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NEW BASIS (% OF OLD BASIS)

Dresdner Bank, A. G.—continued

Market values above are as furnished by company.
See note under 3-18-76, above.
Bond 5s, 1983 are convertible (nontaxable) into bearer shares at DM 200 from 11-1-77 to 11-15-77. The conversion periods for 1978 through 1982 are 3-1 to 3-15; 7-1 to 7-15; 11-1 to 11-15. The conversion period for 1983 is 6-16 to 6-30.
Additional payment of DM 50 per share is required for conversion in 1980 and 1981, and DM 75 per share in 1982 and 1983.
Rights were traded from 6-14-77 through 6-27-77 and were exercisable against coupon No. 34.

3- 5-81	Rights (bearer shares) 1-8 at DM 125. Expire 3-17-81. Nontaxable. Rights will be traded from 3-5-81 through 3-17-81 and are exercisable against coupon No. 38.	
4- 3-81	Distribution, $0.99 per American Depositary Receipt of record 3-20-81, representing proceeds of sale of rights.	
5-22-87	Distribution, 1 additional bearer share for each 18 bearer shares held payable against surrender of coupon No. 48. Nontaxable.	94.7368%*
6-12-87	Distribution, 1 additional American Depositary Receipts for each 18 Americian Depositary Receipts held. Record date 5-22-87. Nontaxable.	94.7368%*

Dresdner RCM Europe Fund, Inc.

2-11-99	Name changed to Dresdner RCM Europe Fund, Inc. from Emerging Germany Fund, Inc.	

Dresher Inc.

9-23-82	Incorporated in Delaware.	
1- 5-83	Date for distribution of common to the stockholders of Standex International Corp. See that company.	
11-14-83	Common split 2-1. Record date 10-28-83. Nontaxable.	50.0000%*
5-25-85	Common split 3-2. Record date 5-9-85. Nontaxable. Cash paid for fractions at $11.67 per full share results in capital gain or loss, computed by comparing cash with basis of fraction. Counsel's opinion.	66.6667%*
2-25-86	Common split 3-2. Record date 2-10-86. Nontaxable. Cash paid for fractions at $12.08 per full share results in capital gain or loss, computed by comparing cash with basis of fraction. Company's opinion.	66.6667%*
8-25-86	Common split 3-2. Record date 8-8-86. Nontaxable.	66.6667%*
2-24-89	Rights attached to common, 1-1. Rights are exercisable for .01 share new series preferred at $25 or, in the case of company's acquisition, for a number of acquiring company's common having a value twice the exercise price. Rights become exercisable only if a person or group acquires 20% or more of company's common, or makes a tender or exchange offer for at least 30% of company's common. No income results from receipt of rights, and rights apparently take a zero basis. (Rev. Ruling 90-11.) Rights expire 2-3-99 and are redeemable, at company's option, at $0.01 per right.	
6- 4-90	Expiration of cash purchase offer by Leggett & Platt, Inc. at $2.50 per share common. Compare cash with basis to compute capital gain or loss. Note: Merger at preceeding terms was effected on 6-4-90.	

Dress Barn, Inc.

1966	Incorporated in Connecticut.	
5- 3-85	Common split 2-1. Record date 4-12-85. Nontaxable.	50.0000%*
5- 2-86	Common split 5-2. Record date 4-11-86. Nontaxable. Cash paid for fractions results in capital gain or loss, computed by comparing cash with basis of fraction. Company's opinion.	40.0000%*
5-22-87	Common split 2-1. Record date 4-20-87. Nontaxable.	50.0000%*

Dresser Industries Canada Ltd.

10- 4-71	All $0.80 1st preferred called at $22 (Canadian) and dividend. Dividend apparently is part of redemption price.	

Dresser Industries, Inc.

12-31-38	Incorporated as Dresser Manufacturing Co. in Pennsylvania as a consolidation of S. R. Dresser Manufacturing Co. (organized 1905) and Clark Bros. Co. (organized 1903) with 350,000 shares no par stock. Apparently nontaxable exchange.	

(Continued on the next page)

NEW BASIS (% OF OLD BASIS)

Dresser Industries, Inc.—continued

	Per share class A: 2 shares	100.0000%
	Per share class B: 1 share	100.0000%
	Per share Clark: 5 shares common	100.0000%
10-23-44	Name changed to Dresser Industries, Inc. Stock changed 1-1, no par to $1 par. Nontaxable.	100.0000%
2- 1-45	Acquired Kobe, Inc. See that company for details.	
2- 1-45	Acquired Payne Furnace & Supply Co., Inc. Nontaxable.	
	Per 5 shares Payne preferred: 2 shares Dresser common ($0.50 par).	100.0000%
	Per 7 shares Payne common: 2 shares Dresser common ($0.50 par).	100.0000%
3-19-45	Stock split 2-1, $1 to $0.50 par. Nontaxable.	50.0000%*
4- 2-45	Acquired Day & Night Manufacturing Co. See that company.	
10-16-45	3¾% preferred offered at 103. Preferred convertible (nontaxable) into 2½ shares common per share preferred to 9-15-55.	
11- 2-49	Effective date of acquisition of stock of Magnet Cove Barium Corp. Taxable exchange. Company's opinion.	
	Per share Magnet Cove (minority): ½ share Dresser common.	
	Market value (11-2-49) Dresser Industries common (18⅞-18⅝) 18½.	
3- 1-55	Acquired assets of Lane-Wells Co. See that company for details.	
8- -55	Acquired minority stock of Petro-Tech Service Co. See that company for details.	
10-31-55	All 3¾% convertible preferred called at $104 and $0.49 dividend.	
	Dividend apparently is part of redemption price.	
7- 1-56	Acquired assets of Guiberson Corp. See that company for details.	
8- 1-56	Reincorporated in Delaware. Nontaxable.	
12-19-56	Common split 2-1. Record date 12-3-56. Nontaxable.	50.0000%*
1-31-57	Acquired Hermetic Seal Transformer Co., Inc. See that company.	
2-28-57	Acquired assets of Superbar Co. See that company for details.	
3-14-57	Offered convertible debenture 4⅛s, 1977 at 100. Debentures are convertible (nontaxable) into common at $55 per share through 3-1-67.	
8-16-58	Exchange offer to stockholders of Elgen Corp. See that company.	
1-21-64	Distribution, 1 share Transnational Ventures, Ltd. (Liberia) (name changed from International Industries, Inc.) for each share Dresser Industries held. Record date 1-14-64. Taxable. Counsel's opinion.	
	Company states "the initial capital...is nominal and the value of each share...[of Transnational] is $0.01."	
	Noncorporate stockholders: Basis of Transnational is market value. Date of acquisition for holding period is date of receipt.	
	Corporate stockholders: Corporate stockholders apparently use the same value and holding period as noncorporate stockholders.	
	Note: Transnational Ventures shares are traded in a unit with Dresser Industries (1 share Transnational and 1 share Dresser per unit) on the New York Stock Exchange as of 1-15-64.	
	Separate certificates of Transnational are not available. Combined certificates are available upon surrender to the transfer agent of Dresser shares on and after 1-15-64.	
4-28-65	Stockholders of Transnational Ventures, Ltd. approved dissolution. No liquidating distributions will be made to stockholders. Holders of Dresser Industries apparently will realize a loss of $0.01 per share Dresser held. See 1-21-64, above.	
5-10-65	Effective this date, Dresser Industries shares will be treated free of Transnational Ventures Stock.	
11-16-65	After this date, debenture 4⅛s, 1977 are convertible (nontaxable) into common at $27.50 per share.	
11-26-65	Common split 2-1, $0.50 to $0.25 par. Record date 11-16-65. Nontaxable.	50.0000%*
10-26-67	Merged Harbison-Walker Refractories Co. See that company.	
	Series A $2.20 preferred, issued in merger, is convertible (nontaxable) share for share into common.	
4-30-68	Merged Symington Wayne Corp. See that company.	

(Continued on the next page)

* Apply percentage to basis per share of original stock to arrive at new basis per share of original and new stock, or shares resulting from a stock split.

		NEW BASIS (% OF OLD BASIS)
Dresser Industries, Inc.—continued		
	Each share $2 preferred, issued in merger, is convertible (nontaxable) into .909 share common.	
11-12-70	After this date, each share $2.20 preferred is convertible (nontaxable) into 1.01365 shares common.	
7-21-75	All $2.20 series A convertible preferred and $2 series B convertible preferred called at $49.00 and $0.22 dividend and $44.55 and $0.20 dividend, respectively.	
	Dividend apparently is part of redemption price.	
	Each share $2.20 series A preferred and each share $2 series B preferred is convertible (nontaxable) into 1.01365 shares common and .909 share common, respectively, through 7-21-75.	
	Cash paid for fractions apparently results in capital gain or loss, computed by comparing cash with basis of portion of preferred representing fraction.	
6-18-76	Common split 2-1. Record date 6-1-76. Nontaxable.	50.0000%*
12-31-76	Values: common, $42.0625; debenture 4.125s, 1977; 98.125 bid; debenture 8.65s, 1985; 106.00; debenture 9.375s, 1995; 106.75; debenture 9.375s, 2000; 107.00 bid.	
11-14-80	Common split 2-1. Record date 10-27-80. Nontaxable.	50.0000%*
4-28-86	Rights attached to common, 1-1. Rights were to have become exercisable, in general, only upon the acquisition of certain amount of company's common by another concern. No income was realized upon attachment of rights, and rights apparently took a zero basis. See below for redemption of rights. (Rev. Ruling 90-11.)	
9-20-90	Common split 2-1. Record date 9-4-90. Nontaxable.	50.0000%*
10- 3-90	Distribution, $0.025 per share common held in redemption of rights attached to common on 4-28-86 (see above). Apparently taxable as a dividend.	
10- 3-90	Rights attached to common, 1-1. Rights are exercisable for .01 share series A junior preferred at $90 or, in the case of company's acquisition, for a number of acquiring company's common having a value twice the exercise price. Rights become exercisable only if a person or group acquires 15% or more of company's common, or makes a tender or exchange offer for at least 30% of company's common. No income results from receipt of rights, and rights apparently take a zero basis. (Rev. Ruling 90-11.) Rights expire 10-3-2000 and are redeemable, at company's option, for $0.01 per right.	
8-21-92	Distribution, 1 share INDRESCO Inc. common for each 5 shares Dresser Industries, Inc. common held. Record date 8-7-92. Nontaxable. Counsel's opinion.	
	1 share Dresser Industries, Inc. common 19.50	92.1440%
	1/5 share INDRESCO Inc. common 1.6625	7.8560%
	Above allocation is as furnished by company.	
	Cash paid for fractions results in capital gain or loss, computed by comparing cash with basis of fraction. Counsel's opinion.	
	Holding period of INDRESCO Inc. common received includes holding period of Dresser Industries, Inc. common on which received. Counsel's opinion.	
1-21-94	Acquired Baroid Corp. (New). See that company.	
8- 5-94	Merged Wheatley TXT Corp. See that company.	
9-29-98	Merged into Halliburton Co. (New) by merger of its wholly-owned subsidiary. Nontaxable. Counsel's opinion.	
	Per share Dresser Industries, Inc. common ($0.25 par): 1 share Halliburton Co. (New) common ($2.50 par)	100.0000%
	Cash paid for fractions results in capital gain or loss, computed by comparing cash received with basis of fraction.	
Dresser Manufacturing Co.—See Dresser Industries, Inc.		
Drever Co.		
1939	Incorporated in Pennsylvania.	
7- 8-68	5% common stock dividend. Record date 6-14-68. Nontaxable.	95.2381%*
	Cash paid for fraction at $12.62 per share is taxable as a dividend.	
6-17-69	6% common stock dividend. Record date 5-23-69. Nontaxable.	94.3396%*
7-10-70	5% common stock dividend. Record date 6-12-70. Nontaxable.	95.2381%*

Note for all stock dividends above

Cash paid for fractions is apparently taxable as a dividend.

(Continued on the next page)

Term Loan: Outstanding, Dec. 31, 1968, (1) $1,984,000 5½% notes payable $336,000 annually, to July 1, 1974. Proceeds to pay $2,100,000 outstanding term loan; for working capital and other purposes.

(2) $2,768,000 5¾% notes due $232,000 annually, each Mar. 1 to 1980. Proceeds for general corporate purposes.

(3) $1,650,000 notes with interest at prime plus ½ of 1%; principal payable at not less than $200,000 by Jan. 15, 1969 and balance by Jan. 15, 1970. Proceeds to finance mine operations of wholly owned sub.

Company may not pay cash dividends in excess of consolidated net earnings after Dec. 31, 1963 plus $1,000,000. Company agrees to maintain working capital at not less than greater of $8,000,000 or 1½ times above notes outstanding less current maturities. Dividends on preferred stocks may not exceed $123,000 annually.

At Dec. 31, 1968, the consolidated retained earnings were approx. $4,100,000 less than the minimum amount required before common dividends may be paid or company stock reacquired.

Subsidiary Debt: Outstanding, Dec. 31, 1968, $504,165 mortgages and notes payable.

Capital Stock: 1. Dorr-Oliver Inc. $2 cum. preferred; par $32.50:

AUTHORIZED—120,000 shares; outstanding, 44,595 shares; par $32.50.

Note: At Mar. 10, 1969 Curtiss-Wright Corp. owned 5,400 shares.
PREFERENCES—Has preference for assets and dividends.
DIVIDEND RIGHTS—Entitled to cumulative dividends of $2 per share annually, payable quarterly Mar. 1, etc.
DIVIDEND RECORD—Initial dividend of 50 cents paid Mar. 1, 1955; regular dividends paid thereafter.
VOTING RIGHTS—Has one vote per share with right of cumulative voting for directors; on default of 8 quarterly dividends, preferred is entitled to elect 2 directors.
LIQUIDATION RIGHTS—In liquidation, entitled to $32.50 per share if involuntary and $33.50 per share if voluntary; plus dividends.
CALLABLE—As a whole or in part on any dividend date on at least 30 days' notice at $33.50 per share and dividends.
PREEMPTIVE RIGHTS—None.
CONVERTIBLE—Into common at any time (if called, on or before time fixed by company) on basis of 2 common shares for each preferred share.
LISTED—On American Stock Exchange.
TRANSFER AGENT—First National City Bank, New York.
REGISTRAR—Chase-Manhattan Bank, New York.

PRICE RANGE—	1968	1967	1966	1965	1964
High	70	70	58	62	38
Low	48	40¼	36½	36¾	34½

2. Dorr-Oliver Inc. common; par $7.50:
AUTHORIZED—10,000,000 shares; outstanding, Dec. 31, 1968, 1,622,403 shares (giving effect to exercise of subscription rights Mar. [illegible], 1969); reserved for options, 51,000 shares; par $7.50.

In Mar. 1969, Curtiss-Wright Corp. (see preceding statement) owned 55% of outstanding stock.
VOTING RIGHTS—Has one vote per share with right of cumulative voting for directors (see preferred above).
PREEMPTIVE RIGHTS—None.
DIVIDEND RESTRICTIONS—See term loan above.
DIVIDENDS—

1955-57	$0.80	1958	$0.50	1959	[illegible]
1960	0.10	1961	0.40	1962	[illegible]
[1]1963-66	0.60	1967	0.45	1968	[illegible]

[1]Also 2% in stock in 1966.
LISTED—On New York Stock Exchange.
TRANSFER AND DIVIDEND DISBURSING AGENT—First National City Bank, New York.
REGISTRAR—Chase Manhattan Bank, New York.

PRICE RANGE—	1968	1967	1966	1965	1964
High	35	25⅜	29⅛	21⅞	[illegible]
Low	22¼	17⅞	14	13	13

Subscription Rights: Stockholders of record Feb. 5, 1969 had right to subscribe to 406,651 shs. at $22 a sh. on basis of one sh. for each 3 held. Rights expired Feb. 24, 1969.

DRESSER INDUSTRIES, INC.

CAPITAL STRUCTURE

LONG TERM DEBT

Issue	Rating	Amount Outstanding	[3]Times Charges Earned 1968	1967	Interest Dates	Call Price	Price Range 1968	1967
1. Subordinated debenture 4⅞s, 1977	Baa	$977,000	11.36	15.56	M&S 1	[4]101¾	83 - 80¾	118 - [illegible]
2. 4¾-7½% notes due 1973-83	——	$85,807,000			——	——	——	——

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	[3]Earned per Sh. 1968	1967	[3]Divs. per Sh. 1968	1967	Call Price	Price Range 1968	1967
1. $2.20 convertible preferred, A	No par	3,427,174 shs.	$6.82	$9.12	$2.20	$0.3056	Text	47½ - 39¾	4[illegible] - 3[illegible]
2. $2 convertible preferred, B	No par	1,712,122 shs.			$0.12556	[1]...	Text	43 - 37	[1]——
3. Common	$0.25	9,469,440 shs.	$2.54	[2]$2.55	$1.36¼	$1.25	——	48½ - 22¼	4[illegible] - 3[illegible]

[1]Issued Apr. 30, 1968. [2]1968, $2.61; 1967, $2.58 on weighted avg. shs. 1968, $2.51; 1967, $2.80 before extraordinary charge ($2.86 on avg. shs.) 1967, assuming complete conv. of pfd., $2.68 before and $2.49 after extraordinary charge. [3]Fiscal years. [4]Subject to change, see text.

HISTORY

Incorporated in Delaware Apr. 23, 1956, as successor in statutory merger Aug. 1, 1956 to a Pennsylvania corporation of same name, incorporated Dec. 31, 1938, as Dresser Manufacturing Co., as result of a consolidation of S. R. Dresser Mfg. Co. (incorporated in 1905 as successor to a business founded in 1880) and its wholly-owned subsidiary, Clark Bros. Co. (N. Y., incorporated 1902). Also Clark Bros. Co., Inc., a new wholly-owned subsidiary, emerged from the consolidation. Name changed to Dresser Industries, Inc., Oct. 23, 1944.

On Oct. 1, 1940, acquired entire outstanding capital stock of Pacific Pump Works, Cal.

On Jan. 1, 1942, acquired all of outstanding capital stock of Bovaird & Seyfang Manufacturing Co. (Pa.).

On Nov. 1, 1944, company acquired, by issuance of 103,000 shares (par $1) of Dresser common, net assets of International-Stacey Corp. and its subsidiaries, International Derrick & Equipment Co. of Ohio, Calif. and Texas (three separate companies), Roots-Connersville Blower Corp. and Stacey Bros. Gas Construction Co.

On Feb. 1, 1945, acquired net assets of Kobe Co.

On Nov. 1, 1945 acquired 100% ownership of Security Engineering Co., Inc.

On Jan. 12, 1949, sold its three gas appliance companies, namely Day & Night Manufacturing Co., Payne Furnace Co. and Bryant Heater Co. to Affiliated Gas Equipment, Inc. for $10,870,000. The first two companies were acquired in 1945 and Bryant Heater Co. in 1933.

In Nov., 1949 acquired all the common stock of Magnet Cove Barium Corp. (Ark.) for approximately $2,800,000 cash plus 17,515 shares of Dresser common stock.

On Apr. 30, 1954, sold Kobe, Inc.

As of Mar. 1, 1955, acquired assets of Lane-Wells Co., Los Angeles, in exchange for 576,000 common shares, on basis of 4 Dresser shares for each 5 Lane-Wells shares.

In Feb., 1956, acquired stock of Southwestern Industrial Electronics Co. (Del.).

On Aug. 1, 1956, acquired Guiberson Corp., Dallas, for about 110,000 shares.

In 1958, acquired Elgen Corp., Dallas (now part of Dresser Atlas) in exchange for 127,255 common shares, one share for each 3.4 Elgen shares.

On Sept. 30, 1960, acquired Podbielniak Inc., Chicago, for 36,000 common shares.

In Nov., 1961, acquired M&H Valve Fittings Co.

On Nov. 10, 1964 (after close of fiscal year) acquired assets of Manning, Maxwell & Moore, Inc. for $27,730,000.

On Oct. 28, 1967, merged Harbison-Walker Refractories Co. by exchange of 3,407,085 shs. $2.20 convertible preferred, series A, for capital shares of Harbison, on basis of 3.4 shs. for each Harbison pfd. sh., and 1.1 shs. for each Harbison com. sh.

In Apr., 1968, acquisition of Pan Geo Atlas Corp., from Westec Corp., for minimum of $8,040,000 cash plus maximum additional $250,000 contingent upon Pan Geo earnings since Sept. 30, 1967, was approved by Federal Court.

On Apr. 30, 1968, merged Symington Wayne Corp. by issuance of 1.1 shares of $2.00 cumulative convertible preferred stock for each share Symington common. The transaction involved the issuance of 1,492,225 shs. of $2.00 convertible preferred stock, series B, in exchange for outstanding common shs. of Symington Wayne and the sale of 216,242 shs. of $2.00 convertible preferred, series B, to persons who had previously tendered shares to the Company.

Proposed Acquisition: In Sept. 1968, Company had reached an agreement intended to lead to acquisition of National Equipment Leasing Corp., Pittsburgh, Pa. Under agreement, Co. purchased from National $1,000,000 of 7% debs. convertible at any time into 40% of National's auth. capital stock, and agreed to buy additional nonconvertible debs. as required. It also has an option to buy 20% of National's auth. stock in each of next 3 years.

SUBSIDIARIES

As of June 1, 1969, company held 100% voting control in following subsidiaries:

Subsidiaries—Domestic:
Most former domestic subsidiaries now operated as divisions; see Principal Domestic Operating Units, below.

Subsidiaries—Foreign
As of May 1, 1969, Dresser held majority ownership (except as noted) in the following subsidiaries and affiliates:

Canada
Dresser Industries Canada, Ltd.
Canadian Refractories Ltd. (statement appended)
Symington Wayne Overseas, Ltd.

Latin America
Ceramics Carabobo, C.A. (25%)
Dresser A.G. (Vaduz)
Dresser Atlas S.A.M.P.I.C.
Fabrica de Ladrillos Industriales Y Refractories Harbison-Walker Flir, S.A. (49%)
Harbison-Walker—Flir de Mexico, S.A. (49%)
Harbison-Walker Refractarios, S.A.
Ideco de Mexico, S.A.
Magcobar de Mexico, S.A.
Magcobar de Venezuela, C.A.
Refractarios Chilenos, S.A.
Refractarios Perunnos, S.A.
Wayne S.A. Industria & Comercio

Europe
Dresser A.G. Vaduz
Dresser A.G. Zug
Dresser Atlas (France) S.A.
Dresser Atlas (Germany) G.m.b.H.
Dresser-Dujardin (50%)
Dresser Europe S.A.
Dresser (France) S.A.
Dresser International, S.A.
Dresser Norway, A/S
Harbison-Walker Refractories, S.A.
Magcobar (Ireland) Ltd.
Manning, Maxwell & Moore, A.G.
Mykobar Mining Co., S.A.
Wayne France S.A.
Wayne Tank & Pump Co., Ltd.

Africa and Middle East
Dresser A.G. Zug (Nigeria) Ltd.
Dresser Europe, S.A.
Dresser (Kuwait) S.A.K. (49%)
Magcobar (Libya) Ltd. (49%)
Sherbat Sahami Magcobar Iran

Australasia
Dresser Japan, Ltd.
Dresser Services Pty. Ltd.
Dresser Singapore PTE. Ltd.
Nippon-Clark Co., Ltd. (50%)
Nippon, Manning, Maxwell & Moore, K.K. (45%)
Utsue Valve Co., Ltd. (20%)

PRINCIPAL DOMESTIC OPERATING UNITS:

Airetool Manufacturing Division: Springfield, Ohio: tube expanders, tube cleaners, other air-powered products. Uses: manufacturing and cleaning of tubular components of boilers, etc.

Clark Engine-Compressor & Clark Turbo-Compressor Divs.: Olean, N. Y.: integral engine compressors; reciprocating and centrifugal compressors; uses: Compressing air or gas in gas gathering, gas transmission, secondary oil recovery, chemical processing, refining and general industry; other plants: Bradford, Pa.

Cleco Industrial Tool Division: Houston, Tex.; pneumatic tools (drills, grinders, hammers, sanders, impact wrenches, screw drivers, nut runners, etc.). Uses: performing mechanical work.

Dresser Atlas Div.: Houston, Tex.; well logging and perforating services; uses: Locating potential oil and gas bearing sub-surface formations and evaluation of oil and gas reservoirs; penetration of sub-surface formations in oil or gas wells.

Dresser Controls Division: Houston, Tex.; designs and manufactures supervisory control systems; digital telemetry systems for remote control of pipelines, oil and gas production, chemical processes and utility systems.

Dresser Crane, Hoist & Tower Div.: Muskegon, Mich.; cranes and hoists, towers [illegible] materials handling; television, mi- nd radio transmission; other plants: , O.

Ideco Div.: Beaumont, Tex.; drill- and rig components; uses: Drilling over of oil and gas wells.

Industrial Valve & Instrument Div.: Conn.; industrial pressure guages, ters and regulators, industrial fety and safety relief valves; uses: ; recording and/or transmitting and temperatures; controlling pres- temperatures; other plants: Alex- a.; Berea, Ky.; Galt, Ontario, Can- ion, England.

Magcobar Div.: Houston, Tex.; dril- systems for drilling of oil and gas

Manufacturing Div.: Houston, Tex.; pings, fittings, repair devices, hy- nd valves; uses: Connecting and piping systems; fire protection sys- water and sewage systems; other nniston, Ala.; Wellsboro, Pa.

Measurement Div.: Connersville, ary positive displacement meters; asuring gas volume from producing for industrial gas consumption.

Minerals Div.: Houston, Tex.; bar- onite, industrial sand, clays, lead, other ores. Uses: Drilling mud ad- (lass and glass products; fillers and other mineral and metal industries; ore locations: Ark., Nev., Miss., Mo., ex., Wyo., Greece, Mexico, Iran and

Offshore Services, Inc.: New Or- a.; completion and workover ser- offshore drilling operations; uses: ng and servicing of oil and gas wells.

Oilfield & Mining Equipment Div.: Tex.; deep well plunger pumps and systems; packers, swabs, rock bits er tools; uses: Drilling oil and gas drilling blast holes and shafts for operations; producing oil; completing ing of oil and gas wells; other plants: ; Cal.; Calgary, Alberta, Canada; ner, England.

SIE Division: Houston, Tex.; geo- seismic instruments, supervisory systems; Uses: Mapping subsurface ns in search for oil and gas.

Systems, Inc.: Houston, Tex.; geo- seismic instruments; supervisory systems; uses: Mapping sub-surface ons in search for oil and gas; remote of pipelines, oil and gas production s and utility systems.

Dresser Transportation Equipment Division: Chicago, Ill.; steel specialty castings (auto- matic couplers), coupler yokes, truck side frames, bolsters, assemblies for draft gears; Uses: construction and maintenance of rail- way cars. Plant: DePew, N. Y.

Harbison-Walker Refractories Co. Div.: Pittsburgh, Pa.; refractories; uses: Protective linings in high temperature furnaces, ladles and kilns used in production of steel, glass, cement, chemicals and other products. other plants: Magnesite: Ludington, Mich.; Cape May, N. J.; Kilmer, Quebec; Chewelah, Wash.; Refractory: Bessemer and Fairfield, Ala.; Hammond, Ind.; Baltimore, Md.; Fulton and Vandalia, Mo.; Windham, O.; Clearfield and Mt. Union, Pa.; Marelan, Quebec; Mines: Has 39 fireclay and silica mines and quarries located in 17 states and foreign countries.

Pacific Pumps Div.: Huntington Park, Cal.; centrifugal process pumps; boiler-feed pumps; steam-turbo pumps; uses: Chemical process- sing and refining operations; steam-genera- tion power plants; marine and general in- dustry.

Petroleum Equipment Division: Salisbury, Md.; gasoline service station pumps, hoists and other equipment. Uses: gasoline service stations.

Roots-Blower & Vacuum Pump Div.: Con- nersville, Ind.; rotary lobe blowers; rotary screw compressors; rotary piston vacuum pumps and diffusion pumps; uses: Low pres- sure blowing, compressing and evacuating of air and gas.

S-K Wayne Tool Division: Chicago, Ill.; hand tools (sockets, wrenches, pliers, screw drivers, punches, chisels, torque wrenches, tool boxes); Uses: mechanics' hand tools and consumer uses.

Unitized Compressor Div.: Houston, Tex.; packaged compressor, driver and control sys- tems; uses: Gas gathering and secondary oil recovery operations.

FOREIGN OPERATIONS:

Global distribution of Dresser products and services is accomplished through about 50 foreign companies and more than 160 for- eign representatives serving practically all significant market areas of the free world. For fiscal 1968, foreign sales approximated $170,000,000, 27% of Dresser's net sales and service revenues.

BUSINESS & PRODUCTS

Dresser is a diversified and world-wide supplier of industrial machinery, equipment ... dustries such as: gas, water and sewage, petroleum, chemical, power, steel, non-fer- rous metal, cement, glass and communica- tions.

Sales analysis, years ended Oct. 31 (%):

	1968	1967
Petroleum grp.	34.0	31.0
Mach. & transp. grp.	28.0	33.0
Refract. & min. grp.	21.0	20.0
Ind. spec. grp.	17.0	16.0
Total	100.0	100.0

PRINCIPAL PLANTS & PROPERTIES

See under Principal Domestic Operating Units, above. See also under subsidiaries.

MANAGEMENT

Officers:
John Lawrence, Chmn. & Chief Exec. Off.
Charles Kuhn, Pres. & Chief Oper. Off.
J. V. James, Exec. Vice-Pres. (Adm. & Plan.)
E. R. Luter, Vice-President (Fin.) & Treas.
W. K. Downey, Group Vice-Pres.
R. A. Sebastian, Vice-President (Int'l.)
D. H. Hartmann, Group Vice-Pres.
T. L. Moody, Vice-Pres. (Ind. Rel.)
J. D. Mayson, Vice-President & Sec.
D. D. Rost, Vice-Pres. (Acctg. & Audit)

Directors:
W. H. Bateman, Salisbury, Md.
Norman Chandler, Los Angeles
O. E. Kline, Scottsdale, Ariz.
Willard M. Johnson, Houston
John Lawrence, Dallas, Tex.
H. N. Mallon, Dallas, Tex.
William A. McAfee, Cleveland, O.
Allan Shivers, Austin, Tex.
J. V. James, Dallas, Tex.
Charles Kuhn, Dallas, Tex.
E. R. Luter, Dallas, Tex.
C. A. Moore, New York
R. S. Morse, Boston
R. C. Croft, New York
A. H. Bowden, Pittsburgh
G. C. Scott, New York
A. B. Wilson, Pittsburgh

Auditors: Arthur Andersen & Co.

Annual Meeting: Third Monday in March.

No. of Stockholders: Oct. 31, 1968: Pre- ferred, 15,515; common, 30,513.

No. of Employees: Oct. 31, 1968, 31,000.

General Office: Republic National Bank Bldg., P. O. Box 718, Dallas, Texas 75221.

... ACCOUNTS

COMPARATIVE CONSOLIDATED INCOME ACCOUNT, FISCAL YEARS ENDED OCT. 31

	1968	1967	1966	1965	1964	1963	1962
...es	$623,855,000	$542,206,000	$401,039,000	$353,623,000	$259,467,000	$241,263,339	$245,601,130
...of goods sold	412,738,000	360,413,000	254,259,000	227,238,000	169,177,000	164,192,858	169,852,147
...engineering, gen. & adm. exps.	147,088,000	120,037,000	101,736,000	90,509,000	65,159,000	57,333,046	59,427,765
...rating profit	63,829,000	61,756,000	45,044,000	35,876,000	25,131,000	19,737,435	16,321,218
...t earned	3,463,000	3,906,000	3,323,000	3,127,000	3,624,000	2,791,006	2,134,897
...income	7,355,000	6,934,000	3,727,000	4,047,000	2,911,000	3,377,038	3,013,387
...al income	74,647,000	72,596,000	52,094,000	43,050,000	31,666,000	25,905,479	21,469,502
...t	6,463,000	4,323,000	3,043,000	3,041,000	2,569,000	3,058,415	3,134,625
...aneous other deductions	1,091,000	2,578,000	844,000	1,073,000	1,229,000	1,202,460	780,112
...ral income taxes	24,726,000	24,661,000	19,644,000	16,739,000	12,698,000	8,173,538	4,969,109
...foreign	7,150,000	7,242,000	5,433,000	3,697,000	2,600,000	2,866,241	1,772,244
...y interest	453,000	444,000	-------	-------	-------	-------	-------
...prov., property disposal	1,135,000	2,284,000	-------	-------	-------	-------	-------
...years inc. tax adj. (net)	-------	-------	-------	-------	-------	-------	247,198
...n investments (less tax)	1,432,000	-------	-------	-------	-------	-------	-------
...rdinary foreign exch. losses	-------	-------	-------	-------	-------	-------	1,058,066
...t income	35,061,000	31,064,000	23,100,000	18,500,000	12,570,000	10,804,825	9,508,148
...ed surplus, beginning of year	210,225,000	181,840,000	101,801,000	89,612,000	82,593,000	77,253,737	87,857,728
...onv. pfd. A dividends	6,686,000	-------	-------	-------	-------	-------	-------
...onv. pfd. B dividends	1,235,000	-------	-------	-------	-------	-------	-------
...mon dividends	13,408,000	16,824,000	9,635,000	6,310,000	5,551,000	5,565,590	5,634,566
...r surplus debits	-------	3,234,000	-------	-------	-------	-------	14,377,578
Earned surplus, end of year	$223,957,000	$192,846,000	$116,297,000	$101,802,000	$89,613,000	$82,592,972	$77,353,737
...LEMENTARY P. & L. DATA							
...ntenance & repairs	$21,263,000	$17,124,000	$8,763,000	$6,606,000	$5,288,000	$5,270,000	$5,214,647
...reciation, depl. & amort.	23,139,000	19,425,000	13,509,000	13,046,000	11,518,000	10,189,000	9,323,773
...axes, other than income	14,653,000	11,966,000	7,594,000	6,355,000	4,826,000	4,877,000	4,629,778
...	[illegible]	5,806,000	5,939,000	4,678,000	4,009,000	4,040,000	4,442,479
...alties	1,413,000	1,496,000	1,869,000	1,593,000	1,414,000	1,550,000	1,819,767

...: Includes $1,153,000 by Symington ... Corp. prior to merger.
... Incl. $8,574,000 by Harbison-Walker ... to merger.
... Includes $46,000 stock of Transcon- ...al Ventures, Ltd.
...cludes related portions of items shown ... under "Supplementary p. & l. data."
...: Retirement of Harbison-Walker ...

... Provision for extraordinary risks in ... operations, $5,000,000; for contingent ... and domestic taxes, $4,100,000 (re- ... in 1967); writeoff of mineral lands ...easholds, $3,980,559; write-off of in- ...ble assets, $1,297,014; total, $14,377,573. ...q. of Harbison-Walker Refractories Co. ..., 1967, treated as pooling of interests.

Includes deferred Federal income taxes: 1968, $987,000; 1967, $3,826,000; 1966, $1,533,000; 1965, $2,070,000; 1964, $1,554,000; 1963, $2,433,817; 1962, $1,008,543.
Net of tax reduction.
1968-67: As restated for pooling.
Includes payroll taxes (1968, $9,218,000).
1968: Includes $59,800,000 not restricted.

Source & Application of Funds (thousand $):

	1968	1967
Source of Funds:		
Net earnings	35,061	31,064
Depr., depl. & amort.	23,139	19,425
Dfd. taxes & oth. dfd.	2,611	6,889
Incr. l.t. debt	30,956	------
Decr. invest. affil. cos.	1,256	------

Treas. shs. iss. deb. cv.		15,787
Com. sold on options		437
Property disposals		
Total		
Application of Fun...		
Divs. declared		
Capital expend.		
Inv. in Symington Wayne		
Invest. in affils.		
L.t. debt retired		
Debs. retired (principally cv.)		
Purch. of treas. sh...		
Non-curr. assets purch. cos.		

...Barium
...olds & Co.,
...nc., New York,
(net to company
...n Mar., 1955 in ac-
... Co.
...m Feb., 1956, in acquisi-