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MOODY'S INVESTORS SERVICE, INC.

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equal stock; (2) change terms adversely; (3) cause any consolidation affecting above.

LIQUIDATION RIGHTS—In liquidation entitled to $50 a share if involuntary and redemption price if voluntary; plus dividends.

PREEMPTIVE RIGHTS—None.

CALLABLE—As a whole or in part at any time on at least 30 days' notice to Sept. 30 as follows (per share plus dividends):

1971	$53.50	1973	$53.00
1977	52.00	1979	51.50
1983	50.50	[1]	50.00

[1] After Sept. 30, 1983.

If dividends are in arrears, company may not purchase or redeem less than all preferred without consent of 66⅔% of preferred.

SINKING FUND—Annually, beginning Oct. 2, to retire by purchase at not exceeding or by call at par 4,842 shares.

PURPOSE—Issued Oct. 1, 1959 in exchange for Northeast Capital Corp. stock under plan.

WARRANTS—Each preferred share issued with warrant attached (non-detachable prior to Oct. 1, 1961) entitling holder of warrant to buy 1.05 common shares at $60 Oct. 1, 1960 to Sept. 30, 1963; $62 to Sept. 30, 1967; $66 to Sept. 30, 19__; $64 to Sept. 30. warrants expire; cash paid in lieu of fractional shares. Warrant privilege protected against dilution.

LISTED—On New York Stock Exchange.

TRANSFER AND DIVIDEND DISBURSING AGENT—Morgan Guaranty Trust Co., New York.

REGISTRAR—Bankers Trust Co., New York.

2. Mack Trucks, Inc., common, par $5:

AUTHORIZED—4,300,000 shares; outstanding, Dec. 31, 1961, 2,769,373 shares; reserved for debenture warrants (1956 issue), 254,819 shares; for 5¼% preferred warrants (1959 issue), 127,084 shares; for options, 68,722 shares par $5.

Par changed from no par to $5 May 3, 1948, by 2-for-1 split; $5 shares split 4-for-3 Dec. 10, 1956.

Dividend Record

(No par shares after 100% stock dividend May 7, 1920)

1922	$1.00	1923	$5.00	1924-25	$6.00

(After 50% stock dividend Dec. 31, 1925)

1926-29	6.00	1930	5.50	1931	2.25
1932-35	1.00	1936	1.50	1937	1.25
1938	0.25	1939	0.50	1940	1.50
1941-45	3.00	1946	2.00	1947	5.50
1948	1.00				

(On $5 par shares)

1948	1.00	1949-50	nil	1951-52	1.00
1953	nil	1954-56	[1]		

($5 par shares after 4-for-3 split)

[1]1957-61	1.80	[2]1962	0.45

[1]Stock dividends paid: 1954, 5%; 1955, 10%; 1956, 5% plus one additional share for each 3 shares held; 1959, 5%.

[2]To Mar. 31.

DIVIDEND RESTRICTIONS—See long term debt, above.

PREEMPTIVE RIGHTS—None.

LISTED—On New York Stock Exchange.

TRANSFER AND DIVIDEND DISBURSING AGENT—Morgan Guaranty Trust Co., New York.

REGISTRAR—Bankers Trust Co., New York.

OFFERED—(150,000 no par shares) at $51.25 per share (proceeds to company, $47.75 per share) on Dec. 8, 1947 by a syndicate headed by Hayden, Stone & Co. and Adamex Securities Corp., New York.

Stock Options held by certain officers and key employees at Dec. 31, 1961 on 43,535 shares at prices from $24.37 to $44.18 per share expire from Sept 9, 1962 to July 19, 1971.

Warrants (1956 issue): Outstanding, Dec. 31, 1961, 182,013 warrants (to purchase 254,819 common shares), transferable by delivery, issued with 5½% subordinated debentures in Aug., 1956. Holders have right to purchase 1.4 par common shares at following prices to each Sept. 1, incl.: 1963, $45; 1965, $47.50; thereafter at $50 to Sept. 1, 1966 when privilege expires (as adjusted). Warrant privilege protected against dilution.

Transfer Agent: Manufacturers Hanover Trust Co., New York.

Warrants listed on American Stock Exchange.

Warrants (1959 issue): Outstanding, Dec. 31, 1961, 121,032 warrants (to purchase 127,084 common shares) issued with 5¼% preferred; non-detachable prior to Oct. 1, 1961. For other details, see 5¼% preferred (No. 1), above. Warrant Agent: Morgan Guaranty Trust Co., New York.

Warrants (1961 issue): Outstanding Dec. 31, 1961, 99,995 warrants (to purchase 99,995 common shares) issued with 5⅛% subordinated debentures in April 1961. For other details see 5⅛% subordinated debentures above. Warrant agent: Manufacturers Hanover Trust Co., New York.

OWENS-CORNING FIBERGLAS CORPORATION

CAPITAL STRUCTURE

LONG TERM DEBT

Issue	Rating	Amount Outstanding	Times Charges Earned 1961	Times Charges Earned 1960	Interest Dates	Call Price	Price Range 1961	Price Range 1932-61
1 Term loans	[1]--	$40,000,000	20.50	25.86	--------	---	[1]--	[1]-----

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	Earned per Sh. 1961	Earned per Sh. 1960	Divs. per Sh. 1961	Divs. per Sh. 1960	Call Price	Price Range 1961	Price Range 1932-61
1 Common	$1	6,701,023 shs.	$2.13	$2.19	$1.00	$1.00	---	102¾-76	[2]122¾-35¼

[1]Privately held. [2]Range since 2-for-1 split in 1956; range from 1952 and to the split in 1956, 147-38.

HISTORY

Incorporated under Delaware laws Oct. 31, 1938 by Owens-Illinois Glass Co. and Corning Glass Works to continue development of fibrous glass products.

On Nov. 30, 1954, Fiberglas Contracting & Supply Co. and Fiberglas Engineering & Supply Co., former subsidiaries, were dissolved; now operated as divisions.

SUBSIDIARY

Owens-Corning Fiberglas International, S. A. (Panama) Overseas sales.

AFFILIATION

Company is affiliated with Owens-Illinois Glass Co. and Corning Glass Works, see general index, through stock ownership (see common stock, below).

Owns 13% of common and 50% of preferred stock of Fiberglas Canada Limited; 40% of Vidrio Fibras, S.A., of Mexico; 40% of common of Asahi Fiber Glass, Ltd., of Japan; and 40% of common of Australian Fibre Glass Pty. Ltd.; also interests in New Zealand Fibre Glass Ltd. In 1960 acquired 24½% equity in Fiberglass South Africa Pty. Limited.

Fiberglas Corp. (Del.), wholly-owned, is considered not significant.

BUSINESS & PRODUCTS

Company is engaged in development and manufacture of fibrous glass products, distributed by its own sales organization which has 46 sales offices located in cities throughout the United States.

Company's products can be classified into following five groups: (1) Fiberglas "wool" products, used for thermal insulation and acoustical applications; (2) Fiberglas textile products, consisting of strands, yarns and cloth, used by other companies in manufacture of electrical insulation and decorative and industrial fabrics, as reinforcements for plastics, papers, twines and rubber goods and for other industrial purposes; (3) Fiberglas Aerocor, an extremely light weight wool product used as an insulating and sound control material; (4) Fiberglas filter products used in heating, air conditioning and ventilating systems and in industrial processes; and (5) Fiberglas mat products, consisting of porous thin sheets used principally in manufacture of storage batteries and as protective wrapping for underground pipes.

In 1958 a new type of roofing material was added.

PLANTS & PROPERTIES

Company owns plants at Newark, O., Kansas City, Kan., Santa Clara, Cal., Barrington, N. J., Anderson and Aiken, S. C., Ashton, R. I., Huntingdon, Pa. and Berlin, N. J., with combined floor area of 5,380,000 sq. ft. including 153,000 sq. ft. research center at Granville, O.

Toledo office and sales offices in principal cities are leased.

Capital Expenditures: For 1962 will total $17,000,000 compared with $7,000,000 in 1961.

Affiliate Plants: Canadian affiliate has plants at Sarnia, Guelph and Edmonton. Other plants located at Ligusaki near Tokyo, Japan; Mexico City, Sydney and Melbourne, Australia; Auckland, N. Z. and Springs, near Johannesburg, South Africa.

MANAGEMENT

Officers:

Harold Boeschenstein, President
H. R. Winkle, Exec. Vice-Pres. (Finance)
Games Slayter, Vice-Pres. (Research)
B. S. Wright, Vice-Pres. (Purchases & Transportation)
W. H. Curtiss, Jr., Vice-Pres. (Mktg.)
B. E. Boyd, Vice-Pres. (Mfg.),
E. J. Detgen, Vice-Pres. (Home Bldg. Prod.)
J. H. Thomas, Vice-Pres. & Gen. Mgr., Pacific Coast Division
W. J. Clark, Vice-Pres. (Fiberglas Reinforced Plastics)
T. V. Fowler, Vice-Pres. (Sales to Mfrs.)
J. A. McKay, Vice-Pres. (Nat. Acct. Rel.)
S. J. Weinberg, Jr., Vice-Pres. (Fiberglas Textile Fabrics)
W. W. Boeschenstein, Vice-Pres. (Sales)
R. E. Brown, Vice-Pres. (Sales)
R. K. Biggers, Vice-Pres. (Sales)
G. O. Mabry, Vice-Pres. (Sales)
F. L. Purtill, Vice-Pres. (Pacific Coast Div.)
D. W. Ladd, Vice-Pres. (Ind. & Com. Const Mat.)
C. G. Staelin, Secretary
C. F. Scarbrough, Treasurer
H. M. Cranston, Compt. & Asst. Treas.
Frederick Kiel, Assistant Treasurer
A. C. Freligh, Assistant Treasurer
J. W. Overman, Assistant Secretary
T. R. Vogt, Assistant Secretary
H. H. Keech, Asst. Treas. & Asst. Sec.

Directors:

Harold Boeschenstein
J. E. Bierwirth
L. W. Cabot
F. M. Eaton
J. M. Kemper
D. W. Malott
H. J. Morgens
H. C. Nolen
H. R. Winkle

Auditors: Arthur Andersen & Co.

Annual Meeting: Third Thursday in Apr.

No. of Stockholders: Dec. 31, 1961, 9,769.

No. of Employees: 1961 (average), 9,667.

General Offices: National Bank Bldg., Toledo 1, O.

New York Office: 717 Fifth Ave.

INCOME ACCOUNTS

COMPARATIVE INCOME ACCOUNT, YEARS ENDED DEC. 31

	[7]1961	[7]1960	[7]1959	[7]1958	[7]1957	[8]1956	[8]1955
Net sales	$226,940,262	$218,178,030	$211,335,854	$176,771,484	$163,327,463	$173,064,737	$161,293,931
Cost of sales	165,643,964	156,747,513	149,688,870	128,915,397	122,435,933	127,225,796	115,990,989
Laboratory & devel. expenses	5,827,158	5,382,477	4,186,720	3,866,474	3,544,759	3,740,356	3,314,293
Selling expenses	16,954,972	16,348,336	16,299,530	14,024,298	11,764,665	12,483,219	11,559,411
General & admin. expenses	9,674,417	9,419,304	8,066,278	6,482,613	6,642,982	6,867,828	6,146,106
Operating profit	28,839,751	30,279,900	33,094,356	23,482,397	18,939,124	22,747,538	24,283,132
Royalties	2,353,863	2,432,248	1,991,366	1,475,601	1,404,881	1,135,258	845,100
Other income (net)	dr 1,372,694	dr 819,256	dr 1,014,791	dr 800,875	dr 336,351	dr 483,666	64,289
Total income	29,820,920	31,892,892	34,070,931	24,157,123	20,007,654	23,399,130	25,192,521
Interest on borrowed funds	1,455,000	1,233,590	780,000	780,000	780,000	830,807	831,750
Federal income tax	14,087,000	16,025,000	17,120,000	12,350,000	10,220,000	[8]11,952,000	[8]13,390,000
Minority interest	--------	--------	--------	--------	--------	168,613	25,825
Net income	14,278,920	14,634,302	16,170,931	11,027,123	9,007,654	10,447,710	10,944,946
Earned surplus, Jan. 1	75,619,149	67,645,567	57,098,341	51,328,288	47,569,243	39,945,171	30,833,630
Additions	--------	--------	--------	--------	--------	--------	1,279,000
Common dividends	6,696,612	6,661,220	5,623,705	5,257,070	5,248,609	4,525,919	3,112,405
Earned surplus, Dec. 31	$83,201,457	$75,619,149	$67,645,567	$57,098,341	$51,328,288	$45,866,962	$39,945,171

DIVIDEND RIGHTS—Entitled to cumulative dividends at the rate of 7% annually, payable quarterly January 1st, etc., to stock of record about December 12th, etc.
DIVIDEND RESTRICTIONS — See credit agreement above.

Dividend Record
(Calendar Years)

1918–23	$7.00	1924	$1.75	1925	nil
1926	21.00	1927–32	7.00	1933	$4.75
1934–35	4.00	1936	17.00	1937–60	7.00
1961	nil				

Arrears Jan. 4, 1962, $8.75 a share.
VOTING RIGHTS—Eight votes per share.
LIQUIDATION RIGHTS—In any liquidation entitled to par plus accrued dividends.
PREEMPTIVE RIGHTS—"No provision in Articles of Incorporation, but as a matter of law preemptive rights appear to exist.
CALLABLE—Not callable.
LISTED—On New York Stock Exchange.
TRANSFER AGENT—Morgan Guaranty Trust Co., New York.
REGISTRAR—Bankers Trust Co., New York.
DIVIDEND DISBURSING AGENT — Company.
OFFERED—(80,000 shares) by J. P. Morgan & Co. in January, 1912.

2. J. I. Case Co. 6½% cumulative second preferred; par $7:
AUTHORIZED—1,300,000 shares; outstanding, 1,198,895 shares; par $7.
PREFERENCES—Has second preference for assets and dividends.
DIVIDEND RIGHTS—Entitled to cumulative dividends of 45½ cents per share annually payable quarterly, Jan. 1, etc., to stock of record about Dec. 12, etc.
DIVIDEND RESTRICTIONS — See credit agreement above.
DIVIDEND RECORD—Initial dividend of 9.858 cents paid Apr. 1, 1957. Regular dividends paid quarterly thereafter to Oct. 1, 1960, incl. None thereafter.
Arrears Oct. 31, 1961, 45½ cents per share.
VOTING RIGHTS—Has no voting power except on default of 6 quarterly dividends when second preferred, voting as a class, is entitled to elect 2 directors. Consent of 66 2/3% of second preferred, voting as a class, is required to change terms adversely.
LIQUIDATION RIGHTS—In liquidation, entitled to $7 per share if involuntary and $7.35 per share if voluntary; plus dividends.
PREEMPTIVE RIGHTS—"No provision in Articles of Incorporation, but as a matter of law preemptive rights appear to exist."
CALLABLE—As a whole or in part at any time on at least 30 days' notice at $7.35 per share and dividends.
LISTED—On New York Stock Exchange.
TRANSFER AGENT—Morgan Guaranty Trust Co., New York.
REGISTRAR—Bankers Trust Co., New York.
DIVIDEND DISBURSING AGENT—Comany.
ISSUED—Under terms of merger with American Tractor Corp. on basis of ½ common share and one second preferred share for each ATC common share.

3. J. I. Case Co. common; par $1:
AUTHORIZED—4,000,000 shares; outstanding, 2,863,193 shares; reserved for options, 249,000 shares; reserved for conversion of debentures, 884,839 shares; par $12.50.
Par changed from $100 to $25 Dec. 14, 1943, by 4-for-1 split; from $25 to $12.50 Apr. 17, 1952 by 2-for-1 split; from $12.50 to $1 Apr. 19, 1962, share for share.
DIVIDEND RESTRICTION — Amended articles provide that no common dividends may be paid in excess of 6% per annum, if assets applicable to payment, would be reduced to less than $2,000,000. See also long term debt and credit agreement above.

Dividend Record
(Calendar Years)
($100 par shares)

1909	$2.00	1910	$22.00	1911	$65.00
1912–18	nil	1919	[1]7.00	1920	[2]10.00
1921–26	nil	1927	4.50	1928	6.00
1929–30	6.00	1931	4.50	1932–35	nil
1936	4.00	1937	6.00	1938	5.00
1939	nil	1940	3.00	1941–43	7.00
($25 par shares)					
1944	1.75	1945	1.20	1946	2.00
1947	1.60	[3]1948	2.00	1949	2.00
[3]1950	7.80	1951	2.25	1952	3.50
($12.50 par shares after 2-for-1 split)					
1952	0.75	1953	2.00	1954	0.50
1955–61	nil				

[1]Paid in Liberty Bonds.
[2]Plus 42.9% in stock.
[3]Also 10% in stock dividends in Dec.
VOTING RIGHTS—One vote per share.
PREEMPTIVE RIGHTS—"No provision in Articles of Incorporation, but as a matter of law preemptive rights appear to exist."
LISTED—On New York Stock Exchange. Unlisted trading on Pacific Coast Stock Exchange.
TRANSFER AGENT—Morgan Guaranty Trust Co., New York.
REGISTRAR—Bankers Trust Co., New York.
DIVIDEND DISBURSING AGENT—Company.

Subscription Rights: Common stockholders of record of April 24, 1952 had right to subscribe for 377,058 common shares ($12.50 par) at $24.50 per share on basis of one share for each 5 shares held; rights expired May 12, 1952. Stockholders subscribed for 97.87% of offering.

Common stockholders of record Oct. 14, 1958. had right to subscribe at par to $20,130,400 subordinated debenture 5½s, due Oct. 15, 1983, on basis of $100 debentures for each 14 common shares held. Rights expired Oct. 30, 1958.

Stock Options: Held by certain officers and employees at Oct. 31, 1961, on 107,000 shares at prices from $12.50 to $24.25 per share expire Feb. 10, 1971.

On Apr. 19, 1962, options granted to president on 120,000 shares at $7.19 per share.

J. I. CASE CREDIT CORPORATION

(Controlled by J. I. Case Co.)

History: Incorporated in Wisconsin in March 19, 1957.

Although incorporated in Mar., 1957, company did not commence active operation until later in the year, and then only through gradual introduction to branch offices of Case. Company purchases acceptable dealer and retail paper offered to it in all states of U. S. and in Canada except W. Va. and La., where it only purchases retail receivables. Prior to formation of company, J. I. Case Co. engaged in a similar function using its own general financing resources. Financing by Case is now confined to its repair parts sales and to dealer receivables in two states above mentioned, and foreign markets other than Canada. Case may in future acquire and retain additional receivables for its own account.

Business: General business of company is to finance distribution of new products manufactured by J. I. Case Co. to dealers for resale and to finance such dealers' retail time sales of new products manufactured by Case and allied equipment of other manufacturers attached to or sold and used with Case products. Used units of any make acquired by dealers in connection with the sale of new Case products are also financed. Branch Managers and Credit Managers of J. I. Case Co. branches throughout U. S. and Canada have been appointed agents of Case Credit for administrative purposes. Company has its own central staff and traveling representatives, who have their headquarters at Racine, Wisc.

Officers: L. T. Newman, Pres., and Treas.; C. E. McCumsey, Vice-Pres.; H. J. Gefke, Sec.

Directors: W. S. Davis, C. E. McCumsey, L. T. Newman, M. D. Hill, J. L. Ketelsen.

Auditors: Price Waterhouse & Co.

Annual Meeting: Second Thursday in Apr.

General Office: 700 State St., Racine, Wisc.

Income Account, years ended Oct. 31:

	1961	1960
Fin. chgs. to parend co.	$8,777,298	$10,256,203
Other earned fin. chgs., etc.	7,033,611	7,556,670
Total	15,810,909	17,812,873
Interest expenses	8,398,779	10,546,774
Prov. for losses	4,444,427	1,986,935
Other expenses	360,321	446,059
Balance	2,607,382	4,833,105
Income taxes	1,400,000	2,600,000
Net income	1,207,382	2,233,105

Balance Sheet, as of Oct. 31:

Assets:	1961	1960
Cash	$8,685,660	$19,698,381
Due from parent	3,716,549	--------
Notes receivable	162,219,744	186,351,431
Unearn. fin. chgs.	cr 9,658,152	cr 11,895,921
Allow. for losses	cr 4,400,000	cr 2,250,000
Other assets	905,555	1,508,472
Total	$161,469,356	$193,412,363
Liabilities:		
Notes payable	$33,714,160	$62,364,992
Accounts payable	298,146	207,183
Due J. I. Case Co.	--------	4,731,429
Taxes on income	146,287	315,740
Held fr. dealers	3,941,813	3,631,451
5⅝% notes pay.	25,000,000	25,000,000
5¾% notes pay.	25,000,000	25,000,000
6¼% notes pay.	20,000,000	20,000,000
5¾% notes pay.	22,000,000	22,000,000
Capital stock	25,000,000	25,000,000
Retained earnings	6,368,950	5,161,568
Total	$161,469,356	$193,412,363

Note: At Oct. 31, 1961, no retained earnings were available for dividends.

Term Loans: (1) Outstanding, Oct. 31, 1961, $25,000,000 (privately placed) 5⅝% notes payable $1,000,000 annually, May 1, 1964-72 and balance, May 1, 1973. Company agrees not to pay cash dividends or reacquire stock if thereafter senior debt would exceed 300% of the capital base, as defined.

(2) Outstanding, Oct. 31, 1961, $25,000,000 (privately placed) 5¾% notes payable $1,000,000 annually, May 1, 1965-73 and balance, May 1, 1974. Proceeds for working capital. Company may not pay dividends if thereafter senior debt would exceed 300% of sum of subordinated debt, capital debt plus capital stock and surplus.

(3) Outstanding, Oct. 31, 1961, $20,000,000 6¼% notes payable $1,000,000 annually Feb 1, 1966-74 and $11,000,000, Feb. 1, 1975. Proceeds for working capital. Company may not pay cash dividends unless immediately thereafter senior debt would not exceed 300% of capital base.

Subordinated Debt: Outstanding, Oct. 31, 1961, $22,000,000 5¾% notes due May 1, 1975, payable to J. I. Case Co., subordinated to company notes payable to banks and other investors.

Credit Agreement: See J. I. Case Co. preceding statement.

Capital Stock: J. I. Case Credit Corp. stock; no par:
Authorized and outstanding, 4,100 shares, no par. All owned by J. I. Case Co.

CORNING GLASS WORKS

CAPITAL STRUCTURE

LONG TERM DEBT Issue	Rating	Amount Outstanding	Times Charges Earned 1961	1960	Interest Dates	Call Price	Price Range 1961	1932-61
1. Income debenture 3¾s, due 2002	[5]--	$8,900,000	62.82	36.82	A&O 1	See text	[5]--	[illegible]

CAPITAL STOCK Issue	Par Value	Amount Outstanding	Earned per Sh. 1961	1960	Divs. per Sh. 1961	1960	Call Price	Price Range 1961	1932-61
1. 3½% cumulative pfd., 1945 series	$100	22,815 shs.	$479.09	$386.86	$3.50	$3.50	101	89 - 83¼	[2]109¾-74
2. 3½% cumulative pfd., 1947 series	100	31,300 shs.			3.50	3.50	102½	93½- 88	[3]105¾-79½
3. Common	5	6,785,662 shs.	3.79	3.28	2.00	2.00	-----	194¾-145½	[7]194¾-84

[2]Range since 1945. [3]Range since 1947. [5]Privately held. [7]Range since 2½-for-1 split in 1955; range from 1945 and to the split in 1955 156¾-18.

HISTORY

Incorporated in New York Dec. 24, 1936, as a consolidation of a New York company of same name originally incorporated in 1875 and Macbeth-Evans Glass Co. incorporated in Pennsylvania in 1899. Business established in 1851 and 1869.

On Sept. 12, 1945, merged Corning Realty Co., a wholly-owned subsidiary owning Corning Building at Fifth Ave. and 56th St., New York and certain realty at Corning, N. Y.

In Aug. 1956 purchased remaining 50% interest in Corning Fibre Box Corp.

On Nov. 28, 1958, merged Steuben Glass Inc., a subsidiary, now a division.

SUBSIDIARIES & AFFILIATES

Corhart Refractories Co., Inc. (wholly-owned): Organized in Delaware in 1927. Owns and operates refractories plant at Louisville, Ky. and Buckhannon, W. Va. On Dec. 27, 1958, acquired refractories business of parent.

Corning Glass Works of Canada, Ltd. (wholly-owned): Organized in 1945. Owns 105,800 sq. ft. plant at Leaside, Ont. Corning ware for the Canadian market is processed at Leaside; and plant is used as a warehouse and distributing point for Canadian market.

Corning Glass International, S.A. (wholly owned by Corning Glass Works of Canada, Ltd.): Incorporated in Panama in 1959 with offices at Panama, R.P., Zurich, Switzerland, 717 Fifth Ave., New York and Corning, N. Y. to coordinate export of all Corning and Corhart products in all countries outside of the U. S. and Canada.

Corning Glass Works of So. America (Cristalerias Corning de Sud America, S. A.) (wholly-owned): Incorporated under Argentine laws in 1942. Owns Argentinian and Chilean patents of company and 33% of Cristalerias Rigolleau. Latter operates glass plant near Buenos Aires, Argentina. Also owns 22.84% of Cristalerias de Chile, which operates a glass plant at Santiago, Chile, and is exclusive licensee of company's patents in Chile.

Vidros Corning Brasil, S. A. (wholly-owned): Organized in Brazil in 1944. Owns 31% of ordinary shares and 18% of preferred shares of Cia Vidraria Santa Marina, which operates a glass plant at Sao Paulo, Brazil.

Pittsburgh Corning Corp. (50% owned): Organized in Pennsylvania in 1937 in association with Pittsburgh Plate Glass Co. Owns and operates plant at Port Allegheny, Pa., and Sedalia, Mo. for manufacture of hollow glass building blocks, also cellular glass products sold under trade name of Foamglas used in refrigeration chambers and as a flotation material.

Owens-Corning Fiberglas Corp. (31.81% owned): See general index.

Dow Corning Corp. (50% owned): Incorporated in Michigan in 1943 in association with Dow Chemical Co. Operates plant at Midland, Mich. for manufacture of electrical insulating resins, greases, fluids and elastomers resembling natural or artificial rubber, all generally known as silicones.

Dow Corning AG (50% owned): Incorporated in Switzerland in 1960 in associate with Dow Chemical Co., to finance and manage certain interests outside U. S.

Industrial Reactor Laboratories, Inc.: Formed jointly with nine other companies to provide facilities for atomic energy research programs of constituent companies. Began operation early in 1959.

Corning Mexicana S. A. (wholly owned): Organized in Mexico in 1951 (inactive).

Corning Fibre Box Corp. (100% owned): Fabricates substantial part of paper packing material used by company in shipping products to customers and distributors.

James A. Jobling Co. Ltd. (England) (40% owned): Stock interest acquired by company in 1954 from Pilkington Brothers, Ltd. Manufactures Pyrex brand ovenware, tableware, chemical ware, and industrial specialties in a plant at Sunderland, England.

Societe des Verreries Industrielles Reunies du Loing "Sovirel" (France) (formerly La Pyrex, S. A.) (32% owned): Manufactures Pyrex brand ovenware, television bulbs, chemical ware and other products at plants at Bagneaux-sur-Loing and Aniche, France.

Corning Glass International S. A.: Conducts sale of company products outside U. S. and Canada.

Other associated companies are Cristalerias Rigolleau, S. A. (Buenos Aires), Cia. Vidraria Santa Marina, S. A. (Sao Paulo), Cristalerias de Chile, S. A. (Santiago), and L'Electro Refractaire (Paris).

BUSINESS & PRODUCTS

Engaged in manufacture of glass products, including fluorescent, electric light, television and radio bulbs, electronic components; tree ornaments, tumblers, lamp chimneys, tubing, vacuum bottle liners, tableware and lighting ware, Steuben line of stemware and art glass, cooking ware, laboratory ware, insulators, lantern globes, optical glass, refractory products for chemical, metallurgical and electronics industries, etc. Most of company's products are sold under trade marks, Corning, Pyrex, Pyroceram and Vycor.

Sales offices at Corning, N. Y., New York, Chicago, San Francisco, Los Angeles, Dallas, Pittsburgh, Houston, Atlanta, Washington, D. C., Cleveland and Zurich, Switzerland.

PLANT AND PROPERTIES

Main Plant: Corning, N. Y.: Railroad, marine and aviation signal ware; thermometer and other tubing; coffee makers; piping, special industrial glassware; optical ware; and technical glass filters, ovenware, top-of-stove cooking utensils. Pilot Plant No. 1 is located in this plant. Floor space, 1,021,800 sq. ft.

Pressware Plant: Corning, N. Y.: Television bulbs. Floor space, 331,200 sq. ft.

Fall Brook Plant: Corning, N. Y.: Machine-made tubing and small bulbs. Floor space, 253,500 sq. ft.

VYCOR Plant: Corning, N. Y.: VYCOR ware and special products. Floor space, 81,400 sq. ft.

Pilot Plant No. 2: Corning, N. Y.: To study new manufacturing methods under production conditions. Floor space, 55,800 sq. ft.

Glass Center: Corning, N. Y.: Employee's recreation center and Hall of Science and Industry. Floor space, 57,500 sq. ft.

Mechanical Engineering Building: Corning, N. Y.: Central machine shop and machine development departments. Floor space, 57,700 sq. ft.

Houghton Park: Corning, N. Y. Includes in addition to Steuben Plant and Corning Glass Center an administration building, 114,400 sq. ft.; research laboratory, 60,100 sq. ft.; development workshop, 68,200 sq. ft.

Corning Fibre Box Corp.: Corning, N. Y.: Fibre boxes. Floor space, 170,000 sq. ft.

Big Flats, N. Y., Plant: Chemical and laboratory glassware and other miscellaneous industrial glassware. Floor space, 152,000 sq. ft.

Wellsboro, Pa., Plant: Machine-made bulbs; Christmas tree ornaments. Floor space, 298,400 sq. ft.

Central Falls, R. I. Plant: Machine-made tubing, bulbs and vacuum bottle liners. Floor space, 441,400 sq. ft.

Charleroi, Pa. Plant: Housewares, tableware, lighting ware, miscellaneous products. Floor space, 612,100 sq. ft.

Bradford, Pa., Plant: Electronic components. Floor space, 142,560 sq. ft.

Parkersburg, W. Va. Plant: Machine-made tubing; chemical and apparatus ware; gauge glasses; miscellaneous industrial ware and piping. Floor space, 272,600 sq. ft.

Muskogee, Okla., Plant: Laboratory and coffee making ware. Floor space 268,600 sq. ft.

Albion, Mich. Plant: Manufactures television bulbs. Floor space, 530,300 sq. ft.

Danville, Ky. Plant: Manufactures bulbs and tubing. Floor area, 270,400 sq. ft.

Harrodsburg, Ky. Plant: Manufacturers optical and ophthalmic glass. Floor area, 103,000 sq. ft.

Greenville, O.: Pyrex ware plant. Floor area, 265,000 sq. ft.

Martinsburg, W. Va. Plant: Manufactures Corning Ware skillets, percolators, teamakers. Floor space, 244,000 sq. ft.

Greencastle, Pa. Plant: Final assembly and distribution of all consumer items. Floor space, 600,000 sq. ft.

New York Office: Office building and Steuben retail shop. Company and associates occupy about 33⅓%, balance leased. Floor space, 345,000 sq. ft.

Danville, Va. Plant: Manufactures Vycor brand glass and other high quality specialty glasses.

Corning Glass Works of Canada, Ltd.: Leaside, Ont.: Housewares; warehouse and distributing point. Floor space, 105,800 sq. ft.

Corhart Refractories Co., Louisville, Ky.: Refractories. Floor space, 142,500 sq. ft.

Liverpool, Australia: Small plant for manufacture of bulbs for television tubes. Floor space, 50,000 sq. ft.

New Plants: Late in 1960, company announced plans to construct an electronics plant at Raleigh, N. C.

MANAGEMENT

Officers:

Amory Houghton, Chmn. of Exec. Com.
William C. Decker, Chmn. & Chief Exec. Off.
Amory Houghton, Jr., President
Charles D. LaFollette, Fin. Vice-Pres.
William H. Armistead, Vice-President
L. A. Amylon, Vice-President
Paul T. Clark, Vice-President
John L. Hanigan, Vice-President
R. Lee Waterman, Vice-President
Arthur W. Weber, Vice-President
Thomas S. Wood, Jr., Vice-President
Frederick H. Knight, Secretary
Thomas Waaland, Treasurer
Robert W. Foster, Controller
Henry H. Sayles, Assistant Secretary
William W. Sinclaire, Assistant Secretary
C. H. Kruidenier, Assistant Treasurer
Charles S. Lafollette Assistant Controller

Honorary Officers

Eugene C. Sullivan, Hon. Chairman
Harry M. Hosier, Honorary Vice-Pres.
Jesse T. Littleton, Honorary Vice-Pres.
G. D. Macbeth, Honorary Vice-Pres.

Directors:

W. C. Decker, Corning, N. Y.
Amory Houghton, Corning, N. Y.
Amory Houghton, Jr., Corning, N. Y.
Arthur A. Houghton, Jr., New York
Charles D. LaFollette, Corning, N. Y.
George D. Macbeth, Corning, N. Y.
George Murnane, New York
R. D. Murphy, New York
Howard C. Sheperd, New York
John R. Kimberly, Neenah, Wisc.
Eugene C. Sullivan, Corning, N. Y.

Auditors: Price Waterhouse & Co.

Annual Meeting: Second Tuesday in Apr.

Number of Stockholders: Dec. 15, 1961: Pfd., 1945, 264; pfd., 1947, 138; common, 14,292.

Number of Employees: Dec. 31, 1961, 14,800.

Main Office: Corning, N. Y.

INCOME ACCOUNT

COMPARATIVE CONSOLIDATED INCOME ACCOUNT, YEARS ENDED

	Dec. 31,'61	Jan. 1,'61	Jan. 3,'60	Dec. 28,'58	Dec. 29,'57	Dec. 30,'56	Jan. 1,'56
Net sales	$229,568,819	$214,871,286	$204,887,424	$159,137,729	$159,069,721	$163,053,554	$157,663,837
[2]Cost of sales	150,058,528	148,931,976	133,887,424	108,092,336	111,329,776	109,015,676	102,830,612
[1,2]Selling, gen & adminis. exps.	28,972,485	25,538,706	25,379,666	16,791,054	15,893,734	14,638,269	13,409,574
Research & development expenses	10,714,482	9,360,782	8,132,645	6,903,224	5,630,697	4,792,272	5,319,275
Operating profit	39,823,324	31,039,822	37,861,411	27,351,115	26,215,514	34,607,337	36,104,376
Other income	8,835,473	10,159,769	8,071,216	6,162,427	5,541,296	3,832,717	3,574,689
Total income	48,658,797	41,199,591	45,932,627	33,513,542	31,756,810	38,440,054	39,679,065
Interest, etc.	731,897	710,850	875,728	749,999	723,406	707,301	782,394
Federal income tax	21,490,000	18,026,000	20,300,000	15,600,000	14,500,000	18,900,000	19,900,000
[6]State income tax	511,000	408,000	421,000	--------	--------	400,000	370,000
Net income	25,925,900	22,054,741	24,335,899	17,163,543	16,533,404	18,432,753	18,626,671
[5]Special charge	--------	2,334,924	--------	--------	--------	--------	--------
Net income less special charge	25,925,900	19,719,817	24,335,899	17,163,543	16,533,404	18,432,753	18,626,671
Earned surplus, Jan. 1	85,617,225	79,627,130	66,470,956	59,612,267	53,362,886	44,728,683	54,820,569
[4]Surplus credits	--------	--------	--------	--------	--------	429,735	--------
Preferred dividends	194,133	201,252	216,582	228,351	231,370	236,755	264,647
Common dividends	13,559,728	13,528,470	10,963,143	10,076,503	10,052,653	9,991,530	9,980,655
Surplus charges	--------	--------	--------	--------	--------	--------	[3]18,473,255
Earned surplus, Dec. 31	$97,789,264	$85,617,225	$79,627,130	$66,470,956	$59,612,267	$53,362,886	$44,728,683
SUPPLEMENTARY P. & L. DATA							
Maintenance & repairs	$16,406,029	$19,703,401	$17,052,335	$12,611,204	$11,642,565	12,944,160	11,079,784
Depreciation, depl. & amort.	10,853,435	9,478,793	8,427,873	7,984,072	5,936,242	6,659,124	5,899,031
[7]Taxes, other than income	6,711,882	6,515,625	5,396,080	4,183,082	3,453,004	4,066,298	3,798,631
Rents	2,515,043	3,401,836	1,550,156	851,851	950,000	1,506,675	945,467
Royalties	--------	--------	--------	--------	--------	--------	40,648

[1]1956-55: Include contributions to the Corning Glass Works Foundation (a charitable corporation established during 1952): 1956, $900,000; 1955, $1,794,000.

[2]Includes related portions of items shown under "Supplementary p. & l. data" shown below amount.

[3]Transfer to capital in connection with common stock split.

[4]1956: Represents undistributed earned surplus of wholly-owned subsidiary consolidated during year.

[5]Jan. 1, 1961: Loss on disposition of investments in domestic associated companies.

[6]Included with interest, etc. in 1958 and 1957.

[7]Includes payroll taxes (1961, $3,621,455).

General: (a) Company's equity in undistributed earnings of its major domestic affiliated companies (Dow Corning Corp., Owens-Corning Fibreglas Corp., Pittsburgh Corning Corp. and from 1957, Sylvania-Corning Nuclear Corp.) was: 1961, $3,243,105; 1960, $3,310,209; 1959, $2,372,730; 1958, $2,227,736; 1957, $2,509,732; 1956, $4,412,688; 1955, $5,323,607.

(b) Company's share in undistributed earnings of its wholly owned foreign associates and subsidiary companies not consolidated was: 1961 $1,045,964; 1960, $1,028,099; 1959, $1,436,319; 1958, $314,580; 1957, $631,086; 1956, $359,928; 1955, $43,964.

(c) Commencing Jan. 1, 1954, parent company adopted the sum-of-the-years-digits method of computing depreciation of fixed assets as permitted by the Internal Revenue Code of 1954. The effect of this change on income for 1954 was not material.

1971......102	1972......101¾	1973......101½
1974......101¼	1975......101	1976......100¾
1977......100		

Also callable for sinking fund (which see) at 100.

SINKING FUND—To retire $1,000,000 debentures after Jan. 31, 1962 and on or before Jan 31,1963 and $1,000,000 debentures annually thereafter to Jan. 31, 1976. In the event any debentures selected for redemption for the *sinking fund* are thereafter surrendered for conversion, company will not be required to redeem other debentures in lieu thereof and any cash deposited for redemption of debentures so surrendered shall be repaid to company.

CONVERTIBLE—Into common on or before Jan. 30, 1977 (if called, on or before 10th day prior to redemption date) at $27 per share to Jan. 30, 1967 incl. and $32 thereafter to Jan. 30, 1977 incl., with an adjustment for accrued interest and dividends; scrip or cash paid in lieu of fractional shares. Conversion privilege protected against dilution.

SECURITY—Not secured.

ADDITIONAL SERIES—May be issued subject to certain restrictions, but total amount at any one time outstanding shall not exceed $30,000,000. Indenture does not restrict issuance of additional securities ranking equal or prior to series A debentures.

RIGHTS ON DEFAULT—In event of default (30 days' grace period for payment of interest or sinking fund installment), majority of debentures may declare principal due and payable.

INDENTURE MODIFICATION — Indenture may be modified, except as provided, with consent of 66 2/3% of debentures.

LISTED—New York Stock Exchange.

PURPOSE—Proceeds to retire $12,000,000 bank loans and $6,000,000 current debt and for working capital.

OFFERED—($19,903,300) on Feb. 6, 1957 to common stockholders for subscription at par on basis of $100 of debentures for each 17 common shares held. Rights expired Feb. 20, 1957. Unsubscribed debentures underwritten by Allen & Co., New York, and associates.

CAPITAL STOCK

1. Colorado Fuel & Iron Corp. 5% cumulative preferred; series A, par $50:

AUTHORIZED—All series, 179,996 shares; outstanding, series A, Dec. 31, 1961, 12,521 shares; par $50.

PREFERENCE—Has equal preference with series B for assets and dividends.

DIVIDEND RIGHTS—Entitled to cumulative dividends of $2.50 per share annually, payable quarterly.

DIVIDEND RECORD—Regular dividends paid.

DIVIDEND RESTRICTION—See long term debt above.

VOTING RIGHTS—Has one vote per share. If six quarterly dividends are in arrears, preferred voting as a class is entitled to elect two directors.

Consent of 66 2/3% of preferred necessary to increase authorized preferred, or change terms thereof.

LIQUIDATION RIGHTS—In any liquidation entitled to $50 per share and dividends.

PREEMPTIVE RIGHTS—None.

CALLABLE—As a whole or in part at $51.25 per share and dividends, on any dividend date.

Also callable for sinking fund at $50 per share and dividends.

SINKING FUND—Annually at least 30 days prior to each Dec. 31, 2,500 shares series A preferred. In lieu of cash, company may tender preferred at par.

PURPOSE—Issued in 1951 in connection with acquisition of E. & G. Brooke Iron Co.

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

REGISTRAR—First National City Bank, New York.

DIVIDEND DISBURSING AGENT—Marine Midland Trust Co., New York.

2. Colorado Fuel & Iron Corp. 5½% cumulative preferred; series B, par $50:

AUTHORIZED—All series, 179,996 shares; outstanding, series B, Dec. 31, 1961, 119,996 shares; par $50.

PREFERENCES—Has equal preference with series A for assets and dividends.

DIVIDEND RIGHTS—Entitled to cumulative dividends of $2.75 per share annually, payable quarterly.

DIVIDEND RECORD — Regular dividends paid.

DIVIDEND RESTRICTIONS—See long term debt above.

VOTING RIGHTS—Has no voting power except on default of six quarterly dividends when preferred, voting as a class, is entitled to elect 2 directors. Cumulative voting is not permitted.

Consent of 66 2/3% of preferred required to increase or decrease authorized preferred or par value thereof or to change terms thereof.

LIQUIDATION RIGHTS—In any liquidation, entitled to $50 per share and dividends.

PREEMPTIVE RIGHTS—None.

CALLABLE—At any time at $51.25 per share and dividends.

SINKING FUND—Annually beginning 1956, sufficient to redeem at par 1/15th of total series B preferred shares issued. Series B preferred may be tendered in lieu of cash.

PURPOSE—Issued in Dec., 1952 in connection with acquisition of John A. Roebling's Sons.

OFFERED—(115,000 shares) at $42.50 a share Mar. 25, 1954, by Allen & Co., New York.

LISTED—New York Stock Exchange.

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

REGISTRAR—First National City Bank, N. Y.

DIVIDEND DISBURSING AGENT — Marine Midland Trust Co., New York.

3. Colorado Fuel & Iron Corp. common; par $5:

AUTHORIZED—10,000,000 shares; outstanding, Dec. 31, 1961, 3,892,630 shares; in treasury, 8,144 shares; reserved for options, 150,640 shares; reserved for conversion of debentures, 732,953 shares; par $5.

No par shares split 2-for-1 in Oct. 1945, changed from no par to $5 Dec. 17, 1959, share for share.

Dividend Record (in $)
(Calendar years)

1937...	1.00	1938-39	Nil	1940...	0.25
1941...	1.25	1942...	1.50	1943-44	1.00
1945...	0.75				
(No par shares—after 2 for 1 split)					
1945...	0.15	1946...	0.60	1947...	1.05
1948...	1.25	1949...	2.00	[1]1950.	2.12½
1951-53	1.50	1954...	[1]..	1955...	1.47½
1956-57	2.00	[1]1958.	0.50	[1]1959.	[1]..
1960...	[1]..				
(On $5 par shares)					
1960...	[1]..	1961...	Nil		

[1]Stock dividends paid: 1950, 25% ($1.37½ cash paid prior); 1954, 7½%; 1958, 2%; 1959, 6%; 1960, 6%.

DIVIDEND RESTRICTIONS—See long term debt and preferred above.

VOTING RIGHTS—One vote per share. See also voting rights of preferred stock above.

PREEMPTIVE RIGHTS—None.

LISTED—On New York, Midwest and Pacific Coast Stock Exchanges. Unlisted trading on Philadelphia-Baltimore Stock Exchange.

TRANSFER AGENTS—Marine Midland Trust Co., New York, Continental Illinois National Bank & Trust Co., Chicago and Bank of America N.T.S.A., San Francisco and Los Angeles.

REGISTRARS—First National City Bank, New York; Wells Fargo Bank, San Francisco, American National Bank & Trust Co., Chicago and Security-First National Bank, Los Angeles.

DIVIDEND DISBURSING AGENT — Marine Midland Trust Co., New York.

ISSUED—In July, 1936, pursuant to reorganization plan together with former income 5s.

OFFERED—(275,000 shares, formerly held by Rockefeller interests) at $17 per share May 1, 1946, by Hirsch & Co., New York.

(320,000 shares) at $18.75 in Dec. 1952 by a syndicate headed by Allen & Co., New York. Proceeds with other funds used to acquire John A. Roebling's Sons Co.

Subscription Rights: Common stockholders of record Feb. 5, 1957 had right to subscribe at 100 to $19,903,300 4⅞s convertible sinking fund debentures, series A, due 1977 on basis of $100 debentures for each 17 common shares held. Rights expired Feb. 20, 1957.

OWENS-ILLINOIS GLASS COMPANY

CAPITAL STRUCTURE

LONG TERM DEBT Issue	Rating	Amount Outstanding	Times Charges Earned 1961	Times Charges Earned 1960	Interest Dates	Call Price	Price Range 1961	Price Range 1932-61
1. Promissory notes	[2]..	$48,000,000			....	....	[2]...	[2]........
2. Debenture 3¾s, due 1988	Aa	48,000,000	17.57	18.64	J&D 1	[5]105.00	94-91	[6]100½-84
3. Foreign subs. debt, 1962-71	....	3,302,402			....	....	.....	....

CAPITAL STOCK Issue	Par Value	Amount Outstanding	Earned per Sh. 1961	Earned per Sh. 1960	Divs. per Sh. 1961	Divs. per Sh. 1960	Call Price	Price Range 1961	Price Range 1932-61
1. 4% cum. preferred	$100	822,921 shs.	$41.75	$40.32	$4.00	$4.00	[5]104.25	120¾-106	[4]130½-86
2. Common	6.25	[3]7,307,785 shs.	4.26	4.10	2.50	2.50	....	104 - 82¼	[1]116 -50¾

[1]Range since 2-for-1 split in 1955; range from 2-for-1 split in 1937 and to the 2-for-1 split in 1955, 131½-38¾; range from 1932 and to the split in 1937, *200-12*. [2]Privately held. [3]Outstanding Mar. 31, 1962. [4]Range since 1956. [5]Subject to change—see text. [6]Range since issuance.

HISTORY

Incorporated in Ohio, Dec. 16, 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 Apr. 9, 1919 and to Owens-Illinois Glass Co. Apr. 17, 1929.

For subsequent acquisitions, see Moody's 1948 and 1949 Industrial Manuals.

In 1951 company purchased Sameric, Inc., Riverdale, N. J., manufacturer of thermoplastic caps and closures for glass and metal containers and plastic articles.

On Apr. 1, 1952 company sold American Coating Mills division to Robert Gair Co., Inc., for $6,170,190 and 400,000 shares of Gair common stock. Transaction involved paperboard mills at Elkhart, Ind., and Middletown, O., and carton plants at Elkhart, Chicago and Grand Rapids, Mich.

On Dec. 16, 1952, formed Owens-Illinois Inter-America Corp., wholly-owned.

On Sept. 16, 1953, acquired 50% interest in Plax Corporation (Del.), from Emhart Manufacturing Co. at a cost of $8,000,000 (sold in 1957).

On Oct. 4, 1956, merged National Container Corp. (Del.); reincorporated in Ohio and operated as a subsidiary. Under the plan each common share was exchanged for one-fifth share of $100 4% preferred and one-fourth common share and each preferred share for *852/1000 of a preferred share and 44/100 of a* common share. Exchange required 822,991 preferred shares and 1,028,739 common shares.

Company's Kaylo Division, manufacturing a fireproof insulating hydrous calcium silicate material, was sold to Owens-Corning Fiberglas Corp. in May, 1958.

In Sept., 1959, properties and inventories of Owens-Illinois Plywood, Inc. (Vt.) were sold to Roddis Plywood Corp. and subsidiary liquidated. Also in 1959, company liquidated Glasco Products Co. (Ill.), National Container Corp. of Mich. (Mich.), and Toledo Automatic Brush Machine Co. (Ohio), former subsidiaries. Also formed Bristol Paper Products Corp. (Pa.) and Northeastern Container Corp. (Pa.), as wholly-owned subsidiaries. On Nov. 2, 1959, acquired entire capital stock of Keystone Brass Works (Pa.) for 19,459 common shares; renamed Libbey Plastics, Inc., a wholly-owned subsidiary.

In 1961 company jointly with National Distillers and Chemical Corp. formed National Petro Chemicals Corp. New company is building plant at Houston for manufacture of high-density polyethylene.

In Nov. 1961 acquired plant in Newburyport, Mass. for manufacture of blown high-density polyethylene bottles.

Expansion Program in 1962 includes construction of glass tableware plant at City of Industry near Los Angeles; doubling of Los Angeles corrugated shipping box plant; expansion of metal and plastic operations and a new blown plastic facility at San Jose plant; addition of a blown plasic bottle plant in Los Angeles, and new furnace at Portland glass container plant.

SUBSIDIARIES

Company is primarily an operating company.

On Dec. 31, 1961, held 100% voting power in the following subsidiaries:

Name, place of incorporation and business:
Closing Machines, Inc. (Ohio)
Libbey Plastics, Inc. (Pa.)
Kimble Glass Co. (Ohio)—Television bulbs, glass tubing and rod, laboratory apparatus, glass block, insulators and miscellaneous pressed glass articles.
Owens-Illinois Inter-America Corp. (Ohio)—Sells company products in Western Hemisphere outside of the U. S.
Owens-Illinois Silica Co. (Mich.)
Owens-Illinois Thinlite, Inc. (Ohio)
Marinette, Tomahawk & Western R.R. Co. (Wisc)—(see Moody's Transportation Manual).
Forest Products Corp. (formerly Northeastern Container Corp.) (Pa.)
O-I Services, Inc. (Ohio)
O-I Timber Corp. (Wisc.)
National Container Corp. of California (Cal.)
Valdosta Southern R.R. Co. (Fla.)
Owens-Illinois de Venezuela, C.A. (Venezuela)
Owens-Illinois of Canada Ltd. (Canada)
Owens-Illinois of the Bahamas, Ltd. (Bahamas)
Durobar S.A. (Belgium)
Owens-Illinois International S.A. (Switzerland, Panama and Colombia)

Other Investments: As of Dec. 31, 1961 Owens-Illinois Glass Co. owned 2,099,927 common shares (about 33 1/3%) of Owens-Corning Fiberglas Corp. (see general index). Amount includes 864,067 shares reserved for exchange—see 4% preferred, below.

Also owned 334,813 common shares of Continental Can Co. held in voting trust.

Also owned 140,000 shares of Container Corp. of America (see general index), 351,790 shares of Monsanto Chemical Co. (see general index) and 74,428 shares of Pennsylvania Glass Sand Corp. (see general index).

Company also has majority interest in Actien-Gesellschaft der Gerresheimer Glashuttenwerke vorm. Ferd. Heye (Germany) and Compagnie Internationale de Gobeleterie Inebrechable, S. A. "Durober" (Belgium); and minority interest in Companhia Industrial Sao Paulo E Rio "Cisper" (Brazil).

BUSINESS AND PRODUCTS

The general organization is composed of an administrative division and several operating divisions and subsidiaries.

Glass Container Division—Comprises largest part of company's business, with manufacturing plants located to serve all sections of the country. Operates container factories and sales offices east of the Rocky Mountains. Products include glass containers sold under the trade-mark Duraglas. These are used for packaging prepared and processed food, medicinal, health, dairy, household, toiletry and cosmetic products, beer, carbonated beverages, liquor and wine. Major plants of this division also produce corrugated shipping cases for their own use.

Pacific Coast Division—Independent operating division with glass container factories, sand plants, closure plant, and sales offices, located west of the Rocky Mountains. Operations in the West parallel those of Glass Container Division in the East.

Closure Division—Manufactures metal and plastic closures and plastic fitments for glass containers.

Plastic Products Division—Manufactures blown and pressed plastic containers and other plastic products.

Libbey Glass Division—Produces Libbey Safedge glass tumblers, stemware, and tableware for the retail trade and for hotels, restaurants, cafes, clubs, bars and soda fountains; cut and engraved glassware. Also makes tumblers used as jars for packing food products, "melamine" plastic dinnerware.

Forest Products Division—Makes wide line of corrugated and solid shipping boxes and paper bags for sale to others.

Blown and Tubular Products Division—Manufactures glass tubing and rod and products made from them, including ampuls, vials, syringe cartridges, etc.

Industrial and Electronics Products Division—Manufactures and sells glass television bulbs, bulbs for power and X-ray tubes and for special electronic devices, glass-metal seal assemblies, sintered glass products, glass block, and communication insulators.

International Division—The division handles all company business outside the Continental United States, including sales, manufacturing, investments, licensing, and sale or lease of machinery and equipment. Is also responsible for operations of Owens-Illinois Inter-America Corp. which sells company's products in Western Hemisphere outside of the United States, and for Owens-Illinois of Panama S.A., which has responsibility for investments in Central and South American countries.

PRINCIPAL PLANTS & PROPERTIES

Operating facilities are located as follows:

Alton, Ill.	Lg. Island, City, N. Y.
Atlanta, Ga.	Los Angeles, Cal.
Aurora, Ind.	Madison, Ill.
Big Island, Va.	Memphis, Tenn.
Bradford, Pa.	Mercedes, Tex.
Bridgeton, N. J.	Miami, Fla.
Bristol, Pa.	Milwaukee, Wisc.
Brockport, N. Y.	Minneapolis, Minn.
Charleston, W. Va.	Muncie, Ind.
Charlotte, N. C.	New Orleans, La.
Chicago, Ill.	Newark, N. J.
Chicago Heights, Ill.	Newburyport, Mass.
Cincinnati, O.	North Bergen, N. J.
City of Industry, Cal.	Oakland, Cal.
Clarion, Pa.	Pacific Grove, Cal.
Columbus, O.	Portland, Ore.
Corona, Cal.	Riverdale, N. J.
Dallas, Tex.	St. Charles, Ill.
Detroit, Mich.	Salisbury, N. C.
Durham, N. C.	San Jose, Cal.
Fairmont, W. Va.	St. Louis, Mo.
Flint, Mich.	So. Rockwood, Mich.
Gas City, Ind.	Streator, Ill.
Glassboro, N. J.	Toledo, O.
Godfrey, Ill.	Tomahawk, Wisc.
Huntington, W. Va.	Toronto, Can.
Ione, Cal.	Tracy, Cal.
Jacksonville, Fla.	Valdosta, Ga.
Jaite, O.	Valencia, Venezuela
Jersey City, N. J.	Vineland, N. J.
Kansas City, Mo.	Waco, Tex.
Lake City, Pa.	Warsaw, Ind.

Fourteen factories of foreign companies, in which company holds a majority interest, are located as follows: Germany (9), Belgium (2), and one each in Switzerland and Columbia.

Company has, in West Virginia, an undivided half interest in 155,783 acres of gas rights, on which there are 699 producing wells supplying gas requirements of Charleston plant.

Company owns or leases 1,200,000 acres of timberlands in Fla., Ga., Mich., Va., Wis. and Bahamas.

MANAGEMENT

Officers

J. P. Levis, Chmn. of Bd. & Exec. Com. & Chief Exec. Off.
C. R. Megowen, Vice-Chmn. & Chmn. Exec. Committee
H. C. Laughlin, Exec. Vice-President
R. H. Mulford, Pres. & Chief Oper. Off.
S. L. Rairdon, Exec. Vice-President
C. G. Bensinger, Vice-President
G. S. Babcock, Vice-President
O. G. Burch, Vice-President
E. D. Dodd, Vice-President
H. S. Wade, Vice-President
W. J. Stewart, Vice-President
A. M. Turner, Vice-President
P. W. Hancock, Vice-President
R. E. Graham, Vice-President
G. B. Skinta, Vice-President
M. G. Beishline, Vice-President
F. M. Canter, Vice-President
S. F. Davis, Vice-President
W. B. Owen, Vice-President
E. R. Owens, Vice-President
E. E. Smith, Treasurer
C. F. Babbs, Secretary
W. F. Spengler, Jr., Comptroller

Directors

C. G. Bensinger, Toledo
[T]H. E. Collin, Toledo
A. J. Hettinger, Jr., New York
Fritz Heye, Dusseldorf, Ger.
J. A. Hill, Hartford, Conn.
C. E. Janssen, Brussels, Belgium
H. C. Laughlin, Toledo
[T]J. P. Levis, Toledo
[T]W. E. Levis, Toledo
G. P. MacNichol, Jr., Toledo
[T]C. R. Megowen, Toledo
[T]J. T. Rohr, Toledo
C. S. Root, Daytona Beach, Fla.
R. L. Snideman, Chicago

[T]Member of Executive Committee.

Directors Emeritus

W. H. Boshart, H. K. Kimble, W. W. Knight

Auditors: Arthur Young & Co.

General Counsel: Fred E. Fuller.

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

No. of Stockholders: Dec. 31, 1961: Preferred, 7,994; common, 25,996.

No. of Employees: Dec. 31, 1961, 37,491.

General Office: Owens-Illinois Bldg., Madison Ave., Toledo 1, O.

INCOME ACCOUNTS

COMPARATIVE CONSOLIDATED INCOME ACCOUNT, YEARS ENDED DEC. 31
(Taken from reports filed with Securities and Exchange Commission)

	[1]1961	[2]1960	1959	1958	1957	[7]1956	1955
Net sales & other operating rev.	$596,424,616	$561,042,319	$552,676,933	$508,459,931	$510,486,850	$495,974,236	$370,347,666
[4][5]Cost of sales, royalties paid, etc.	480,474,567	447,018,037	420,919,431	395,884,012	396,440,245	378,699,937	287,810,152
[5]Selling, general & adm. expenses	58,892,022	56,514,281	53,425,878	49,278,249	47,660,666	46,370,575	29,539,134
Operating profit	57,058,027	57,510,001	78,331,624	63,297,670	66,385,939	70,903,724	52,998,380
Dividends received	3,641,048	3,663,415	2,938,575	3,073,383	2,942,313	2,533,272	2,171,570
Interest received	1,895,775	2,166,035	1,974,545	767,392	434,240	767,653	503,116
Miscellaneous other income	3,697,073	1,672,971	1,514,553	1,005,729	998,195	1,339,706	56,554
Total	66,291,923	65,012,422	84,759,297	68,144,174	70,760,687	75,544,355	55,729,620
Provision for bad debts	278,126	81,754	42,508	280,643	150,175	429,523	--------
Interest expense	3,733,975	3,474,236	3,581,940	3,350,070	2,723,433	2,717,112	1,554,246
Sundry expenses & losses (net)	420,911	169,327	1,103,495	1,972,866	399,762	258,502	53,064
Total income before taxes	61,858,911	61,287,105	80,031,354	62,540,595	67,487,317	72,139,218	54,122,310
[8]Provision for Federal income tax	27,500,000	28,100,000	39,200,000	29,800,000	32,800,000	35,840,000	26,900,000
[16]State & foreign income taxes	--------	--------	--------	--------	600,000	950,000	200,000
Net income	34,358,911	33,187,105	40,831,354	32,740,595	34,087,317	35,349,218	27,022,310
[17]Special item	--------	3,747,122	--------	cr 5,031,410	cr 1,722,700	--------	--------
Net income to surplus	34,358,911	29,439,983	40,831,354	37,772,005	35,810,017	35,349,218	27,022,310
[10]Earned surplus beginning of year	184,517,247	176,577,590	156,936,517	140,322,819	125,662,983	136,871,613	86,064,518
[11]Surplus credits	1,047,088	--------	--------	--------	--------	1,526,674	--------
[12]Preferred dividends	3,291,724	3,291,864	3,291,964	3,291,964	3,291,964	1,001,946	--------
[13]Common dividends	18,244,088	18,208,462	17,898,317	17,866,343	17,858,217	17,581,671	12,991,714
[14]Stock dividends	--------	--------	--------	--------	--------	1,041,614	--------
[15]Other surplus debits	--------	--------	--------	--------	--------	28,459,291	--------
[6]Earned surplus, end of year	$ 198,387,434	184,517,247	$176,577,590	$156,936,517	$140,322,819	$125,662,983	$100,095,114
SUPPLEMENTARY P. & L. DATA							
Deprec., depl. & amortization	$22,725,692	$19,490,367	$17,689,496	$18,196,439	$17,319,473	$15,255,826	$9,444,679
[9]Molds charged to expense	10,297,399	11,402,208	8,244,310	8,686,520	9,514,725	8,073,506	7,003,852
Maintenance & repairs	31,092,212	31,463,059	27,477,988	23,813,041	23,882,185	22,349,107	14,448,883
[3]Taxes (other than income)	5,498,155	14,409,221	12,691,098	9,716,294	9,161,625	8,365,556	5,516,995
Rents	3,886,325	3,682,040	3,528,139	3,252,501	3,344,491	3,379,745	2,515,414
Royalties	592,472	1,221,046	1,148,283	928,710	1,035,289	1,128,471	1,298,331

[1]Includes foreign subsidiaries not previously consolidated.

[2]Adjusted to include foreign subsidiaries: Net sales, $569,395,656; net income, $33,793,411; retained earnings, $185,564,335.

[3]Includes payroll taxes, (1961, $8,271,339).

[4]Cost of sales and other operating expenses (including depreciation, depletion and amortization: 1961, $21,302,449; 1960, $18,213,882; 1959, $16,941,544; 1958, $17,611,936; 1957, $16,915,723; 1956, $15,120,935; 1955, $9,198,637; and research and engineering expenses: 1961, $13,915,270; 1960, $13,165,747; 1959, $12,321,631; 1958, $11,747,430; 1957, $12,700,246; 1956, $11,350,433).

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

[6]At Dec. 31, 1961, $73,375,000 of earned surplus was restricted as to cash dividends on common stock.

[7]Includes, for entire year, operations of National Container Corp., merged Oct. 4, 1956.

[8]1961: Includes $1,290,000 prior years adjustments.

1957: Includes $1,040,000 deferred income taxes provided in amounts equal to reduction in current taxes due to excess of accelerated amortization over book depreciation.

[9]No depreciation is provided on molds. The amount at which molds are carried in the company's accounts represents the 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 other new molds or mold replacements are charged to expense.

[10]1956: $100,095,114 Owens-Illinois Glass Co. and $36,776,499 National Container Corp.; total, $136,871,613.

[11]1961: Retained earnings of foreign subsidiaries not previously consolidated.

[11]1956: Transfer from equity in surplus of non-consolidated on acquisition of minority interest by National Container Corp.

[12]1956: On National Container Corp. preferred prior to Oct. 5, 1956, $214,755; on Owens-Illinois Glass Co. preferred subsequent to Oct. 4, 1956, $787,191; total, $1,001,946.

[13]1956: Includes $1,653,660 paid on National Container Corp. common prior to Oct. 5, 1956.

[14]1956: 1% stock dividend paid June 8, 1956 on National Container Corp. common.

[15]1956: Charges arising from merger with National Container Corp.

[16]1961-58: Included in costs and expenses above.

[17]1960: Loss on Cuban investment, receivables and inventories, less related reduction in provision for federal income taxes ($4,031,423).