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# RAILWAY EXPRESS

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# RAILWAY EXPRESS

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## INTRODUCTION

The organization of express operations in North America dates back to 1839. In that year, a former conductor on the Boston and Worcester Railway named William Frederick Harndon advertised arrangements to carry small parcels and packages between Boston and New York and to attend to the purchase of goods as well as the purchase of drafts, notes and other financial papers. Alvin Adams, also of the United States, followed with a similar service in 1840 and during the next five years express systems were incorporated by numerous others, and operated between the more important towns in the U.S. The celebrated "pony express" was started in 1860 providing service between San Francisco and St. Joseph, Missouri.

The Canadian Express Company was incorporated in 1865 and thus was the pioneer express company in Canada. The Grand Trunk Railway purchased its' capital stock in 1891. The Dominion Express Company was incorporated in 1882 in trust for the Canadian Pacific and the Canadian Northern Express Company appeared in 1902 operating over Canadian Northern lines. On the taking over of the Canadian Northern and Grand Trunk Railways by the Government and the consolidation of the Canadian National System, the express businesses of the two companies were amalgamated under one management from 1921 and named Canadian National Express. The Central Canada Express Company was taken over by Canadian National in 1928 but during the next year, on the formation of the Northern Alberta Railways, the express business formerly handled by Canada Express became a department of the new company.

When there was a general consolidation of railways in the United States during the First World War, the express companies operating on Canadian sections of U.S. railways were amalgamated under the name American Railway Express. This was succeeded in 1930 by the Railway Express Agency, which is now owned by the principal Class 1 railroads in the U.S.

In the beginning, express companies in Canada set their own rates but in 1906 they were placed under the Railway Commission. In 1919 a rate system was established which grouped the country into three main blocks or districts for express purposes and in 1928 a regular tariff was established for air express between Toronto and Rimouski; the first regular organized air express service in this country.

Express traffic is carried by railways, airlines, motor transport and steamship. In addition to the movement of goods, express companies offer other services, one of which is the transmission of money, through the medium of travellers' cheques, money orders and other types of financial paper.

Today, there are two express companies in operation in Canada, the Canadian Pacific Express Company and the Railway Express Agency, and three railways having departments to handle their express services. These are the Canadian National Railways, the Algoma Central and Hudson Bay Railway and the Northern Alberta Railways.

During the past few years the Canadian Pacific and the Canadian National Railways have introduced and are continuing to develop new integrated services for package freight and less than carload shipments. Merchandise Services and Express-freight, as they are called by the CPR and CNR respectively, are an attempt to provide a speedier, more economical and more flexible service for shippers, through the coordination and use of piggy-back and other rail and highway transport techniques.

CP's Merchandise Services embodies the integration of express, rail L.C.L. and truck operations, and all ground service for air cargo and air express. This involves the consolidation of the passenger train express service, cartage, pick-up and delivery, and freight shed operations into a single operation with its own handling, loading and hauling facilities.

Introduced on a gradual basis in 1959 on Vancouver Island, Merchandise Services was extended to various points in British Columbia in 1960, Alberta in 1961 and Saskatchewan and Manitoba to the Lakehead in 1963. In Eastern Canada the operation is not yet fully integrated but consolidation of express and less-than-carload freight handling was completed in 1964.

CN's coordinated service, Express-freight, emerged from the gradual consolidation of express and L.C.L. freight services across the system and is based on trains handling the long haul between centrally-located road-rail terminals, and highway vehicles performing pick-up and delivery services in the districts surrounding these central points. Important operational concepts of the plan are the railhead principle and the master agency idea; the former refers to a community which becomes designated as the main distributing center for a defined area; the latter provides customers in smaller, scattered communities surrounding the railhead with the advantages of urban-type railway communications and service.

Introduced on an experimental basis in the Atlantic Region in 1959, Express-freight is now operating at a number of communities across the CN system.

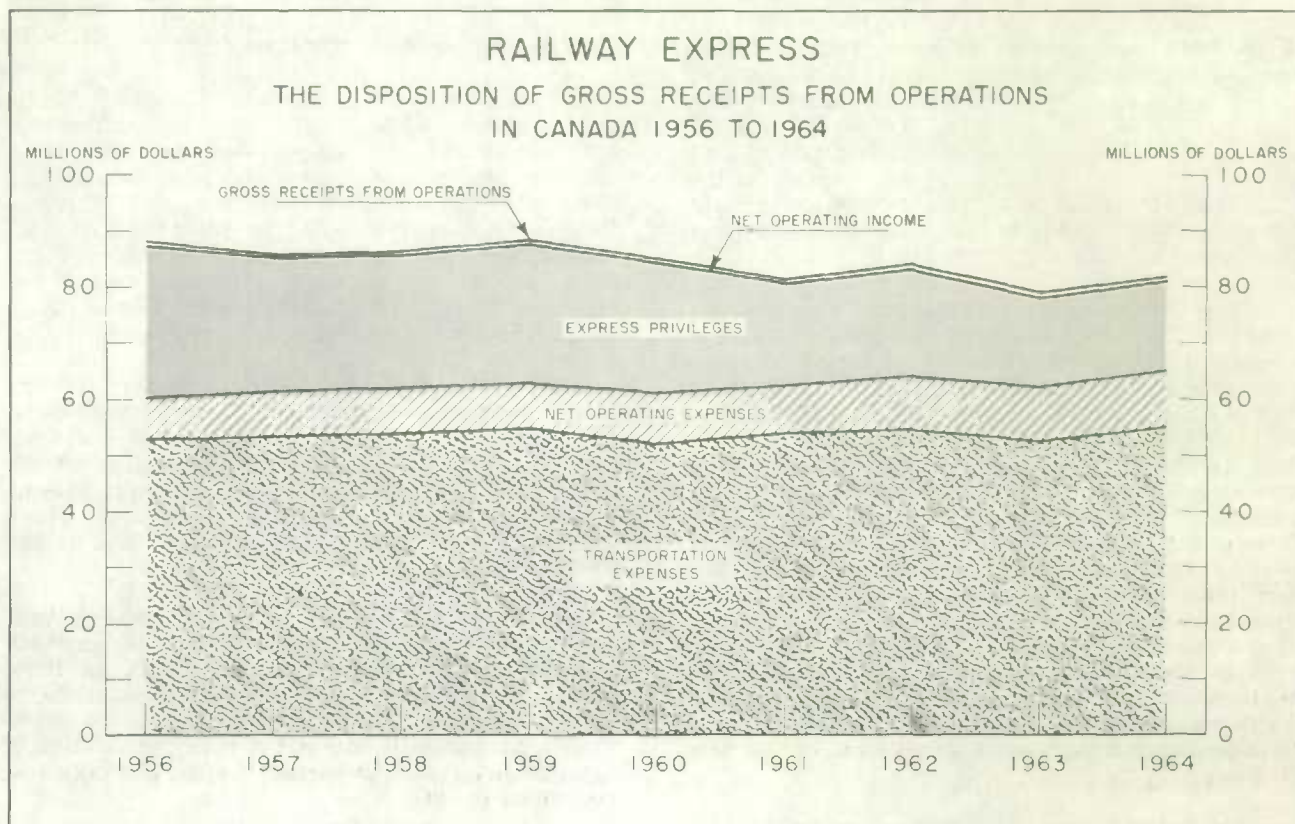
The effects of the changing express concept on statistics reported in this publication are difficult to measure and will remain so until the integration

processes have been completed. At that time it is proposed to review this publication and incorporate any necessary changes in the presentation of the data.

**Statistical Analysis, 1964**

Gross receipts of rail express companies operating in Canada increased 3.4 per cent to \$81,728,007 in 1964 from \$79,031,998 in 1963.

Express privileges (the portion of express company earnings paid railways for carrying express packages) amounted to \$16,162,703 as against \$16,167,030 the previous year. Thus, operating revenues (gross receipts minus express privileges) amounted to \$65,565,304, up 4.3 per cent from \$62,864,968 in 1963. Operating expenses rose 4.5 per cent to \$64,918,242 from \$62,127,111 and, as a result, the net operating income declined to \$647,062 from \$737,857 in 1963.



A breakdown of express operating revenues shows that those incidental to transportation amounted to \$79,748,367, up from \$76,956,878 in 1963. Other revenues such as customhouse brokerage fees, money orders, travellers' cheques, etc., totalled \$1,979,640 in contrast to \$2,075,120 one year earlier.

As in previous years, transportation expenses accounted for over 85 per cent of all operating costs. This figure amounted to \$55,018,592 in 1964 as compared with \$52,697,774 in the previous year.

Investments in real property and equipment at the close of 1964 totalled \$11,421,189, a drop of \$5,117,001 from \$16,538,190 in 1963. This decline was mainly attributable to the transfer of property investments to railway accounts following the

physical integration of express and L.C.L. freight services.

The number of employees engaged in the rail express business in Canada continued to decline in 1964 and further reflected the road-rail consolidation processes. Employment totalled 7,346 in 1964, down from 8,282 a year earlier and from 10,733 in 1960. Total salaries and wages in 1964 declined to \$32,398,891 from \$35,386,525 but average annual earnings rose to \$4,410 from \$4,273 a year earlier. Commissions paid to other than express employees amounted to \$2,233,255 as against \$2,316,610 in 1963.

During 1964 express services as provided by railways operating in Canada were available over a combined land, sea and air distance of 76,025 route miles. This compared with 74,293 miles in the earlier year.

Railway Express, 1964

	Algoma Central and Hudson Bay Railway Company	Canadian National Express Company	Canadian Pacific Express Company	Northern Alberta Railways Company	Railway Express Agency Inc.	Total
	dollars					
<b>Operating revenues:</b>						
Transportation:						
Express .....	64,248	44,802,000	28,438,739	314,946	5,618,318	79,238,251
Miscellaneous .....	-	88,189	421,927	-	-	510,116
<b>Totals .....</b>	<b>64,248</b>	<b>44,890,189</b>	<b>28,860,666</b>	<b>314,946</b>	<b>5,618,318</b>	<b>79,748,367</b>
Other:						
Customhouse brokerage fees .....	-	34,670	16,336	-	-	51,006
Order and Commission Departments .....	-	-	-	-	-	-
Rents of buildings and other property .....	-	-	7,552	-	-	7,552
Money orders, domestic and foreign .....	2,494	354,519	345,868	-	-	702,881
Travellers' cheques, domestic and foreign .....	-	1,852	96,390	-	-	98,242
"C.O.D." cheques .....	72	501,720	413,075	-	-	914,867
Telegraphic transfers .....	-	-	-	-	-	-
Letters of credit .....	-	-	-	-	-	-
Other revenue, Financial Department .....	-	-	120,120	-	-	120,120
Miscellaneous revenues .....	-	25,544	-	2,943	56,485	84,972
<b>Totals .....</b>	<b>2,566</b>	<b>918,305</b>	<b>999,341</b>	<b>2,943</b>	<b>56,485</b>	<b>1,979,640</b>
<b>Gross receipts from operations .....</b>	<b>66,814</b>	<b>45,808,494</b>	<b>29,860,007</b>	<b>317,889</b>	<b>5,674,803</b>	<b>81,728,007</b>
Express privileges, Dr. ....	22,800	8,651,953	6,124,418	123,640	1,239,892	16,162,703
<b>Total operating revenues .....</b>	<b>44,014</b>	<b>37,156,541</b>	<b>23,735,589</b>	<b>194,249</b>	<b>4,434,911</b>	<b>65,565,304</b>
<b>Operating expenses:</b>						
Maintenance .....	1,338	1,624,292	1,771,181	4,391	277,794	3,678,996
Traffic .....	1,203	138,866	193,941	2,563	112,583	449,156
Transportation .....	50,610	32,568,774	18,453,649	171,081	3,774,478	55,018,592
General .....	4,991	2,117,982	2,080,032	15,395	244,938	4,463,338
Provision for income taxes .....	Cr. 7,301	-	153,000	-	-	145,699
Other taxes .....	-	213,582	936,786	819	11,274	1,162,461
<b>Total operating expenses .....</b>	<b>50,841</b>	<b>36,663,496</b>	<b>23,588,589</b>	<b>194,249</b>	<b>4,421,067</b>	<b>64,918,242</b>
<b>Income account:</b>						
Operating revenues .....	44,014	37,156,541	23,735,589	194,249	4,434,911	65,565,304
Operating expenses .....	50,841	36,663,496	23,588,589	194,249	4,421,067	64,918,242
Net operating income (or loss) .....	Dr. 6,827	493,045	147,000	-	13,844	647,062
Other income .....	-	-	136,303	-	-	136,303
Other deductions .....	-	-	77,316	-	-	77,316
Net income (or deficit) .....	Dr. 6,827	493,045	205,987	-	13,844	706,049
<b>Capital stock:</b>						
Common, issued at par value .....	-	1,000,000	4,250,000	-	-	5,250,000
Preferred, issued at par value .....	-	-	-	-	-	-
Amounts payable to affiliated companies .....	-	821,119	-	-	-	821,119
<b>Totals .....</b>	<b>-</b>	<b>1,821,119</b>	<b>4,250,000</b>	<b>-</b>	<b>-</b>	<b>6,071,119</b>
<b>Investments at December 31, 1964:</b>						
Real property .....	-	-	1,332,634	7,464	-	1,340,098
Equipment .....	5,025	-	8,062,882	1,923	190,142	8,259,972
Other .....	-	1,821,119	-	-	-	1,821,119
<b>Totals .....</b>	<b>5,025</b>	<b>1,821,119</b>	<b>9,395,516</b>	<b>9,387</b>	<b>190,142</b>	<b>11,421,189</b>

See footnote at end of table.

Railway Express, 1964 - Continued

	Algoma Central and Hudson Bay Railway Company	Canadian National Express Company	Canadian Pacific Express Company	Northern Alberta Railways Company	Railway Express Agency Inc.	Total
<b>Tax accruals:</b>						
Newfoundland .....	\$ -	175	-	-	-	175
Prince Edward Island .....	\$ -	305	-	-	-	305
Nova Scotia .....	\$ -	541	7,065	-	-	7,606
New Brunswick .....	\$ -	4,645	9,442	-	-	14,087
Quebec .....	\$ -	13,787	18,181	-	5,018	36,986
Ontario .....	\$ Cr. 1,544	8,023	72,057	-	4,088	82,624
Manitoba .....	\$ -	8,120	5,074	-	788	13,982
Saskatchewan .....	\$ -	4,060	60	-	-	4,120
Alberta .....	\$ -	340	7	172	-	519
British Columbia .....	\$ -	347	55	225	1,380	2,007
Northwest Territories .....	\$ -	-	-	-	-	-
Yukon .....	\$ -	-	-	-	-	-
Federal Income Tax .....	\$ Cr. 5,757	-	153,000	-	-	147,243
Other government of Canada .....	\$ -	173,239	824,845	422	-	998,506
<b>Totals .....</b>	<b>\$ Cr. 7,301</b>	<b>213,582</b>	<b>1,089,786</b>	<b>819</b>	<b>11,274</b>	<b>1,308,160</b>
<b>Financial paper issued:</b>						
Money orders sold, domestic and foreign .....	\$ -	60,435,311	46,561,711	-	-	106,997,022
Travellers' cheques sold, domestic and foreign .....	\$ -	489,423	9,724,710	-	-	10,214,133
"C.O.D." cheques issued .....	\$ 5,742	-	17,456,182	-	178,017	17,639,941
Telegraphic transfers .....	\$ -	-	44,098	-	-	44,098
<b>Totals .....</b>	<b>\$ 5,742</b>	<b>60,924,734</b>	<b>73,786,701</b>	<b>-</b>	<b>178,017</b>	<b>134,895,194</b>
<b>Equipment inventory:</b>						
Road vehicles used in express service:						
Motor trucks .....	No. -	-	783	-	41	824
Trailers, road equipment: Semi-trailers and full trailers .....	" -	-	175	-	-	175
Automobiles .....	" -	-	6	-	-	6
Road vehicles used in cartage service:						
Trucks .....	" 1	-	307	-	-	308
Trailers .....	" -	-	261	-	-	261
Automobiles .....	" -	-	2	-	-	2
Platform vehicles:						
Trucks, hand .....	" -	-	-	19	82	101
Trucks, motor driven .....	" -	-	65	-	-	65
Other .....	" -	-	-	-	-	-
<b>Employees, salaries and wages:</b>						
Full time employees:						
Number .....	..	3,370	3,901	12	63	7,346
Salaries and wages .....	\$ 9,017	15,676,907	16,360,862	58,693	254,836	32,360,315
Part time employees:						
Number .....	..	-	-	-	-	-
Salaries and wages .....	\$ 33,573	-	-	5,003	-	38,576
Commissions paid .....	\$ 1,872	1,444,916	758,710	27,405	352	2,233,255
<b>Express offices:</b>						
Number in Canada at Dec. 31, 1964 .....	62	1,214	1,026	45	24	2,371
Number of offices selling money orders .....	4	1,463	1,118	-	-	2,581
Number of branch offices selling money orders .....	-	1,104	2,116	-	-	3,220

See footnotes at end of table.

Railway Express, 1964 - Concluded

	Algoma Central and Hudson Bay Railway Company	Canadian National Express Company	Canadian Pacific Express Company	Northern Alberta Railways Company	Railway Express Agency Inc.	Total
<b>Route mileage covered:<sup>1</sup></b>						
<b>In Canada:</b>						
By railway <sup>2</sup> .....	322.10	22,985.43	15,151.98	922.50	792.00	40,174.01
By steamship lines .....	-	4,811.00	791.00	-	523.00	6,125.00
By motor carriers lines .....	-	17,668.00	773.70	5.20	1.00	18,447.90
By airlines .....	-	11,260.00	-	-	-	11,260.00
By miscellaneous lines .....	-	18.10	-	-	-	18.10
<b>Totals .....</b>	<b>322.10</b>	<b>56,742.53</b>	<b>16,716.68</b>	<b>927.70</b>	<b>1,316.00<sup>3</sup></b>	<b>76,025.01</b>
<b>Outside Canada:</b>						
By railway, U.S.A. ....	-	43.79	225.72	-	133,277.00	133,546.51
By steamship .....	-	-	2,679.00	-	2,288.00	4,967.00
Other .....	-	-	-	-	231,975.00	231,975.00
<b>Totals .....</b>	<b>-</b>	<b>43.79</b>	<b>2,904.72</b>	<b>-</b>	<b>367,540.00</b>	<b>370,488.51</b>
<b>Grand totals .....</b>	<b>322.10</b>	<b>56,786.32</b>	<b>19,621.40</b>	<b>927.70</b>	<b>368,856.00<sup>3</sup></b>	<b>446,513.52</b>
<b>Route mileage covered, by area:<sup>2</sup></b>						
Newfoundland .....	-	6,795.13	-	-	-	6,975.13
Prince Edward Island .....	-	728.68	-	-	-	728.68
Nova Scotia .....	-	2,750.57	274.96	-	-	3,025.53
New Brunswick .....	-	3,177.70	519.43	-	-	3,697.13
Quebec .....	-	7,200.71	1,611.15	-	96.00	8,907.86
Ontario .....	322.10	12,975.57	3,673.54	-	534.00	17,505.21
Manitoba .....	-	5,357.42	1,669.15	-	66.00	7,092.57
Saskatchewan .....	-	8,166.97	3,889.80	-	-	12,056.77
Alberta .....	-	5,582.92	2,291.05	900.80	-	8,774.77
British Columbia .....	-	4,006.86	2,787.60	26.90	620.00	7,441.36
Northwest Territories .....	-	-	-	-	-	-
Yukon .....	-	-	-	-	-	-
United States .....	-	43.79	225.72	-	343,747.00	344,016.51
Ocean-going mileage .....	-	-	2,679.00	-	23,793.00	26,472.00
<b>Totals .....</b>	<b>322.10</b>	<b>56,786.32</b>	<b>19,621.40</b>	<b>927.70</b>	<b>368,856.00<sup>3</sup></b>	<b>446,513.52</b>
<b>Accidents:</b>						
Persons injured .....	No.	-	299	-	-	299
Persons killed .....	"	-	1	-	-	1
		1960	1961	1962	1963	1964
<b>Summary, 1960-64:</b>						
Gross receipts from operations .....	\$	84,986,847	81,098,805	83,877,337	79,031,998	81,728,007
Express privileges, Dr. ....	\$	23,242,445	17,875,713	19,041,953	16,167,030	16,162,703
Operating expenses (excluding taxes) .....	\$	59,850,881	61,361,317	62,812,087	61,009,829	63,610,082
Net operating revenues (before taxes) .....	\$	1,893,521	1,861,775	2,023,297	1,855,139	1,955,222
Tax accruals .....	\$	1,272,149	1,313,477	1,274,819	1,117,282	1,308,160
Capital .....	\$	7,536,673	7,816,489	9,455,089	9,293,257	6,071,119
Investments at December 31 .....	\$	16,656,566	16,410,738	16,051,397	16,538,190	11,421,189
Financial paper issued .....	\$	146,029,950	140,519,846	137,434,334	135,523,112	134,895,194
<b>Employees:<sup>4</sup></b>						
Number .....		10,733	10,454	9,431	8,282	7,346
Salaries and wages .....	\$	40,206,239	42,408,663	40,046,861	35,386,525	32,398,891
Commissions paid .....	\$	2,736,817	2,733,174	2,558,148	2,316,610	2,233,255
Mileage covered in Canada .....		62,154.42	65,523.20	70,984.53	74,293.36	76,025.01

<sup>1</sup> Breakdown not available.  
<sup>2</sup> Included with "Money orders sold".  
<sup>3</sup> Included with "Full time employees".  
<sup>4</sup> Conducts business as C P Express Co. agents.  
<sup>5</sup> Includes duplications.  
<sup>6</sup> Includes electric line mileages.  
<sup>7</sup> Excludes airline route mileages in Canada.  
<sup>8</sup> Includes full and part time employees.  
 .. Figures not available.

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