FILE NAME: Owens Illinois (OWILL)

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OWENS-ILLINOIS

# MOODY'S MANUAL OF INVESTMENTS

## AMERICAN AND FOREIGN

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# INDUSTRIAL SECURITIES



1949



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MOODY'S INVESTORS SERVICE

65 BROADWAY, NEW YORK 6, N. Y.

PHILADELPHIA Stock Exchange Bldg. — BOSTON 75 Federal St. — CHICAGO 105 W. Adams St. — LOS ANGELES Hollingsworth Bldg. — PITTSBURGH Union Trust Bldg. — SAN FRANCISCO Russ Bldg.

LONDON: MOODY'S INVESTORS SERVICE, LTD.

**Dividend Record (in $)**

($100 par shares)

| | | | | | |
|---|---|---|---|---|---|
| 1905-09 | nil | [1]1910-14 | 5.00 | 1915 | 15.00 |
| [2]1916 | 50.00 | 1917 | 30.00 | [3]1918-22 | 10.00 |

(Par $100 shares—after 100% stock dividend)

| | | | |
|---|---|---|---|
| 1923 | 38.00 | [4]1924-25 | 8.00 |

(No par shares)

| | | | | | |
|---|---|---|---|---|---|
| 1926-27 | 5.00 | 1928 | 6.00 | 1929 | 7.00 |
| 1930 | 6.00 | 1931 | 4.00 | 1932 | 2.50 |
| 1933 | 1.50 | 1934 | 3.75 | 1935 | 5.00 |
| 1936-37 | 6.00 | 1938 | 5.50 | 1939 | 6.00 |
| 1940-41 | 7.00 | 1942-45 | 6.00 | 1946 | 7.00 |
| 1947 | 9.00 | 1948 | 3.00 | | |

(No par shares after 2-for-1 split)

| | | | |
|---|---|---|---|
| 1948 | 3.50 | [5]1949 | 1.75 |

[1]Plus 25% stock each in 1911 and 1913.
[2]Plus 20% stock.
[3]Plus 100% stock in 1922.
[4]Plus 10% stock in 1924.
[5]To June 2.

Dividends payable quarterly Mar. 1, etc., to stock of record about Feb. 8, etc.

VOTING RIGHTS—One vote per share. At elections of directors, stockholders may vote cumulatively. Consent of two-thirds of each class of stock outstanding is required for the disposition of all the property. No voluntary dissolution or liquidation is permitted without the consent of two-thirds of the number of shares of the entire capital stock, and also of not less than a majority of the number of shares of each class of the capital stock of the company.

PREEMPTIVE RIGHTS—None.

LISTED—New York Stock Exchange.

TRANSFER AGENT—New York Trust Co., New York.

REGISTRAR—National City Bank, New York.

PRICE RANGE—

| | [1]1948 | 1947 | 1946 |
|---|---|---|---|
| Common | 76¼-58½ | 136½-107 | 151½-116 |

[1]After stock split; before, 154¾-119.

**Employees' Stock Subscription Plan:** On April 27, 1948, stockholders approved a stock purchase plan providing for an offering of not more than 80,000 common shares during years 1948 to 1957, both inclusive, for subscription by employees and officers at a price not higher than average market price per share during three calendar months preceding month in which allotment is made, nor less than 75% of such average. Company will credit to subscribers' accounts a sum equal to 30% of the subscription price plus dividends paid during the subscription year on number of shares subscribed for, so that subscriber will pay in cash 70% of subscription price less dividends.

# CANADIAN INGERSOLL-RAND COMPANY, LTD.

**(Controlled by Ingersoll-Rand Co.)**

**History:** Incorporated under laws of Dominion of Canada.

**Business:** Manufactures air and gas compressors, rock drills, pumps, condensers, pneumatic tools, pulp and paper machinery, general mining, tunneling and quarrying equipment.

**Property:** Owns and operates a manufacturing plant at Sherbrooke, Quebec, Canada and maintains sales offices in principal Canadian cities.

**Subsidiary:** Owns entire capital stock of Sherbrooke Pneumatic Tool Co., Ltd.

**Officers:** D. R. Lowry, Pres.; F. G. Ferrabee, Vice-Pres. and Gen. Mgr.; E. Winslow-Spragge, Wm. Carter, Vice-Pres.; J. G. Campbell, Sec. and Treas.

**Directors:** George Doubleday, H. J. Fuller, D. C. Keefe, E. Winslow-Spragge, F. G. Ferrabee, R. L. Carpenter, Wm. Carter, H. G. Lafleur, G. M. Young, J. G. Campbell, D. R. Lowry.

**Annual Meeting:** Last Thursday in April.

**No. of Stockholders:** Dec. 31, 1943, 280.

**Office:** New Birks Bldg., Phillips Square, Montreal, Que., Can.

**Income Account, years ended Dec. 31:**

| | 1948 | 1947 |
|---|---|---|
| [1]Operating profit | $1,991,013 | $2,194,188 |
| Interest received | 27,865 | 39,651 |
| Other invest. inc. | 30,000 | 21,250 |
| Total income | 2,048,878 | 2,255,089 |
| Taxes | 747,878 | 980,660 |
| **Net income** | 1,301,000 | 1,274,429 |
| Dividends paid | 146,948 | 807,922 |
| Surplus for year | 154,052 | 466,507 |
| Earn. surp., Jan. 1 | 5,114,450 | 4,704,983 |
| Pr. yr. tax adj. | cr 75,315 | dr 57,040 |
| Earn. surp., 12-31 | 5,343,817 | 5,114,450 |

[1]After deprec.: 1948, $181,710; 1947, $165,714.

**Earnings, years to Dec. 31 (in $):**

| | Oper. Profit | Net Income | No. of Shares | Earn. on Com. |
|---|---|---|---|---|
| 1948 | 1,991,013 | 1,301,000 | 191,158 | 6.81 |
| 1947 | 2,194,188 | 1,274,429 | 191,158 | 6.67 |
| 1946 | 1,289,540 | 847,981 | 189,658 | 4.47 |
| 1945 | 1,774,541 | 721,488 | 188,158 | 3.83 |
| 1944 | 1,145,611 | 764,390 | 186,678 | 4.09 |
| 1943 | 1,402,646 | 797,860 | 190,400 | 4.19 |
| 1942 | 1,611,129 | 874,723 | 190,400 | 4.59 |
| 1941 | 1,775,032 | 958,767 | 190,400 | 5.04 |
| 1940 | Not stat. | 756,497 | 190,400 | 3.97 |
| 1939 | Not stat. | 713,361 | 95,200 | 7.49 |

**Balance Sheet, as of Dec. 31:**

| Assets: | 1948 | 1947 |
|---|---|---|
| Cash | $138,508 | $379,026 |
| [1]Market sec. | 1,525,750 | 1,525,550 |
| Accts. rec., etc. | 1,934,163 | 1,729,872 |
| [2]Inventories | 4,449,135 | 4,204,038 |
| Total current | $8,047,556 | $7,838,486 |
| Property acct., net | 578,170 | 701,287 |
| Invest. in sub. | 12,500 | 12,500 |
| Post-war tax refd. | 178,947 | 231,539 |
| Deferred charges | 79,105 | 116,025 |
| Total | $8,896,278 | $8,899,837 |
| **Liabilities:** | | |
| Accts. pay., etc. | $1,369,559 | $1,126,894 |
| Divd. pay. | | 238,948 |
| Res. for taxes | 434,695 | 618,746 |
| Total current | $1,804,254 | $1,984,588 |
| **Liabilities (cont'd)** | **1948** | **1947** |
| Post-war tax ref. | 178,947 | 231,539 |
| [3]Capital stock | 1,569,260 | 1,569,260 |
| Earned surplus | 5,343,817 | 5,114,450 |
| Total | $8,896,278 | $8,899,837 |
| Net current assets | $6,243,302 | $5,853,898 |

[1]At cost. Market value: 1948, $1,525,300; 1947, $1,536,706.

[2]Raw materials and supplies, at lower of cost or market; manufactured and partially manufactured products at cost.

[3]191,158 no par shares.

Accounts certified, Price, Waterhouse & Co.

**Capital Stock: 1. Canadian Ingersoll-Rand Co., Ltd. stock; no par:**

AUTHORIZED — 400,000 shares (increased from 20,000 shares to 100,000 shares in Dec., 1927; subsequently to 200,000 shares and to present amount in Feb., 1940); outstanding, 191,158 shares; no par (changed from $100 par to no par in Dec., 1927, five no par shares issued for each $100 share; no par shares split 2 for 1 in Feb., 1940).

OWNERSHIP—Ingersoll-Rand Co. owned 70.08% of outstanding shares on Dec. 31, 1948.

DIVIDENDS PAID—

On no par shares:

| | | | | | |
|---|---|---|---|---|---|
| 1929 | [1] | 1930-33 | [2] | 1934 | $3.00 |
| 1935 | $5.00 | 1936-38 | $6.00 | 1939 | 7.00 |
| 1940 | 4.75 | 1941 | 4.25 | 1942 | 4.00 |
| 1943 | 3.25 | 1944-46 | 2.00 | 1947 | 3.00 |
| 1948 | 7.25 | [3]1949 | 1.50 | | |

[1]40% stock dividend.
[2]None reported.
[3]To March 31.

TRANSFER AGENT AND REGISTRAR—National Trust Co., Ltd., Montreal, Can.

# OWENS-ILLINOIS GLASS COMPANY

**CAPITAL STRUCTURE**

**CAPITAL STOCK**

| Issue | Par Value | Amount Outstanding | Earned per Sh. 1948 | Earned per Sh. 1947 | Divs. per Sh. 1948 | Divs. per Sh. 1947 | Call Price | Price Range 1948 | Price Range 1932-48 |
|---|---|---|---|---|---|---|---|---|---|
| 1. Common | $12.50 | 3,056,874 shs. | $3.38 | $4.58 | $3.00 | $3.00 | --- | 73¼-47¼ | [1]103¾-38¾ |

[1]$12.50 par common—after 2 for 1 split-up in 1937.

## HISTORY

Incorporated in Ohio, Dec. 13, 1907 as The Owens Bottle Machine Corp., successor to a New Jersey corporation of the same name, incorporated Sept. 3, 1903. Charter is perpetual. Name changed to The Owens Bottle Co. May 1, 1919 and to Owens-Illinois Glass Co. Apr. 17, 1929.

For subsequent acquisitions to 1933, see Moody's 1948 Industrial Manual.

As of Jan. 31, 1933 acquired substantially entire assets and business of O'Neill Machine Co., developing automatic bottle blowing machinery, using the vacuum process. As of Mar. 31, 1933 acquired Hemingray Glass Co. specializing in glass insulators. In Apr., 1933 exercised option on 16,000 shares of Container Corp. of America (see general index) 7% cumulative preferred, subsequently receiving through recapitalization 50,000 common shares for part of this holding. In May, 1933 purchased entire assets of Illinois Glass Co.

On Dec. 31, 1935 purchased entire assets of Libbey Glass Mfg. Co., Toledo (founded in 1888), transferring properties to new subsidiary, Libbey Glass Co. (Ohio 1935).

In Apr., 1937 acquired Lauterbach Corp.

On Nov. 1, 1938 company transferred substantially all of its assets for development and production of glass fiber products to Owens-Corning Fiberglas Corp. for 49.77% of latter's common and 17,586 preferred shares.

In 1943, two former subsidiaries, Owens-Illinois Pacific Coast Co. and Libbey Glass Co., were dissolved and their businesses consolidated with that of Owens-Illinois Glass Co. as divisions.

In 1944, company purchased entire stock of Toledo Automatic Brush Machine Co., and acquired from latter remaining 50% interest in Owens Staple-Tied Brush Co. (now Owens Brush Co.). Also, Madison Warehouse Co., former wholly-owned subsidiary, was liquidated and dissolved in 1944. In Oct., 1944, all of business, property and assets of Owens-Illinois Can Co., former wholly-owned subsidiary were sold to Continental Can Co., Inc. (N. Y.).

On July 1, 1946, company acquired Kimble Glass Co., of Vineland, N. J., in exchange for 264,160 common shares. Company was dissolved Feb. 28, 1947 and now operates as a division.

On Aug. 1, 1947, company acquired all the properties, assets and business, of American Coating Mills, Inc., in exchange for 97,112 19/75 shares of company's capital stock and assumption by company of all debts and liabilities of American Coating Mills, Inc.; now being operated as a division of the company. On or about Oct. 20, 1947, company acquired remaining outstanding shares of Modern Packages, Inc. (Tenn.), one-half of the outstanding shares of that corporation having been acquired by company as part of the assets of American Coating Mills, Inc.; on Jan. 2, 1948, company took over its property and business.

On or about Nov. 1, 1947, company acquired property and business, except real estate, some of which it has leased, of Grand Rapids Paper Box Co. at Grand Rapids, Mich.

On Dec. 31, 1947, company acquired entire outstanding capital stock (5,000 shares) of Sharpe, Inc. in exchange for 25,000 shares of company's capital stock.

On Jan. 2, 1948, company transferred its structural materials operations to American Structural Products Co., a wholly-owned subsidiary, in exchange for entire authorized shares of latter company.

In 1947 and 1948, company acquired entire common stock of Blair Veneer Co., North Troy, Vt. Vermont Plywood Co., Hancock, Vt., is a subsidiary.

## SUBSIDIARIES

Company is primarily an operating company.

On Dec. 31, 1948, held 100% voting power in the following subsidiaries:

Name, place of incorporation and business:

Blair Veneer Co. (Vt.)—Manufactures veneer and plywood panels and office furniture.

Vermont Plywood, Inc. (Vt.)—Manufactures veneer and plywood panels.

Owens Brush Co., formerly Owens Staple-Tied Brush Co. (Ohio)—Brushes.

Modern Packages, Inc. (Tenn.)—Inactive.

Sharpe, Inc. (N. Y.)—Stemware & tumblers.

Lauterbach Corp. (Del.)—Plastic molding machinery

American Structural Products Co.—Structural and insulating products.

Toledo Automatic Brush Machine Co. (Ohio)—Brush machine patent rights

Glasco Products Co. (Ill.)—Glass products

American Coating Mills, Inc.—Inactive.

Graham Glass Co.—Inactive.

Grand Rapids Paper Box Co.—Inactive.

Libbey Glass Co.—Inactive.

Company owns 98,281 common shares of Owens-Corning Fiberglas Corp. (see below).

**Owens-Corning Fiberglas Corp.:** Incorporated under Delaware laws Oct. 31, 1938, and acquired all the assets of Owens-Illinois Glass Co. and Corning Glass Works which had been devoted to production and development of glass in fibrous forms. Engaged in production of "Fiberglas" materials for a wide variety of applications, including insulation, dust-stop air filters, and decorative and industrial service fabrics. Company has developed a glass reinforced plastic that will fill many uses of steel, but also can be used for making either soft or hard fabrics.

Plants at Newark, O., Ashton, R. I., Corning, N. Y. and Huntingdon, Pa. Latter, formerly operated under lease from Defense Plant Corp., was purchased for $910,000 early in 1946. About same time purchased an unfinished plant at Kansas City, Kan. from RFC for $650,000; first unit at this plant began production in Nov., 1946. Company's new plant at Santa Clara, Cal., to supply western markets, was to be completed in 1949. Plant, located on 42-acre site, will have a floor area of about 500,000 sq. ft.

Common stock owned in equal percentages by Owens-Illinois Glass Co. and Corning Glass Works.

## BUSINESS AND PRODUCTS

Directly and through subsidiaries manufactures, warehouses and sells a general line of bottles and other containers for medicinal, toilet, pharmaceutical and proprietary preparations; for products of manufacturing chemists; and for foods, condiments and beverages; also for other purposes. Also manufactures and sells glass insulators used in electrical and telephone wiring; Insulux glass blocks for industrial and residential construction; caps and closures for glass containers; and plastics. Company also engages in fabrication of strawboard into corrugated cartons for shipping glass articles, and makes wood packages, and in manufacture of graduates, test tubes, laboratory appartus flasks, thermometers, and other similar products. Subsidiaries manufacture, warehouse and sell thin blown (paste mold) tumblers (Libbey Safedge and Libbey No-Nik), used as drinking glasses and as jars for packing food products; stemware; glassware for hotels, restaurants, cafes, clubs, bars and soda fountains; cut and engraved glassware; and tin cans and related metal products.

Owns interests in natural gas properties which supply some of the plants with fuel. Glass sand requirements are purchased from outside interests.

Also see Owens-Corning Fiberglas Corp. under "Subsidiaries" above.

Company's operations are carried on through five operating divisions, Glass Container Division, Libbey Glass Division, Kimble Glass Division, American Coating Mills Division and Export Division.

Glass Container Division comprises largest part of company's business with manufacturing plants located to serve all sections of the country with Duraglas containers, including bottles and jars. Two subdivisions have been established, Pacific Coast Division which manufactures and sells glass containers in Pacific Coast states and Closure and Plastics Division which manufactures metal and plastic closures and related products.

Libbey Glass Division comprises all tumbler, stemware and tableware. This division also operates a wholly-owned subsidiary, Sharpe, Inc.

Kimble Glass Division (formerly Kimble Glass Co.) manufactures graduates, test tubes, laboratory apparatus, flasks, thermometers and many other products, such as glass tubing, glass rods, ampules, vials and television bulbs. This division also operates a wholly-owned subsidiary, Glasco Products Co.

American Coating Mills Division produces clay coated folding boxboard, folding cartons, folding carton displays, and paperboard specialties.

The Export Division handles all sales outside of the continental United States.

Subsidiaries function as follows: American Structural Products Co. manufactures glass block and insulators and "Kaylo" structural and insulating products. This company also operates Blair Veneer Co. and Vermont Plywood, Inc. manufacturers of veneer and plywood panels used largely for furniture trade. Blair Veneer produces a line of office desks and tables under "Blair" trade name, also manufactures sound boards for piano industry.

Owens Brush Co. manufactures all kinds of tooth brushes, hair brushes, nail brushes and other toilet brushes.

Lauterbach Corp. supplies automatic machines for molding plastics.

Toledo Automatic Brush Machine Co. is a small company owning United States and foreign patent rights on brush machines.

**PRINCIPAL PLANTS & PROPERTIES**

Factories are located as follows:

| | |
|---|---|
| Alton, Ill. | Huntington, W. Va. |
| Berlin, N. J. | Indianapolis, Ind. |
| Bridgeton, N. J. | Los Angeles, Cal. |
| Buffalo, N. Y. | Muncie, Ind. |
| Camden, N. J. | Oakland, Cal. |
| Charleston, W. Va. | Pacific Grove, Cal. |
| Chicago, Ill. | Pleasantville, N. J. |
| Chicago Heights, Ill. | St. Charles, Ill. |
| Clarion, Pa. | San Jose, Cal. |
| Columbus, O. | Sayerville, N. J. |
| Conshohocken, Pa. | Streator, Ill. |
| Corona, Cal. | Terre Haute, Ind. |
| Elkhart, Ind. | Toledo, O. |
| Fairmont, W. Va. | Vineland, N. J. |
| Gas City, Ind. | Waco, Tex. |
| Glassboro, N. J. | Warsaw, Ind. |
| Grand Rapids, Mich. | |

Jointly with Libbey-Owens-Ford Glass Co. (see general index), company owns gas properties in West Virginia, supplying fuel to the Charleston plants of both companies. On Dec. 31, 1948, total territory so owned or held under lease comprised 156,633 acres, on which there were 632 producing wells.

Company has wholly-owned natural gas fields in Clarion, Pa. and Fairmont, W. Va., having a total of 1,262 acres of gas rights owned or under lease on which there were 226 producing wells at Dec. 31, 1948, supplying fuel to bottle manufacturing plants at those points.

In early 1949 company acquired paper manufacturing plant of Prairie State Paper Mills Co., Middletown, O.

**MANAGEMENT**

**Officers**

W. E. Levis, Chairman
J. P. Levis, President
C. R. Megowen, Exec. Vice-President
W. I. Cole, Vice-President
F. J. Solon, Vice-President
F. T. Nesbitt, Vice-President
C. G. Bensinger, Vice-President
Garland Lufkin, Vice-President
S. L. Rairdon, Vice-President
H. C. Laughlin, Vice-President
H. S. Wade, Vice-President
H. K. Kimble, Vice-President
R. L. Snideman, Vice-President
S. J. McGiveran, Vice-President
H. J. Carr, Vice-President
R. A. Cosh, Vice-President
J. G. King, Vice-President
J. H. McNerney, Secretary & Treasurer
E. F. Martin, Asst. Sec. & Asst. Treasurer
F. G. Morfoot, Asst. Sec. & Asst. Treasurer
A. J. Riedmayer, Asst. Sec. & Asst. Treas.
W. G. Thomas, Asst. Sec. & Asst. Treas.
E. L. R. Laning, Asst. Sec. and Asst. Treas.
A. H. Ahlers, Assistant Treasurer
C. O. Dawson, Assistant Secretary
H. C. Yetter, Assistant Secretary
P. W. Hancock, Comptroller
F. E. Fuller, General Counsel

**Directors**

Harold Boeschenstein, Toledo
W. H. Boshart, Toledo
H. E. Collin, Toledo
T. C. Edwards, Terre Haute, Ind.
G. P. Greenhalgh, Berryville, Va.
H. K. Kimble, Ventnor, N. J.
W. W. Knight, Toledo
J. P. Levis, Toledo
W. E. Levis, Toledo
F. H. McAdoo, New York
C. R. Megowen, Toledo
R. L. Snideman, Chicago
H. S. Wade, Toledo
C. J. Wilcox, Toledo

**Annual Meeting:** Third Wednesday in April at Toledo, O.

**No. of Stockholders:** Dec. 31, 1948, 14,483.

**No. of Employees:** Dec. 31, 1948, 24,278.

**General Office:** Ohio Bldg., Madison Ave., Toledo 1, O.

**Management Profit-Sharing:** Executives and department heads receive additional compensation under plan adopted Jan. 20, 1930, as determined by the company's president out of a fund representing up to 8% of earnings in excess of 10% of capital and surplus at the beginning of the year. Total of the participating salaries shall not exceed 10% of the excess earnings for each year. Total bonus to any participant in any year shall not exceed his salary for that year.

Payments made under the plan since 1939 follow:

| | | | |
|---|---|---|---|
| 1939 | $188,750 | 1944 | $599,042 |
| 1940 | 48,644 | 1945 | 642,500 |
| 1941 | 628,250 | 1946 | 657,417 |
| 1942 | 579,000 | 1947 | 609,500 |
| 1943 | 588,500 | 1948 | 402,120 |

**INCOME ACCOUNTS**

**COMPARATIVE CONSOLIDATED INCOME ACCOUNT, YEARS ENDED DEC. 31**

(Taken from reports filed with Securities and Exchange Commission)

| | 1948 | 1947 | 1946 | 1945 | 1944 | 1943 | 1942 |
|---|---|---|---|---|---|---|---|
| [1]Net sales, royalties & oth. op. rev. | $224,396,075 | $231,310,180 | $196,259,500 | $168,671,142 | $174,584,341 | $172,132,405 | $152,230,527 |
| [4][5]Cost of sales, royalties paid, etc. | 186,792,156 | 190,232,018 | 160,956,926 | 131,086,759 | 135,210,244 | 129,386,861 | 111,435,602 |
| [5]Selling, general & adm. expenses | 19,502,389 | 18,286,423 | 14,504,874 | 12,298,371 | 12,655,683 | 11,866,729 | 10,087,709 |
| Operating profit | 18,101,530 | 22,791,739 | 20,797,700 | 25,286,012 | 26,718,414 | 30,878,814 | 30,707,215 |
| Dividends received | 291,964 | 250,038 | 206,263 | 104,825 | 121,453 | 134,386 | 139,086 |
| Interest received | 44,854 | 97,518 | 466,456 | 368,020 | 255,132 | 139,560 | 88,609 |
| Discount & commissions | [7]------ | [7]------ | [7]------ | [7]------ | 455,958 | 429,677 | 414,083 |
| [6]Miscellaneous other income | 100,338 | 655,718 | 356,612 | 3,237,096 | 82,819 | 81,786 | 43,023 |
| Total | 18,538,686 | 23,795,013 | 21,827,031 | 28,995,954 | 27,633,776 | 31,664,224 | 31,392,016 |
| Provision for management bonus | 402,120 | 609,500 | 657,417 | 642,500 | 599,042 | 588,500 | 579,000 |
| Discount on sales | [1]------ | [1]------ | [1]------ | [1]------ | 1,625,993 | 1,590,903 | 1,375,072 |
| Provision for bad debts | 23,728 | 31,610 | 729 | 540 | 848 | 1,745 | 26,754 |
| Interest expense | 412,237 | 298,434 | 32,344 | 43,964 | 16,942 | 60,647 | 217,851 |
| Premium, debentures retired | -------- | -------- | -------- | -------- | -------- | 7,431 | 77,564 |
| Sundry expenses & losses (net) | 18,627 | 66,975 | 3,604 | 19,137 | 18,335 | 651,512 | 94,495 |
| Balance | 17,681,975 | 22,788,496 | 21,132,937 | 28,289,804 | 25,372,615 | 28,763,486 | 29,021,279 |
| [2]Employees' annuities | -------- | -------- | -------- | 1,580,950 | 1,663,137 | 1,409,363 | 1,400,000 |
| Total income before taxes | 17,681,975 | 22,788,496 | 21,132,937 | 26,708,854 | 23,709,478 | 27,354,123 | 27,621,279 |
| Provision for Federal income tax | 7,300,000 | 8,719,000 | 7,794,000 | 4,343,800 | 4,338,100 | 4,387,400 | 4,158,600 |
| [10]Federal excess profits tax | -------- | -------- | -------- | 13,545,200 | 11,210,400 | 13,406,400 | 14,220,270 |
| State & foreign income taxes | 55,800 | 52,000 | 65,749 | 26,047 | 25,622 | 20,846 | 47,861 |
| Renegotiation refund for prior yr. | -------- | 58,065 | 26,355 | -------- | -------- | 61,180 | -------- |
| Net income to surplus | 10,326,175 | 13,959,431 | 13,246,833 | 8,793,807 | 8,135,356 | 9,478,297 | 9,194,548 |
| Earned surplus beginning of year | 41,123,670 | 35,378,459 | 44,322,928 | 42,182,131 | 38,568,043 | 31,771,564 | 27,899,424 |
| [8]Other surplus credits | -------- | 3,999,786 | -------- | -------- | 3,119,336 | 3,333,799 | -------- |
| Common dividends | 9,156,483 | 8,848,874 | 8,379,852 | 6,653,010 | 5,322,408 | 5,322,408 | 5,322,408 |
| [11]Other surplus debits | -------- | 3,365,133 | 13,811,450 | -------- | 2,318,196 | 693,209 | -------- |
| Earned surplus, end of year | $42,293,361 | $41,123,670 | $35,378,459 | $44,322,928 | $42,182,131 | $38,568,043 | $31,771,564 |
| SUPPLEMENTARY P. & L. DATA | | | | | | | |
| Deprec., depl. & amortization | $5,864,083 | $4,138,834 | $3,784,714 | $3,384,326 | $3,985,732 | $3,978,938 | $4,008,161 |
| [9]Molds charged to expense | 4,418,934 | 3,488,150 | 2,598,868 | 1,846,348 | 1,707,358 | 1,737,439 | 1,491,809 |
| Maintenance & repairs | 11,205,716 | 11,519,860 | 9,217,482 | 7,297,510 | 6,743,712 | 3,593,576 | 3,071,736 |
| [3]Taxes (other than income) | 2,921,353 | 2,643,328 | 2,138,682 | 1,904,596 | 2,184,931 | 2,481,459 | 2,389,274 |
| Rents | 811,659 | 635,561 | 522,264 | 574,730 | 366,619 | 379,655 | 328,544 |
| Royalties | 354,198 | 914,352 | 1,379,505 | 1,921,321 | 1,795,115 | 1,661,713 | 1,310,419 |
| Parent company's net income | Not stated | Not stated | Not stated | $8,736,063 | $7,910,160 | $8,792,370 | $8,987,321 |

[1]1948-45: Discount on sales deducted from net sales; prior years shown separately.

[2]Payment to service retirement trust.

[3]Includes social security taxes: 1948, $1,543,301; 1947, $1,485,601; 1946, $1,220,346; 1945, $964,810; 1944, $1,057,185; 1943, $1,225,371; 1942, $1,230,687.

[4]Cost of sales, royalties paid, patent, development and other operating expenses (including depreciation and amortization—1948, $5,561,954; 1947, $3,944,444; 1946, $3,598,193; 1945, $3,107,170; 1944, $3,701,420; 1943, $3,712,791; 1942, $3,678,741).

[5]Includes related portions of items shown under "Supplementary P & L Data" below statement.

[6]1945: Includes $2,872,128 proceeds from settlement of equity suit.

[7]1948-45: Discount on purchases applied to related cost of sales and other expense accounts (amount not stated); prior years shown separately.

[8]Principal "other surplus credits" follow:

1947: Adjustments applicable to years 1937 to 1946 incl., to conform to those made by Bureau of Internal Revenue in connection with its examination of tax returns of company and subsidiaries for years 1937 to 1942, incl.: Reduction in provisions for depreciation, $5,334,861. Less: Adjustment resulting from change in method of accounting for vacation pay from "payment" to "accrual" basis $1,335,076; balance, $3,999,786.

1944: Reduction in Federal excess profits tax liability for year ended Dec. 31, 1944, resulting from liquidation of subsidiary ($3,322,222 less reduction in post-war tax credit $332,222), $2,990,000; credit arising through acquisition and inclusion in consolidation during current year of 100% owned subsidiary formerly 50% owned, $129,336; total, $3,119,336.

1943: Adjustments applicable to years 1929 to 1942, to conform with principles followed by Bureau of Internal Revenue in determining company's tax liability for 1929-36 (excess depreciation taken, $2,430,805; property losses disallowed and other property adjustments, $1,104,265), $3,535,070; less federal taxes on income and interest paid and accrued on same, $201,271; balance, $3,333,799.

[9]No depreciation is provided on molds, jigs, etc. Amount at which molds, etc., are carried in companies' accounts represents value thereof at Dec. 31, 1930 as determined by independent appraisal plus (a) certain additions for molds acquired from companies whose assets were purchased and (b) additions for molds for new products, minus (c) molds specifically allocated to plants sold in their entirety. All

value of $510,000 in exchange for entire outstanding capital stock of Enterprise Can Co. valued at $883,000, additional paid-in surplus, $373,000; in 1936, issuance of 63,002 shares, par value of $1,575,050 in exchange for $6,300,200 cash, $4,725,150; total paid-in surplus, $10,698,150.

1946: Balance, Dec. 31, 1945, $10,698,150. Add: Excess of assigned value over par value of 264,160 common shares issued in exchange for net assets and business of Kimble Glass Co., $15,189,200; balance, Dec. 31, 1946, $25,887,350.

1947: Balance, Dec. 31, 1946, $25,887,350. Add: Excess of assigned value over par value of 97,112 19/75 shares of common capital stock issued in exchange for net assets and business of American Coating Mills, Inc., $6,069,516; excess of assigned value over par value of 25,000 shares of common capital stock issued in exchange for 5,000 no par shares, being all of the authorized and issued capital stock of Sharpe, Inc., $1,500,000; balance, Dec. 31, 1947, $33,456,866.

1948: After crediting $670,536 excess of net worth of Blair Veneer Co. at date of acquisition as a wholly-owned subsidiary over aggregate par value of common shares and cash given in consideration for outstanding common stock of that company.

**Depreciation Policy:** The policy of company and subsidiaries consolidated with respect to provision for depreciation, depletion and amortization of physical properties was changed during 1947 to conform to basis accepted by Bureau of Internal Revenue in connection with final settlement of company's income tax liability for years 1937 to 1945, incl., and is in general as follows:

Except as noted below, depreciation is computed on basis of amortizing cost of each property unit over its estimated remaining useful life as determined by independent engineers from a review and survey of depreciable properties of the companies.

Depletion of gas properties is computed on straight-line method on cost over the estimated gas content of leased or owned properties.

Amortization of leased machinery is computed on basis of period of license or lease.

No depreciation is provided on molds (see footnote [8] under Consolidated Income Account).

Depreciation of dies for metal products is computed on straight-line method over estimated useful life of the dies.

Average over-all rates for year ended Dec. 31, 1948 are as follows: Land improvements, 3.79%; buildings, 2.87%; machinery and equipment, 5.82%; motor trucks and cars, 16.05%; dies—metal products, 20%; leased machinery, 20%.

**General Notes**

(a) Consolidated statements include all subsidiaries and such subsidiaries are wholly-owned.

(b) Company's equity in net assets of subsidiaries consolidated at Dec. 31, 1948 as shown by books of latter, was $1,488,643 less than company's investment in such subsidiaries, as shown by company's books.

(c) Accounts certified by Arthur Young & Co.

## FINANCIAL & OPERATING DATA

| **Statistical Record** | 1948 | 1947 | 1946 | 1945 | 1944 | 1943 | 1942 |
|---|---|---|---|---|---|---|---|
| Earned per share | $3.38 | $4.58 | $4.53 | $3.30 | $3.06 | $3.56 | [1]$3.46 |
| Divs. per share | $3.00 | $3.00 | $3.50 | $2.00 | $2.00 | $2.00 | $2.00 |
| Price range | 73¼-47¼ | 80-68 | 100-69½ | 79½-58 | 64-55¼ | 64-54½ | 57¾-43¼ |
| Net tangible assets per share | $37.50 | $36.97 | $33.28 | $32.98 | $32.15 | $30.79 | $28.22 |
| Number of shares | 3,056,874 | 3,047,476 | 2,925,364 | 2,661,204 | 2,661,204 | 2,661,204 | 2,661,204 |
| **Financial and Operating Ratios** | | | | | | | |
| Current assets ÷ current liabilities | 3.06 | 1.92 | 2.20 | 2.30 | 2.65 | 1.98 | 1.86 |
| % cash & securities to current assets | 37.96 | 36.58 | 51.66 | 72.58 | 66.45 | 57.69 | 46.06 |
| % inventory to current assets | 41.25 | 37.89 | 24.59 | 13.70 | 18.04 | 24.84 | 33.18 |
| % net current assets to net worth | 40.38 | 25.67 | 33.50 | 47.28 | 44.67 | 33.56 | 30.49 |
| % property depr., depl., etc. | 29.55 | 29.28 | 43.68 | 50.20 | 48.94 | 45.72 | 45.77 |
| % ann. depr., etc. to gross prop. | 4.46 | 3.55 | 4.03 | 4.30 | 5.23 | 4.69 | 4.77 |
| Capitalization: | | | | | | | |
| % long term debt | 25.87 | 11.75 | -------- | -------- | -------- | -------- | 2.03 |
| % common stock & surplus | 74.13 | 88.25 | 100.00 | 100.00 | 100.00 | 100.00 | 97.97 |
| Sales ÷ inventory | 7.91 | 10.13 | 13.28 | 16.66 | 15.76 | 12.46 | 9.20 |
| Sales ÷ receivables | 15.69 | 15.03 | 13.75 | 16.65 | 18.23 | 17.72 | 14.71 |
| % sales to net property | 242.47 | 280.20 | 370.96 | 430.50 | 448.49 | 373.55 | 333.82 |
| % sales to total assets | 124.48 | 142.71 | 154.38 | 137.41 | 156.71 | 153.50 | 144.29 |
| % net inc. to total assets | 5.73 | 8.61 | 10.42 | 7.16 | 7.30 | 8.46 | 8.72 |
| % net income to net worth | 9.01 | 12.39 | 13.54 | 10.02 | 9.44 | 11.48 | 12.14 |
| **Analysis of Operations** | % | % | % | % | % | % | % |
| Net sales & oper. revenue | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Cost of sales, etc. | 83.24 | 82.24 | 82.01 | 77.72 | 77.45 | 75.17 | 73.20 |
| Selling, gen. & admin. exp. | 8.69 | 7.91 | 7.39 | 7.29 | 7.25 | 6.89 | 6.63 |
| Operating profits | 8.07 | 9.85 | 10.60 | 14.99 | 15.30 | 17.94 | 20.17 |
| Other income | 0.19 | 0.43 | 0.52 | 2.20 | 0.52 | 0.46 | 0.45 |
| Gross income | 8.26 | 10.28 | 11.12 | 17.19 | 15.82 | 18.40 | 20.62 |
| Bond interest & expense | 0.18 | 0.13 | 0.02 | 0.02 | -------- | 0.04 | 0.14 |
| Other deductions | 0.20 | 0.31 | 0.34 | 0.39 | 1.29 | 1.65 | 1.41 |
| Balance | 7.88 | 9.85 | 10.76 | 16.77 | 14.53 | 16.71 | 19.06 |
| Employees' annuities | -------- | -------- | -------- | 0.94 | 0.95 | 0.82 | 0.92 |
| Net income before inc. tax, etc. | 7.88 | 9.85 | 10.76 | 15.83 | 13.58 | 15.89 | 18.14 |
| All taxes | 3.28 | 3.79 | 4.00 | 10.62 | 8.92 | 10.35 | 12.10 |
| Renegotiation refund for pr. yr. | -------- | 0.02 | 0.01 | ------ | -------- | 0.04 | ------ |
| Net income | 4.60 | 6.03 | 6.75 | 5.21 | 4.66 | 5.51 | 6.04 |

[1]After renegotiation, $3.43 per share.

## FUNDED DEBT

**Term Loans:** Outstanding, Dec. 31, 1948, $40,000,000 promissory notes including $15,000,000 1½% notes due Oct. 27, 1950; $10,000,000 2¾% notes due May 1, 1963 and $15,000,000 3% notes due Dec. 1, 1968.

No sinking funds or interim payments are required to be made, and loans may be prepaid in whole or in part, without premium, except where prepayments are made out of other borrowed money.

Principal restrictions contained in loan agreements are that (1) working capital shall be not less than total funded debt, including the notes; (2) net tangible assets shall be not less than 275% of all funded debt, including the notes; and (3) that no cash dividends shall be paid nor any shares purchased unless, after such transactions, net earnings from Jan. 1, 1948, plus $10,000,000, shall at least equal total of all such payments since that date.

## CAPITAL STOCK

1. **Owens-Illinois Glass Co. common; par $12.50.**

AUTHORIZED—4,000,000 shares; issued and outstanding, 3,056,874 shares; par $12.50 (changed from $100 to par $25 in 1916, four par $25 shares issued for each $100 share; changed from $25 to par $12.50 in April, 1937, two $12.50 shares issued for each $25 share).

DIVIDEND RESTRICTIONS — See "Funded Debt" above.

**Dividend Record (in $)**

| | | | | | |
|---|---|---|---|---|---|
| ($100 par shares) | | | | | |
| 1907 | 1.00 | 1908 | 5.50 | 1909 | 6.50 |
| 1910 | 8.50 | 1911 | 10.50 | [1]1912-15 | 12.00 |
| 1916 | 2.00 | | | | |
| ($25 par shares) | | | | | |
| 1916 | 3.50 | 1917 | 5.00 | [2]1918 | 3.50 |
| [3]1919-20 | 3.00 | [4]1921 | 2.50 | 1922 | 2.00 |
| 1923 | 2.75 | 1924-25 | 3.00 | [5]1926 | 4.00 |
| [5]1927 | 5.00 | [5]1928 | 4.00 | [5]1929 | 4.50 |
| [5]1930 | 3.50 | 1931 | 2.25 | 1932 | 2.00 |
| 1933 | 2.50 | 1934 | 3.25 | 1935 | 4.00 |
| 1936 | 6.00 | 1937 | 1.50 | | |
| ($12.50 par shares) | | | | | |
| 1937 | 2.50 | 1938 | 1.50 | 1939-40 | 2.00 |
| 1941 | 2.50 | 1942-45 | 2.00 | 1946 | 3.50 |
| 1947-48 | 3.00 | [6]1949 | 1.50 | | |

[1]Plus stock dividends of 50% Dec. 23, 1912; 33 1/3% Dec. 10, 1913; 25% Nov. 27, 1914; 20% Nov. 27, 1915.
[2]Plus $1.50 in U. S. Liberty Loan bonds.
[3]Plus 5% stock July 1, 1920.
[4]Plus 50% stock June 1, 1921.
[5]Plus 5% stock.
[6]To May 17.

Dividends payable quarterly Feb. 15, etc., to stock of record about Jan. 30, etc.

VOTING RIGHTS—One vote per share.

PREEMPTIVE RIGHTS — As conferred by Ohio laws.

LISTED—New York Stock Exchange.

TRANSFER AGENTS—New York Trust Co., New York, and company's office, Toledo.

REGISTRARS—Guaranty Trust Co., New York, and Toledo Trust Co., Toledo.

| PRICE RANGE— | 1948 | 1947 | 1946 |
|---|---|---|---|
| Common | 73¼-47¼ | 80-68 | 100-69½ |

**Subscription Rights:** Common stockholders of record June 5, 1936, had right to subscribe to 63,380 shares at $100 per share on basis of 1 additional share for each 20 shares held; rights expired July 24, 1936.

# RADIO CORPORATION OF AMERICA

## CAPITAL STRUCTURE

**CAPITAL STOCK**

| Issue | Par Value | Amount Outstanding | Earned per Sh. 1948 | Earned per Sh. 1947 | Divs. per Sh. 1948 | Divs. per Sh. 1947 | Call Price | Price Range 1948 | Price Range 1932-48 |
|---|---|---|---|---|---|---|---|---|---|
| 1. $3.50 cum. first pfd. | No par | 900,824 shs. | $26.67 | $20.84 | $3.50 | $3.50 | $100 | 75¾-63¾ | [1]96⅛-44 |
| 3. Common | No par | 13,881,016 shs. | 1.50 | 1.12 | 0.30 | 0.20 | ---- | 15 - 7⅞ | 19⅜- 2¼ |

[1]Range since 1936.

## HISTORY

Incorporated in Delaware, Oct. 17, 1919, by General Electric Co. and acquired the assets of Marconi Wireless Telegraph Co. of America which was incorporated Nov. 22, 1899 in New Jersey. Radio Corp. also acquired rights to various radio devices and systems developed by General Electric Co., Westinghouse Electric & Manufacturing Co., American Telephone & Telegraph Co. and others.

In 1926 National Broadcasting Co., Inc., was organized to carry on radio broadcasting activities. In 1928 Radiomarine Corp. of America was organized to handle company's marine radio activities and RCA Photophone, Inc. was organized to develop apparatus for synchronizing motion pictures with sound; this subsidiary was merged in Jan., 1932 with RCA Victor Co., Inc. In 1928 acquired substantial interest in Radio-Keith-Orpheum Corp. (general index). In 1929 acquired Victor Talking Machine Co. through exchange of stock (subsequently dissolved). International radio communication services in 1929 were transferred to RCA Communications, Inc.

Prior to 1930 company had no manufacturing facilities; as of Jan. 1, 1930 acquired certain manufacturing facilities and rights from General Electric Co. and Westinghouse Electric & Manufacturing Co., from whom apparatus had previously been purchased. Facilities acquired were operated by RCA Victor Co., Inc. and RCA Radiotron Co., Inc., until Jan. 1, 1935, when manufacturing activities were consolidated in the newly organized RCA Manufacturing Co., Inc. On Dec. 31, 1942, RCA Manufacturing Co., Inc. was merged into the parent company and became the RCA Victor Division of the company.

In Nov., 1932, agreed to a consent decree in suit filed by the Justice Department in May, 1930 against Radio Corp., General Electric Co., Westinghouse Electric & Manufacturing Co. and others (see Moody's 1937 Industrial Manual for details). Company thereby acquired additional patent rights and surrendered certain exclusive rights previously held, retaining non-exclusive rights with privilege of granting sub-licenses. For discussion of arrangements resulting from Consent Decree, see Moody's 1938 Industrial Manual.

In fall of 1935 sold, for $10,225,917 cash, holdings (29.2% of common and .2% of preferred stock) of Electric & Musical Industries, Ltd. In latter 1935 sold one half of holdings in Radio-Keith-Orpheum Corp. to Atlas Corp. and associates, who obtained an option which expired June 30, 1938 on remaining holdings. In 1936 RCA Manufacturing Co., Inc. sold its 68% interest in Victor Talking Machine Co. of Japan, Ltd., for $2,000,000 cash, payable in five instalments.

In Feb., 1938 sold holdings in Canadian Marconi Co. for $1,725,000 cash.

In 1941, company also disposed of its artists' service business and Civic Concert Service, Inc. These assets were sold to National Concert & Artists Corp., a newly organized independent company.