UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 1998

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________________ to _______________________

Commission file number 0-12255

YELLOW CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	48-0948788
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
10990 Roe Avenue, P.O. Box 7563, Overland Park, Kansas	66207
(Address of principal executive offices)	(Zip Code)

(913) 696-6100
(Registrant's telephone number, including area code)

No Changes
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at November 10, 1998
Common Stock, $1 Par Value	25,659,392 shares

YELLOW CORPORATION

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS (Unaudited)
Yellow Corporation and Subsidiaries
September 30, 1998 and December 31, 1997
(Amounts in thousands except share data)

	September 30 1998	December 31 1997
ASSETS		
CURRENT ASSETS:		
Cash	$ 30,360	$ 17,703
Accounts receivable	259,348	293,300
Prepaid expenses and other	49,900	81,170
Current assets of discontinued operations	-	66,588
Total current assets	339,608	458,761
PROPERTY AND EQUIPMENT:		
Cost	1,870,169	1,833,606
Less - Accumulated depreciation	1,179,432	1,141,447
Net property and equipment	690,737	692,159
OTHER ASSETS	22,285	25,540
NONCURRENT ASSETS OF DISCONTINUED OPERATIONS, NET	-	94,352
	$ 1,052,630	$1,270,812

	September 30 1998	December 31 1997
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and checks outstanding	$ 105,310	$ 148,432
Wages and employees' benefits	136,951	153,073
Other current liabilities	140,771	131,347
Current maturities of long-term debt	223	2,625
Current liabilities of discontinued operations	-	45,358
Total current liabilities	383,255	480,835
OTHER LIABILITIES:		
Long-term debt	157,025	163,080
Deferred income taxes	19,726	21,429
Claims, insurance and other	127,748	136,840
Noncurrent liabilities of discontinued operations	-	22,777
Total other liabilities	304,499	344,126
SHAREHOLDERS' EQUITY:		
Common stock, $1 par value	29,327	29,289
Capital surplus	14,532	13,868
Retained earnings	391,887	429,700
Treasury stock	(70,870)	(27,006)
Total shareholders' equity	364,876	445,851
	$ 1,052,630	$1,270,812

The accompanying notes are an integral part of these statements.

STATEMENTS OF CONSOLIDATED OPERATIONS (Unaudited)
Yellow Corporation and Subsidiaries
For the Quarter and Nine Months Ended September 30
(Amounts in thousands except per share data)

	Third Quarter		Nine Months	
	1998	1997	1998	1997
OPERATING REVENUE	$744,873	$761,351	$2,164,752	$2,174,003
OPERATING EXPENSES:				
Salaries, wages and benefits	468,103	484,321	1,385,356	1,390,003
Operating expenses and supplies	102,871	101,685	313,025	312,148
Operating taxes and licenses	23,346	23,593	70,986	72,974
Claims and insurance	22,622	16,344	54,680	47,222
Communications and utilities	8,962	8,608	25,460	27,081
Depreciation	25,767	27,184	79,018	81,100
Purchased transportation	67,021	65,071	181,249	164,791
Property and equipment gains, net	(259)	(480)	(5,555)	(1,080)
Total operating expenses	718,433	726,326	2,104,219	2,094,239
INCOME FROM OPERATIONS	26,440	35,025	60,533	79,764
NONOPERATING (INCOME) EXPENSES:				
Interest expense	2 ,714	3,364	8,844	10,417
Other, net	276	553	677	(546)
Nonoperating expenses, net	2,990	3,917	9,521	9,871
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	23,450	31,108	51,012	69,893
INCOME TAX PROVISION	9,905	11,990	21,425	28,579
INCOME FROM CONTINUING OPERATIONS	13,545	19,118	29,587	41,314
DISCONTINUED OPERATIONS:				
Income (loss) from operation of discontinued operations, net	-	940	(5,145)	(780)
Loss on disposal of discontinued operations, net	-	-	(61,601)	-
NET INCOME (LOSS)	$ 13,545	$ 20,058	$ (37,159)	$ 40,534
AVERAGE SHARES OUTSTANDING- (BASIC)	26,041	28,374	27,050	28,201
AVERAGE SHARES OUTSTANDING- (DILUTED)	26,151	28,919	27,290	28,596
BASIC EARNINGS (LOSS) PER SHARE:				
Income from continuing operations	$ .52	$ .68	$ 1.09	$ 1.47
Income (loss) from operation of discontinued operations	-	.03	(.19)	(.03)
Loss on disposal of discontinued operations	-	-	(2.27)	-
Net income (loss)	$ .52	$ .71	$ (1.37)	$ 1.44
DILUTED EARNINGS (LOSS) PER SHARE:				
Income from continuing operations	$ .52	$ .66	$ 1.08	$ 1.45
Income (loss) from operation of				

discontinued operations	-	.03	(.19)	(.03)
Loss on disposal of discontinued operations	-	-	(2.25)	-
Net income (loss)	$ .52	$ .69	$ (1.36)	$ 1.42

The accompanying notes are an integral part of these statements.

STATEMENTS OF CONSOLIDATED CASH FLOWS (Unaudited)
Yellow Corporation and Subsidiaries
For the Nine Months Ended September 30, 1998 and 1997
(Amounts in thousands)

	1998	1997
OPERATING ACTIVITIES:		
Net cash from operating activities	$ 120,917	$ 100,860
INVESTING ACTIVITIES:		
Acquisition of property and equipment	(84,306)	(61,399)
Proceeds from disposal of property and equipment	18,470	12,122
Net capital expenditures of discontinued operations	2,203	(9,603)
Net cash used in investing activities	(63,633)	(58,880)
FINANCING ACTIVITIES:		
Treasury stock purchases	(42,115)	-
Repayment of long-term debt, net	(3,132)	(29,260)
Proceeds from exercise of stock options, net	620	4,630
Net cash used in financing activities	(44,627)	(24,630)
NET INCREASE IN CASH	12,657	17,350
CASH, BEGINNING OF PERIOD	17,703	22,899
CASH, END OF PERIOD	$ 30,360	$ 40,249
SUPPLEMENTAL CASH FLOW INFORMATION:		
Income taxes (received) paid, net	$ (3,636)	$ 13,377
Interest paid	$ 5,384	$ 6,605

The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Yellow Corporation and Subsidiaries

1. The accompanying consolidated financial statements include the accounts of Yellow Corporation and its wholly-owned subsidiaries (the company) and have been prepared by the company, without audit by independent public accountants, pursuant to the rules and regulations of the Securities and Exchange Commission. In the opinion of management, all normal recurring adjustments necessary for a fair statement of the results of operations for the interim periods included herein have been made. Certain information and note disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted from these statements pursuant to such rules and regulations. Accordingly, the accompanying consolidated financial statements should be read in conjunction with the consolidated financial statements included in the company's 1997 Annual Report to Shareholders.

2. The company provides freight transportation services primarily to the less-than-truckload (LTL) market in North America through its subsidiaries, Yellow Freight System, Inc. (Yellow Freight), Saia Motor Freight Line, Inc. (Saia) and WestEx, Inc. (WestEx). Yellow Services, Inc. (Yellow Services), is a subsidiary that provides information technology and other services to the company and its subsidiaries. Yellow Freight comprises approximately 86 percent of total revenue while Saia comprises approximately 12 percent.

3. The company adopted FASB Statement No. 131, Disclosures about Segments of an Enterprise and Related Information, in first quarter 1998. This statement requires the company report financial and descriptive information about its reportable operating segments, on a basis consistent with that used internally for evaluating segment performance and allocating resources to segments.

   Under the standard, consistent with the Business Segments disclosure in the company's 1997 Annual Report to Shareholders, the company has two reportable segments, strategic business units that offer different products and services. The National segment is comprised primarily of the operations of Yellow Freight, a carrier that provides comprehensive national LTL service as well as international service to Mexico, Canada and, via alliances, Europe, the Asia/Pacific region, South America and Central America. The Southeast regional segment consists of the operations of Saia, a regional LTL carrier that provides overnight and second-day service in eleven southeastern states and Puerto Rico.

The segments are managed separately because each requires different operating, technology and marketing strategies. The company evaluates performance primarily on operating income, net income, adjusted for tax-affected nonoperating expenses, gains and losses, and return on capital.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies in the company's 1997 Annual Report to Shareholders. The company also charges a tradename fee to Yellow Freight (1% of revenue) for use of the company's trademark. Interest and intersegment transactions are recorded at current market rates. Income taxes are allocated in accordance with a tax sharing agreement in proportion to each segment's contribution to the parent's consolidated tax status.

4. On June 1, 1998 the company reached agreement in principle to sell Preston Trucking Company, Inc. (Preston Trucking) its Northeast regional LTL segment to a management group of three senior officers of Preston Trucking. Preston Trucking is a regional carrier serving the Northeast, Mid-Atlantic and Central States. The sale has been completed and resulted in a second quarter charge of $61.6 million net of tax benefits of approximately $30.0 million, which has been reflected as discontinued operations in the consolidated statement of operations. No interest charges have been allocated to discontinued operations and the company does not anticipate any change in the loss recorded on disposal of the discontinued operations. The consolidated financial statements have been restated to remove Preston Trucking from continuing operations and disclose these amounts as discontinued operations in accordance with APB No. 30.

5. The difference between average common shares outstanding used in the computation of basic earnings per share and fully diluted earnings per share is attributable to outstanding common stock options.

6. Effective January 1, 1998, the company prospectively adopted Statement of Position 98-1, Accounting for the Costs of Computer Software Developed or Obtained for Internal Use (the SOP). The statement requires capitalization of certain costs associated with developing or obtaining internal-use software, once the capitalization criteria of the SOP have been met. Capitalizable costs include external direct costs of materials and services consumed in developing or obtaining the software, payroll and payroll-related costs for employees directly associated with the project, and interest. Prior to adoption of the standard, the company had capitalized only the external direct costs associated with internal-use software. In the quarter and nine months ended September 30, 1998, the company capitalized $1.0 million and $4.0 million, primarily payroll and payroll-related costs incurred since January 1, 1998, on eligible projects.

7. The company adopted FASB Statement No. 130, Reporting Comprehensive Income, in first quarter 1998. This statement establishes standards for the reporting and display of comprehensive income and its components in the financial statements. The company's comprehensive income includes net income and foreign currency translation adjustments. Comprehensive income for the third quarter and comprehensive loss for nine months ended September 30, 1998 was $13.1 million and $37.8 million and for the 1997 third quarter and nine months ended September 30, 1997 comprehensive income was $20.1 million and $40.4 million.

8. As further described in the footnotes to the 1997 consolidated financial statements, Yellow Freight recorded a special charge of $46.1 million, or $28.3 million after taxes in the fourth quarter of 1996. The major components of the charge and subsequent activity are as summarized below (amounts in millions):

	Nine Months Ended September 30, 1998			
	December 31, 1997	Favorable Revisions	Paid or Utilized	Ending Balance
Write down nonoperating real estate	$ 5.2	$ .7	$ 3.9	$.6
Severance and organization design	.2	-	.2	-
Total	$ 5.4	$ .7	$ 4.1	$.6

	Pre-tax 1996 Charge	Cumulative Through September 30, 1998		
		Favorable Revisions	Paid or Utilized	Ending Balance
Write down nonoperating real estate	$ 16.5	$ 1.7	$ 14.2	$ .6
Write off computer software	8.4	-	8.4	-
Early retirement program	13.7	-	13.7	-
Company car program reduction	3.6	-	3.6	-
Severance and organization design	3.9	-	3.9	-
Total	$ 46.1	$ 1.7	$ 43.8	$ .6

Marketing efforts continue on nonoperating real estate. During the first nine months of 1998, nonoperating property written down in the charge to $3.8 million was sold for $4.7 million utilizing portions of the write down. Revisions to estimates of $.7 million during the first nine months of 1998 were reflected in operating income.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

FINANCIAL CONDITION

September 30, 1998 Compared to December 31, 1997

On June 1, 1998 the company reached agreement in principle to sell Preston Trucking to a management group of three senior officers of Preston Trucking. The sale has been completed and resulted in a second quarter charge of $61.6 million net of anticipated tax benefits, which has been reflected as discontinued operations in the consolidated statement of operations. No interest charges have been allocated to discontinued operations and the company does not anticipate any change in the loss on disposal of the discontinued operations. The consolidated financial statements have been restated to remove Preston Trucking from continuing operations and disclose these amounts as discontinued operations in accordance with APB No. 30.

Working capital decreased slightly during the first nine months of 1998, resulting in a $43.6 million working capital deficit position at September 30, 1998 compared to a $22.1 million deficit position at December 31, 1997. The decrease in working capital was primarily the result of discontinued operations, decreased accounts receivable and prepaid expenses partially offset by reductions in accounts payable and checks outstanding. The accounts receivable decrease of $34.0 million is comprised of a $49.0 million decrease due to the reduction in accounts receivable subject to Yellow Freight's asset-backed securitization agreement and a $15.0 million increase due to other changes. The company can operate with a deficit working capital position because of rapid turnover of accounts receivable, effective cash management and ready access to funding.

Total debt during the first nine months of 1998 decreased $8.5 million. Net capital expenditures for continuing operations for the first nine months of 1998 were $65.8 million. Subject to ongoing review, total net capital spending for 1998 is expected to be approximately $110 million.

During the quarter ended September 30, 1998 the Company completed its second $25 million stock repurchase program approved by the Board of Directors in May 1998. This program followed an earlier $25 million stock repurchase completed between December 1997 and March 1998. On August 27, 1998, the Board of Directors authorized a third $25 million stock repurchase program. The company has purchased $5.4 million in treasury stock under the third stock repurchase program.

Year 2000
The company's year 2000 project is intended to minimize the business impact of Year 2000 failures. Work efforts both to remediate and replace mainframe and client/server business applications are on schedule to be ready for the millennium change. The project will enter a phase of final verification testing at the end of the first quarter of 1999 to revalidate Year 2000 readiness.

The Company's year 2000 strategy includes mainframe, mid-range, and client/server applications, PCs, workstations, end user computing, vendor software, equipment, environmental operations in terminals and offices, suppliers and customers. Inventory and assessment of all areas have been completed. The Company has inspected, remediated, tested and reinstalled the majority of its code. Non-compliant vendor software and equipment determined to be critical to the business is being repaired or replaced. PC hardware is currently being replaced as needed through a systematic schedule of upgrades.

The Company's strategy also includes developing relationships with vendors who are working toward compliance. The Company has material vendor relationships with financial institutions, utilities and telecommunication companies. These vendors indicate that they expect to achieve compliance and do not anticipate business interruptions as the century changes. The Company is developing contingency plans to address Year 2000 issues that may arise with these key vendors. Steps are being taken to address the potential scenarios that may occur with key vendors and customers.

The Company began its Year 2000 project in 1995 and has estimated total project costs to be $17-18 million. Through September 30, 1998 the Company has incurred approximately $12.8 million which represents approximately 7.5% of its information technology budget over the project period. The Company expensed $4.9 million of modification costs in the nine months ended September 30, 1998.

RESULTS OF OPERATIONS

Comparison of Quarter Ended September 30, 1998 and 1997

Net income for the third quarter was $13.5 million, or $.52 per share (diluted). For the quarter ending September 1997 income from continuing operations of $19.1 million, or $.66 per share (diluted), and net income was $20.1 million or $.69 per share (diluted).

Operating revenue in the third quarter of 1998 was $744.9 million, a 2.2 percent decrease over 1997 third quarter revenue of $761.4 million. Operating income was $26.4 million in the 1998 third quarter, compared with operating income of $35.0 million in the 1997 third quarter.

Yellow Freight reported operating income of $20.5 million for the third quarter of 1998 compared to 1997 third quarter operating income of $30.3 million. Yellow Freight revenue for the 1998 third quarter was $639.6 million, versus $666.2 million a year earlier. The Yellow Freight operating ratio was 96.8, compared with 95.5 in the 1997 third quarter.

A strike at United Parcel Service (UPS) in the third quarter 1997 favorably impacted Yellow Freight's revenue and operating income. Decreased tonnage and shipments as well as higher casualty claims and expenses adversely impacted financial results of the third quarter of 1998.

Saia's revenue grew to $87.9 million in the 1998 third quarter, up 6.7 percent from $82.3 million in the 1997 third quarter. Operating income for Saia was $6.7 million for the third quarter of 1998, compared with $6.2 million in the 1997 period. Saia's operating ratio was 92.3 for the third quarter versus 92.5 in the 1997 third quarter. Saia is an Atlanta-based regional carrier serving the southeastern U.S., and continues to show strong growth rates.

WestEx, Yellow's regional carrier serving California, Colorado and much of the southwestern U.S., reported revenue of $17.4 million for the 1998 third quarter, up 35.6 percent from $12.8 million in the third quarter of 1997.

The company sold Preston Trucking, Inc. in the second quarter of 1998. The income from operation of discontinued operations net of tax provision at Preston Trucking was $940 thousand for the quarter ended September 30, 1997.

Interest expense fell between quarters as a result of reduced debt levels. The effective tax rate was 42.2 percent in the third quarter 1998 compared to 38.5 percent in the third quarter 1997. The increased effective rate is largely due to decreased income between quarters.

Comparison of Nine Months Ended September 30, 1998 and 1997

Income from continuing operations for the nine months ended September 30, 1998, was $29.6 million, or $1.08 per share (diluted). Including the after-tax charge from discontinued operations the net loss was $37.2 million, or $1.36 loss per share (diluted). For the nine months ending September 30, 1997 income from continuing operations was $41.3 million, or $1.45 per share (diluted), and net income was $40.5 million, or $1.42 per share (diluted).

Operating revenue for the nine month period ended September 30, 1998 and 1997, was $2.2 billion, no change between periods. The company's operating income for the first nine months of 1998 was $60.5 million compared with operating income of $79.8 million in the first nine months of 1997.

Yellow Freight reported operating income of $47.6 million for the nine months ended September 30, 1998, compared to $68.5 million for the nine months ended September 30, 1997. Yellow Freight revenue was $1.9 billion for the nine month period ended September 30,1998 and 1997. Yellow Freight's operating ratio was 97.4, compared with 96.4 in 1997.

Negotiations on a new National Master Freight Agreement (NMFA) with the Teamsters had a significant impact on business for Yellow Freight. Freight was diverted to nonunion competitors in the first quarter due to customer fear that failure to negotiate a settlement by March 31, 1998, could lead to a strike and disrupt their product deliveries. The negotiation resulted in a five-year contract with the Teamsters, which was ratified on April 7, and which greatly stabilized customer concerns. As a result, business levels improved in the second and third quarter though they remained below 1997 levels.

Saia continued its strong growth, posting 1998 year to date revenue of $254.7 million, up 9.7 percent from $232.3 million in the first nine months of 1997. Operating income for Saia was $18.0 million for the nine months of 1998, compared with $14.5 million in the 1997 period. Saia's operating ratio was 92.9 for the first nine months in 1998 versus 93.7 in 1997.

WestEx, reported revenue of $47.8 million for the nine months ended September 30, 1998 versus $35.8 million for the same period in 1997.

The loss from operation of discontinued operations at Preston Trucking was $5.1 million, net of tax benefits of $2.8 million, for the nine months ended September 30, 1998, compared to a loss of $.8 million, net of tax benefits of $.7 million, for the nine months ended September 30, 1997. Preston was sold in the second quarter of 1998. A one-time cost was incurred mostly in 1998 pertaining to a change in operations implemented in December 1997. Additionally, Preston Trucking like other union carriers that bargain independently was subject to freight diversion prior to completion of its union negotiations late in the second quarter of 1998.

Interest expense fell between years as a result of reduced debt levels. The effective tax rate was 42.0 percent year to date 1998 and 40.9 percent year to date 1997.

Statements contained herein that are not purely historical are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the company's expectations, hopes, beliefs and intentions on strategies regarding the future. It is important to note that the company's actual future results could differ materially from those projected in such forward-looking statements because of a number of factors, including but not limited to inflation, labor relations, inclement weather, competitor pricing activity, year 2000 issues, expense volatility and a downturn in general economic activity.

Yellow Freight System, Inc.
Financial Information
For the Quarter and Nine Months Ended September 30, 1998
(Amounts in thousands)

	Third Quarter 1998	Third Quarter 1997	%	Nine Months 1998	Nine Months 1997	%
Operating revenue	639,627	666,217	(4.0)	1,862,242	1,905,953	(2.3)
Operating income	20,514	30,293		47,639	68,471	
Operating ratio	96.8	95.5		97.4	96.4	
Total assets at September 30				780,944	925,393	

		Third Quarter 1998	Third Quarter 1997	%	Third Quarter Amount/Workday 1998	Third Quarter Amount/Workday 1997	%
Workdays					(64)	(64)	
Financial statement	LTL	585,450	611,540	(4.3)	9,147.7	9,555.3	(4.3)
Revenue	TL	54,310	55,237	(1.7)	848.6	863.1	(1.7)
	Other	(133)	(560)	(76.3)	(2.1)	(8.8)	(76.3)
	Total	639,627	666,217	(4.0)	9,994.2	10,409.6	(4.0)
Revenue excluding	LTL	585,450	611,540	(4.3)	9,147.7	9,555.3	(4.3)
Revenue recognition	TL	54,310	55,237	(1.7)	848.6	863.1	(1.7)
Adjustment	Other	529	558	(5.2)	8.3	8.7	(5.2)
	Total	640,289	667,335	(4.1)	10,004.6	10,427.1	(4.1)
Tonnage	LTL	1,763	1,847	(4.6)	27.55	28.86	(4.6)
	TL	379	383	(1.1)	5.91	5.98	(1.0)
	Total	2,142	2,230	(4.0)	33.46	34.84	(4.0)
Shipments	LTL	3,575	4,042	(11.5)	55.86	63.16	(11.5)
	TL	51	52	(.9)	.80	.81	(.9)
	Total	3,626	4,094	(11.4)	56.66	63.97	(11.4)
Revenue/cwt.	LTL	16.60	16.55	0.3			
	TL	7.17	7.22	(0.6)			
	Total	14.94	14.95	(0.1)			
Revenue/shipment	LTL	163.75	151.29	8.2			
	TL	1,058.20	1,066.49	(0.8)			
	Total	176.41	162.87	8.3			

Saia Motor Freight Line, Inc.
Financial Information
For the Quarter and Nine Months Ended September 30, 1998
(Amounts in thousands)

	Third Quarter 1998	Third Quarter 1997	%	Nine Months 1998	Nine Months 1997	%
Operating revenue	87,852	82,307	6.7	254,702	232,278	9.7
Operating income	6,730	6,166		17,998	14,538	
Operating ratio	92.3	92.5		92.9	93.7	
Total assets at September 30				207,261	161,703	

		Third Quarter 1998	Third Quarter 1997	%	Third Quarter Amount/Workday 1998	Third Quarter Amount/Workday 1997	%
Workdays					(64)	(64)	
Financial statement	LTL	79,041	74,489	6.1	1,235.0	1,163.9	6.1
Revenue	TL	8,811	7,818	12.7	137.7	122.2	12.7
	Total	87,852	82,307	6.7	1,372.7	1,286.1	6.7
Revenue excluding	LTL	79,054	74,577	6.0	1,235.2	1,165.3	6.0
Revenue recognition	TL	8,812	7,827	12.6	137.7	122.3	12.6
Adjustment	Total	87,866	82,404	6.6	1,372.9	1,287.6	6.6
Tonnage	LTL	442	427	3.4	6.90	6.68	3.4
	TL	145	135	6.9	2.26	2.11	6.9
	Total	587	562	4.2	9.16	8.79	4.2
Shipments	LTL	822	863	(4.8)	12.84	13.49	(4.8)
	TL	15	14	5.5	.24	.22	5.5
	Total	837	877	(4.6)	13.08	13.71	(4.6)
Revenue/cwt.	LTL	8.95	8.72	2.6			
	TL	3.04	2.89	5.3			
	Total	7.49	7.32	2.3			
Revenue/shipment	LTL	96.21	86.40	11.4			
	TL	581.46	544.90	6.7			
	Total	105.00	93.90	11.8			

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits
(27) - Financial Data Schedule (for SEC use only)

On November 4, 1998, the company announced that it will acquire Action Express, Inc., a less-than-truck carrier serving the Pacific Northwest and West, headquartered in Boise, Idaho. Action Express had 1997 revenue of $40.4 million with operating income of $1.7 million.

(b) Reports on Form 8-K

The Company announced August 28, 1998 that its Board of Directors authorized a repurchase of shares of the company's outstanding common stock with an aggregate purchase price of up to $25 million. It is the third stock repurchase program announced by the company since December 1997. The company's prior two $25 million stock repurchase programs involved the purchase of approximately 2.5 million shares.

The company announced, effective October 1, 1998, Yellow Freight System, Inc., the company's largest subsidiary, plans to increase rates on the approximate one half of its revenue base not priced under term contracts.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

YELLOW CORPORATION

Registrant

Date: November 12, 1998 /s/ A. Maurice Myers

A. Maurice Myers
Chairman of the Board of
Directors, President & Chief
Executive Officer

Date: November 12, 1998 /s/ H. A. Trucksess, III

H. A. Trucksess, III
Senior Vice President - Finance/
Chief Financial Officer &
Treasurer

5
1,000

9-MOS
DEC-31-1998
JAN-01-1998
SEP-30-1998
30,360
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259,348
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339,608
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