

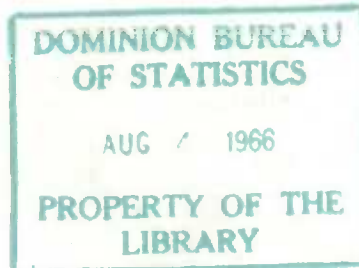
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RAILWAY EXPRESS
1965



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RAILWAY EXPRESS

1965

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 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.

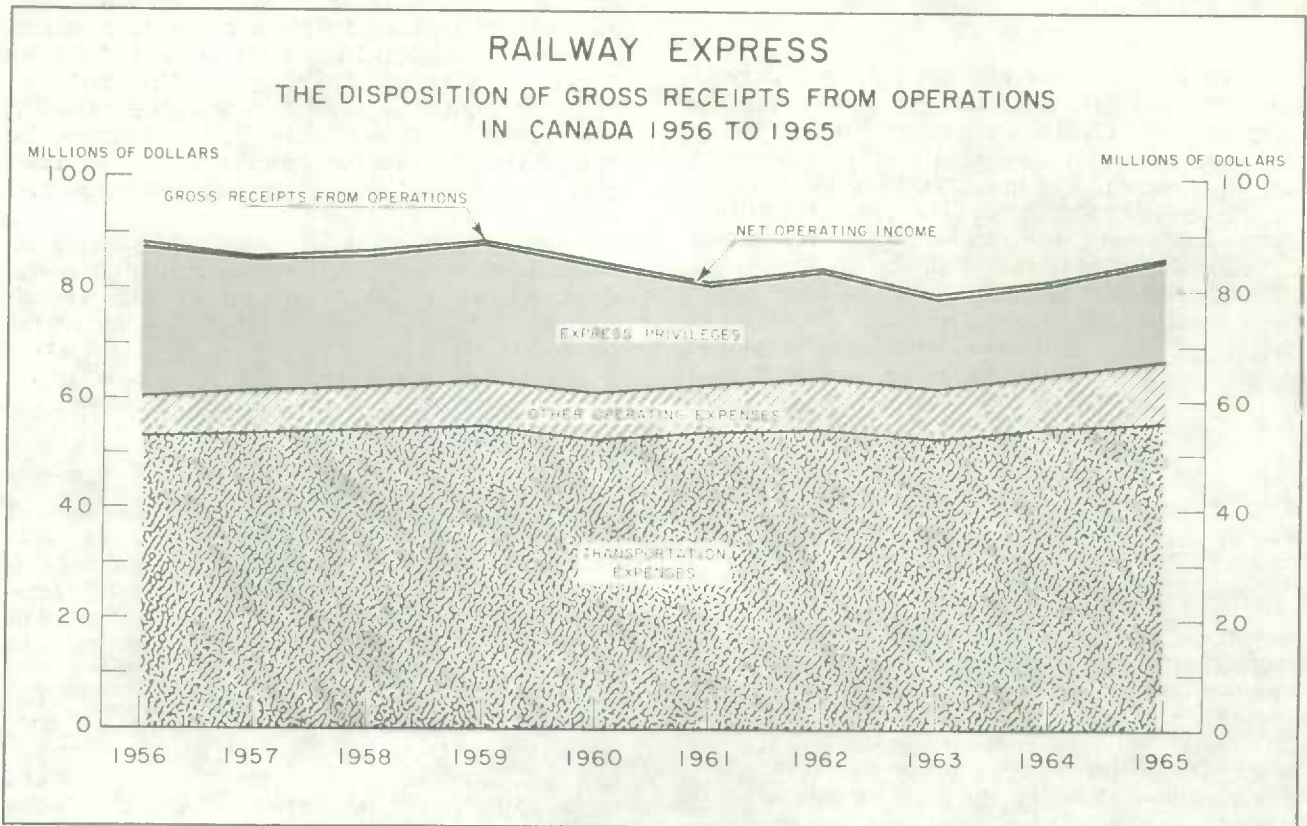
Statistical Analysis, 1965

Gross receipts of rail express companies in Canada in 1965 increased 5.1 per cent to \$85,927,546 from \$81,728,007 in 1964. Express privileges (the portion of earnings paid railways for carrying express traffic) amounted to \$17,949,002 as compared with \$16,162,703 the previous year. As a result, operating revenues (gross receipts minus express privileges) rose 3.7 per cent to \$67,978,544 from \$65,565,304 a

year earlier. Operating expenses were up 3.7 per cent to \$67,329,413 from \$64,918,242, resulting in a slight gain in net income to \$649,131 from \$647,062 in 1964.

A breakdown of express operating revenues shows that those incidental to transportation totalled \$84,037,759 in 1965, up from \$79,748,367 one year earlier. Other revenues such as custom-house brokerage fees, money orders, travellers' cheques, etc., aggregated \$1,889,787 in contrast to \$1,979,640 in 1964.

As in the past, transportation expenses accounted for over 80 per cent of all operating costs. The 1965 figure amounted to \$55,953,652 as compared with \$55,018,592 in 1964.



Investments in real property and equipment at the close of 1965 advanced to \$12,603,506 from \$11,421,189. The amount of outstanding capital stock remained the same as the previous year at \$6,071,119.

The number of employees engaged in rail express operations in Canada continued to decline in 1965, reflecting the further integration of express personnel into railway operations. Employees dropped to 6,565 in 1965 from 7,346 a year earlier and from

10,733 in 1961. Total salaries and wages in 1965 declined to \$30,957,769 from \$32,398,891 but the average annual earnings rose to \$4,716 from \$4,410 a year earlier. Commissions paid to other than express employees amounted to \$1,684,263 in contrast to \$2,233,255 in 1964.

During 1965 express services as provided by railways operating in Canada were available over a combined land, sea and air distance of 80,265 route miles. This compares with 76,025 miles in 1964.

Railway Express, 1965

	Algoma Central Railway	Canadian National Express Company	Canadian Pacific Express Company	Northern Alberta Railways Company	Railway Express Agency Inc.	Total
	dollars					
Operating revenues:						
Transportation:						
Express	65,704	46,346,740	30,565,030	242,259	6,211,398	83,431,131
Miscellaneous	-	123,491	483,137	-	-	606,628
Totals	65,704	46,470,231	31,048,167	242,259	6,211,398	84,037,759
Other:						
Customhouse brokerage fees	-	33,598	18,099	-	-	51,697
Order and Commission Departments	-	-	-	-	-	-
Rents of buildings and other property	-	-	7,298	-	-	7,298
Money orders, domestic and foreign	1,805	334,532	331,406	-	-	667,743
Travellers' cheques, domestic and foreign	-	1,214	100,628	-	-	157,703
"C.O.D." cheques	114	479,526	391,639	-	-	871,279
Telegraphic transfers	-	-	-	-	-	-
Letters of credit	-	-	-	-	-	-
Other revenue, Financial Department	-	-	101,556	-	-	101,556
Miscellaneous revenues	-	29,552	-	2,959	55,861 ¹	32,511
Totals	1,919	878,422	950,626	2,959	55,861	1,889,787
Gross receipts from operations	67,623	47,348,653	31,998,793	245,218	6,267,259	85,927,546
Express privileges, Dr.	22,800	9,711,597	6,186,146	41,346	1,987,113	17,949,002
Total operating revenues	44,823	37,637,056	25,812,647	203,872	4,280,146	67,978,544
Operating expenses:						
Maintenance	838	2,233,388	1,869,895	Cr. 1,190	260,195	4,383,126
Traffic	1,233	135,856	179,282	4,208	96,108	416,687
Transportation	47,165	31,744,232	20,312,523	184,738	3,664,994	55,953,652
General	5,035	2,780,638	2,088,560	15,341	233,691	5,123,265
Provision for income taxes	Cr. 4,894	-	153,300	-	-	148,406
Other taxes	-	249,356	1,042,387	775	11,759	1,304,277
Total operating expenses	49,377	37,143,470	25,665,947	203,872	4,266,747	67,329,413
Income account:						
Operating revenues	44,823	37,637,056	25,812,647	203,872	4,280,146	67,978,544
Operating expenses	49,377	37,143,470	25,665,947	203,872	4,266,747	67,329,413
Net operating income (or loss)	Dr. 4,554	493,586	146,700	-	13,399	649,131
Other income	-	-	151,969	-	-	151,969
Other deductions	-	-	72,777	-	-	72,777
Net income (or deficit)	Dr. 4,554	493,586	225,892	-	13,399	728,323
Capital stock:						
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
Totals	-	1,821,119	4,250,000	-	-	6,071,119
Investments at December 31, 1965:						
Real property	-	-	1,414,165	7,464	2,500	1,424,129
Equipment	4,312	-	9,172,277	1,923	179,746	9,358,258
Other	-	1,821,119	-	-	-	1,821,119
Totals	4,312	1,821,119	10,586,442	9,387	182,246	12,603,506

See footnote at end of table.

Railway Express, 1965 - Continued

	Algoma Central Railway	Canadian National Express Company	Canadian Pacific Express Company	Northern Alberta Railways Company	Railway Express Agency Inc.	Total
Tax accruals:						
Newfoundland	\$ -	3,320	-	-	-	3,320
Prince Edward Island	\$ -	176	-	-	-	176
Nova Scotia	\$ -	932	4,295	-	-	5,227
New Brunswick	\$ -	3,087	11,129	-	-	14,216
Quebec	\$ -	15,535	18,795	-	5,352	39,682
Ontario	\$ Cr. 1,033	16,009	86,636	-	4,509	106,121
Manitoba	\$ -	2,490	5,353	-	831	8,674
Saskatchewan	\$ -	17,059	124	-	-	17,183
Alberta	\$ -	-	8	277	1,067	1,352
British Columbia	\$ -	1,031	66	90	-	1,187
Northwest Territories	\$ -	-	-	-	-	-
Yukon	\$ -	-	-	-	-	-
Federal Income Tax	\$ Cr. 3,861	-	153,300	-	-	149,439
Other government of Canada	\$ -	189,717	915,981	408	-	1,106,106
Totals	\$ Cr. 4,894	249,356	1,195,687	775	11,759	1,452,683
Financial paper issued:						
Money orders sold, domestic and foreign	\$ -	58,381,850	49,545,143	-	-	107,926,993
Travellers' cheques sold, domestic and foreign	\$ -	352,715	10,170,079	-	-	10,522,794
"C.O.D." cheques issued	\$ 11,626	-	16,985,840	-	161,343	17,158,809
Telegraphic transfers	\$ -	-	50,827	-	-	50,827
Totals	\$ 11,626	58,734,565	76,751,889	-	161,343	135,659,423
Equipment inventory:						
Road vehicles used in express service:						
Motor trucks	No. -	-	827	-	33	860
Trailers, road equipment: Semi-trailers and full trailers	" -	-	215	-	-	215
Automobiles	" -	-	8	-	-	8
Road vehicles used in cartage service:						
Trucks	" 1	-	313	-	-	314
Trailers	" -	-	271	-	-	271
Automobiles	" -	-	2	-	-	2
Platform vehicles:						
Trucks, hand	" -	-	-	19	86	105
Trucks, motor driven	" -	-	59	-	-	59
Other	" -	-	-	-	-	-
Employees, salaries and wages:						
Full time employees:						
Number	2,524	3,975	17	49	6,565
Salaries and wages	\$ 8,381	12,596,005	18,008,343	86,918	221,230	30,920,677
Part time employees:						
Number	-	3	..	-	-
Salaries and wages	\$ 33,771	-	3	3,121	-	36,892
Commissions paid	\$ 1,034	914,734	749,308	18,889	298	1,684,263
Express offices:						
Number in Canada at Dec. 31, 1965	62	1,160	972	41	24	2,359
Number of offices selling money orders	-	1,333	1,046	-	-	2,379
Number of branch offices selling money orders	-	984	2,081	-	-	3,065

See footnotes at end of table.

Railway Express, 1965 - Concluded

	Algoma Central Railway	Canadian National Express Company	Canadian Pacific Express Company	Northern Alberta Railways Company	Railway Express Agency Inc.	Total
Route mileage covered:¹						
In Canada:						
By railway ⁶	322.10	22,327.27	15,205.34	917.60	597.00	39,369.31
By steamship lines	-	4,808.00	696.00	-	523.00	6,027.00
By motor carriers lines	-	20,983.00	757.20	923.00	1.00	22,664.20
By airlines	-	12,186.00	-	-	-	12,186.00
By miscellaneous lines	-	18.10	-	-	-	18.10
Totals	322.10	60,322.37	16,658.54	1,840.60	1,121.00⁷	80,264.61
Outside Canada:						
By railway, U.S.A.	-	43.79	225.72	-	122,140.00	122,409.51
By steamship	-	-	2,679.00	-	2,288.00	4,967.00
Other	-	-	-	-	241,856.00	241,856.00
Totals	-	43.79	2,904.72	-	366,284.00	369,232.51
Grand totals	322.10	60,366.16	19,563.26	1,840.60	367,405.00	449,497.12
Route mileage covered, by area:²						
Newfoundland	-	7,512.13	-	-	-	7,512.13
Prince Edward Island	-	728.68	-	-	-	728.68
Nova Scotia	-	2,901.57	274.82	-	-	3,176.39
New Brunswick	-	3,247.75	512.70	-	-	3,760.45
Quebec	-	7,308.41	1,543.78	-	102.00	8,954.19
Ontario	322.10	14,229.83	3,610.64	-	333.00	18,495.57
Manitoba	-	5,509.34	1,590.20	-	66.00	7,165.54
Saskatchewan	-	8,386.97	3,886.80	-	-	12,273.77
Alberta	-	6,246.92	2,504.90	1,788.70	-	10,540.52
British Columbia	-	4,250.77	2,734.70	51.90	620.00	7,657.37
Northwest Territories	-	-	-	-	-	-
Yukon	-	-	-	-	-	-
United States	-	43.79	225.72	-	342,491.00	342,760.51
Ocean-going mileage	-	-	2,679.00	-	23,793.00	26,472.00
Totals	322.10	60,366.16	19,563.26	1,840.60	367,405.00	449,497.12
Accidents:						
Persons injured	No.	-	450	-	-	450
Persons killed	"	-	1	-	-	1
		1961	1962	1963	1964	1965
Summary, 1961-65:						
Gross receipts from operations	\$	81,098,805	83,877,337	79,031,998	81,728,007	85,927,546
Express privileges, Dr.	\$	17,875,713	19,041,953	16,167,030	16,162,703	17,949,002
Operating expenses (excluding taxes)	\$	61,361,317	62,812,087	61,009,829	63,610,082	65,876,730
Net operating revenues (before taxes)	\$	1,861,775	2,023,297	1,855,139	1,955,222	2,101,814
Tax accruals	\$	1,313,477	1,274,819	1,117,282	1,308,160	1,452,683
Capital	\$	7,816,489	9,455,089	9,293,257	6,071,119	6,071,119
Investments at December 31	\$	16,410,738	16,051,397	16,538,190	11,421,189	12,603,506
Financial paper issued	\$	140,519,846	137,434,334	135,523,112	134,895,194	135,659,423
Employees:⁸						
Number		10,454	9,431	8,282	7,346	6,565
Salaries and wages	\$	42,408,663	40,046,861	35,386,525	32,398,891	30,957,769
Commissions paid	\$	2,733,174	2,558,148	2,316,610	2,233,255	1,684,263
Mileage covered in Canada		65,523.20	70,984.53	74,293.36	76,025.01	80,264.61

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

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