennsylvania Public Service Commission, Scott Bros. paid $10,000. to National Freight and Delivery Co. for their certified rights as a common-carrier for transportation of freight, merchandise and other personal property in the Pennsylvania counties of Philadelphia, Montgomery, Delaware, Chester and Bucks. A previous understanding had been reached between the officers of Scott Bros. and Union Transfer Co. that, for a sum of $5,000., Scott Bros. would share these rights with Union Transfer Co. and limit their operation to transportation of shipments weighing 500 pounds or more. Thus, the former arrangement under a lease agreement continued in effect; however, Scott Bros. now held certificated rights to engage in the heavy hauling and rigging business in counties adjacent to Philadelphia.

1933: In July, an amended Charter was granted authorizing merger and consolidation of the Union Transfer Co. and the Philadelphia Local Express, a wholly-owned subsidiary of Union Transfer Co. The latter company had been incorporated in Pennsylvania in 1924 to engage in operations not covered by the Certificates of the Union Transfer Co. The Pennsylvania Public Service Commission approved merger on June 19.

1934: In November, American Contract and Trust Co. considered purchase of the Union Transfer Co. By this time, authorized capital stock consisted of 30,000 shares, having a par value of $25.00 per share. Of the 30,000 authorized shares of stock, 26,550 had been issued to 190 various stockholders. Cash dividends had been paid regularly since 1867 and by March 1934 had totaled $2,175,728. Dividends paid from 1925 to 1934 averaged $30,267 per year, a yield of 6%.

1935: American Contract and Trust Co. acquired this company on June 26 and, at that time, the officers were: President and General Manager,
C. M. Sheaffer; Auditor and Assistant General Manager, F. J. Kesel; Treasurer, J. L. McGrery, and Secretary, W. J. Crout. The Board of Directors consisted of: C. M. Sheaffer, S. P. Leeds, F. D. Patterson and W. H. Woolverton. The company's activities consisted of a local baggage and freight service in the cities of Philadelphia, Baltimore, Washington, Atlantic City, Ocean City, and Wildwood, and over-the-road interstate freight service between the following points: (1) Philadelphia, Newark and New York; (2) Philadelphia, Baltimore and Washington; (3) Philadelphia and Atlantic City; (4) Philadelphia and Wildwood and (5) Philadelphia and Ocean City. During the summer months, each operation was conducted as a separate division but consolidated during the winter months and operated as one division. The company also held Pennsylvania intra-state rights covering operations in the area bounded by Marcus Hook, West Chester, Coatesville, Phoenixville, Doylestown and Morrisville.

Assets, at time of acquisition by American Contract and Trust Co., consisted of 107 vehicles and the following real estate, which served as offices and garages: 1025 Buttonwood Street, Philadelphia; 1004-1026 Spring Garden Street, Philadelphia; a small office building in Atlantic City, erected on railroad property and a garage at Ocean City, N. J. valued at $2,200. Company also acquired, through investments, the following real estate, which was not used in conducting its transportation business but was valued at $152,328: 110-116 Virginia Avenue, Atlantic City, N. J.; 30-32 East Rittenhouse Street, Philadelphia, Pa.; 6341 Race Street, Philadelphia, Pa. and 131 West North Avenue, Baltimore, Md.

At the time of acquisition by American Contract and Trust Co. the name of the company was changed to Union Transfer Affiliated Co. and the new company was incorporated in Pennsylvania to take over operations of the Union Transfer Co. To cover the purchase by American Contract and Trust Co., 3,000 shares of stock, having a par value of $50.00 per share, were issued and American Contract and Trust Co. paid $150,000 to the former owners.

On June 22, the new Board of Directors, consisting of J. M. Symes, C. J. Adams and J. L. Scott met and appointed Mr. J. L. Scott as President, Mr. P. T. Stackhouse as Manager and Mr. Homer Roe as Assistant Manager of the new company. Mr. Scott remained as President until his death and Mr. Stackhouse remained in the capacity as Manager until 1940. Mr. Roe later became the Pennsylvania Railroad Agent at Reading, Pa.

During this year, the company entered into an agreement with Scott Bros. to have Scott Bros. maintain, repair, paint and/or build such equipment as was required for normal operations as well as to handle the leasing, hiring, renting and/or selling of equipment.

1936: The company continued to operate from headquarters at 1004-1026 Spring Garden Street, Philadelphia, Pa., where a lot at the rear of the building was leased to an individual, for parking purposes, at an annual rental of $7,500.

The Directors authorized the execution and filing of necessary documents to conduct business in the states of New York, New Jersey, Delaware and Maryland.

While principal operations consisted of an inter-city common-
carrier service, the company also handled liquor from warehouses in Philadelphia to various State Stores in Eastern Pennsylvania for the Pennsylvania Liquor Control Board. The liquor hauling business was later taken over by Scott Bros.

Soon after American Contract and Trust Co. acquired the company, financial difficulties were encountered and, as a result, American Contract and Trust Co. loaned $100,000. to the company for purchase of new equipment. This loan was subsequently repaid but additional loans, both by American Contract and Trust Co. and Scott Bros. were necessary, from time to time, during the thirteen years the company was in existence.

In May, the headquarters were moved to 1000 South Broad Street and many phases of the operation were consolidated with Scott Bros. These changes were made in order to permit a more economical operation.

1938: President J. L. Scott passed away on May 2 and Mr. G. G. Young was elected President effective June 1.

1941: To increase the net revenues of the company, Mr. H. B. Armstrong was transferred from Chicago to become Traffic Solicitor of the company.

1942: Through service, by interchange agreements with Peninsula Auto Express and Merchants Trucking Co., was inaugurated between New York City and Norfolk, Va. This service proved uneconomical and was discontinued on September 24.

1943: In line with railroad’s policy of having subsidiary trucking companies withdraw from common-carrier over-the-road service, ways and means to dispose of the company were sought. As equipment was worn out and fully depreciated, with no funds available for replacement, the problems of disposing of the company were complicated.

1944: On April 26, to bolster net revenues, company embargoed 108 small towns within a 35 mile radius of Philadelphia, restricting operations to large cities. In a further effort to reduce losses, officials of the Baltimore Transfer Co. were asked to study the company’s operations and make recommendations for changes. Application was made and later approved by the Pennsylvania Public Utility Commission for pick-up and delivery rights in each town between Philadelphia and Paoli, these rights subsequently being transferred to Scott Bros.

1946: H. B. Armstrong was appointed Manager of Operations. American Contract and Trust Co. had $180,000. invested in the company by this time — $150,000 in stock and $30,000 in advances. It was evident, from bids received, for sale of the company, that American Contract and Trust Co. could recover only $162,000 out of its investment.

1947: On November 5th an I.C.C. hearing was held in Camden, N. J. in connection with company’s application to sell certain of its certificated rights to Highway Express ($5,000), Lewis L. Evans ($12,000) and A. Duie Pyle ($25,000), a total of $42,000.

1948: On January 5th, the I.C.C. approved the above sale and, on February 28th, company suspended all operations.

On July 28, company paid American Contract and Trust Co.
$156,282.73 as settlement for outstanding stock and at a later date paid American Contract and Trust Co. $222.73, which was the balance of the company's cash, making the total payment $156,505.46. Since American Contract and Trust Co. had to pay the company's corporate income taxes and Federal Income Taxes, amounting to $10,324.58, American Contract and Trust Co. only realized $146,180.88 on its original investment of $150,000.

1949: Company was completely dissolved October 20.
Western Express Company
(CLEVELAND, OHIO)

1931: The Western Express Co., a wholly-owned subsidiary of the Cleveland Cartage Co., was organized by the Cleveland Cartage Co. and incorporated in the State of Ohio on October 19. This company was organized to secure various Interstate Certificates in the States of Ohio, Michigan, Indiana, Massachusetts and Pennsylvania so as to prevent the parent company from receiving undue and unfavorable criticism and publicity due to its close association with the Pennsylvania Railroad through American Contract and Trust Co.

The officers and directors of the Western Express Co., at time of incorporation, were identical to those of the Cleveland Cartage Co. which were as follows:

President and Director ............ J. C. DeVenne
Vice-President and Director ........ E. S. Hanson
Secretary, Treasurer and Director .... W. G. Smith
Auditor ................................ L. M. Blake
Director ............................... W. S. DeVenne
Director .............................. G. J. Adams
Director ................................ G. F. Norton
Director ................................. P. L. Grove

1935: Due to the death of Mr. E. S. Hanson, and due to the overall poor financial results of the parent company, the following changes in officers and directors were authorized by the Board: Mr. John C. DeVenne was elected as General Manager in addition to being President of the company, Mr. J. Winfield Scott was elected Vice-President and Messrs. J. L. Scott, T. C. Herbert and M. L. DeVenne were appointed Directors, replacing G. F. Norton, E. S. Hanson and P. L. Grove.

1943: On November 16, those directors having any affiliation with the Pennsylvania Railroad or American Contract and Trust Co. resigned their directorship with the company.

The authorized capitalization was established at $500. and 250 shares of common stock, having no par value, were issued to Cleveland Cartage Co.

1957: Today the company is well-known as a common-carrier and has a fleet of highway tractors, trailers and trucks serving the Great Lakes industrial region between Toledo and Boston. A network of fully staffed and equipped terminals and garages are located in principal cities enroute. Fast through service is accomplished by the smoothly functioning system of relays between terminals and waiting tractors and drivers are scheduled to quickly relay the traffic, practically eliminating layover and servicing delays.

The American Contract and Trust Co. is interested in the company through its 45% stock interest in Cleveland Cartage Co.
The W. G. Corporation
(JERSEY CITY, N. J.)

1918: The W. G. Corporation, with main offices located on West Side Avenue, Jersey City, N. J., was founded by Warren Gordon, an officer of the Central Railroad of New Jersey.

Prior to forming this company, Mr. Gordon, acting in an official capacity for the Central Railroad of New Jersey, was instrumental in locating the eastern office and warehouse of Joseph T. Ryerson & Son, on property owned by the Central Railroad of New Jersey. When his personal relationship with the Ryerson Company was questioned, he resigned from the railroad and entered the truck transportation field. Mr. Gordon arranged a contract for the exclusive handling of steel products for the Ryerson Co. and extended these operations into New Jersey, Delaware, Pennsylvania, New York and Connecticut.

1930: On November 24, the corporation was sold by Mr. Gordon to Trucking, Inc., a subsidiary of the United States Truck Lines of Delaware, at which time a new, but similar, agreement was negotiated between U. S. Truck Lines of Delaware and Ryerson.

1935: During the period 1931 through 1935, the company did not prosper and by the end of 1935 showed a net operating deficit of $13,854.91. During the latter part of 1935, the W. G. Corporation's operations were under study by J. L. Scott, then General Manager of Scott Bros., a wholly-owned subsidiary of the American Contract and Trust Co. Through the efforts of J. L. Scott, arrangements were made for Scott Bros. to purchase the W. G. Corporation. Mr. J. O'Neill, President of the U. S. Truck Lines of Delaware, suggested that Scott Bros. take over the entire company, Charter, Grandfather Rights and what intra-state rights the company held, for $12,000., and that the U. S. Truck Lines, retain the accounts payable and receivable up to midnight, December 31.

1936: Further negotiations succeeded in reducing the purchase price to $10,000., the transaction being consummated on January 3. Following the purchase by Scott Bros., the following officers were elected: J. L. Scott—President and Director, G. J. Adams—Director, J. C. Rill—Director, Peter Koelsch—Vice-President and General Manager, and J. W. Scott—Secretary and Treasurer. Unfortunately, the original sale was of a private nature, not sanctioned by the I.C.C., and this omission later caused the dissolution of the company.

On February 28, C. J. Adams, Chief of Corporate Work, Pennsylvania Railroad, petitioned the I.C.C., on behalf of Scott Bros., for the acquisition and control of the W. G. Corporation through ownership of its entire capital stock. The hearings in connection with this application, were held during June and July, at which time I.C.C. Examiner Higgins recommended that application be denied on the grounds that the price paid was not in line with basis of earnings and value of property received. Quoting Mr. Higgins: "The action of the applicants (Scott Bros.) in making payment for the stock and in exercising control is deserving of censure, and such transactions should not be consummated prior to obtaining approval of this Commission."
1938: Following initial denial by the I.C.C., a further hearing in the case was requested by Scott Bros., through their attorneys, McNees, Wallace and Nurick, and on November 22, the petition for re-hearing was denied by Examiner Higgins on the basis that: (1) lack of evidence as to how coordination would be effected between the railroad company and the trucking companies in the New York Metropolitan area, (2) competition between W. G. Corporation and Scott Bros. and (3) lack of evidence that acquisition of control would be in the public interest.

On November 25 of the same year, counsel advised that if further hearing on the matter was not possible, Scott Bros. should acquire rights to cover the same territory as the W. G. Corporation, and then proceed with the dissolution of the W. G. Corporation.

On December 21, a re-hearing of the case was held before the I.C.C. in Washington, D. C., at which time denial was again repeated.

1941: Legal negotiations between Scott Bros.’ attorneys and the I.C.C. finally came to a definite conclusion on August 26, when the I.C.C., for the fourth time, denied acquisition by Scott Bros. and issued an order for divestment of all stock of the W. G. Corporation by Scott Bros. within 30 days.

The next problem to overcome was the inability of Scott Bros. to secure necessary rights to conduct the same operation as the W. G. Corporation. A series of requests for postponement of effective date for the divestment of stock set the date back to August 15, 1942.

1942: In August, Scott Bros. received authority from the I.C.C. to utilize the former rights of the W. G. Corporation and, effective October 1, Scott Bros. took over W. G. Corporation’s operations. Peter Koelsch, then Vice-President and General Manager of the W. G. Corporation, was made Manager of the new Scott Bros. operation in Jersey City.

1943: The W. G. Corporation was finally dissolved on August 10.
The Willett Company
(CHICAGO, ILL.)

1868: The Willett Co., Chicago, Ill., has been hauling Chicagoans and
the products they manufacture, buy and sell, to every corner of the city,
since 1868. In that year, three years after the Civil War, a wholesale
grocery on old South Water Street went out of business and Alvin T.
Willett agreed to accept a number of horses and wagons in payment for
stock his wife owned in the grocery concern. At that time, the equip-
ment consisted of 20 horses and 16 wagons and operations centered
around local delivery service in the City of Chicago. Today, Mr.
Willett’s family is still directing the activities of this organization, which
has from the beginning, steadily developed into a financially sound and
prosperous trucking enterprise.

1871: Following the great Chicago fire of 1871 and the depression of
1873, the young drayage company, grew and stabilized itself. During
these early years, business was conducted on a small scale, specializing
in the hauling of coffee and cheese, and gross revenues averaged about
$1,000. per month.

1895: Walter D. Willett, a son of the owner, was employed by the com-
pany and it was during this year that headquarters were moved to a
larger barn on Grand Avenue.

1906: By this time, a second son, Howard L. Willett, was also taking an
active part in the affairs of the company and revenues, aided by beer
traffic, increased to approximately $3,000. per month.

1909: During this year the company was organized as a corporation under
the laws of the State of Illinois, with an authorized capitalization of
$10,000.

1910: A. T. Willett died during the year.
The company acquired its first ball-bearing wheels on “underneath”
wagons, increasing the carrying capacity from 9,000 lbs. to 14,000 lbs.
Driver’s wages were stabilized at $13.50 per week for a 66 hour week.
By 1912, additional ball-bearing equipment, capable of hauling 10 to 12
tons, were purchased to replace the 7 ton units.

The first sizeable contract was negotiated in 1910 with the C.R.M.
Boat Line Transfer. This led to the perfection of three techniques, com-
mon now, but a good 20 years ahead of their time in those days:

1. The company began using ball-bearing wagons as trailers—
“dead wagons”—as they were called—and by hitching and
unhitching, the horses were used as tractors.
2. Employees were sent to Milwaukee to presort freight in sections
when boats were loaded.
3. The use of four wheel trucks as a “container” was inaugurated,
loading straight lots of soap from the wagon at the Milwaukee
dock, eliminating rehandling until it went onto the wagon in
Chicago.

1916: Having been the first regular trucking company to operate motor-
ized equipment in 1912, the company established another “first” by
erecting and operating a garage in 1916. Operations continued to expand and by 1920 the company offered a complete delivery service, furnishing all sizes of motor and horse-drawn trucks with a load and delivery radius scientifically outlined for each. The company quickly established a standard in promptness and in service from which it has never deviated.

1923: The company was reorganized under the laws of the State of New Jersey, with an authorized capitalization of 2,500 shares of 7% cumulative preferred stock—no par, and 10,000 shares of common stock—no par. Preferred stock had priority to dividends while common stock had only voting privileges.

1929: On August 31, the preferred stock outstanding was 154 shares distributed as follows:
- H. L. Willett .................. 38 shares
- W. D. Willett .................. 25 shares
- A. T. Willett and Helen Willett 12 shares

The balance of the 79 shares were held by employes in small lots of one to five shares each.

The common stock was distributed as follows:
- W. D. Willett .................. 3,350 shares
- H. L. Willett, Sr. ............... 5,000 shares
- A. T. Willett .................. 825 shares
- Helen Willett .................. 825 shares

The shares of stock, both preferred and common, owned by A. T. and Helen Willett, the children of W. D. Willett, were held in trust for them by H. L. Willett, Sr., Trustee, who had the right to vote the stock until the expiration of the Trust Agreement which had 15 years to run, and, during this time, W. D. Willett received all income therefrom.

The directors and officers of the company in 1929 were as follows: W. D. Willett—President and Director, H. L. Willett, Sr.—Secretary, Treasurer, General Manager and Director, and R. Foote—Attorney and Director.

The equipment owned and operated consisted of 53 buses, 118 trucks, 15 trailers, 5 cars, 191 horses and 133 wagons. The company operated a general freight trucking business in and about Chicago and also operated a number of buses which were used for 10 months of the year, under a five-year contract, by the Chicago Board of Education. During the summer months; after school hours; and on Saturdays and Sundays, the buses were used for private picnics; parties for factory employes, stores, private schools, etc., and for special trips to places of interest, as well as for long distance trips. The company was considered to be a leader in the specialization of this kind of transportation in Chicago. It had at that time, about 500 active customers, comprising 20 railroad and 5 boat lines as well as a very profitable arrangement with the “Hub” department stores.

In accordance with the Pennsylvania Railroad Co. policy of acquiring interest in trucking companies, a survey of available trucking companies in the Chicago area indicated the most likely, financially sound and prosperous company, was the Willett Co. Book value of common stock at that time was $118.06 per share and the net earnings were
$18.50 per share. However, because of the earning power of the company, value ranged from $150 to $180 per share.

1930: On January 22, Mr. M. W. Clement, then Vice-President of Operations of the Pennsylvania Railroad, requested A. J. County—Vice-President, Treasury and Corporate Relations, to obtain a one-third interest in the company for $500,000, or 3,333 shares of stock at $150 per share. On February 5, G. J. Adams and H. W. Schotter of the Pennsylvania Railroad, visited the Willett Co. and met with H. L. Willett, Sr., expressing the railroad’s desires. The outcome of this meeting brought out the fact that the Willett Co. was asking $850,000 to cover all holdings in real estate and equipment; however a subsequent meeting, attended by Messrs. Willett, Deasy, Downs, Adams, Scott, Stackhouse and Schotter, in Philadelphia on February 10, resulted in the decision to reduce the cost of a one-third interest to $400,000., eliminating the real estate and bus properties out of the transaction. During the meeting, it was suggested, without avail, that the railroad insist on eliminating the bus phase of the business but retain the real estate as it meant the trucking company would have to lease space from the new real estate company. With the real estate situation at that time, it was felt that rentals would be increased to get them more in line with the real estate values in the neighborhood.

On February 19, an agreement was signed to form a new Willett Corporation, incorporated under the laws of Illinois; to have an authorized capital stock of 50,000 shares of no par value, 24,000 shares to be issued to Howard L. Willett, Sr. upon incorporation, in payment for the trucks, equipment, contracts, good will, plus approximately $110,000. in cash to be used as working capital, which he agreed to transfer and convey to the new company. Of the 24,000 shares, American Contract and Trust Co. was to purchase 8,000 shares from the Willett Co. for $400,000. This was done March 31, 1930. The proposed new name “Willett Corporation” ran into difficulty with the State of Illinois, whose Secretary declared that the name was too similar to that of the parent company. It was accordingly decided to rename the parent company “The Willett Motor Coach Co.” and the new company could then retain the same name—“The Willett Co.,” obviating the necessity of repainting any of the motor equipment.

On March 4, the new company was incorporated under the laws of the State of Illinois and the following officers were elected: W. D. Willett—President, H. L. Willett, Sr.—Vice-President and General Manager, and H. W. Manske—Secretary and Treasurer. At the same time, W. D. Willett, H. L. Willett, Sr., J. L. Scott, H. W. Manske, W. S. Warfield, III, G. J. Adams and H. E. Newcomet were appointed Directors. 24,000 shares of stock were issued as follows:

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<tr>
<th>Willett Motor Coach Company</th>
<th>15,996 shares</th>
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<tr>
<td>W. D. Willett</td>
<td>1 share</td>
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<tr>
<td>H. L. Willett</td>
<td>1 share</td>
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<td>H. W. Manske</td>
<td>1 share</td>
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<tr>
<td>W. S. Warfield, III</td>
<td>1 share</td>
</tr>
<tr>
<td>American Contract and Trust Co.</td>
<td>7,997 shares</td>
</tr>
<tr>
<td>J. L. Scott</td>
<td>1 share</td>
</tr>
<tr>
<td>G. J. Adams</td>
<td>1 share</td>
</tr>
<tr>
<td>H. E. Newcomet</td>
<td>1 share</td>
</tr>
</tbody>
</table>
1931: W. D. Willett died on January 11 and on July 6, Howard L. Willett, Sr. was elected President to fill the vacancy of the unexpired term of W. D. Willett. At the same time, H. E. Newcomet was elected Vice-President.

The depression was heavily felt late in 1931 and a reduction in personnel, wages and officer’s salaries took place. Economies were made wherever possible and this situation continued for the next few years.

1932: On February 1, local transfer service between the Pennsylvania Railroad freight station and freight stations of other railroads in Chicago was inaugurated.

1933: On February 1, substituted service for the Pennsylvania Railroad was established between Chicago, Ill. and Gary, Ind. In December of the same year, the company took over pick-up and delivery service operations for the Pennsylvania Railroad in Chicago.

In September, Messrs. Verne C. Kennedy and W. C. MaKinney proposed to President Howard L. Willett, Sr. the formation of a new company to develop an entirely new phase of the trucking industry—that of truck leasing. After many negotiations, in which railroad officers were included, a new company, The Truck Leasing Corporation of America was incorporated in the State of Delaware, the company being domesticated in the State of Illinois. Date of incorporation was January 8, 1934. American Contract and Trust Co. purchased a 33-1/3% interest in this company, the balance being owned by Willett Motor Coach Co.

1934: On January 16, shareholders approved a reduction of stated capital from $348,556.49 to $323,556.49 by transferring $25,000. from stated capital to “paid in” surplus.

1936: On January 10, the Illinois Commerce Commission granted the Willett Co. a Certificate of Convenience and Necessity for a forty mile zone around Chicago. Willett attorneys had worked on this application for several years, and at the time of its issuance, it was the only one of its kind in existence.

Late in November of the same year, the American Contract and Trust Co. was given an alternative of taking a dividend of $4.00 per share or its equivalent in additional shares of stock. American Contract and Trust Co. decided upon the latter and increased the number of its shares from 8,000 to 10,000.

1937: Once again, American Contract and Trust Co. elected to take a stock dividend in lieu of a cash dividend, thus increasing their holdings another 600 shares.

1942: The Robert Blaske Co., including its equipment, operating rights and assignment of contracts was purchased in April at a cost of $45,000. to transport traffic within the State of Indiana, primarily tank trucks of sulphuric acid. A new company, Willett Transports, was incorporated in the State of Indiana on May 2, 1942.

1949: Two new wholly-owned subsidiary companies were incorporated during the year. One, the Jefferson Corporation, was incorporated in Illinois on March 9, for the purpose of buying, selling and dealing in motor trucks, parts and accessories and two, the Willett Radio Corporation, was incorporated in Illinois on June 29, for the purpose
or owning, operating and maintaining radio equipment, particularly that used on vehicles operated by the parent company.

1950: Name of Truck Leasing Corporation of America, a company in which American Contract and Trust Co. has a 33-1/3% interest, was changed to Willett Truck Leasing Co.

1952: On November 23, Willett Truck Leasing Co. formed a new corporation, the Delaware Willett Truck Leasing Co. to conduct a truck rental business in the Chicago, Ill. area.

1956: The Delaware Willett Truck Leasing Co. was merged with the Willett Truck Leasing Co. on March 31.

1957: A resume of this company’s activities from time of its inception to date, presents a brilliant representation of good management.

The gross revenues of the company are derived from the following sources, mostly on a contractual basis:

1. Railroad and Forwarding companies ............ 30%
2. Gasoline and oil companies ...................... 15%
3. Furniture and package companies ............ 11%
4. Steel hauling ..................................... 8½%
5. Bakery product hauling ......................... 7½%
6. Miscellaneous ................................. 28%

The company is not preeminent in any one field, and while there are other truckers who specialize in the railroad, gasoline, package delivery fields, etc., and who do a larger business in those fields than the Willett Co., none of them participate in more than one-third as many departments as Willett does. This company is, in reality, a department store of the trucking industry. This diversification gave Willett greater flexibility and tended to level off the peaks and valleys; for when one operation was at a low ebb, another was moving in high gear, resulting in a stable financial picture.

The successful record of the company throughout the depression years indicated it had some elements of strength that were not inherent in competitors who were forced to cease operations. These important factors were: one, that the Willett Co. was quick to adjust itself to new conditions, new operating techniques and new sales demands of its customers, and two, its outstanding strength in the labor field. As stated before, this company was the first regular trucking company in Chicago to operate motorized equipment when it began the conversion from horses and wagons to motor trucks in 1912; it was the first company to build and operate a garage, and by 1930, was half way through the first major change in the industry, that of converting to motorized equipment. The next innovation was the changeover from cumbersome vehicles to lighter, pneumatic tired vehicles equipped with aluminum bodies. The Willett Co. obtained this type of equipment in the early thirties, demonstrating the company's awareness of the benefits of lighter weight equipment. Company was one of the first to adopt the motorized tractor-trailer technique, permitting them to keep prices low in spite of greatly increased labor costs and taxes, shorter working days, increased fuel costs, and increased taxes and insurance costs.
hours and the five-day week. In 1938, still ahead of most of the industry, the Willett Co. was practically the only local cartage company in Chicago to experiment with diesel power.

The Willett story is one that commands respect. For those who live in Chicago, there is scarcely a day when a Willett Motor Coach or a Willett truck will not be seen somewhere within the city. It is very likely that residents of Chicago make daily use of some product which, at one time or another, was transported by the Willett Co.

The company owns all outstanding stock of the following subsidiary companies:

1. Willett Transports, Inc.
2. Jefferson Corporation
Willett Radio Corporation
(CHICAGO, ILL.)

1949: On June 29, the Willett Co. of Chicago, Ill. organized and incorporated in the State of Illinois, a new company known as the Willett Radio Corporation.

The company was organized for the purpose of owning, operating and maintaining radio communication equipment primarily that equipment being used on vehicles owned by the Willett Co. and used in the trucking operations in the Chicago area.

At time of incorporation, the authorized capitalization was $1,000, consisting of 100 shares of common stock each having a par value of $10.00 per share. The Willett Co. purchased all of the authorized stock (100 shares) on June 29, at a cost of $1,000.

1955- Due to operating costs not being commensurate with economies gained, the permit issued by the Federal Communications Commission, for operation of this company, was relinquished in 1955 and although the company does not function today, the corporation has not been dissolved.

1957: American Contract and Trust Co. is interested in this company due to its 33-1/3% stock ownership in the Willett Co.
Willett Transports, Inc.
(CHICAGO, ILL.)

1942: The Robert Blaske Co., including its equipment, operating rights and assignment of contracts, was purchased by the Willett Co. in April at a cost of $45,000.

On May 2, the new company was incorporated under the laws of the State of Indiana and was named after its founder, The Robert Blaske Co., with principal office at Cedar Lake, Ind. Company was formed to transport traffic within the State of Indiana, primarily tank trucks of sulphuric acid.

At the time of incorporation, authorized capital stock was 1,000 shares, no par, stated value $150,000, with 750 of the authorized 1,000 shares distributed as follows:

- The Willett Co. .......................... 747 shares
- H. L. Willett .......................... 1 share
- H. L. Willett, Jr. .......................... 1 share
- H. W. Manske .......................... 1 share

The following officers were elected on May 2: H. L. Willett, Jr.—President and Director, H. W. Manske—Secretary, Treasurer and Director, and H. L. Willett, Sr.—Director.

Company borrowed $80,000. from a local Indiana bank to replace small equipment with motor vehicles of maximum capacity, loan being made in the name of Robert Blaske Co. and guaranteed by the Willett Co.

On August 29, the name of the company was changed from Robert Blaske, Inc. to Willett Transports, Inc. and J. P. McArdle was elected a Director. At the same time, the principal office was changed from Cedar Lake, Ind. to c/o A. T. Willett, Beverly Shores, Ind. and by-laws amended so that annual meetings of shareholders would thereafter be held in Chicago rather than the Indiana office.

1956: At the present time, company conducts a trucking service for inter-state and intra-state deliveries of sulphuric acid in the Chicago, Ill., area and leases equipment to the Willett Co. Company is 100% owned by the Willett Co.

American Contract and Trust Co. is interested in the company due to its 33-1/3% stock interest in the Willett Co.
1933: In September, Messrs. Verne C. Kennedy and W. C. MaKinney, proposed to Mr. H. L. Willett, Sr., President of the Willett Co., the formation of a new company to develop an entirely new phase of the trucking industry—truck leasing. After much negotiating between these men and officials of the Willett Company and the Pennsylvania Railroad, the proposed company was formed and called The Truck Leasing Corporation of America.

1934: The company was incorporated in the State of Delaware on January 8, to perform a truck rental business in the City of Chicago and suburbs, company being domesticated in the State of Illinois.

The authorized capital stock of the Company was 1,000 shares of preferred stock, par value $100.00 per share, and 2,000 shares of common stock, no par value. The Willett Co. subscribed for $25,000 worth of the preferred stock, which was paid into the business as needed. The common stock was issued at the time the preferred stock was released, and was divided—1,000 shares to the Willett Co. and 500 shares each to V. C. Kennedy and W. C. MaKinney, co-incorporators of the company, for services rendered.

H. L. Willett, Sr., H. W. Manske, J. L. Scott, V. C. Kennedy, W. C. MaKinney and M. B. Kennedy were elected Directors of the company along with the following officers: H. L. Willett, Sr.—President, V. C. Kennedy—Vice President - Sales, W. C. MaKinney—Vice President - Operation, H. W. Manske—Secretary, Treasurer and Illinois Agent and M. F. Toulson—Delaware Agent.

Unfortunately, after a few months of operation, Messrs. Kennedy and MaKinney became involved in a personal disagreement that resulted in the separation and resignation of Mr. MaKinney from the company. Insofar as Mr. MaKinney's 25% stock ownership in the company was concerned, it was agreed that V. C. Kennedy would acquire 8-1/3% and the Willett Co. 16-2/3%, giving the Willet Co. a majority interest of 66-2/3% and Mr. V. C. Kennedy a minority interest of 33-1/3% in the company.

1939: The company enjoyed a fair amount of success and had only one deficit year throughout the depression. By 1939, the company had recovered its standing and was on the road to progress.

1941: On June 24, the Willett Co. purchased the common stock held by V. C. Kennedy and became the sole owner of the Truck Leasing Corp. of America.

1950: On October 10, the name Truck Leasing Corp. of America was changed to Willett Truck Leasing Co., Inc.

1952: On November 23, the company formed a new organization, known as Delaware Willett Truck Leasing Co. and incorporated this company in the State of Delaware. All of the stock issued was purchased by the parent company, Willett Truck Leasing Co.

1953: Due to a reorganization of the company, the new Willett Truck Leasing Co. was incorporated in the State of Illinois on November 24,
and at the same time, American Contract and Trust Co. purchased a 33-1/3% interest in this company at a cost of $260,270. representing 26,027 shares of common stock. Authorized capitalization was set at $1,500,000. with authorized common stock of 150,000 shares valued at $10.00 per share. Of the authorized stock, only 78,081 shares were issued, the Willett Motor Coach Co. purchasing 52,054 shares for $520,540. The purchase by Willett Motor Coach Co. represents a 66-2/3% interest.

1956: On March 31, the Delaware Willett Truck Leasing Co. was merged with the Willett Truck Leasing Co.
"Then Came the Motor Truck"

PART III

Investments, Earnings and Dividends of Companies
Alko Express Lines
(JOHNSTOWN, PA.)

Incorporated: March 10, 1931 in State of Pennsylvania

Capital Stock: (As of January 1, 1949)

Issued

<table>
<thead>
<tr>
<th>Common</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Par Value — None</td>
<td>(None issued)</td>
</tr>
<tr>
<td>Shares</td>
<td>Book Value</td>
</tr>
<tr>
<td>659.55</td>
<td>$145,370.35</td>
</tr>
</tbody>
</table>

Authorized

<table>
<thead>
<tr>
<th>Common</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td>Book Value</td>
</tr>
<tr>
<td>659.55</td>
<td>$145,370.35</td>
</tr>
</tbody>
</table>

Pennsylvania Truck Lines ownership in common stock:

<table>
<thead>
<tr>
<th>Date Purchased</th>
<th>Shares</th>
<th>Par Value Per Share</th>
<th>Total Par Value</th>
<th>Purchase Price</th>
<th>% Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-30-37</td>
<td>59.55</td>
<td>None</td>
<td>None</td>
<td>$60,000.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>12-31-38</td>
<td>600.00</td>
<td>None</td>
<td>None</td>
<td>85,370.35</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Total 659.55 $145,370.35 100.0%

In addition to the $145,370.35 for stock, Pennsylvania Truck Lines purchased equipment and other intangibles at a cost of $37,631.75, making its total investment in the company $183,002.00.

Earnings and Dividends Paid:

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross</th>
<th>(After Taxes)</th>
<th>Dividends Paid to Pa. Truck Lines</th>
<th>% of Return to Pa. Truck Lines</th>
</tr>
</thead>
<tbody>
<tr>
<td>1937</td>
<td>$371,740</td>
<td>Def. $19,756</td>
<td>Common</td>
<td>---</td>
</tr>
<tr>
<td>1938</td>
<td>339,465</td>
<td>Def. 12,366</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1939</td>
<td>432,212</td>
<td>17,090</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1940</td>
<td>510,557</td>
<td>2,090</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1941</td>
<td>688,779</td>
<td>17,383</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1942</td>
<td>754,559</td>
<td>Def. 29,046</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1943</td>
<td>477,488</td>
<td>Def. 134,166</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1944</td>
<td>321,082</td>
<td>Def. 100,800</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1945</td>
<td>327,944</td>
<td>Def. 47,720</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1946</td>
<td>412,440</td>
<td>286</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1947</td>
<td>608,056</td>
<td>Def. 46,180</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1948</td>
<td>840,592</td>
<td>3,223</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1949</td>
<td>602,597</td>
<td>Def. 35,547</td>
<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>

This company ceased operations October 15, 1949.
Operating rights held by company were sold to Motor Freight Express, Inc. for $30,000.


Dissolution proceedings completed August 6, 1951.
The Baltimore Transfer Company of Baltimore City
(MARYLAND CORPORATION)

Incorporated: July 12, 1892 in State of Maryland

Capital Stock: (As of January 1, 1957)

Issued

<table>
<thead>
<tr>
<th>Par Value — $25.00 per share</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td>Book Value</td>
</tr>
<tr>
<td>10,960</td>
<td>$ 274,000</td>
</tr>
</tbody>
</table>

Authorized

<table>
<thead>
<tr>
<th>Shares</th>
<th>Book Value</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>20,000</td>
<td>$ 500,000</td>
<td>(None authorized)</td>
</tr>
</tbody>
</table>

American Contract & Trust Company ownership in common stock:

<table>
<thead>
<tr>
<th>Date Purchased</th>
<th>Shares</th>
<th>Par Value</th>
<th>Total</th>
<th>Purchase Price</th>
<th>% Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-10-28</td>
<td>2,688</td>
<td>$25.00</td>
<td>$67,200</td>
<td>$67,200</td>
<td>30%</td>
</tr>
<tr>
<td>3-27-30</td>
<td>600</td>
<td>25.00</td>
<td>15,000</td>
<td>15,000</td>
<td>30%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,288</strong></td>
<td><strong>$82,200</strong></td>
<td><strong>$82,200</strong></td>
<td><strong>30%</strong></td>
<td></td>
</tr>
</tbody>
</table>

Investment by A.C.&T. — $82,200

Earnings and Dividends Paid:

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross (4 mos.)</th>
<th>Net (After Taxes)</th>
<th>Dividends Paid to A.C.&amp;T. Common</th>
<th>% of Return to A.C.&amp;T.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1928</td>
<td>$60,382</td>
<td>$6,987</td>
<td>$5,376</td>
<td>8.0</td>
</tr>
<tr>
<td>1929</td>
<td>302,634</td>
<td>60,782</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1930</td>
<td>390,351</td>
<td>43,329</td>
<td>6,576</td>
<td>8.0</td>
</tr>
<tr>
<td>1931</td>
<td>411,442</td>
<td>73,406</td>
<td>6,576</td>
<td>8.0</td>
</tr>
<tr>
<td>1932</td>
<td>388,012</td>
<td>28,045</td>
<td>6,576</td>
<td>8.0</td>
</tr>
<tr>
<td>1933</td>
<td>480,852</td>
<td>51,468</td>
<td>6,576</td>
<td>8.0</td>
</tr>
<tr>
<td>1934</td>
<td>600,912</td>
<td>54,922</td>
<td>6,576</td>
<td>8.0</td>
</tr>
<tr>
<td>1935</td>
<td>689,383</td>
<td>58,309</td>
<td>8,220</td>
<td>10.0</td>
</tr>
<tr>
<td>1936</td>
<td>853,340</td>
<td>74,258</td>
<td>13,152</td>
<td>16.0</td>
</tr>
<tr>
<td>1937</td>
<td>733,407</td>
<td>26,919</td>
<td>6,576</td>
<td>8.0</td>
</tr>
<tr>
<td>1938</td>
<td>616,642</td>
<td>26,327</td>
<td>4,932</td>
<td>6.0</td>
</tr>
<tr>
<td>1939</td>
<td>846,154</td>
<td>79,026</td>
<td>16,440</td>
<td>20.0</td>
</tr>
<tr>
<td>1940</td>
<td>926,511</td>
<td>62,838</td>
<td>9,846</td>
<td>12.0</td>
</tr>
<tr>
<td>1941</td>
<td>1,182,069</td>
<td>54,939</td>
<td>6,576</td>
<td>8.0</td>
</tr>
<tr>
<td>1942</td>
<td>1,411,549</td>
<td>32,148</td>
<td>8,220</td>
<td>10.0</td>
</tr>
<tr>
<td>1943</td>
<td>1,593,810</td>
<td>59,546</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1944</td>
<td>1,692,967</td>
<td>44,776</td>
<td>6,576</td>
<td>8.0</td>
</tr>
<tr>
<td>1945</td>
<td>1,710,910</td>
<td>30,531</td>
<td>3,288</td>
<td>4.0</td>
</tr>
<tr>
<td>1946</td>
<td>1,802,249</td>
<td>75,497</td>
<td>4,932</td>
<td>6.0</td>
</tr>
<tr>
<td>1947</td>
<td>2,380,627</td>
<td>156,301</td>
<td>6,576</td>
<td>8.0</td>
</tr>
<tr>
<td>1948</td>
<td>2,828,714</td>
<td>200,622</td>
<td>6,576</td>
<td>8.0</td>
</tr>
<tr>
<td>1949</td>
<td>2,868,340</td>
<td>80,175</td>
<td>4,932</td>
<td>6.0</td>
</tr>
<tr>
<td>1950</td>
<td>3,465,128</td>
<td>183,255</td>
<td>4,932</td>
<td>6.0</td>
</tr>
</tbody>
</table>
American Contract & Trust Company, through its 30% stock interest in this company, is also interested in the following wholly-owned subsidiary companies of Baltimore Transfer Company:

1. Motor Freight Express
2. Eagle Transfer
3. Baltimore Transfer Company of Baltimore City (Virginia Corporation)

Books kept in Baltimore, Md.

Stockholders Annual Meeting—Third Monday in January at Baltimore, Md.
The Baltimore Transfer Company of
Baltimore City, Inc.
(VIRGINIA CORPORATION)

Incorporated: In late part of 1930 in State of Virginia

Nature of Business: This company was organized solely for the purpose of holding franchises and permits in connection with the company's (Baltimore Transfer Company of Baltimore City - Maryland Corporation) Baltimore - Richmond freight service.

American Contract and Trust Company is interested in The Baltimore Transfer Company of Baltimore City, Inc. (Virginia Corporation) through its 30% stock interest in Baltimore Transfer Company of Baltimore City (Maryland Corporation).

Capital Stock:

<table>
<thead>
<tr>
<th>Common</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Par Value — $25.00 per share</td>
<td>(None issued)</td>
</tr>
<tr>
<td>Shares</td>
<td>Book Value</td>
</tr>
<tr>
<td>40</td>
<td>$ 1,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Authorized</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common</td>
<td>(None authorized)</td>
</tr>
<tr>
<td>Shares</td>
<td>Book Value</td>
</tr>
<tr>
<td>200</td>
<td>$ 5,000</td>
</tr>
</tbody>
</table>

Baltimore Transfer Company ownership in common stock:

<table>
<thead>
<tr>
<th>Date Purchased</th>
<th>Shares</th>
<th>Par Value</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 1930</td>
<td>40</td>
<td>$ 25.00</td>
<td>$ 1,000</td>
</tr>
</tbody>
</table>

No income, dividends paid or profit and loss balance

JANUARY 1, 1957

Directors
Fred Carpi ........................................ Philadelphia, Pa.
J. A. Schwab ................................... Baltimore, Md.
J. H. Hoffberger ............................... Baltimore, Md.
S. C. Hoffberger ............................... Baltimore, Md.
Samuel H. Hoffberger ........................... Baltimore, Md.
C. Bertram Hoffberger ........................... Baltimore, Md.

Officers
S. C. Hoffberger .............................. Chairman, Board of Directors
C. Bertram Hoffberger ........................ President
Samuel H. Hoffberger ........................ Vice President
Charles C. Hoffberger ........................ Vice President
James Hessenauer ............................... Treasurer
M. A. Ferris, Jr. ............................. Secretary
S. R. Kallins ................................. Assistant Treasurer
Vernon A. Knorr ............................... Assistant Secretary
Walter C. Greiner ............................ Administrative Assistant to the President

Books kept in Baltimore, Md.

Stockholders' Annual Meeting—Second Monday in January at Baltimore, Md.

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Buffalo Storage and Carting Company
(BUFFALO, N. Y.)

Incorporated: June 11, 1902 in State of New York

Capital Stock: (As of January 1, 1957)

<table>
<thead>
<tr>
<th>Issued</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common</td>
<td></td>
</tr>
<tr>
<td>Par Value — $100.00 per share</td>
<td>(None issued)</td>
</tr>
<tr>
<td>Shares</td>
<td>Book Value</td>
</tr>
<tr>
<td>1,750</td>
<td>$ 175,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Authorized</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common</td>
<td></td>
</tr>
<tr>
<td>Shares</td>
<td>Book Value</td>
</tr>
<tr>
<td>1,750</td>
<td>$ 175,000</td>
</tr>
</tbody>
</table>

American Contract & Trust Company ownership in common stock:

<table>
<thead>
<tr>
<th>Date Purchased</th>
<th>Shares</th>
<th>Par Value Per Share</th>
<th>Total Par Value</th>
<th>Purchase Price</th>
<th>% Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>7-11-29</td>
<td>1,850</td>
<td>$ 100.00</td>
<td>$ 185,000</td>
<td>$ 185,000</td>
<td>100.0%</td>
</tr>
<tr>
<td>6-25-40</td>
<td>328</td>
<td>100.00</td>
<td>32,800</td>
<td>185,000</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total</td>
<td>2,178</td>
<td></td>
<td>$ 217,800</td>
<td></td>
<td>100.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date Purchased</th>
<th>Shares</th>
<th>Par Value Per Share</th>
<th>Total Par Value</th>
<th>Purchase Price</th>
<th>% Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-22-48 (Retired)</td>
<td>428</td>
<td></td>
<td>42,800</td>
<td>Retired</td>
<td></td>
</tr>
</tbody>
</table>

| Total          | 1,750  | 100.00              | $ 175,000       |                | 100.0%  |

Investment by A.C.&T. — $ 175,000

Earnings and Dividends Paid:

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross</th>
<th>Net (After Taxes)</th>
<th>Dividends Paid to A.C.&amp;T.</th>
<th>% of Return to A.C.&amp;T.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1929</td>
<td>$ 240,223</td>
<td>$ 22,692</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1930</td>
<td>356,497</td>
<td>22,053</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1931</td>
<td>360,247</td>
<td>208</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1932</td>
<td>303,385</td>
<td>1,874</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1933</td>
<td>258,572</td>
<td>384</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1934</td>
<td>280,712</td>
<td>1,164</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1935</td>
<td>345,816</td>
<td>5,824</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1936</td>
<td>411,470</td>
<td>Def. 1,891</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1937</td>
<td>426,991</td>
<td>Def. 19,223</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1938</td>
<td>297,399</td>
<td>2,614</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1939</td>
<td>417,346</td>
<td>24,578</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1940</td>
<td>452,503</td>
<td>21,885</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1941</td>
<td>636,568</td>
<td>46,467</td>
<td>$ 19,602</td>
<td>9.0</td>
</tr>
<tr>
<td>1942</td>
<td>564,529</td>
<td>27,486</td>
<td>19,602</td>
<td>9.0</td>
</tr>
<tr>
<td>1943</td>
<td>404,342</td>
<td>19,395</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1944</td>
<td>542,901</td>
<td>684</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1945</td>
<td>203,067</td>
<td>Def. 2,316</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1946</td>
<td>246,890</td>
<td>38,563</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1947</td>
<td>246,941</td>
<td>2,551</td>
<td>10,890</td>
<td>5.0</td>
</tr>
</tbody>
</table>

143
<table>
<thead>
<tr>
<th>Year</th>
<th>Books</th>
<th>20,652</th>
<th>8,750</th>
<th>5.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>1948</td>
<td>206,279</td>
<td>11,308</td>
<td>8,750</td>
<td>5.0</td>
</tr>
<tr>
<td>1949</td>
<td>184,281</td>
<td>16,085</td>
<td>8,750</td>
<td>5.0</td>
</tr>
<tr>
<td>1950</td>
<td>175,084</td>
<td>4,772</td>
<td>8,750</td>
<td>5.0</td>
</tr>
<tr>
<td>1951</td>
<td>213,323</td>
<td>5,710</td>
<td>8,750</td>
<td>5.0</td>
</tr>
<tr>
<td>1952</td>
<td>197,027</td>
<td>11,045</td>
<td>10,500</td>
<td>6.0</td>
</tr>
<tr>
<td>1953</td>
<td>224,201</td>
<td>10,696</td>
<td>10,500</td>
<td>6.0</td>
</tr>
<tr>
<td>1954</td>
<td>211,876</td>
<td>15,018</td>
<td>10,500</td>
<td>6.0</td>
</tr>
<tr>
<td>1955</td>
<td>265,972</td>
<td>6,032</td>
<td>3,500</td>
<td>2.0</td>
</tr>
</tbody>
</table>

Books kept in Buffalo, N. Y.

Stockholders Annual Meeting—Tuesday following 4th Monday in April at Buffalo, N. Y.
Cleveland Cartage Company

(CLEVELAND, OHIO)

Incorporated: November 15, 1915 in State of Ohio

Capital Stock: (As of January 1, 1957)

<table>
<thead>
<tr>
<th>Issued</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common</td>
<td>(None issued)</td>
</tr>
<tr>
<td>Par Value</td>
<td>$1.00 per share</td>
</tr>
<tr>
<td>Shares</td>
<td>Book Value</td>
</tr>
<tr>
<td>155,000</td>
<td>$155,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Authorized</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common</td>
<td>(None authorized)</td>
</tr>
<tr>
<td>Shares</td>
<td>Book Value</td>
</tr>
<tr>
<td>250,000</td>
<td>$250,000</td>
</tr>
</tbody>
</table>

American Contract & Trust Company ownership in common stock:

<table>
<thead>
<tr>
<th>Date Purchased</th>
<th>Shares</th>
<th>Par Value</th>
<th>Total</th>
<th>Purchase Price</th>
<th>% Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>12- 2-29</td>
<td>450</td>
<td>$100.00</td>
<td>$45,000</td>
<td>$90,000</td>
<td></td>
</tr>
<tr>
<td>1-20-30</td>
<td>225</td>
<td>100.00</td>
<td>22,500</td>
<td>22,500</td>
<td>45.0%</td>
</tr>
<tr>
<td>Total</td>
<td>675</td>
<td>$67,500</td>
<td>$112,500</td>
<td></td>
<td>45.0%</td>
</tr>
</tbody>
</table>

Note: On May 15, 1953, the Board of Directors authorized a stock split of 100 shares for one share and, at the same time, reduced the par value from $100.00 per share to $1.00 per share. Also on May 15, 1953, the company issued one share of stock for every 30 shares held after the 100 for 1 stock split. While the monetary value of A.C.&T.'s holdings did not change, the number of shares held were increased from 675 to 67,500 (100 for 1) and then increased to 69,750 shares (1 for 30).

Investment by A.C.&T. — $112,500

Earnings and Dividends Paid:

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross (After Taxes)</th>
<th>Net to A.C.&amp;T.</th>
<th>Dividends Paid to A.C.&amp;T.</th>
<th>% of Return to A.C.&amp;T.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1930</td>
<td>$341,512</td>
<td>$4,703</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1931</td>
<td>310,219</td>
<td>595</td>
<td>$34</td>
<td>0.03</td>
</tr>
<tr>
<td>1932</td>
<td>327,275</td>
<td>4,339</td>
<td>34</td>
<td>0.03</td>
</tr>
<tr>
<td>1933</td>
<td>599,454</td>
<td>Def. 13,816</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1934</td>
<td>319,593</td>
<td>9,060</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1935</td>
<td>277,108</td>
<td>9,352</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1936</td>
<td>353,788</td>
<td>4,819</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1937</td>
<td>404,083</td>
<td>8,127</td>
<td>4,050</td>
<td>3.6</td>
</tr>
<tr>
<td>1938</td>
<td>288,405</td>
<td>3,120</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1939</td>
<td>400,649</td>
<td>33,915</td>
<td>8,100</td>
<td>7.2</td>
</tr>
<tr>
<td>1940</td>
<td>419,625</td>
<td>23,135</td>
<td>4,725</td>
<td>4.2</td>
</tr>
<tr>
<td>1941</td>
<td>688,168</td>
<td>41,885</td>
<td>10,800</td>
<td>9.6</td>
</tr>
<tr>
<td>1942</td>
<td>1,380,396</td>
<td>49,054</td>
<td>6,750</td>
<td>6.0</td>
</tr>
<tr>
<td>1943</td>
<td>1,857,018</td>
<td>63,679</td>
<td>3,375</td>
<td>3.0</td>
</tr>
<tr>
<td>1944</td>
<td>1,370,064</td>
<td>33,704</td>
<td>6,750</td>
<td>6.0</td>
</tr>
<tr>
<td>Year</td>
<td>Units</td>
<td>Income</td>
<td>Operating</td>
<td>Dividend</td>
</tr>
<tr>
<td>------</td>
<td>-------</td>
<td>--------</td>
<td>-----------</td>
<td>----------</td>
</tr>
<tr>
<td>1945</td>
<td>1,194,744</td>
<td>36,840</td>
<td>6,750</td>
<td>6.0</td>
</tr>
<tr>
<td>1946</td>
<td>1,469,094</td>
<td>48,006</td>
<td>6,750</td>
<td>6.0</td>
</tr>
<tr>
<td>1947</td>
<td>1,558,063</td>
<td>123,441</td>
<td>8,438</td>
<td>7.5</td>
</tr>
<tr>
<td>1948</td>
<td>1,347,298</td>
<td>41,977</td>
<td>6,750</td>
<td>6.0</td>
</tr>
<tr>
<td>1949</td>
<td>1,110,276</td>
<td>29,033</td>
<td>6,750</td>
<td>6.0</td>
</tr>
<tr>
<td>1950</td>
<td>1,335,176</td>
<td>42,739</td>
<td>13,500</td>
<td>12.0</td>
</tr>
<tr>
<td>1951</td>
<td>1,889,471</td>
<td>33,999</td>
<td>6,750</td>
<td>6.0</td>
</tr>
<tr>
<td>1952</td>
<td>1,506,397</td>
<td>28,533</td>
<td>6,750</td>
<td>6.0</td>
</tr>
<tr>
<td>1953</td>
<td>1,911,713</td>
<td>54,074</td>
<td>6,975</td>
<td>6.2</td>
</tr>
<tr>
<td>1954</td>
<td>1,596,724</td>
<td>22,654</td>
<td>6,975</td>
<td>6.2</td>
</tr>
<tr>
<td>1955</td>
<td>1,562,141</td>
<td>208,026*</td>
<td>10,462</td>
<td>15.0</td>
</tr>
<tr>
<td>1956</td>
<td>1,777,368</td>
<td>8,157</td>
<td>10,462</td>
<td>15.0</td>
</tr>
</tbody>
</table>

*Includes Inter-company dividend of $245,500.

The following wholly-owned subsidiary companies are operated by the Cleveland Cartage Co.:

1. Toledo Cartage Company
2. Western Express Company
3. Lakeside Properties, Inc.
4. Reserve Terminals Company
5. Trucklease, Inc.
7. Bay Bridge Company, Inc.
8. Cement Transport, Inc.
9. Riverside Trucking Company, Inc.
10. Fairport Trucking Company, Inc.
Edwards Transfer and Storage Company  
(COLUMBUS, OHIO)

Incorporated: March 4, 1918 in State of Ohio.

Originally, this company was known as the Edwards Transfer Company. The name was changed to Edwards Transfer and Storage Company on December 29, 1943.

Capital Stock: (As of January 1, 1944)

<table>
<thead>
<tr>
<th>Issued</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common</td>
<td>Par Value — $100.00 per share</td>
</tr>
<tr>
<td>Shares</td>
<td>Book Value</td>
</tr>
<tr>
<td>200</td>
<td>$ 20,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common</td>
</tr>
<tr>
<td>Shares</td>
</tr>
<tr>
<td>500</td>
</tr>
</tbody>
</table>

Preferred | (None issued)

American Contract & Trust Company ownership in common stock:

<table>
<thead>
<tr>
<th>Date Purchased</th>
<th>Shares</th>
<th>Par Value</th>
<th>Total Par Value</th>
<th>Purchase Price</th>
<th>% Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-1-29</td>
<td>80</td>
<td>$100.00</td>
<td>$8,000</td>
<td>$15,000</td>
<td>40.0%</td>
</tr>
</tbody>
</table>

Balance of stock (60%) owned by D. Everett Edwards, (120 shares). Investment by A.C.&T. — $15,000

Earnings and Dividends Paid:

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross</th>
<th>Net (After Taxes)</th>
<th>Dividends Paid to A.C.&amp;T. Common</th>
<th>% of Return to A.C.&amp;T.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1929</td>
<td>$ 18,240 (3 mos.)</td>
<td>Def. $1,586 (3 mos.)</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1930</td>
<td>74,874</td>
<td>Def. 4,651</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1931</td>
<td>56,288</td>
<td>Def. 6,122</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1932</td>
<td>46,390</td>
<td>417</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1933</td>
<td>47,121</td>
<td>Def. 61</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1934</td>
<td>60,826</td>
<td>711</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1935</td>
<td>70,343</td>
<td>3,441</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1936</td>
<td>82,138</td>
<td>2,945</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1937</td>
<td>92,808</td>
<td>1,673</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1938</td>
<td>99,115</td>
<td>3,470</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1939</td>
<td>113,258</td>
<td>3,670</td>
<td>$1,600</td>
<td>10.7</td>
</tr>
<tr>
<td>1940</td>
<td>109,147</td>
<td>15</td>
<td>800</td>
<td>5.3</td>
</tr>
<tr>
<td>1941</td>
<td>152,139</td>
<td>15,811</td>
<td>3,200</td>
<td>21.3</td>
</tr>
<tr>
<td>1942</td>
<td>173,445</td>
<td>Def. 4,118</td>
<td>5,600</td>
<td>37.3</td>
</tr>
<tr>
<td>1943</td>
<td>147,355</td>
<td>3,093</td>
<td>1,160</td>
<td>7.7</td>
</tr>
<tr>
<td>1944</td>
<td>103,342 (8 mos.)</td>
<td>563 (8 mos.)</td>
<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>

Entire holdings sold by American Contract & Trust Company to D. E. Edwards for $8,000 on September 1, 1944. (A.C.&T. wrote off $7,000 to Profit and Loss).
Excelsior Express Company
(PITTSBURGH, PA.)

Incorporated: December 8, 1898 in State of Pennsylvania as Liberty Express Company. Corporate name was changed to Excelsior Express Company on June 10, 1918.

Capital Stock: (As of January 1, 1955)

<table>
<thead>
<tr>
<th>Common</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Par Value — $50.00 per share</td>
<td>(None issued)</td>
</tr>
<tr>
<td>Shares</td>
<td>Book Value</td>
</tr>
<tr>
<td>880</td>
<td>$44,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common</td>
</tr>
<tr>
<td>Shares</td>
</tr>
<tr>
<td>1,200</td>
</tr>
</tbody>
</table>

Pennsylvania Truck Lines' ownership in common stock:

<table>
<thead>
<tr>
<th>Date Purchased</th>
<th>Shares</th>
<th>Par Value</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-1-29</td>
<td>1,080</td>
<td>$50.00</td>
<td>$54,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$10,306</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Investment by Pennsylvania Truck Lines — $10,306

Earnings and Dividends Paid:

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross</th>
<th>Dividends Paid to</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(After Taxes)</td>
<td>Pa. Truck Lines</td>
</tr>
<tr>
<td></td>
<td>Net</td>
<td>% of Return to Pa. Truck Lines</td>
</tr>
<tr>
<td>1929</td>
<td>Figures not available</td>
<td>—</td>
</tr>
<tr>
<td>1930</td>
<td>Figures not available</td>
<td>—</td>
</tr>
<tr>
<td>1931</td>
<td>Figures not available</td>
<td>—</td>
</tr>
<tr>
<td>1932</td>
<td>Figures not available</td>
<td>—</td>
</tr>
<tr>
<td>1933</td>
<td>$14,645</td>
<td>$55</td>
</tr>
<tr>
<td>1934</td>
<td>16,116</td>
<td>1,391</td>
</tr>
<tr>
<td>1935</td>
<td>15,961</td>
<td>1,706</td>
</tr>
<tr>
<td>1936</td>
<td>20,687</td>
<td>4,921</td>
</tr>
<tr>
<td>1937</td>
<td>23,237</td>
<td>5,672</td>
</tr>
<tr>
<td>1938</td>
<td>20,042</td>
<td>2,532</td>
</tr>
<tr>
<td>1939</td>
<td>19,049</td>
<td>1,569</td>
</tr>
<tr>
<td>1940</td>
<td>17,799</td>
<td>826</td>
</tr>
<tr>
<td>1941</td>
<td>17,346</td>
<td>278</td>
</tr>
<tr>
<td>1942</td>
<td>27,232</td>
<td>2,512</td>
</tr>
<tr>
<td>1943</td>
<td>46,272</td>
<td>2,407</td>
</tr>
<tr>
<td>1944</td>
<td>44,629</td>
<td>175</td>
</tr>
<tr>
<td>1945</td>
<td>44,179</td>
<td>Def. 2,115</td>
</tr>
<tr>
<td>1946</td>
<td>41,975</td>
<td>128</td>
</tr>
<tr>
<td>1947</td>
<td>39,604</td>
<td>1,621</td>
</tr>
<tr>
<td>1948</td>
<td>54,334</td>
<td>3,330</td>
</tr>
<tr>
<td>1949</td>
<td>57,772</td>
<td>2,837</td>
</tr>
<tr>
<td>1950</td>
<td>44,459</td>
<td>3,092</td>
</tr>
<tr>
<td>1951</td>
<td>57,070</td>
<td>6,723</td>
</tr>
<tr>
<td>1952</td>
<td>61,150</td>
<td>8,775</td>
</tr>
<tr>
<td>1953</td>
<td>95,397</td>
<td>10,937</td>
</tr>
<tr>
<td>1954</td>
<td>48,498</td>
<td>10,741</td>
</tr>
<tr>
<td>1955*</td>
<td>18,974</td>
<td>2,196</td>
</tr>
</tbody>
</table>

* Company merged with Pennsylvania Truck Lines on May 31, 1955

148
Excelsior Truck Leasing Company, Inc.
(PITTSBURGH, PA.)

Incorporated: August 19, 1953 in the State of Delaware.

Capital Stock: (As of January 1, 1957)

Issued

<table>
<thead>
<tr>
<th>Common</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Par Value — $10.00 per share</td>
<td>(None issued)</td>
</tr>
<tr>
<td>Shares</td>
<td>Book Value</td>
</tr>
<tr>
<td>100</td>
<td>$ 1,000</td>
</tr>
</tbody>
</table>

Authorized

<table>
<thead>
<tr>
<th>Common</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td>Book Value</td>
</tr>
<tr>
<td>25,000</td>
<td>$250,000</td>
</tr>
</tbody>
</table>

American Contract & Trust Company ownership in common stock:

- Par Value | Total
- Date Purchased | Shares | Per Share | Par Value | Purchase Price | % Owned
- 3-5-54 | 100 | $ 10.00 | $ 1,000 | $ 1,000 | 100.0%

Investment by A.C.&T. — $1,000

Earnings and Dividends Paid:

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues Gross</th>
<th>Net (After Taxes)</th>
<th>Dividends Paid to A.C.&amp;T. Common</th>
<th>% of Return to A.C.&amp;T.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1953</td>
<td>$ 77,953*</td>
<td>$ 7,661</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1954</td>
<td>355,461</td>
<td>36,637</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1955</td>
<td>1,142,856</td>
<td>106,751</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1956</td>
<td>1,994,289</td>
<td>180,892</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

* Consolidation of individual truck leasing companies.

Books kept in Pittsburgh, Pa.

Merchants Trucking Company, Inc.
(NORFOLK, VA.)

Incorporated: October 7, 1929 in Commonwealth of Virginia

Negotiations conducted during July 1929, with the Merchants Express Company, a partnership of Norfolk, Va., resulted in the purchase of the property and equipment of that company, and the assignment of all contracts, good will, etc., to Del-Mar-Va Motor Transport Company. Upon incorporation of Merchants Trucking Company, the equipment, etc., which was purchased from the Merchants Express Company by the Del-Mar-Va Motor Transport Company was sold to the Merchants Trucking Company, thereby giving American Contract and Trust Company a stock interest in a trucking company operating in Virginia territory. On August 5, 1930, equipment, franchises, good will, etc., of Accomac Transfer Company, operating in Virginia territory, was purchased in order to secure franchises and rights to operate.

Capital Stock: (As of January 1, 1957)

<table>
<thead>
<tr>
<th>Issued</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common</td>
<td>(None issued)</td>
</tr>
<tr>
<td>Par Value — $50.00 per share</td>
<td></td>
</tr>
<tr>
<td>Shares Book Value</td>
<td></td>
</tr>
<tr>
<td>522 $ 23,250</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Authorized</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common</td>
<td>(None authorized)</td>
</tr>
<tr>
<td>Shares Book Value</td>
<td></td>
</tr>
<tr>
<td>1,000 $ 50,000</td>
<td></td>
</tr>
</tbody>
</table>

American Contract & Trust Company ownership in common stock:

<table>
<thead>
<tr>
<th>Date Purchased</th>
<th>Shares</th>
<th>Par Value</th>
<th>Total Par Value</th>
<th>Purchase Price</th>
<th>% Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>12-2-29</td>
<td>304</td>
<td>$ 50.00</td>
<td>$ 15,200</td>
<td>$ 15,200</td>
<td>69.1%</td>
</tr>
<tr>
<td>12-23-36</td>
<td>57</td>
<td>50.00</td>
<td>2,850 Stock Dividend</td>
<td>6,650</td>
<td>100.0%</td>
</tr>
<tr>
<td>6-25-40</td>
<td>133</td>
<td>50.00</td>
<td>6,650</td>
<td>6,650</td>
<td></td>
</tr>
<tr>
<td>10-8-40</td>
<td>28</td>
<td>50.00</td>
<td>1,400</td>
<td>1,400</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total</td>
<td>522</td>
<td>$ 26,100</td>
<td>$ 23,250</td>
<td></td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Although cash investment by American Contract & Trust Company to purchase stock amounted to $23,250, a stock dividend of 57 shares, valued at $2,850, was received in 1936. A.C.&T.'s investment is now $26,100.

Earnings and Dividends Paid:

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross</th>
<th>(After Taxes)</th>
<th>Net</th>
<th>Dividends Paid to A.C.&amp;T.</th>
<th>% of Return to A.C.&amp;T.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1929</td>
<td>$ 7,863</td>
<td>$ 1,629</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1930</td>
<td>51,623</td>
<td>Def. 3,899</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1931</td>
<td>86,651</td>
<td>Def. 1,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1932</td>
<td>62,752</td>
<td>Def. 4,591</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1933</td>
<td>70,367</td>
<td>6,870</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

150
1934   46,361   540   —   —
1935   73,911   5,564   —   —
1936   84,102   4,675   $ 38(1)   0.25
1937   90,049   11,178   —   —
1938   85,364   11,429   —   —
1939   90,912   6,724   —   —
1940   104,464   858   —   —
1941   160,604   7,629   —   —
1942   272,043   3,455   —   —
1943   225,932   6,543   —   —
1944   220,824   11,048   —   —
1945   216,149   17,463   —   —
1946   201,982   16,015   —   —
1947   187,047   7,624   2,610   11.2
1948   171,759   8,806   23,490   101.0
1949   140,253   6,688   5,220   22.4
1950   145,129   10,384   5,220   22.4
1951   207,126   17,684   5,220   22.4
1952   215,406   11,054   5,220   22.4
1953   229,298   7,676   5,220   22.4
1954   253,056   19,106   10,440   44.9
1955   314,171   22,309   10,440   44.9
1956   327,049   14,471   7,830   33.7

(1) Stock Dividend of 57 shares (Value $2,850) paid.

Books kept in Norfolk.

Stockholders' Annual Meeting — 3rd Monday in March at Philadelphia.
Moreton Truck Company
(DETROIT, MICH.)

Incorporated: December 12, 1929 in State of Michigan

Capital Stock: (As of January 1, 1939)

<table>
<thead>
<tr>
<th>Issued</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common</td>
<td>(None issued)</td>
</tr>
<tr>
<td>Shares</td>
<td>Book Value</td>
</tr>
<tr>
<td>600</td>
<td>$ 60,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Authorized</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common</td>
<td>(None authorized)</td>
</tr>
<tr>
<td>Shares</td>
<td>Book Value</td>
</tr>
<tr>
<td>1,000</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

American Contract & Trust Company ownership in common stock:

<table>
<thead>
<tr>
<th>Date Purchased</th>
<th>Shares</th>
<th>Par Value</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>12-31-29</td>
<td>240</td>
<td>$ 100.00</td>
<td>$ 24,000</td>
</tr>
</tbody>
</table>

Balance of stock (60%) owned by E. F. Moreton (360 shares).

Investment by A.C.&T. — $42,000

Earnings and Dividends Paid:

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross (After Taxes)</th>
<th>Net to A.C.&amp;T.</th>
<th>Dividends Paid to A.C.&amp;T.</th>
<th>% of Return to A.C.&amp;T.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1930</td>
<td>$109,247</td>
<td>Def. $ 3,142</td>
<td>——</td>
<td>——</td>
</tr>
<tr>
<td>1931</td>
<td>106,105</td>
<td>Def. 11,694</td>
<td>——</td>
<td>——</td>
</tr>
<tr>
<td>1932</td>
<td>98,821</td>
<td>Def. 14,420</td>
<td>——</td>
<td>——</td>
</tr>
<tr>
<td>1933</td>
<td>60,004</td>
<td>Def. 19,731</td>
<td>——</td>
<td>——</td>
</tr>
<tr>
<td>1934</td>
<td>75,150</td>
<td>Def. 20,720</td>
<td>——</td>
<td>——</td>
</tr>
<tr>
<td>1935</td>
<td>84,591</td>
<td>Def. 14,996</td>
<td>——</td>
<td>——</td>
</tr>
<tr>
<td>1936</td>
<td>31,048</td>
<td>Def. 31,170</td>
<td>——</td>
<td>——</td>
</tr>
<tr>
<td>1937</td>
<td>75,969</td>
<td>Def. 37,447</td>
<td>——</td>
<td>——</td>
</tr>
<tr>
<td>1938</td>
<td>77,587</td>
<td>Def. 51,545</td>
<td>——</td>
<td>——</td>
</tr>
<tr>
<td>1939</td>
<td>No entry</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

American Contract and Trust Company sold its entire holdings (240 shares) to Mr. E. F. Moreton for $200.00 on October 24, 1939 and charged $41,800 to the profit and loss account.
Peninsula Auto Express
(WILMINGTON, DEL.)

Incorporated: April 1, 1921 in State of Delaware

Capital Stock: (As of January 1, 1950)

Issued

<table>
<thead>
<tr>
<th></th>
<th>Common</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td></td>
<td>(None issued)</td>
</tr>
<tr>
<td>Par Value — $10.00 per share</td>
<td>Book Value</td>
<td></td>
</tr>
<tr>
<td>1,083</td>
<td>$ 10,830</td>
<td></td>
</tr>
</tbody>
</table>

Authorized

<table>
<thead>
<tr>
<th></th>
<th>Common</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td></td>
<td>(None authorized)</td>
</tr>
<tr>
<td>$100,000</td>
<td>Book Value</td>
<td></td>
</tr>
<tr>
<td>10,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Scott Bros., Inc. ownership in common stock:

<table>
<thead>
<tr>
<th>Date Purchased</th>
<th>Shares Purchased</th>
<th>Par Value Per Share</th>
<th>Total Par Value</th>
<th>Purchase Price</th>
<th>% Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-23-30</td>
<td>1,083</td>
<td>$ 10.00</td>
<td>$ 10,830</td>
<td>$ 10,830</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

In addition to purchase of all outstanding stock, Scott Bros., Inc. paid $21,660 to Wilson Line, Inc. for equipment, certificates of convenience and franchises, etc. (held originally by the Bush Line) necessary to conduct operations. This amount was charged to Peninsula Auto Express as an advance.

Total Investment by Scott Bros., Inc. — $32,490

Earnings and Dividends Paid:

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Revenues</th>
<th>(After Taxes)</th>
<th>Dividends Paid to A.C.&amp;T. Common</th>
<th>% of Return to Scott Bros., Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1930</td>
<td>$134,967</td>
<td>$ 1,757</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1931</td>
<td>138,184</td>
<td>7,423</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1932</td>
<td>105,288</td>
<td>2,466</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1933</td>
<td>80,322</td>
<td>11,444</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1934</td>
<td>132,496</td>
<td>31,013</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1935</td>
<td>147,915</td>
<td>22,523</td>
<td>$ 10,000</td>
<td>30.8</td>
</tr>
<tr>
<td>1936</td>
<td>168,226</td>
<td>20,662</td>
<td>28,000</td>
<td>85.2</td>
</tr>
<tr>
<td>1937</td>
<td>144,821</td>
<td>20,015</td>
<td>20,000</td>
<td>61.6</td>
</tr>
<tr>
<td>1938</td>
<td>134,380</td>
<td>15,063</td>
<td>15,000</td>
<td>46.2</td>
</tr>
<tr>
<td>1939</td>
<td>151,000</td>
<td>11,541</td>
<td>15,000</td>
<td>46.2</td>
</tr>
<tr>
<td>1940</td>
<td>171,175</td>
<td>6,363</td>
<td>15,000</td>
<td>46.2</td>
</tr>
<tr>
<td>1941</td>
<td>191,190</td>
<td>6,601</td>
<td>15,000</td>
<td>46.2</td>
</tr>
<tr>
<td>1942</td>
<td>208,260</td>
<td>6,280</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1943</td>
<td>217,453</td>
<td>4,001</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1944</td>
<td>225,488</td>
<td>3,415</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1945</td>
<td>254,700</td>
<td>15,775</td>
<td>10,000</td>
<td>30.8</td>
</tr>
<tr>
<td>1946</td>
<td>292,300</td>
<td>16,678</td>
<td>10,000</td>
<td>30.8</td>
</tr>
<tr>
<td>1947</td>
<td>320,398</td>
<td>14,311</td>
<td>10,000</td>
<td>30.8</td>
</tr>
<tr>
<td>1948</td>
<td>266,444</td>
<td>10,156</td>
<td>10,000</td>
<td>30.8</td>
</tr>
<tr>
<td>1949</td>
<td>296,191</td>
<td>10,228</td>
<td>10,000</td>
<td>30.8</td>
</tr>
<tr>
<td>1950</td>
<td>75,402</td>
<td>3,671</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

Company merged with Scott Bros., Inc., April 1, 1950

153
Pennsylvania Truck Lines, Inc.
(PITTSBURGH, PA.)

The original company, Pennsylvania Transfer Company, was established in 1850 and reorganized in 1900, operating under limited partnership until incorporated in November 1925. During 1926 the Alpern Brothers Transfer Company was acquired and in 1927 the Pittsburgh Storage and Transfer Company was acquired, both of these companies later being amalgamated with Pittsburgh Transfer Company of Pittsburgh. Name of company changed to Pennsylvania Truck Lines, Inc., February 28, 1936.

Capital Stock: (As of January 1, 1957)

Issued

<table>
<thead>
<tr>
<th>Par Value</th>
<th>Common Shares</th>
<th>Book Value</th>
<th>Preferred Shares</th>
<th>Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>17,282</td>
<td>$297,666.64</td>
<td>None</td>
<td>1,500</td>
</tr>
</tbody>
</table>

Authorized

<table>
<thead>
<tr>
<th>Par Value</th>
<th>Common Shares</th>
<th>Book Value</th>
<th>Preferred Shares</th>
<th>Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>52,000</td>
<td>None</td>
<td>None</td>
<td>1,500</td>
</tr>
</tbody>
</table>

Common and Preferred have equal voting power

American Contract & Trust Company ownership in stock:

PREFERRED

<table>
<thead>
<tr>
<th>Date Purchased</th>
<th>Shares</th>
<th>Par Value Per Share</th>
<th>Total Par Value</th>
<th>Purchase Price</th>
<th>% Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-23-28</td>
<td>1,400</td>
<td>$ 100.00</td>
<td>$ 140,000</td>
<td>$ 140,000.00</td>
<td></td>
</tr>
<tr>
<td>12-22-31</td>
<td>50</td>
<td>100.00</td>
<td>5,000</td>
<td>5,000.00</td>
<td></td>
</tr>
<tr>
<td>4-20-33</td>
<td>50</td>
<td>100.00</td>
<td>5,000</td>
<td>5,000.00</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1,500</td>
<td>$ 150,000</td>
<td>$ 150,000.00</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

COMMON

<table>
<thead>
<tr>
<th></th>
<th>Shares</th>
<th>Par Value</th>
<th>Total Par Value</th>
<th>Purchase Price</th>
<th>% Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>8-19-29</td>
<td>307</td>
<td>None</td>
<td>None</td>
<td>$ 19,955.00</td>
<td></td>
</tr>
<tr>
<td>11-13-29</td>
<td>80</td>
<td>None</td>
<td>None</td>
<td>5,200.00</td>
<td></td>
</tr>
<tr>
<td>7-16-30 (Retired)</td>
<td>10</td>
<td>None</td>
<td>None</td>
<td>cr. 650.00</td>
<td></td>
</tr>
<tr>
<td>4-4-35</td>
<td>288</td>
<td>None</td>
<td>None</td>
<td>30,501.50</td>
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</tr>
<tr>
<td>4-23-35</td>
<td>415</td>
<td>None</td>
<td>None</td>
<td>43,270.00</td>
<td></td>
</tr>
<tr>
<td>12-11-36</td>
<td>2,625</td>
<td>None</td>
<td>None</td>
<td>52,500.00</td>
<td></td>
</tr>
<tr>
<td>12-23-36</td>
<td>8,705</td>
<td>None</td>
<td>(Stock Dividend)*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>7,410</td>
<td>None</td>
<td>$ 150,776.50</td>
<td>89.5%</td>
<td></td>
</tr>
</tbody>
</table>

*On December 28, 1936, A.C.&T. received a stock dividend of 8,705 shares, valued at $74,100, thereby increasing its interest in common stock of the company to $224,876.50. On December 1, 1937, A.C.&T. sold their common stock to the Pennsylvania Railroad for $98,276.50. At that time, a write-off of $126,600 was made in their Profit and Loss Account.
As a result of the I.C.C. order in the Barker Motor Freight Case, it was necessary for the Pennsylvania Railroad to take over the stock of Pennsylvania Truck Lines, Inc., as a condition precedent to the Commission's approval.

In addition to the 7,410 shares of common stock held by A.C.&T., 872 additional shares were purchased from Scott Bros., Inc. and 9,000 shares of the new stock issued, bringing the total outstanding stock up to 17,282 shares.

Pennsylvania Railroad ownership in stock:

<table>
<thead>
<tr>
<th>Date Purchased</th>
<th>Shares</th>
<th>Par Value Per Share</th>
<th>Total Par Value</th>
<th>Purchase</th>
<th>% Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>12-1-37</td>
<td>1,500</td>
<td>$100.00</td>
<td>$150,000</td>
<td>$150,000</td>
<td>100.0%</td>
</tr>
<tr>
<td>3-19-37</td>
<td>872</td>
<td>None</td>
<td>None</td>
<td>$19,390.14</td>
<td></td>
</tr>
<tr>
<td>12-1-37</td>
<td>7,410</td>
<td>None</td>
<td>None</td>
<td>98,276.50</td>
<td></td>
</tr>
<tr>
<td>4-28-37</td>
<td>9,000</td>
<td>None</td>
<td>None</td>
<td>180,000.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>17,282</td>
<td>None</td>
<td></td>
<td>$297,666.64</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Investment by P.R.R. — $447,666.64

Earnings and Dividends Paid:

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross</th>
<th>(After Taxes)</th>
<th>Revenues</th>
<th>Dividends Paid to A.C.&amp;T. or P.R.R.</th>
<th>% of Return to A.C.&amp;T. or P.R.R.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1928</td>
<td>$140,837</td>
<td>$7,744</td>
<td>———</td>
<td>———</td>
<td>———</td>
</tr>
<tr>
<td>1929</td>
<td>229,288</td>
<td>5,537</td>
<td>———</td>
<td>———</td>
<td>———</td>
</tr>
<tr>
<td>1930</td>
<td>397,764</td>
<td>39,530</td>
<td>$13,650(1)</td>
<td>———</td>
<td>———</td>
</tr>
<tr>
<td>1931</td>
<td>330,331</td>
<td>28,999</td>
<td>16,800(2)</td>
<td>———</td>
<td>———</td>
</tr>
<tr>
<td>1932</td>
<td>218,078</td>
<td>12,005</td>
<td>8,700</td>
<td>———</td>
<td>———</td>
</tr>
<tr>
<td>1933</td>
<td>171,434</td>
<td>11,742</td>
<td>7,875(3)</td>
<td>———</td>
<td>———</td>
</tr>
<tr>
<td>1934</td>
<td>338,121</td>
<td>27,099</td>
<td>9,000</td>
<td>———</td>
<td>———</td>
</tr>
<tr>
<td>1935</td>
<td>597,065</td>
<td>40,074</td>
<td>9,000</td>
<td>———</td>
<td>———</td>
</tr>
<tr>
<td>1936</td>
<td>833,231</td>
<td>69,451</td>
<td>9,000</td>
<td>———</td>
<td>———</td>
</tr>
<tr>
<td>1937</td>
<td>1,178,750</td>
<td>84,386</td>
<td>2,250</td>
<td>———</td>
<td>———</td>
</tr>
<tr>
<td>1938</td>
<td>1,193,309</td>
<td>10,617</td>
<td>9,000</td>
<td>———</td>
<td>———</td>
</tr>
<tr>
<td>1939</td>
<td>1,534,962</td>
<td>44,306</td>
<td>9,000</td>
<td>———</td>
<td>———</td>
</tr>
<tr>
<td>1940</td>
<td>1,866,303</td>
<td>44,682</td>
<td>9,000</td>
<td>———</td>
<td>———</td>
</tr>
<tr>
<td>1941</td>
<td>2,430,967</td>
<td>20,607</td>
<td>9,000</td>
<td>———</td>
<td>———</td>
</tr>
<tr>
<td>1942</td>
<td>2,647,672</td>
<td>28,368</td>
<td>2,250(4)</td>
<td>———</td>
<td>———</td>
</tr>
<tr>
<td>1943</td>
<td>2,582,156</td>
<td>22,576</td>
<td>———</td>
<td>———</td>
<td>———</td>
</tr>
<tr>
<td>1944</td>
<td>2,501,827</td>
<td>112,333</td>
<td>———</td>
<td>———</td>
<td>———</td>
</tr>
<tr>
<td>1945</td>
<td>2,435,749</td>
<td>227,665</td>
<td>———</td>
<td>———</td>
<td>———</td>
</tr>
<tr>
<td>1946</td>
<td>2,441,411</td>
<td>288,473</td>
<td>———</td>
<td>———</td>
<td>———</td>
</tr>
<tr>
<td>1947</td>
<td>1,769,329</td>
<td>252,235</td>
<td>15,750(5)</td>
<td>———</td>
<td>3.5</td>
</tr>
<tr>
<td>1948</td>
<td>2,025,972</td>
<td>169,524</td>
<td>18,000(6)</td>
<td>———</td>
<td>4.0</td>
</tr>
<tr>
<td>1949</td>
<td>1,897,083</td>
<td>201,794</td>
<td>18,000(7)</td>
<td>———</td>
<td>4.0</td>
</tr>
<tr>
<td>1950</td>
<td>2,180,860</td>
<td>166,116</td>
<td>18,000(8)</td>
<td>———</td>
<td>4.0</td>
</tr>
<tr>
<td>1951</td>
<td>2,537,982</td>
<td>279,104</td>
<td>18,000(9)</td>
<td>———</td>
<td>4.0</td>
</tr>
<tr>
<td>1952</td>
<td>2,447,521</td>
<td>213,729</td>
<td>9,000</td>
<td>$8,641(3)</td>
<td>3.9</td>
</tr>
<tr>
<td>1953</td>
<td>2,539,005</td>
<td>155,506</td>
<td>9,000</td>
<td>17,860(3)</td>
<td>6.0</td>
</tr>
<tr>
<td>Year</td>
<td>Dividend Income</td>
<td>Dividend Expense</td>
<td>Dividend per Share</td>
<td>Dividend Payment</td>
<td>Notes</td>
</tr>
<tr>
<td>------</td>
<td>-----------------</td>
<td>------------------</td>
<td>--------------------</td>
<td>------------------</td>
<td>-------</td>
</tr>
<tr>
<td>1954</td>
<td>2,379,930</td>
<td>246,818</td>
<td>9,000</td>
<td>34,564</td>
<td>9.7</td>
</tr>
<tr>
<td>1955</td>
<td>3,112,264</td>
<td>338,659</td>
<td>9,000</td>
<td>34,564</td>
<td>9.7</td>
</tr>
<tr>
<td>1956</td>
<td>3,232,347</td>
<td>256,235</td>
<td>9,000</td>
<td>95,051</td>
<td>23.2</td>
</tr>
</tbody>
</table>

Note: (1) Covers period May 15, 1928 to December 31, 1929.
(2) Covers years 1930 and 1931.
(3) Due to adjustment to paying dividends on quarterly basis.
(4) Partial payment (25%).
(5) Covers balance of 1942 dividend (75%) plus dividend for year 1943.
(6) Covers years 1944 and 1945.
(7) Covers years 1946 and 1947.
(8) Covers years 1948 and 1949.
(9) Covers years 1950 and 1951.

Books kept in Pittsburgh, Pa.

Stockholders' Annual Meeting — First Thursday in April at Pittsburgh, Pa.
Penntruck Company, Inc.
(INDIANAPOLIS, IND.)

Incorporated: May 7, 1934 in State of Indiana

Original company was The Willett Company of Indiana. Name changed to Penntruck Company January 10, 1947.

Capital Stock: (As of January 1, 1957)

Issued

<table>
<thead>
<tr>
<th>Common</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Par Value — $25.00 per share</td>
<td>(None issued)</td>
</tr>
<tr>
<td>Shares</td>
<td>Book Value</td>
</tr>
<tr>
<td>12,000</td>
<td>$ 300,000</td>
</tr>
</tbody>
</table>

Authorized

<table>
<thead>
<tr>
<th>Common</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td>Book Value</td>
</tr>
<tr>
<td>12,000</td>
<td>$ 300,000</td>
</tr>
</tbody>
</table>

American Contract & Trust Company ownership in common stock:

<table>
<thead>
<tr>
<th>Date Purchased</th>
<th>Shares</th>
<th>Par Value</th>
<th>Par Value</th>
<th>Purchase Price</th>
<th>% Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>9-29-34</td>
<td>16</td>
<td>$ 25.00</td>
<td>$ 400</td>
<td>$ 400</td>
<td></td>
</tr>
<tr>
<td>1-10-35</td>
<td>224</td>
<td>25.00</td>
<td>5,600</td>
<td>5,600</td>
<td></td>
</tr>
<tr>
<td>11-19-35</td>
<td>1,760</td>
<td>25.00</td>
<td>44,000</td>
<td>44,000</td>
<td></td>
</tr>
<tr>
<td>12-30-35</td>
<td>800</td>
<td>25.00</td>
<td>20,000</td>
<td>20,000</td>
<td></td>
</tr>
<tr>
<td>4-16-48</td>
<td>9,200</td>
<td>25.00</td>
<td>236,000</td>
<td>230,000</td>
<td></td>
</tr>
</tbody>
</table>

Total 12,000  $300,000  $300,000  100%

Investment by A.C.&T. — $300,000

Earnings and Dividends Paid:

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross</th>
<th>Net (After Taxes)</th>
<th>Revenues</th>
<th>Dividends Paid to A.C.&amp;T.</th>
<th>% of Return to A.C.&amp;T.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1934</td>
<td>$ 5,093</td>
<td>$ 798</td>
<td>——</td>
<td>——</td>
<td>——</td>
</tr>
<tr>
<td>1935</td>
<td>35,785</td>
<td>6,758</td>
<td>——</td>
<td>——</td>
<td>——</td>
</tr>
<tr>
<td>1936</td>
<td>64,691</td>
<td>3,339</td>
<td>$ 8,400</td>
<td>12.0</td>
<td></td>
</tr>
<tr>
<td>1937</td>
<td>62,991</td>
<td>7,607</td>
<td>9,520</td>
<td>13.6</td>
<td></td>
</tr>
<tr>
<td>1938</td>
<td>64,985</td>
<td>11,420</td>
<td>11,200</td>
<td>16.0</td>
<td></td>
</tr>
<tr>
<td>1939</td>
<td>71,823</td>
<td>12,463</td>
<td>11,200</td>
<td>16.0</td>
<td></td>
</tr>
<tr>
<td>1940</td>
<td>132,820</td>
<td>17,684</td>
<td>11,200</td>
<td>16.0</td>
<td></td>
</tr>
<tr>
<td>1941</td>
<td>220,564</td>
<td>18,936</td>
<td>——</td>
<td>——</td>
<td></td>
</tr>
<tr>
<td>1942</td>
<td>312,303</td>
<td>22,612</td>
<td>——</td>
<td>——</td>
<td></td>
</tr>
<tr>
<td>1943</td>
<td>357,316</td>
<td>18,298</td>
<td>——</td>
<td>——</td>
<td></td>
</tr>
<tr>
<td>1944</td>
<td>371,573</td>
<td>7,715</td>
<td>——</td>
<td>——</td>
<td></td>
</tr>
<tr>
<td>1945</td>
<td>476,218</td>
<td>690</td>
<td>——</td>
<td>——</td>
<td></td>
</tr>
<tr>
<td>1946</td>
<td>814,238</td>
<td>19,112</td>
<td>——</td>
<td>——</td>
<td></td>
</tr>
<tr>
<td>1947</td>
<td>1,361,311</td>
<td>93,572</td>
<td>5,600</td>
<td>8.0</td>
<td></td>
</tr>
<tr>
<td>1948</td>
<td>1,373,903</td>
<td>142,377</td>
<td>24,000</td>
<td>8.0</td>
<td></td>
</tr>
<tr>
<td>Year</td>
<td>Books in Chicago, Ill.</td>
<td>48,637</td>
<td>48,000</td>
<td>16.0</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>-----------------------</td>
<td>--------</td>
<td>--------</td>
<td>------</td>
<td></td>
</tr>
<tr>
<td>1950</td>
<td>1,228,461</td>
<td>84,857</td>
<td>24,000</td>
<td>8.0</td>
<td></td>
</tr>
<tr>
<td>1951</td>
<td>1,386,792</td>
<td>62,541</td>
<td>24,000</td>
<td>8.0</td>
<td></td>
</tr>
<tr>
<td>1952</td>
<td>1,429,570</td>
<td>36,527</td>
<td>12,000</td>
<td>4.0</td>
<td></td>
</tr>
<tr>
<td>1953</td>
<td>1,344,067</td>
<td>20,860</td>
<td>18,000</td>
<td>6.0</td>
<td></td>
</tr>
<tr>
<td>1954</td>
<td>1,239,189</td>
<td>50,602</td>
<td>24,000</td>
<td>8.0</td>
<td></td>
</tr>
<tr>
<td>1955</td>
<td>1,404,492</td>
<td>117,420</td>
<td>24,000</td>
<td>8.0</td>
<td></td>
</tr>
<tr>
<td>1956</td>
<td>1,512,085</td>
<td>131,594</td>
<td>66,000</td>
<td>22.0</td>
<td></td>
</tr>
</tbody>
</table>

Books kept in Chicago, Ill.

Stockholders’ Annual Meeting — Third Wednesday in May at Chicago, Ill.
Scott Bros., Inc.
(PHILADELPHIA, PA.)

Incorporated: June 25, 1926 in State of Delaware, being successor to the partnership of Scott Bros. and the corporation Scott Bros., Inc.

Capital Stock: (As of January 1, 1957)

Issued

<table>
<thead>
<tr>
<th>Common</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Par Value</td>
<td>$100.00 per share</td>
</tr>
<tr>
<td>Shares</td>
<td>Book Value</td>
</tr>
<tr>
<td>$180,000</td>
<td>$100.00 per share</td>
</tr>
</tbody>
</table>

Authorized

<table>
<thead>
<tr>
<th>Common</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td>Book Value</td>
</tr>
<tr>
<td>$200,000</td>
<td>None</td>
</tr>
</tbody>
</table>

Voting powers vested exclusively in common stock

American Contract & Trust Company ownership in common stock:

<table>
<thead>
<tr>
<th>Date Purchased</th>
<th>Shares</th>
<th>Par Value</th>
<th>Total Par Value</th>
<th>Purchase Price</th>
<th>% Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>12-15-26</td>
<td>2,500</td>
<td>None</td>
<td>None</td>
<td>$25,000</td>
<td></td>
</tr>
<tr>
<td>7-14-33</td>
<td>1,000</td>
<td>None</td>
<td>None</td>
<td>20,070</td>
<td></td>
</tr>
<tr>
<td>7-20-33</td>
<td>1,500</td>
<td>None</td>
<td>None</td>
<td>30,105</td>
<td></td>
</tr>
<tr>
<td>3-2-35</td>
<td>2,650</td>
<td>None</td>
<td>None</td>
<td>106,000</td>
<td></td>
</tr>
<tr>
<td>3-4-35</td>
<td>725</td>
<td>None</td>
<td>None</td>
<td>29,000</td>
<td></td>
</tr>
<tr>
<td>3-6-35</td>
<td>25</td>
<td>None</td>
<td>None</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>12-21-36</td>
<td>6,720</td>
<td>None</td>
<td>None</td>
<td>(Stock Dividend)</td>
<td></td>
</tr>
<tr>
<td>10-19-38</td>
<td>1,600</td>
<td>None</td>
<td>None</td>
<td>64,000</td>
<td></td>
</tr>
<tr>
<td>11-23-38</td>
<td>1,120</td>
<td>None</td>
<td>None</td>
<td>35,840</td>
<td></td>
</tr>
<tr>
<td>12-30-38</td>
<td>160</td>
<td>None</td>
<td>None</td>
<td>5,131</td>
<td></td>
</tr>
</tbody>
</table>

18,000 None $316,146 100.0%

Note: Although cash investment by American Contract & Trust Company to purchase stock amounted to $316,146, other intangibles cost $2,000, making the total cash invested $318,146. A stock dividend of 6,720 shares, valued at $67,200, was received in 1936. A.C.&T's investment is now $385,346.

Investment by A.C.&T. — $316,146

Earnings and Dividends Paid:

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross</th>
<th>Net (After Taxes)</th>
<th>Total Dividends Paid</th>
<th>Dividends Paid to A.C.&amp;T.</th>
<th>% of Return to A.C.&amp;T.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1927</td>
<td>$841,076</td>
<td>$99,149</td>
<td>$10,000</td>
<td>$5,955</td>
<td>$1,500</td>
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<tr>
<td>1928</td>
<td>906,795</td>
<td>62,938</td>
<td>15,030</td>
<td>6,000</td>
<td>1,500</td>
</tr>
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<td>1929</td>
<td>1,032,966</td>
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</tr>
<tr>
<td>1930</td>
<td>984,177</td>
<td>81,827</td>
<td>10,020</td>
<td>6,000</td>
<td>1,500</td>
</tr>
<tr>
<td>1931</td>
<td>800,503</td>
<td>81,067</td>
<td>10,020</td>
<td>6,000</td>
<td>1,500</td>
</tr>
<tr>
<td>1932</td>
<td>678,448</td>
<td>47,986</td>
<td>10,020</td>
<td>6,000</td>
<td>1,500</td>
</tr>
<tr>
<td>1933</td>
<td>627,118</td>
<td>46,394</td>
<td>4,068</td>
<td>33,000</td>
<td>15,750</td>
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</table>

159
<table>
<thead>
<tr>
<th>Year</th>
<th>Miles</th>
<th>Revenue</th>
<th>P. R. O.</th>
<th>T. T.</th>
<th>T. C.</th>
<th>P. R. O.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1934</td>
<td>750,227</td>
<td>74,100</td>
<td>2,634</td>
<td>10,000</td>
<td>5,000</td>
<td>6.7</td>
</tr>
<tr>
<td>1935</td>
<td>813,149</td>
<td>74,879</td>
<td>1,266</td>
<td>16,500</td>
<td>13,860</td>
<td>7.9</td>
</tr>
<tr>
<td>1936</td>
<td>1,058,362</td>
<td>94,209</td>
<td>1,266</td>
<td>40,000</td>
<td>33,600</td>
<td>15.8</td>
</tr>
<tr>
<td>1937</td>
<td>1,510,965</td>
<td>128,425</td>
<td>1,266</td>
<td>120,600</td>
<td>101,304</td>
<td>47.5</td>
</tr>
<tr>
<td>1938</td>
<td>1,170,505</td>
<td>77,916</td>
<td>633</td>
<td>104,000</td>
<td>98,880</td>
<td>43.1</td>
</tr>
<tr>
<td>1939</td>
<td>1,254,488</td>
<td>31,503</td>
<td>—</td>
<td>18,000</td>
<td>18,000</td>
<td>5.7</td>
</tr>
<tr>
<td>1940</td>
<td>1,438,698</td>
<td>19,371</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1941</td>
<td>2,012,672</td>
<td>13,755</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1942</td>
<td>2,583,121</td>
<td>48,814</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1943</td>
<td>3,143,924</td>
<td>4,031</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1944</td>
<td>3,297,610</td>
<td>Def. 32,568</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1945</td>
<td>3,993,963</td>
<td>Def. 90,935</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1946</td>
<td>2,803,056</td>
<td>65,714</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1947</td>
<td>3,176,521</td>
<td>232,402</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1948</td>
<td>3,040,207</td>
<td>156,737</td>
<td>—</td>
<td>18,000</td>
<td>18,000</td>
<td>5.7</td>
</tr>
<tr>
<td>1949</td>
<td>3,240,597</td>
<td>110,813</td>
<td>—</td>
<td>18,000</td>
<td>18,000</td>
<td>5.7</td>
</tr>
<tr>
<td>1950</td>
<td>2,272,946</td>
<td>118,035</td>
<td>—</td>
<td>18,000</td>
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<td>5.7</td>
</tr>
<tr>
<td>1951</td>
<td>2,787,651</td>
<td>195,921</td>
<td>—</td>
<td>18,000</td>
<td>18,000</td>
<td>5.7</td>
</tr>
<tr>
<td>1952</td>
<td>2,732,438</td>
<td>151,272</td>
<td>—</td>
<td>18,000</td>
<td>18,000</td>
<td>5.7</td>
</tr>
<tr>
<td>1953</td>
<td>2,880,060</td>
<td>121,279</td>
<td>—</td>
<td>19,089</td>
<td>19,089</td>
<td>6.2</td>
</tr>
<tr>
<td>1954</td>
<td>2,476,191</td>
<td>87,051</td>
<td>—</td>
<td>22,500</td>
<td>22,500</td>
<td>7.1</td>
</tr>
<tr>
<td>1955</td>
<td>3,347,811</td>
<td>269,412</td>
<td>—</td>
<td>22,500</td>
<td>22,500</td>
<td>7.1</td>
</tr>
<tr>
<td>1956</td>
<td>3,584,312</td>
<td>142,792</td>
<td>—</td>
<td>45,000</td>
<td>45,000</td>
<td>14.1</td>
</tr>
</tbody>
</table>


Union Station Transfer Company  
(DAYTON, OHIO)

Incorporated: October 24, 1929 in the State of Ohio  
Formerly this company was known as Union Station Company.

Capital Stock:  (As of January 1, 1947)

<table>
<thead>
<tr>
<th></th>
<th>Common</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Par Value</td>
<td>$100.00 per share</td>
<td>(None issued)</td>
</tr>
<tr>
<td>Shares</td>
<td>250</td>
<td></td>
</tr>
<tr>
<td>Book Value</td>
<td>$25,000</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Issue</th>
<th>Common</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td>500</td>
<td>(None authorized)</td>
</tr>
<tr>
<td>Book Value</td>
<td>$50,000</td>
<td></td>
</tr>
</tbody>
</table>

American Contract & Trust Company ownership in common stock:

<table>
<thead>
<tr>
<th>Date Purchased</th>
<th>Shares</th>
<th>Par Value Per Share</th>
<th>Total Par Value</th>
<th>Purchase Price</th>
<th>% Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>11-12-29</td>
<td>75</td>
<td>$100.00</td>
<td>$7,500</td>
<td>$15,000</td>
<td>30%</td>
</tr>
</tbody>
</table>

Balance of stock owned by J. G. Hill (88 Shares) and W. F. Grieser (87 Shares).

Investment by A.C.&T. — $15,000

Earnings and Dividends Paid:

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross</th>
<th>Revenues</th>
<th>Dividends Paid</th>
<th>% of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(After Taxes)</td>
<td>to A.C.&amp;T. Common</td>
<td>to A.C.&amp;T.</td>
</tr>
<tr>
<td>1929</td>
<td>$10,647</td>
<td>Def. $246</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1930</td>
<td>82,679</td>
<td>Def. 4,790</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1931</td>
<td>75,062</td>
<td>Def. 2,983</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1932</td>
<td>56,163</td>
<td>Def. 7,856</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1933</td>
<td>50,417</td>
<td>Def. 6,326</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1934</td>
<td>68,833</td>
<td>289</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1935</td>
<td>65,703</td>
<td>370</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1936</td>
<td>84,482</td>
<td>2,648</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1937</td>
<td>101,926</td>
<td>2,207</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1938</td>
<td>36,063</td>
<td>2,393</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1939</td>
<td>27,026</td>
<td>1,192</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1940</td>
<td>28,907</td>
<td>3,423</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1941</td>
<td>94,750</td>
<td>3,174</td>
<td>$900</td>
<td>6.0</td>
</tr>
<tr>
<td>1942</td>
<td>158,457</td>
<td>871</td>
<td>900</td>
<td>6.0</td>
</tr>
<tr>
<td>1943</td>
<td>211,720</td>
<td>3,440</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1944</td>
<td>230,587</td>
<td>2,276</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1945</td>
<td>235,164</td>
<td>13,435</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1946</td>
<td>310,832</td>
<td>1,677</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Entire holdings sold by American Contract & Trust Company to J. G. Hill for $7,500 on March 19, 1947. (A.C.&T. wrote off $7,500 to Profit and Loss).

This company also owned the Hill Transfer Company which was incorporated February 22, 1938 and dissolved December 28, 1944.
Union Transfer Affiliated Company
(Philadephia, Pa.)

Incorporated: June 20, 1935 in State of Pennsylvania

Capital Stock: (As of January 1, 1948)

Issued

<table>
<thead>
<tr>
<th>Common</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Par Value — $50.00 per share</td>
<td>(None issued)</td>
</tr>
<tr>
<td>Shares</td>
<td>Book Value</td>
</tr>
<tr>
<td>3,000</td>
<td>$150,000</td>
</tr>
</tbody>
</table>

Authorized

<table>
<thead>
<tr>
<th>Common</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td>Book Value</td>
</tr>
<tr>
<td>3,000</td>
<td>$150,000</td>
</tr>
</tbody>
</table>

American Contract & Trust Company ownership in common stock:

<table>
<thead>
<tr>
<th>Date Purchased</th>
<th>Shares</th>
<th>Par Value</th>
<th>Total Par Value</th>
<th>Purchase Price</th>
<th>% Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-26-35</td>
<td>1,000</td>
<td>$50.00</td>
<td>$50,000</td>
<td>$50,000</td>
<td></td>
</tr>
<tr>
<td>6-24-36</td>
<td>2,000</td>
<td>50.00</td>
<td>100,000</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,000</td>
<td></td>
<td>$150,000</td>
<td>$150,000</td>
<td>100.0%</td>
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</table>

Earnings and Dividends Paid:

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross (After Taxes)</th>
<th>Net to A.C.&amp;T.</th>
<th>Dividends Paid to A.C.&amp;T.</th>
<th>% of Return to A.C.&amp;T.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1935</td>
<td>$274,590</td>
<td>$5,512</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1936</td>
<td>587,857</td>
<td>5,101</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1937</td>
<td>524,140</td>
<td>4,407</td>
<td>—</td>
<td>—</td>
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<tr>
<td>1938</td>
<td>433,311</td>
<td>538</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1939</td>
<td>438,408</td>
<td>5,724</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1940</td>
<td>364,999</td>
<td>Def. 21,360</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1941</td>
<td>486,170</td>
<td>6,548</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1942</td>
<td>599,983</td>
<td>17,203</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1943</td>
<td>626,834</td>
<td>Def. 10,906</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1944</td>
<td>556,006</td>
<td>Def. 15,550</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1945</td>
<td>542,618</td>
<td>Def. 18,981</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1946</td>
<td>526,758</td>
<td>1,366</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1947</td>
<td>497,686</td>
<td>5,841</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1948</td>
<td>56,025</td>
<td>32,861</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

Operations of this company suspended February 28, 1948.

Operating rights were sold to A. Duie Pyle, James P. Clark and
L. Louis Evans for $42,000.

On July 28, 1948, Union Transfer Affiliated paid American Contract & Trust Company $156,282.73 as settlement for outstanding stock and, at a later date, paid the balance of the company's cash ($222.73), making a total payment of $156,505.46. Since A.C.&T. had to pay company's corporate and federal income taxes, amounting to $10,324.58, A.C.&T. only realized $146,180.88 on its original investment of $150,000. $3,819.12 was charged to profit and loss.

Dissolution proceedings completed October 20, 1949.
The Willett Company
(CHICAGO, ILL.)

Incorporated: March 4, 1930 in State of Illinois

Capital Stock: (As of January 1, 1957)

<table>
<thead>
<tr>
<th>Issued Common</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Par Value — None</td>
<td>(None issued)</td>
</tr>
<tr>
<td>Shares</td>
<td>Book Value</td>
</tr>
<tr>
<td>31,800</td>
<td>$462,556</td>
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</table>

<table>
<thead>
<tr>
<th>Authorized Common</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td>Book Value</td>
</tr>
<tr>
<td>50,000</td>
<td>(None authorized)</td>
</tr>
</tbody>
</table>

American Contract & Trust Company ownership in common stock:

<table>
<thead>
<tr>
<th>Date Purchased</th>
<th>Shares</th>
<th>Par Value</th>
<th>Total</th>
<th>Par Value</th>
<th>Purchase Price</th>
<th>% Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-31-30</td>
<td>8,000</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>$400,000</td>
<td>33.33%</td>
</tr>
<tr>
<td>11-30-36</td>
<td>2,000</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>(Stock Dividend)</td>
<td>33.33%</td>
</tr>
<tr>
<td>12-30-37</td>
<td>600</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>(Stock Dividend)</td>
<td>33.33%</td>
</tr>
<tr>
<td>Total</td>
<td>10,600</td>
<td>None</td>
<td>None</td>
<td>$400,000</td>
<td>33.33%</td>
<td></td>
</tr>
</tbody>
</table>

Balance of stock (21,200 shares) owned by Willett Motor Coach Company

Note: Although cash investment by American Contract and Trust Co. to purchase stock amounted to $400,000, stock dividends of 2,000 shares in 1936 and 600 shares in 1937 increased American Contract and Trust Company's holding to 10,000 shares of stock valued on books at $442,000.

Investment by A.C.&T. — $400,000

Earnings and Dividends Paid:

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross</th>
<th>(After Taxes)</th>
<th>Dividends Paid to A.C.&amp;T.</th>
<th>% of Return to A.C.&amp;T.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1930</td>
<td>$971,354</td>
<td>$59,504</td>
<td>$16,000</td>
<td>4.0</td>
</tr>
<tr>
<td>1931</td>
<td>808,705</td>
<td>44,667</td>
<td>10,000</td>
<td>2.5</td>
</tr>
<tr>
<td>1932</td>
<td>658,074</td>
<td>35,373</td>
<td>16,000</td>
<td>4.0</td>
</tr>
<tr>
<td>1933</td>
<td>604,993</td>
<td>45,507</td>
<td>16,000</td>
<td>4.0</td>
</tr>
<tr>
<td>1934</td>
<td>757,022</td>
<td>36,293</td>
<td>8,000</td>
<td>2.0</td>
</tr>
<tr>
<td>1935</td>
<td>833,176</td>
<td>89,722</td>
<td>20,000</td>
<td>5.0</td>
</tr>
<tr>
<td>1936</td>
<td>1,074,634</td>
<td>109,733</td>
<td>4,000 (1)</td>
<td>1.0</td>
</tr>
<tr>
<td>1937</td>
<td>1,657,889</td>
<td>130,227</td>
<td>26,000 (2)</td>
<td>6.5</td>
</tr>
<tr>
<td>1938</td>
<td>1,155,213</td>
<td>136,043</td>
<td>31,800</td>
<td>8.0</td>
</tr>
<tr>
<td>1939</td>
<td>1,559,261</td>
<td>210,470</td>
<td>42,400</td>
<td>10.6</td>
</tr>
<tr>
<td>1940</td>
<td>1,724,841</td>
<td>175,965</td>
<td>42,400</td>
<td>10.6</td>
</tr>
<tr>
<td>1941</td>
<td>2,185,511</td>
<td>196,627</td>
<td>37,100</td>
<td>9.3</td>
</tr>
<tr>
<td>1942</td>
<td>2,544,239</td>
<td>134,931</td>
<td>21,200</td>
<td>5.3</td>
</tr>
<tr>
<td>1943</td>
<td>2,749,921</td>
<td>146,054</td>
<td>10,600</td>
<td>2.6</td>
</tr>
</tbody>
</table>
American Contract & Trust Company, through its 33-1/3% stock interest in this company, is also interested in the following wholly-owned subsidiary companies of The Willett Company:

1. Willett Transports, Inc.
2. Jefferson Corporation
3. Willett Radio Corporation

Note 1: In addition to the cash dividend of $4,000, A.C.&T. received a stock dividend of 2,000 shares valued at $32,000.

Note 2: In addition to the cash dividend of $26,000, A.C.&T. received a stock dividend of 600 shares valued at $10,000.
Willett Truck Leasing Company
(CHICAGO, ILL.)

Incorporated: November 24, 1953 in State of Illinois

Company was originally incorporated in the State of Delaware on January 8, 1934 as "The Truck Leasing Corporation of America." The company was reorganized and reincorporated in the State of Illinois on November 24, 1953, and name changed to "Willett Truck Leasing Company, Inc."

Capital Stock: (As of January 1, 1956)

<table>
<thead>
<tr>
<th>Issued</th>
<th>Common</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Par Value</td>
<td>$10.00 per share</td>
<td>(None issued)</td>
</tr>
<tr>
<td>Shares</td>
<td>78,081</td>
<td></td>
</tr>
<tr>
<td>Book Value</td>
<td>$ 780,810</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Authorized Common</th>
<th>Par Value</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td>Book Value</td>
<td></td>
</tr>
<tr>
<td>150,000</td>
<td>$1,500,000</td>
<td></td>
</tr>
</tbody>
</table>

American Contract & Trust Company ownership in common stock:

<table>
<thead>
<tr>
<th>Date Purchased</th>
<th>Shares</th>
<th>Par Value</th>
<th>Purchase Price</th>
<th>% Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>12-29-53</td>
<td>3,000</td>
<td>$10.00</td>
<td>$30,000</td>
<td>33-1/3%</td>
</tr>
<tr>
<td>12-31-53</td>
<td>23,027</td>
<td>10.00</td>
<td>230,270</td>
<td>33-1/3%</td>
</tr>
</tbody>
</table>

Total 26,027 $260,270 $260,270

Balance of stock (52,054 shares) owned by Willett Motor Coach Company

Investment by A.C.&T. — $260,270

Earnings and Dividends Paid:

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross</th>
<th>Net (After Taxes)</th>
<th>Revenues</th>
<th>Dividends Paid to A.C.&amp;T.</th>
<th>% of Return to A.C.&amp;T.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1953</td>
<td>$78,833</td>
<td>$10,663 (1 Mo.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1954</td>
<td>710,027</td>
<td>50,368</td>
<td></td>
<td>$6,507</td>
<td>21.7</td>
</tr>
<tr>
<td>1955</td>
<td>852,252</td>
<td>27,403</td>
<td></td>
<td>6,507</td>
<td>21.7</td>
</tr>
<tr>
<td>1956</td>
<td>1,352,006</td>
<td>63,269</td>
<td></td>
<td>9,109</td>
<td>30.4</td>
</tr>
</tbody>
</table>

Company owned 100% interest in Delaware Willett Truck Leasing Company which was merged into this company, effective March 31, 1956.