MOODY'S MANUAL OF INVESTMENTS

AMERICAN AND FOREIGN

INDUSTRIAL SECURITIES

JOHN SHERMAN PORTER, *Editor-in-Chief*

1941

MOODY'S INVESTORS SERVICE
65 BROADWAY, NEW YORK

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.
KING WILLIAM STREET HOUSE, ARTHUR STREET, E.C.4

	1940	[3]1939
Adjustments	--------	dr 33,942
Earn. surp., 12-31	553,324	487,231
Times chgs. earn.:		
Before inc. tax	3.10	4.68
After inc. tax	2.59	4.22
Earned per share	$0.20	$0.40
No. of shares	323,000	323,000

[1]Revised.
[2]No provision for excess profits tax.
[3]As reported to the SEC.

Sales and Earnings:

Year	Net Sales	Net Income	Earn. on Com.
1938	[1]$5,107,010	$283,944	$0.88
1937	[1]5,252,302	94,602	0.29
1936	Not stated	240,440	0.74
1935	2,977,732	87,215	0.87
1934	2,474,680	107,609	1.08

[1]As reported to the SEC.

Balance Sheet, as of Dec. 31:

Assets:	1940	1939
Cash	$420,210	$447,317
Receivables, net	253,936	230,145
Inventories	385,902	301,011
Total current	$1,060,047	$978,474
Buildings	359,969	354,441
Depreciation	70,636	61,162
Net bldgs.	289,333	293,279
Machy. & equip.	784,044	729,353
Depreciation	319,063	264,373
Net machy.	464,981	464,980
Land	34,205	34,205
Lshld. impnts. cost	46,436	48,033
Goodwill, etc.	1	1
Misc. notes rec.	14,850	16,650
Insur., cash value	17,773	15,760
Other rec., etc.	7,684	8,423
Sinking fund	12,298	18,550
Debt disc. & exp.	36,603	45,202
Deferred charges	8,156	9,858
Total	$1,992,366	$1,933,415
Liabilities:		
Accounts pay.	$82,080	$56,314
Sinking fund	12,274	18,444
Fed. inc. taxes	21,000	19,000
Accruals	45,654	46,737
Bond interest	6,256	6,499
Total current	$167,265	$146,994
First 5½s, 1946	588,000	607,000
Conting. res.	--------	8,412
Capital stock ($1)	323,000	323,000
Paid-in surplus	360,777	360,777
Earned surplus	553,324	487,231
Total	$1,992,366	$1,933,415
Net curr. assets	$892,782	$831,480

Accounts certified by George Rossetter & Co.

Bonded Debt: 1. Consolidated Biscuit Co. first 5½s, B, due 1946:

Rating—Ba

AUTHORIZED—All series, $2,000,000; outstanding, series B, $153,000; in treasury, $18,000; retired to Dec. 31, 1940, $29,000.

DATED—Mar. 1, 1936.

MATURITY—Mar. 1, 1946.

INTEREST PAID—M&S 1 at City National Bank & Trust Co., Chicago.

DENOMINATION—Coupon, $1,000; registerable as to principal.

TRUSTEES—City National Bank & Trust Co., Chicago, and A. T. Leonard, Chicago.

REGISTRAR—Continental Illinois National Bank & Trust Co., Chicago.

CALLABLE—At any time as a whole or in part at 103½ to Mar. 1, 1940, incl.; at 103 to Mar. 1, 1941, incl.; at 102½ to Mar. 1, 1942, incl.; at 102 to Mar. 1, 1943, incl.; at 101½ to Mar. 1, 1944, incl.; at 101 to Mar. 1, 1945, incl., and at 100½ to Mar. 1, 1946, incl. Bonds may also be purchased or called for the sinking fund (which see).

SINKING FUND—Annual sinking fund beginning Apr. 1, 1936 of 10% of consolidated net earnings for the prior fiscal year (provided that such payment may be reduced to the extent of the aggregate principal face value of such bonds of any series that the company shall on or before such sinking fund payment date deliver to trustee for cancellation for purchases or redemption of bonds at not exceeding current redemption price.

Bonds purchased for or delivered to the sinking fund shall be cancelled.

SECURED—By a first mortgage lien on company's plant at Mt. Vernon, Ill., and on all other real estate belonging to company on Oct. 1, 1935 or which company may thereafter acquire.

OTHER PROVISIONS—Additional bonds may be issued to provide funds for capital expenditures made after Oct. 1, 1935, for purpose of acquiring property or additions, betterments or improvements to property, provided net consolidated earnings, including net earnings of property proposed to be acquired by additional issue, shall have been equal to at least 4 times annual interest charges of company and its subsidiaries on funded debt then existing, including interest on additional bonds to be issued.

Additional bonds may be issued only to extent of 60% of capital expenditures made by company for acquisitions, additions, betterments or improvements.

The indenture also provides that trustees may release property subject to the lien of the indenture which the company shall not deem necessary to retain its business. Proceeds used to retire existing funded debt, indebtedness due employees and for working capital.

ADDITIONAL INDENTURE PROVISIONS—The mortgage lien of the indenture, as supplemented by the supplemental indenture covers real property in Louisville, Ky., consisting of the plant acquired from the Hampton Cracker Co.

PURPOSE—Issued for redemption of $7 preferred stock held by Hampton Cracker Co. and balance to pay open accounts and discount bills.

TAX STATUS—Bonds contain covenant for payment of interest without deduction for Federal income tax up to 2%, but since bonds were issued after Jan. 1, 1934, company is not required under present tax law to pay any Federal income tax with respect to interest paid to U. S. citizens or residents. No provision for assumption or refund of state taxes.

OFFERED—($200,000) at 100 in March, 1936, by F. S. Yantis & Co., Inc., Chicago.

2. Consolidated Biscuit Co. first 5½s, C, due 1946:

Rating—Ba

AUTHORIZED—All series, $2,000,000; outstanding, series C, $276,000; in treasury, $31,000 retired to Dec. 31, 1940, $33,000.

DATED—June 1, 1936.

MATURITY—June 1, 1946.

INTEREST PAID—J&D 1, at City National Bank & Trust Co., Chicago.

DENOMINATION—Coupon, $1,000; registerable as to principal.

TRUSTEES—City National Bank & Trust Co., Chicago and A. T. Leonard, Chicago.

REGISTRAR—Continental Illinois National Bank & Trust Co., Chicago.

CALLABLE—At any time as a whole or in part at 103½ to June 1, 1940, incl.; at 103 to June 1, 1941, incl.; at 102½ to June 1, 1942, incl.; at 102 to June 1, 1943, incl.; at 101½ to June 1, 1944, incl.; at 101 to June 1, 1945, incl., and at 100½ before June 1, 1946. Bonds may also be purchased or called for the sinking fund (which see).

OTHER PROVISIONS—Sinking fund provision, security, tax status, etc., identical with series B bonds.

ADDITIONAL INDENTURE PROVISIONS—The mortgage lien of the indenture, as supplemented by a second supplemental indenture, covers real property in Chicago, Ill., consisting of plant of Thinshell Products, Inc., acquired by company in 1936.

PURPOSE—Proceeds of sale of bonds used toward payment of outstanding preferred and common stock of Thinshell Products, Inc.

OFFERED—($340,000) at 100 in June, 1936, by a syndicate headed by F. S. Yantis & Co., Inc., Chicago, and Bond & Goodwin, Inc., New York.

PRICE RANGE—	1940	1939	1938	1937
High	102	102	100	101
Low	98½	96	84½	85½

Bonds Retired: Entire issue of Davidson Biscuit Co. (now Consolidated Biscuit Co.), first 5½s, series A, Oct. 1, 1945 formerly outstanding, was retired at 102½ Apr. 1, 1941 at City National Bank & Trust Co., Chicago.

Capital Stock: Consolidated Biscuit Co. common; par $1:

AUTHORIZED—1,000,000 shares; outstanding, 323,000 shares; par $1.

VOTING RIGHTS—Has one vote per share and has no preemptive rights.

DIVIDEND RESTRICTIONS—Cash dividends may not be declared or paid which would reduce net current assets below 60% of outstanding net bonds.

DIVIDENDS—Initial dividend of 15 cents paid Dec. 23, 1935; 1936, 60 cents; 1937, 40 cents; 1938, 60 cents; 1939, 30 cents; 1940, none; Mar. 24, 1941, 10 cents.

Dividends payable quarterly, Mar. 23, etc., to stock of record about Mar. 1, etc.

OFFERED—(40,000 shares) at $7.50 per share in Oct., 1935, by F. S. Yantis & Co., Chicago, Ill., and (68,000 shares) at $10 per share in Mar., 1936, by F. S. Yantis & Co., Inc., Rawson Lizaris & Co., Webber, Darch & Co. and Dempsey-Detmer & Co., Chicago, and Bond & Goodwin, Boston. Latter offering did not represent new financing.

Offered (91,666 shares) at $11.50 per share in June, 1936, by a syndicate headed by F. S. Yantis & Co., Inc., Chicago, and Bond & Goodwin, Inc., New York.

PRICE RANGE—	1940	1939	1938	1937	1936
High	3¾	8¾	7¾	11	11¾
Low	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Transfer Agent: City National Bank & Trust Co., Chicago.

Registrar: Continental Illinois National Bank & Trust Co., Chicago.

Listed on New York Curb Exchange and Chicago Stock Exchange.

CORNING GLASS WORKS

History: Incorporated Dec. 24, 1936, in New York, as a consolidation of a company of the same name, incorporated in 1911, and Macbeth-Evans Glass Co. Originally established in 1868.

Properties: Company has eight plants, one each located at Wellsboro, Pa., Central Falls, R. I., Charleroi, Pa., and five at Corning, N. Y., having a combined floor area of over 50 acres.

Business: Manufactures glasses of special chemical composition with unusual properties, for special purposes, with brands as follows: "Pyrex," "Corning," "Steuben," "Thermo," "Monax," and "Galax."

Subsidiaries: Controls Steuben Glass, Inc., and Corning Realty Corp. In Mar., 1937 company and Pittsburgh Plate Glass Co. (see general index) formed a new jointly owned company, Pittsburgh-Corning Corp.

On Oct. 31, 1938, company and Owens-Illinois Glass Co. (see general index) formed a new jointly owned company, Owens-Corning-Fiberglas Corporation.

Officers: A. D. Falck, Chairman, Elmira, N. Y.; Amory Houghton, Pres.; A. A. Houghton, Jr., G. D. Macbeth, G. W. Cole, J. L. Peden, P. W. Jenkins, Vice-Pres.; W. H. Curtiss, Vice-Pres. and Sec.; C. D. La Follette, Treas.; C. H. R. Young, Asst. Sec. and Asst. Treas., Corning, N. Y.

Directors: A. B. Houghton, E. C. Sullivan, Amory Houghton, A. A. Houghton, Jr., G. W. Cole, J. L. Peden, W. H. Curtiss, G. D. Macbeth, Corning, N. Y., A. D. Falck, Elmira, N. Y.

Annual Meeting: 2nd Tuesday in Feb.

No. of Employees, Dec. 31, 1940, about 6,800.

General Office: Corning, N. Y.

New York Office: 718 Fifth Avenue.

Chicago Office: Merchandise Mart.

Capital Stock: 1. Corning Glass Works 6% preferred; par $100:

Authorized, 50,000 shares; outstanding, Dec. 31, 1939, 23,774 shares; par $100. Closely held.

Dividends payable quarterly March 31, etc.

2. Corning Glass Works common; par $10:

Authorized, 750,000 shares; outstanding, 642,768 shares; par $10. Closely held.

Transfer Agent: Preferred, Union Trust Co., Pittsburgh.

Registrar: Preferred, Fidelity Trust Co., Pittsburgh.

Transfer Agent and Registrar: Common transferred and registered at company's office.

CORONET PHOSPHATE CO.

History: Incorporated April 28, 1908, under the laws of New York.

Business: Company mines and sells pebble phosphate.

Property: Properties and plants located at Coronet and Pembroke, Fla.

Officers: J. R. Sheffield, Pres.; A. B. Grafius, Vice-Pres. and Treas.; Geo. H. Burt, Sec., New York.

Directors: R. A. Cowles, W. N. Cromwell, E. P. Earle, E. H. Green, B. A. Tompkins, A. B. Grafius, J. R. Sheffield, New York; E. C. Stuart, Bartow, Fla.

Annual Meeting: First Monday in Feb.

No. of Employees: Dec. 31, 1940, 157.

No. of Stockholders: Dec. 31, 1940, 100.

Office: 19 Rector St., New York.

Income Account, years ended Dec. 31:

	1940	1939
Gross revenue	$396,381	$430,231
Oper. exp., etc.	315,804	292,749
Deprec. & depl.	56,540	76,755
Operating income	24,037	60,778
Other income	1,243	3,634
Total income	25,279	64,412
Fed. income tax	3,495	9,[illegible]
Conting. reserve	10,000	--------
Net income	11,784	55,[illegible]
Dividends	--------	93,7[illegible]
Surplus for year	11,784	d 38,[illegible]
Earn. surp. 1-1	34,541	73,[illegible]
Conting. reserve	20,000	--------
Earn. surp. 12-31	26,325	34,541
Earn. per share	$0.47	$2.2[illegible]
No. of shares	25,000	25,000

Earnings:

Year	Gross Revenue	Net Income	Earn. on Com.
1938	$623,638	$55,497	$2.2[illegible]
1937	563,765	113,793	4.55
1936	448,621	54,589	2.18
1935	563,256	84,390	3.38
1934	645,553	104,298	4.1[illegible]

OWENS-CORNING FIBERGLAS CORPORATION

(Controlled jointly by Owens-Illinois Glass Co. and Corning Glass Works)

History: Organized 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, including a plant of Owens at Newark, Ohio, and a plant of Corning at Corning, N. Y.

Business: Company is engaged in the development, production and sales of "Fiberglas" materials for a wide variety of applications, including: Thermal insulation of houses, railroad and motor vehicles, airplanes and ships; low and high temperature insulation for industrial and process applications, and for equipment including, refrigerators, ranges, water heaters, boilers, etc.; dust-stop air filters (replaceable type) for air conditioning and ventilating systems; electrical textile products for electrical insulating purposes in wires, cables and power equipment; retainer mats for storage batteries; decorative and service fabrics for draperies, table cloths, shades, dress accessories and other applications.

Properties: Company's two plants are located in Newark, Ohio and Corning, N. Y.

Officers: Amory Houghton, Chairman; Harold Boeschenstein, Pres.; Games Slayter, W. P. Zimmerman, Vice-Pres.; A. C. Freligh, Sec.; H. R. Winkle, Treas.; G. E. Gregory, Gen. Sales Mgr.

Directors: C. B. Belknap, Harold Boeschenstein, U. E. Bowes, G. W. Cole, Amory Houghton, W. E. Levis and G. D. Macbeth.

No. of Employees: Dec. 31, 1940, 1,579.

Offices: Nicholas Bldg., Toledo, O. New York Office: 718-5th Ave.

Financial Statements: None available.

Capital Stock: 1. Owens-Corning Fiberglas Corp. preferred:

Authorized and outstanding amounts, not stated. Non-voting.

All owned by Owens-Illinois Glass Co. and Corning Glass Works.

2. Owens-Corning Fiberglas Corp. common:

Authorized and outstanding amounts, not stated.

All, except that owned by or available to active management of company, owned by Owens-Illinois Glass Co. and Corning Glass Works.

THE QUAKER OATS COMPANY

CAPITAL STRUCTURE

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	Earned per Sh. 1940	Earned per Sh. 1939	Divs. per sh. 1940	Divs. per sh. 1939	Call Price	Price Range 1940	Price Range 1932–40
1. 6% cum. preferred	$100	180,000 shs.	$23.01	$30.13	$6.00	$6.00	N.C.	159¾–141	159¾–95
2. Common	no par	702,000 shs.	4.36	6.19	5.00	5.00	---	125 – 94	145 –50¼

HISTORY

Incorporated under New Jersey laws Sept. 21, 1901, acquiring at formation over 90% of the stock of American Cereal Co., an Ohio corporation organized in 1891. On Aug. 23, 1906, properties of American Cereal Co. were transferred to Quaker Oats Co., which thereupon became an active operating company. Charter is perpetual. In 1905 formed Anderson Puffed Rice Co. to acquire patents relating to manufacture of puffed rice and puffed wheat. In July, 1911 purchased the Great Western Cereal Co.'s plants at Ft. Dodge, Ia. and Joliet, Ill., also trade rights in Mother's Oats, consideration being $1,000,000. In 1912 acquired plant and business of Saskatoon (Sask.) Milling Co. In 1917 acquired properties of Uncle Sam Macaroni Co. at Tecumseh, Mich. In Nov., 1925 purchased business and properties of Aunt Jemima Mills Co. for $4,202,077. In Oct., 1927 purchased assets and trade name of Muffets Corp., Depew, N. Y., for $1,690,105. In Feb., 1930, acquired Ota Co., Copenhagen, Denmark. Early in 1941, purchased a substantial interest in patents held by American Dairies, Inc. (see general index) for extraction of high vitamin products from young grasses, acquired an interest in Greenmelk Co., Ltd., Guelph, Ont., a subsidiary of that company, and together with American Dairies, Inc. organized Cerophyl Laboratories, Inc. to continue research, manufacture and sale of grass products.

SUBSIDIARIES

Company is an operating and holding company. On Dec. 31, 1940 held 100% voting power in the following subsidiaries:

Name, place of incorporation and business:

Quaker Oats, Ltd. (Eng.)—Mfg. & sales
Quaker Oats Co., m. b. H. (Ger.)—Milling
Quaker Nahrmittel Gesellschaft m. b. H. (Ger.)—Oatmeal mfg. & sales
Quaker Oats Co., A.B. (Sweden)—Sales
Peterborough Hydraulic Power Co., Ltd. (Ont.)—Electricity
Monona Farms Co. (Wis.) — Experimental farm
Lavena Corp., Chicago, Ill.—Bath powder
Aunt Jemima Mill & Elevator Co. (Del.)—Inactive
American Cereal Co. of Ohio—Inactive

Subsidiaries in which voting power held was less than 100% were:

A/S "Ota," Copenhagen, Denmark (99.88%)—Mfg. & sales
Quaker Oats-Graanproducten, Rotterdam, The Netherlands (99.20%)—Mfg. & sales, rolled oats
Quaker Oats (France), Paris, France (96%)—Sales
Anderson Puffed Rice Co. (N. J.) (66 2/3%)—Patent licensor
Plews Processes, Inc., Chicago, Ill. (51%)—Product experimentation
Akron Canal & Hydraulic Co. (50.59%)—Inactive

Early in 1941, together with American Dairies, Inc. organized Cerophyl Laboratories, Inc. (Del.) to engage in research, manufacture and sale of grass products.

BUSINESS & PRODUCTS

Company and subsidiaries buy, sell, deal in and manufacture cereals and cereal products, flour and commercial mixed feeds, on an international scale. Best known branded products include Quaker Oats, Mother's Oats, Puffed Wheat, Puffed Rice, Aunt Jemima pancake flour and Muffets. Line includes flour, macaroni and spaghetti, cornmeal and stock and poultry feeds.

PRINCIPAL PLANTS & PROPERTIES

General cereal manufacturing plants are located as follows: Akron, O.; Cedar Rapids, Ia.; St. Joseph, Mo.; Peterborough, Ont.; Saskatoon, Sask. Company's macaroni plant is at Tecumseh, Mich. At Depew, N. Y. is operated a plant for Muffets (whole wheat biscuits). At Memphis, Tenn. is a feed mill and at Pekin, Ill. a paper mill. Fifty-five country grain elevators are owned and operated in Iowa, Illinois and South Dakota. Foreign plants for manufacture of cereal products are operated at Southall, Eng., Rotterdam, Holland, Elsen, Ger., and Nakskov, Den.

On May 9, 1940, individual plant capacities were as follows:

	Rolled Oats bbls.	Flour bbls.	Cornmeal bbls.	Feed tons	Elevator Capacity bu. (000)
Akron, O.	4,200	----	1,800	1,200	2,580
Cedar Rapids, Ia.	9,500	2,000	2,000	2,000	8,000
St. Joseph, Mo.	2,000	1,600	1,500	700	2,120
Peterborough, Ont.	2,500	4,000	300	500	1,300
Saskatoon, Sask.	400	2,000	----	----	1,200
Memphis, Tenn.	----	----	----	700	----
Total	18,600	9,600	5,600	5,100	15,200

Status of European Business and Plants (Feb. 10, 1941): In Germany mill was operating under government regulation. No profits had been transferred for some years. Mill in Denmark and mill in Holland were operating. Plants had not been damaged. Company was getting its grain under a quota system controlled by the governments. Volume was good but no profits could be transferred under existing conditions. Business in France had stopped. Loss of this business, which is small, means a loss of output for the Peterborough and Rotterdam mills. British business consists of ready-to-eat cereals and feeds manufactured in the English plant and Quaker Oats, other oat products, and flour made in the Canadian plant located in Peterborough. During first ten months of 1940 company was making regular shipments of Quaker Oats in packages to Britain under permits issued by the British government. Since Oct., 1940 company had not been able to secure any permits and present evidence indicated no permits would be issued in the immediate future. Loss of this volume will reduce earnings of the Peterborough mill and earnings of the British company.

MANAGEMENT

Officers

H. P. Crowell, Chairman
J. Stuart, President
R. Douglas Stuart, 1st Vice-President
G. A. Macdonald, Vice-President
D. B. Douglas, Vice-President
H. E. Muzzy, Vice-President
E. D. Shumway, Vice-President
C. A. Lahey, Vice-President
R. S. Laird, Vice-President
W. D. McKenzie, Vice-President
C. S. Gordon, Vice-President
Walter L. Templeton, Treasurer
H. E. Sheasby, Secretary
L. F. Watermulder, Assistant Treasurer
E. F. Terras, Assistant Treasurer
R. E. Coon, Assistant Secretary

Directors

H. P. Crowell, Chicago
D. B. Douglas, Chicago
G. A. Macdonald, Chicago
E. L. Ryerson, Chicago
F. H. Scott, Chicago
J. Stuart, Chicago
R. D. Stuart, Chicago
W. L. Templeton, Chicago
J. P. Welling, Chicago
P. A. Wells, Chicago

General Counsel: W. D. McKenzie, Chicago

Annual Meeting: Second Friday in March at 15 Exchange Place, Jersey City, N. J.

Number of Stockholders, Apr. 30, 1941: Preferred, 4,000; common, 4,300.

Number of Empolyees, Apr. 30, 1941, 4,300.

General Office: Board of Trade Bldg., 141 W. Jackson Blvd., Chicago.

Management Profit-Sharing: Company sets aside 2 1/3% of annual profits before income taxes but after preferred dividends and 6% on the aggregate of common stock, surplus and appropriated surplus reserves, for additional compensation to major officers.

INCOME ACCOUNTS

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

	[4]1940	[4]1939	1938	1937	1936	1935	1934
Net sales	$58,987,394	$60,500,522	$70,052,672	$72,524,771	Not stated	Not stated	Not stated
[1]Cost of goods sold	44,473,859	43,301,696	49,553,629	55,691,822	--------	--------	--------
Gross operating profit	14,513,535	17,198,826	20,499,043	16,832,949	$18,355,699	$15,009,751	$16,013,211
[1]Selling, general & admin. expenses	9,198,583	9,069,447	10,321,896	9,939,859	10,569,997	9,049,238	9,051,379
[2]Depreciation	--------	--------	954,727	952,888	1,104,168	1,070,110	1,073,752
Balance	5,314,952	8,129,379	9,222,420	5,940,202	6,681,534	4,890,403	5,888,080
Cash discounts allowed	--------	571,071	661,989	625,030	Not stated	Not stated	Not stated
Wage, staff & executive bonuses	53,390	1,114,262	1,275,498	714,116	--------	--------	--------
Miscellaneous charges	209,656	697,368	270,173	182,192	[illegible]		
Balance	[illegible]						

OWENS-ILLINOIS GLASS COMPANY

CAPITAL STRUCTURE

FUNDED DEBT

Issue	Rating	Amount Outstanding	[2]Times Charges Earned 1940	1939	Interest Dates	Call Price	Price Range 1940	19..
1. Sinking fund deb. 2¾s, 1952	------	$10,000,000	32.10	24.87	F&A 1	Not stated	-------	-------

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	Earned per Sh. 1940	1939	Divs. per Sh. 1940	1939	Call Price	Price Range 1940	1932–40
1. Common	$12.50	2,661,204 shs.	$2.71	$3.17	$2.00	$2.00	---	64⅝–42	[1]103¾–40

[1]$12.50 par common—after 2 for 1 split-up in 1937. [2]Before income taxes and after depreciation, depletion and amortization.

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. May 1919 and to Owens-Illinois Glass Co. Apr. 17, 1929.

During 1912 acquired assets of The Owens West Virginia Bottle Co. and Northwestern Ohio Bottle Co., and on Jan. 1, 1915, assets of The Owens Eastern Bottle Co., wholly-owned subsidiaries. In 1916 acquired control of American Bottle Co. and Graham Glass Co. In 1917 acquired Kanawha Manufacturers Gas Co. During 1918 acquired assets of subsidiary Whitney Glass Works. In 1919 acquired control of Charles Boldt Glass Co., manufacturing bottles, cartons, etc. During 1923 acquired control of Closure Service Co. On Jan. 1, 1926 took over assets and control of Charles Boldt Glass Co. In May, 1929 merged assets of Illinois Glass Co. (Ill. 1873) and Chicago Heights Bottle Co., including stock of Carlyle Paper Bottle Co., Tavern Rock Sand Co. and Madison Warehouse Co. In Apr., 1929 absorbed assets of subsidiaries, American Bottle Co. and Graham Glass Co.

On Jan. 1, 1930 acquired assets except certain natural gas properties of Berney-Bond Glass Co. In Nov., 1930 acquired principal assets of Atlantic Bottle Co.

As of Nov. 30, 1931 purchased assets of Illinois Pacific Coast Co.; properties were transferred June 1, 1932, Owens-Illinois Pacific Coast Co. being organized to operate them.

In Oct., 1932 purchased, as of July 31, 1932, Root Glass Co. of Terre Haute, Ind. In 1932 absorbed business of subsidiary Carlyle Paper Co.

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. During 1933 organized in Ohio Owens-Illinois Distributors, Inc., engaged in warehousing and sale of certain products.

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 Feb., 1936 acquired Enterprise Can Co., McKees Rocks, Pa., through exchange of stock, and assets of Tin Decorating Co. of Baltimore (subsidiary of American Tobacco Co.) for cash, forming, to operate these properties, Owens-Illinois Can Co., which bought for cash assets of St. Louis Can Co.

In Aug., 1936 sold entire stock of Tavern Rock Sand Co. for 15,309 common shares of Pennsylvania Glass Sand Corp., etc. Subsequently company bought sand requirements from outside interests.

In 1936 the name of Closure Service Co. was changed to Owens-Illinois Closure Co.

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. (Statement appended) for 49.77% of latter's common and 17,- 416 preferred shares.

During 1939 sold Chicago Heights, Ill. factory to Kimble Glass Co. for cash.

SUBSIDIARIES

Company is primarily an operating company.

On Dec. 31, 1940, held 100% voting power in the following subsidiaries:

Name, place of incorporation and business:
Owens-Illinois Pacific Coast Co. (Del.)—Pacific Coast sales
Owens-Illinois Can. Co. (Del.)—Metal containers, etc.
Libbey Glass Co. (Ohio)—Glass tumblers, etc.
Madison Warehouse Co. (Mass.)—Warehouse
Owens-Illinois Distributors, Inc. (Ohio)—Warehousing and sales
Lauterbach Corp. (Del.)—Plastic molding machinery

Company owns 50% of capital stock of the Owens Stapletied Brush Co. and 49.77% of common and 13,416 preferred shares of Owens-Corning Fiberglas Corp. (statement appended).

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 (including "Stubby" and "Steinie" bottles); also for other purposes. Company shipments in 1937 were 38.03% of U. S glass container industry shipments. Also manufactures and sells glass insulators used in electrical and telephone wiring, and Insulux glass blocks for industrial and residential construction. A subsidiary manufactures, warehouses and sells 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; and cut and engraved glassware. Two subsidiaries manufacture, warehouse and sell tin cans and related metal products. Another subsidiary manufactures caps and closures for glass containers. Company engages in fabrication of strawboard into corrugated cartons for shipping glass articles, and also makes wood packages. Company also manufactures plastics.

Owns interests in natural gas properties which supply some of the plants with fuel. Glass sand requirements are purchased from outside interests. Company owns a substantial interest (book value $3,358,796 on Dec. 31, 1940) in Owens-Corning Fiberglas Corp. (see appended statement), interested in glass fibers for air filters, insulation and other purposes.

Business is handled through 5 operating units, consisting of 2 divisions of Owens-Illinois Glass Co.—Glass Container Division and Insulux Products Division—and 3 wholly-owned subsidiaries, Owens-Illinois Pacific Coast Co., Libbey Glass Co. and Owens-Illinois Can Co.

PRINCIPAL PLANTS & PROPERTIES

Glass factories are located as follows:

Alton, Ill.	[1]Brackenridge, Pa.
Bridgeton, N. J.	Charleston, W. Va.
Clarion, Pa.	[1]Clarksburg, W. Va.
Columbus, O.	[1]Terre Haute, Ind.
Fairmont, W. Va.	Gas City, Ind.
Glassboro, N. J.	Huntington, W. Va.
Los Angeles, Cal.	Muncie, Ind.
Oakland, Cal.	Toledo, O.
San Francisco, Cal.	Streator, Ill.

[1]Inactive during 1939 and 1940.

All of the above active plants except Muncie are used for manufacture of glass containers, and contain automatic machinery and other equipment for this purpose.

The Muncie plant is used for products of the Insulux Division. Plant of the Libbey Glass Co. is located at Toledo, O., where company also manufactures caps and closures for glass containers. Metal bottle cap manufacture is conducted at the Glassboro plant.

Owens-Illinois Can Co. has plants at Baltimore, Md., Clearing, Ill. and McKees Rocks, Pa.

Madison Warehouse Co. operates warehouse in Boston, Mass. Branch warehouses are located in Cincinnati and St. Paul. Lauterback Corp. operates plant at Toledo, O.

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, 1940 total territory so owned or held under lease comprised 150,504 acres, on which there were 470 producing wells (book value was $797,382). Company has other natural gas fields in Clarion, Pa. and Fairmont, W. Va., supplying fuel as a service to bottle manufacturing plants at those points. Clarion field comprises 13,350 acres and 119 wells; Fairmont field comprises 3,456 acres and 87 wells; book value of the two on Dec. 31, 1940 was $291,078.

MANAGEMENT

Officers

W. E. Levis, Chairman
J. P. Levis, President
C. B. Belknap, Vice-Chairman of Board
R. H. Barnard, Executive Vice-President
E. J. Solon, Vice-President
F. T. Nesbitt, Vice-President
C. R. Megowen, Vice-President & Compt.
C. G. Bensinger, Vice-President
G. Lufkin, Vice-Pres. & Gen. Mgr., Glass Container Division
S. L. Rairdon, Vice-Pres. & Gen. Sales Mgr., Glass Container Div.
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.
C. B. Rairdon, Assistant Treasurer.

Directors

R. H. Barnard, Toledo
C. B. Belknap, Toledo
Harold Boeschenstein, Toledo
W. H. Boshart, Toledo
H. E. Collin, Toledo
G. P. Greenhalgh, Berryville, Va.
W. W. Knight, Toledo
J. P. Levis, Toledo
W. E. Levis, Toledo
F. H. McAdoo, New York
C. J. Root, Terre Haute, Ind.
F. W. Schwenck, Cincinnati
C. J. Wilcox, Toledo

General Counsel: Williams, Eversman & Morgan.

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

Number of Stockholders: Dec. 31, 1939, 9,891.

Number of Employees: Dec. 31, 1940, 16,135.

General Office: Ohio Bldg., Toledo, 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 10% 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 follow:

1932	Nil	1933	$220,220
1934	$223,000	1935	348,910
1936	526,958	1937	342,192
1938	Nil	1939	188,750
1940	48,644		

INCOME ACCOUNTS

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

	1940	[3]1939	1938	1937	1936	1935	1934
Net sales, royalties & other op. rev.	$89,297,206	$82,025,093	$75,106,756	$91,581,004	$78,714,828	$57,901,781	$51,263,372
[2][1]Cost of sales, royalties paid, etc.	70,629,458	62,915,967	59,655,604	72,290,682	60,409,065	44,335,752	39,243,464
[1]Selling, general & adm. expenses	8,282,790	7,525,988	6,874,536	7,613,153	6,341,782	4,791,722	3,927,207
Operating profit	10,384,958	11,583,137	8,576,616	11,677,169	11,963,981	8,774,307	8,092,701
Dividends received	212,175	50,576	22,852	89,141	138,025	350,374	53,812
Interest received	81,249	81,348	81,358	79,563	85,749	52,981	66,967
Discount & commissions	300,039	253,864	187,867	382,068	254,163	167,416	173,726
Miscellaneous other income	*dr* 40,328	66,673	64,996	[1]590,849	387,917	263,305	149,856
Total	10,938,093	12,035,598	8,933,689	12,818,790	12,829,835	9,608,383	8,537,062