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 June 30, 1995

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.)

10777 Barkley, P.O. Box 7563, Overland Park, Kansas	66207
(Address of principal executive offices)	(Zip Code)

(913) 967-4300
(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 July 31, 1995
Common Stock, $1 Par Value	28,105,829 shares

YELLOW CORPORATION

INDEX

PART I - FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS
Yellow Corporation and Subsidiaries
June 30, 1995 and December 31, 1994
(Amounts in thousands except share data)
(Unaudited)

	June 30 1995	December 31 1994
ASSETS		
CURRENT ASSETS:		
Cash	$ 10,999	$ 17,613
Short-term investments	7,392	7,305
Accounts receivable	352,261	295,332
Other current assets	91,297	83,107
Total current assets	461,949	403,357
OPERATING PROPERTY:		
Cost	1,928,841	1,866,565
Less - Accumulated depreciation	1,025,482	989,281
Net operating property	903,359	877,284
OTHER ASSETS	26,865	26,580
	$1,392,173	$1,307,221
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 110,289	$ 118,412
Wages and employees' benefits	132,436	118,364
Other current liabilities	119,095	131,474
Current maturities of long-term debt	2,395	7,741
Total current liabilities	364,215	375,991
OTHER LIABILITIES:		
Long-term debt	331,354	240,019
Deferred income taxes	54,273	54,481
Claims, insurance and other	185,355	175,887
Total other liabilities	570,982	470,387
SHAREHOLDERS' EQUITY:		
Common stock, $1 par value	28,858	28,858
Capital surplus	6,678	6,678
Retained earnings	439,060	447,887
Shares held by Stock Sharing Plan	-	(4,961)
Treasury stock	(17,620)	(17,619)
Total shareholders' equity	456,976	460,843
	$1,392,173	$1,307,221

The accompanying notes are an integral part of these statements.

STATEMENTS OF CONSOLIDATED INCOME
Yellow Corporation and Subsidiaries
For the Quarter and Six Months Ended June 30
(Amounts in thousands except per share data)
(Unaudited)

	Second Quarter		Six Months	
	1995	1994	1995	1994
OPERATING REVENUE	$ 773,825	$ 592,211	$1,538,823	$1,340,370
OPERATING EXPENSES:				
Salaries, wages and benefits	514,564	417,100	1,016,661	923,810
Operating expenses and supplies	117,900	95,057	233,738	209,960
Operating taxes and licenses	28,307	24,414	57,266	54,183
Claims and insurance	16,808	15,747	37,222	38,374
Communications and utilities	10,540	9,909	22,009	20,848
Depreciation	33,773	33,264	67,879	66,787
Purchased transportation	46,067	26,769	89,581	60,875
Total operating expenses	767,959	622,260	1,524,356	1,374,837
INCOME (LOSS) FROM OPERATIONS	5,866	(30,049)	14,467	(34,467)
NONOPERATING (INCOME) EXPENSES:				
Interest expense	5,720	4,719	10,777	9,243
Other, net	(1,408)	(876)	(3,690)	(908)
Nonoperating expenses, net	4,312	3,843	7,087	8,335
INCOME (LOSS) BEFORE INCOME TAXES	1,554	(33,892)	7,380	(42,802)
INCOME TAX PROVISION (BENEFIT)	515	(12,016)	3,143	(14,542)
NET INCOME (LOSS)	$ 1,039	$ (21,876)	$ 4,237	$ (28,260)
AVERAGE COMMON SHARES OUTSTANDING	28,106	28,108	28,106	28,106
EARNINGS (LOSS) PER SHARE	$ .04	$ (.78)	$ .15	$ (1.01)

The accompanying notes are an integral part of these statements.

STATEMENTS OF CONSOLIDATED CASH FLOWS
Yellow Corporation and Subsidiaries
For the Six Months Ended June 30
(Amounts in thousands)
(Unaudited)

	1995	1994
OPERATING ACTIVITIES:		
Net cash from operating activities	$ 7,043	$ 50,903
INVESTING ACTIVITIES:		
Acquisition of operating property	(104,054)	(99,990)
Proceeds from disposal of operating property	12,858	6,587
Purchases of short-term investments	(5,335)	(3,836)
Proceeds from maturities of short-term investments	5,248	4,724
Net cash used in investing activities	(91,283)	(92,515)
FINANCING ACTIVITIES:		
Proceeds from issuance of long-term debt	37,000	14,000
Repayment of long-term debt	(16,700)	(2,896)
Commercial paper borrowings, net	70,537	44,842
Cash dividends paid to shareholders	(13,210)	(13,208)
Reduction of Stock Sharing Plan debt guarantee	(4,961)	(4,960)
Shares allocated by Stock Sharing Plan	4,961	4,960
Other, net	(1)	111
Net cash from financing activities	77,626	42,849
NET INCREASE (DECREASE) IN CASH	(6,614)	1,237
CASH, BEGINNING OF PERIOD	17,613	13,937
CASH, END OF PERIOD	$ 10,999	$ 15,174
SUPPLEMENTAL CASH FLOW INFORMATION:		
Income taxes paid	$ 5,789	$ 1,654
Interest paid	$ 9,507	$ 9,048

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 1994 Annual Report to Shareholders.

2. The company provides freight transportation services through its subsidiaries, Yellow Freight System, Inc. (Yellow Freight), Preston Trucking Company, Inc. (Preston Trucking), Saia Motor Freight Line, Inc. (Saia), CSI/Reeves, Inc. (CSI/Reeves), WestEx, Inc. (WestEx) and Yellow Logistics Services, Inc. (Yellow Logistics). Yellow Technology Services, Inc. (Yellow Technology) supports the company's subsidiaries - primarily Yellow Freight - with information technology. Yellow Freight, the company's principal subsidiary, comprises approximately 77% of total revenue while Preston Trucking comprises approximately 14% and Saia comprises approximately 6%.

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

FINANCIAL CONDITION

June 30, 1995 Compared to December 31, 1994

Working capital increased by $70.3 million during the first six months of 1995, resulting in a $97.7 million positive working capital position at June 30, 1995. The increase is primarily due to growth in accounts receivable, partially because of increased revenue levels at the end of the respective periods of comparison. Additionally, conversion to a new system for customer billing and stating contributed to the growth in days sales outstanding. The company expects to reverse the trend in days sales outstanding during the remainder of 1995 and early 1996.

The company increased its total debt level by $86.0 million in the first six months of 1995 compared to that of December 31, 1994 with borrowings from commercial paper and medium-term notes. These borrowings were used to fund capital expenditures as accounts receivable growth mostly offset cash flows from other operating activities. Most of the capital expenditures were for revenue equipment at Yellow Freight and Saia. It is anticipated that the remaining capital expenditures for 1995 will be financed through internally-generated funds and additional borrowings. Net capital expenditures for 1995 are estimated to be $140 million.

FINANCIAL CONDITION (continued)

The company replaced its $100 million credit agreement during the second quarter. A new five year $200 million credit agreement with a group of eleven banks was established to support the commercial paper program and provide financing capacity for other corporate purposes. The new credit agreement also enabled the company to increase the authorized size of its commercial paper program to $150 million.

Given that price discounting and other adverse industry fundamentals are continuing as described below, the company expects to report a loss for the full year 1995. The extent of this loss, as well as profitability for 1996, is dependent upon improvement in pricing and other industry fundamentals. In view of this, the Board of Directors has decided to suspend the company's quarterly dividend. This action will be combined with increased cost reduction efforts, as well as cutbacks in planned capital expenditure levels.

Additionally, the company recently signed a Letter of Intent to sell CSI/Reeves, a provider of transportation and other services to the carpet and floor covering industry. This sale is consistent with the company's strategy of concentrating on its core businesses and will have no material impact on the company's financial results. The company expects this transaction to close prior to year end.

RESULTS OF OPERATIONS

Comparison of Three Months Ended June 30, 1995 and 1994

Yellow Corporation operating revenue in the second quarter was $773.8 million, up 30.7% from the $592.2 million recorded in last year's strike-impacted second quarter. Excluding the impact of the strike, revenue was essentially flat. Net income of $1.0 million, or $.04 per share, for the quarter compares to a loss of $21.9 million, or $.78 per share, in the same quarter last year. A 24-day strike by the International Brotherhood of Teamsters (Teamsters) in April 1994 against Yellow Freight severely depressed operating revenue and caused the large loss.

Yellow Freight recorded operating revenue of $595.3 million in the second quarter of 1995 compared to $420.1 million in the second quarter of 1994. Operating income for the current quarter was $8.0 million compared to an operating loss of $34.3 million in the same quarter last year. After adjusting for the strike impact in 1994, Yellow Freight's operating results showed a deterioration from the prior year. Wide-spread price discounting in the second quarter, compounded by continued slowing in the economy and competitive pressures, caused most of this decline. In addition, union wage and benefit increases effective April 1 negatively impacted expense levels.

Although tonnage at Yellow Freight was up 43.8% in this year's second quarter compared to last year's strike depressed second quarter, for the last two months of the quarter, total tonnage was up only 1.8% on a per day basis.

RESULTS OF OPERATIONS (continued)

While the softness in business levels has reduced growth, Yellow Freight continues to move forward with improved service, reduced transit times and an ongoing emphasis on productivity. In July Yellow Freight announced Further Faster(TM), a transit time reduction program that will allow it to take one or more days off its service and 2-Day USA(TM) which provides broad two-day service for shipments within 500-700 miles. By August 1 Yellow Freight plans to deliver 40% of its freight within two days and 85% in three days or less. These programs will increase costs in the short term but are expected to provide future business volume and profitability improvements.

Preston Trucking continues to expand the geographical coverage of its SuperRegion while on-time reliability remains extremely high. Operating revenue for the second quarter was $104.8 million, down 8.2% compared to $114.1 million in the second quarter last year. Preston Trucking saw a dramatic increase in revenue during the second quarter of 1994 as they returned to work under an interim agreement with the Teamsters after only six days on strike. The weak economy and pricing pressure resulted in a $1.3 million operating loss in the second quarter of 1995 compared to operating income of $2.5 million in the same quarter last year. In addition, union wage and benefit increases combined with a step-down in the wage reduction program netted a 5% increase in labor costs effective April 1.

Saia experienced solid revenue growth of 8.4% in this year's second quarter, reaching $51.3 million compared to $47.3 million in 1994 which benefited from the strike against the national carriers. Operating income was $2.7 million for the second quarter of 1995 compared to $5.4 million in the strike-benefited second quarter of 1994. Saia's expansion into the Carolinas is proceeding as planned with eight terminals opened at the end of July.

Comparison of Six Months Ended June 30, 1995 and 1994

For the first half of 1995 operating revenue was $1.54 billion up from $1.34 billion in the first half of 1994. Excluding the impact of the strike in the second quarter of 1994, revenue was up only slightly. Net income for the first six months was $4.2 million, or $.15 per share, compared to a net loss of $28.3 million, or $1.01 per share, for the same period last year.

Yellow Freight recorded operating revenue of $1.19 billion in the first half of 1995 compared to $1.02 billion in the first half of 1994. Operating income for the first six months of 1995 was $17.1 million compared to an operating loss of $32.6 million in the same period last year. Price discounting in the second quarter, compounded by continued slowing in the economy and competitive pressures, as well as union wage and benefit increases effective April 1, resulted in the moderate operating income for the 1995 period. A 24-day Teamster strike in April 1994 caused the decreased operating revenue and large operating loss in the 1994 period.

RESULTS OF OPERATIONS (continued)

Operating revenue for Preston Trucking in the first six months of 1995 was $208.1 million, down 3.1% compared to $214.8 million in 1994. The 1994 period contained benefits from additional business volume during the strike as described above. Operating income in the first six months of 1995 was $.4 million compared to an operating loss of $3.3 million in the same period last year. The 1994 period included the impact of severe winter weather in the first quarter that caused significant business disruptions and higher operating expenses, offsetting the benefits of additional business during the strike.

Saia recorded operating revenue of $100.5 million in the first half of 1995 compared to $88.3 million in the same period of 1994, an increase of 13.9%. Operating income was $5.3 million for the first six months of 1995 compared to $8.0 million in the same period last year. The 1994 period benefited significantly from the second quarter strike. Additionally, increased business from new terminal openings over the last year contributed to revenue growth but were offset by start up costs. These expansions are expected to increase future profitability as business volumes increase and density benefits are realized.

Due to continued price discounting, soft business levels, increased labor costs, transit time improvement start up expenses and other corporate development expenses, the company expects to show an operating loss for the full year of 1995.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibit (27) - Financial Data Schedule (for SEC use only)
(b) Reports on Form 8-K
On June 12, 1995, a Form 8-K was filed under Item 5, Other Events, which reported that the company announced on June 8, 1995, that it expects to report in the range of a small profit to a small loss for the second quarter.

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: August 10, 1995 /s/ H. A. Trucksess, III
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H. A. Trucksess, III
Senior Vice President - Finance

Date: August 10, 1995 /s/ Phillip A. Spangler
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Phillip A. Spangler
Vice President and Treasurer

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