

MOODY'S

INDUSTRIALS

BY JOHN MOODY

1938

AMERICAN AND FOREIGN

Assets (Cont'd)	**1928	1927
Merchandise	\$82,729	469,009
Other assets	4,540	4,948
Goodwill	1	1
Deferred charges	\$1,169	28,401
Total	\$1,408,169	\$1,281,884
Liabilities:		
4% cum. int. pd. 4% non-cum. ind. pd.	\$78,200	\$90,000
6%	\$67,300	\$67,300
Common stock	10,000	10,000
Notes payable	\$69,572
Accts. pay. & accov.	129,729	\$4,989
Res. for conting.
Deferred income	1,847	7,728
Surplus	128,922	82,846
Total	\$1,408,169	\$1,281,884
Current assets	\$1,289,267	\$1,069,727
Current liabilities	492,690	441,989
Net cur. assets	897,107	627,738

* Unamortized portion.
 † After depreciation: 1928, \$89,834; 1927, \$64,153.
 ‡ At lower of cost or market, and after reserve for discount and mark-downs: 1928, \$65,427; 1927, \$42,935.
 § Represented by 1,000 no par shares.
 ¶ Prior to reorganization.

Capital Stock: L. Fashien Park, Inc. \$250 cumulative preferred. Authorized, 55,000 shares; outstanding (upon consummation of reorganization), 23,977 shares; no par. No further details reported. Issued in reorganization—see above.

S. Fashien Park, Inc. common: Authorized, 30,000 shares, outstanding (upon consummation of reorganization), 15,798 shares; no par. No further details reported. Issued in reorganization—see above.

HATHAWAY MANUFACTURING CO., Incorporated in 1928, under the laws of Massachusetts. Manufacturers of plain and fancy shirtings, satens, twills, etc. Mill located at New Bedford, Mass., is equipped with 70,326 spindles and 2,222 looms. Number of employees, Dec. 31, 1927, 2,300.
 Officers: J. E. Stanton, Jr., Pres.; Seabury Stanton, Treas. and Clk.
 Directors: H. E. Crapo, H. S. Knowles, J. E. Stanton, Jr., Seabury Stanton, C. O. Stanton.
 Annual Meeting: Third Thursday in Nov.
 Office: New Bedford, Mass.

INCOME ACCOUNT, YEARS ENDED

	Oct. 2, '27	Sept. 26, '28
Receipts	\$8,470,872	\$8,985,222
Exp. deprec. etc.	6,702,129	6,702,129
Net income	1,778,743	2,283,252

Earned per share (in dollars), years to: Oct. 2, '27 Sept. 26, '28
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Number of shares, 15,000.
 * Includes \$115,500 depreciation and \$45,618 Federal income taxes.

BALANCE SHEET, AS OF

	Oct. 2, '27	Sept. 26, '28
Real estate	\$775,935	\$781,011
Machinery	1,291,375	1,211,375
Cash & receiv.	432,410	461,108
Merchandise	1,167,746	605,451
Total	\$3,707,419	\$3,214,945
Liabilities:		
Capital stock	\$1,250,000	\$1,250,000
Nts. & accts. pay.	790,781	108,258
Inven. depur. res.	112,292	112,292
Res. for deprec.	280,028	480,000
Res. for taxes	1,000	2,028
Surplus	945,317	867,430
Total	\$3,705,419	\$3,214,945

Capital Stock: L. Hathaway Mfg. Co. stock: Authorized, 100,000 shares; 11-26,000 (reduced from \$2,000,000 to \$1,600,000 in June, 1925, by retiring 4,000 shares at par, to \$1,600,000 in Nov., 1923, by retiring 1,000 shares at par, and to \$1,250,000 in 1925 by retiring 3,500 shares); par \$100.
 Dividends at the rate of 10% per annum were paid quarterly, Mar. 1, etc., for a number of years, and including 1915; 1917, 10% cash and 10% stock; 1918, 32%; 1919, 6% in cash and 10% in Liberty Loan bonds; 1920, 3%; 1921, 5%; 1922, 5% cash and 5% stock; 1923, 1924, 14%; 1925, incl. 6% per annum; 1926, 1%; 1927 and 1928, 3%; 1921 and 1922, none; 1923, 3 1/4%; 1924, 4 1/4%; 1925, 3%; 1926, 6 1/4%; 1927, 8%; Mar. 1, 1928, none.

Quoted in New Bedford, Mass. Number of stockholders, Dec. 31, 1927, 105.
 Price Range: 1927 1928 1929
 Stock..... 115-75 80-45 45-32 1/2

HEMP & CO. OF ILLINOIS: Incorporated in Illinois in Dec., 1924. Manufactures insulated jugs, portable ovens, metal chairs and stools, cookie boxes, etc. Plant located at Macomb, Ill. Number of employees, Dec. 31, 1926, 300.
 Officers: J. L. Hemp, Pres.; M. P. Hemp, Vice-Pres. and Treas.; M. H. Taulbee, C. R. Wright, Vice-Pres.; D. L. Garrett, Sec. Directors: J. L. Hemp, M. P. Hemp, E. R. Hemp. Annual Meeting: Second Friday in Feb. Office: Macomb, Ill.

INCOME ACCOUNT, 8 Mos. to Aug. 31, 1926

Net sales	\$351,440
Cost of goods	210,128
Operating expenses	21,489
Depreciation	10,234
Operating income	28,584
Carriage of goods	6,751
Other income	1,751
Total income	30,335
Interest, etc.	2,622
Corporate income taxes, etc.	10,480
Net profit	20,193
Earned deficit, Jan. 1, 1926	9,244
Earned surplus, Aug. 31, 1926	7,949

* Does not include provision for Federal surtax on undistributed net income.

BALANCE SHEET, AS OF

	Oct. 31, '26	Aug. 31, '26
Land	\$11,000	\$11,000
Buildg., mch'y, etc.	289,222	244,224
Equip.	11,684	497
Notes
Accounts payable	68,773	30,988
Inventory	27,223	21,108
Other assets	27,519	21,226
Total	\$428,555	\$404,222
Liabilities:		
Common stock	\$150,000	\$100,000
5% mtgs. notes	20,000	20,000
Accounts payable	64,222	68,222
Notes payable	4,222
Accrued expenses	19,222	11,222
Stockholders' dep.	14,000
Capital surplus	127,611	120,222
Earned surplus	15,110	7,949
Total	\$428,555	\$404,222
Current assets	\$156,222	\$127,227
Current liabilities	128,728	120,222
Net cur. assets	27,494	7,005

* After deduction: Oct. 31, \$166,996; Aug. 31, \$141,422. † Represented by 100 shares; Oct. 31, 20,000; Aug. 31, 4,000.
 ‡ Oct. 31, 1926 accounts unaudited, Aug. 31, 1926 accounts certified by Lawrence Scudder & Co.
 Mortgage Notes: As of Oct. 31, 1926, there were \$20,000 5% mortgage notes outstanding.

Capital Stock: Hemp & Co. of Illinois 5% conv. preferred: Authorized, 10,000 shares; to be outstanding, 10,000 shares; par \$10.
 Has preference as to assets and cumulative dividends. In any liquidation entitled to \$1.50 per share and dividends. Callable as to par or in part or in full at dividend date on 45 days' notice at \$1.50 per share. Preferred stock may also be purchased or called for the sinking fund (which see).
 Convertible into common stock, share for share. Conversion privilege is protected against dilution. Sinking fund of 1% of net earnings on Apr. 1 of each year to purchase or call preferred stock. Issued to pay current liabilities and for other purposes.
 Dividends payable quarterly, Jan. 1, etc.

Offered: 10,000 shares at \$10 per share by Webber-Simpson & Co., Chicago in latter part of 1926.
Hemp & Co. of Illinois common: Authorized, 40,000 shares; outstanding, Oct. 31, 1926, 39,000 shares; reserved for conversion of preferred, 10,000 shares; unissued, 11,000 shares; no par.
 11,970 shares are held in escrow to October National Bank, Macomb, Ill. Escrow agreement provides that until termination of escrow, which shall not occur until company shall have earned a net profit for one year, no disposition of such shares may be made and any distribution upon any liquidation shall be retained for benefit of preferred stockholders. If such holders shall have been repaid an amount equal to the net amount received by company from the sale of preferred stock.

HENDEY MACHINE CO. Incorporated in Connecticut in 1924. Manufactures lathes and shapers. Plant at Torrington, Conn.
 Officers and Directors: David Ayr. Pres.; William Reid, F. J. Damon, F. M. Travers.
 Office: Torrington, Conn.

NET EARNINGS (After depreciation, taxes, etc.)

	8 mos. to June 30, '28	Year to Dec. 31, '25
Net profit share	\$310,791	\$26,987
Share per share:		
Class A	\$11.29	\$3.98
Class B	0.63	0.05
Before income taxes: † Disregarding dividend arrears (July 1, 1924, \$70,000).		

BALANCE SHEET, AS OF JUNE 27, 1926

Fixed assets (net)	\$903,080
Cash	127,244
Receivables	197,244
Inventory	544,288
Other assets	3,113
Total	\$1,774,589
Liabilities:	
3% class A stock	1237,625
Class B stock	1408,048
Debenture 4 1/2, 1928	100,000
Notes payable to banks	266,222
Accts. payable & accrued	14,227
Reserve for taxes	10,729
Surplus	849,287
Total	\$1,774,589

Current assets

Current liabilities

Net cur. assets

* Subject to audit. † Represented by 9,101 no par shares. ‡ Represented by 152,013 no par shares.

Bonded Debt: Hendey Machine Co. convertible 4 1/2% Dec. 1928. Outstanding, June 27, 1926, \$100,000. Due Aug. 1, 1928.
 Callable at par. Convertible into class B stock at rate of 250 shares of class B for each \$1,000 note held.
Capital Stock: L. Hendey Machine Co. Class A stock: Authorized, 20,000 shares; outstanding, June 27, 1926, 9,101 shares; no par.
 Has preference as to assets and 3% cumulative dividends. In liquidation, entitled to 32¢ per share.
 Non-callable. Has equal voting power with class B stock. Convertible into class B stock, share for share. Dividends not being paid at present time; arrears, July 1, 1926, \$70,000 (est.).

Class B stock: Authorized, 200,000 shares; outstanding, July, 1926, 156,000 shares; reserved for conversion of deb. notes, 26,000 shares; reserved for conversion of class A stock, 18,000 shares; no par. Has equal voting power with class A stock. Non-callable.
Issuance of Class B Stock Approved—Rights: On Aug. 27, 1927 it was announced that stockholders had revoked the authorization for issue of 14,000 shares of class B stock at not less than \$20 per share and authorized directors to issue 50,000 shares of class B shares at the discretion of directors as to time and price. Present holders of class B stock were to be offered rights to subscribe to the new stock.

HOBBES, WALL & CO.: Incorporated under California laws, Oct. 14, 1924. Manufactures lumber and shingles.
 Prior to reorganization in 1926, company's property and assets comprised inter alia the following: 12,500 acres of timber land in 3 blocks of 15,005 acres and 5,301 acres, respectively, located within 13 miles of Crescent City, in Del Norte County, Cal., a saw mill, shingle mill, general saw mill, and a saw mill deep water, at Crescent City, Cal. Entire stock of Del Norte Southern Ry. Co., a logging railroad connecting timber with mill and water, and a complete lumber yard and planing mill at San Francisco. Number of employees, May 2, 1925, 240.
Reorganization: On May 6, 1926, Judge A. F. St. Sure in U. S. District Court at San Francisco confirmed company's reorganization plan dated Dec. 14, 1925. For details see Moody's 1927 Industrial Manual.

Officers: C. B. Moore, Pres.; F. F. Janney, Vice-Pres.; H. D. Costigan, Sec.
Directors: C. B. Moore, J. S. Voss, F. F. Janney, J. G. Greene, J. M. Hotchkiss.
 Office: 2280 Jerrold Ave., San Francisco, Cal.

INCOME ACCT., YEAR ENDED Dec. 31, 1927

Sales	\$453,879
Less: Freight	45,129
Balance	608,686
Cost of sales	520,514
Adm'n. & gen. exp.	10,222
Other deduct.	9,222
* Net loss	95,422

* After \$79,142 depreciation and depletion.

BALANCE SHEET, AS OF DEC. 31, 1937

Assets:	
Plant & equip.	\$568,810
Timberlands	927,558
Non-oper. prop.	97,528
Investments	28,549
<i>Cash</i>	10,107
<i>Accts. rec. (net)</i>	61,247
<i>Preventories</i>	469,214
Other assets	21,214
Deferred charges	35,984
Total	\$2,280,228
Liabilities:	
Preferred stock	\$1,080,500
*Common stock	600,000
Mortgage pay.	75,000
Notes payable	76,439
Accounts payable	26,245
Accr. liabilities	87,485
Other liabilities	17,329
Inven. ad. res.	21,407
Surplus	351,228
Total	\$2,280,228
Current assets:	\$221,211
Current liabilities:	121,304
Net curr. assets:	\$99,717

* Represented by 10,205 class A and 4,795 class B no par shares.

Capital Stock: 1. **Hobbs, Wall & Co. 6% cum. preferred, \$1,080,500;** outstanding, \$1,080,500; par \$100. Preferred as to assets and 5% cumulative dividends (from Sept. 1, 1936). In any liquidation entitled to par and accrued dividends. Callable in whole or in part at any time upon 30 days' notice and pro rata payments may be made upon par value in like manner. Preferred may be purchased (all or part) out of net profit, surplus or cash at discretion of directors. Not convertible. Preferred stock as a class is entitled to elect 4 of company's 8 directors. Issued (together with class B stock) in reorganization in 1936 to holders of company's previously outstanding first serial 6% and bank creditors, bondholders receiving 4,875 shares and bank creditors 1,330 shares. No dividends paid.

For details of reorganization, see Moody's Industrial Manual for 1937.

2. **Hobbs, Wall & Co. class A common:** Authorized, 10,205 shares; outstanding, 10,205 shares. No dividends paid. Class A stock has no right to elect directors or to vote at meetings for election of directors until all preferred stock has been retired, but after all preferred is retired, class A and B stocks are alike in all ways and there shall be no distinctions between the two classes. Issued in reorganization in 1936 to holders of formerly outstanding first serial 6% and bank creditors, one share of class A with each \$100 par value of preferred stock issued (4,875 shares to former bondholders and 1,330 shares to bank creditors). No dividends paid.

For details of reorganization, see Moody's 1937 Industrial Manual.

3. **Hobbs, Wall & Co. class B common:** Authorized and outstanding, 4,795 shares; no par. So long as any preferred stock is outstanding class B is entitled to elect one director, but upon retirement of all preferred stock exclusive voting power shall vest in class A and class B shares, equally, and there shall be no distinction between class A and B stocks. Issued in reorganization in 1936 to holders of formerly outstanding common stock. No dividends paid.

For details of reorganization, see Moody's 1937 Industrial Manual.

HONEYMEAD PRODUCTS CO.: Incorporated in Iowa on July 1, 1937 to operate the business formerly conducted by Honeymead Products Co. (a co-partnership) and R. F. Andreas & Sons (a co-partnership).

Engaged in the manufacture and distribution of commercial feeds for livestock and poultry. Plant at Cedar Rapids, Ia.

Number of employees, Dec. 31, 1937, 22. Officers: R. F. Andreas, Pres.; A. M. Andreas, Vice-Pres. and Treas.; G. A. Andreas, Sec.

Directors: R. P. Andreas, A. M. Andreas, G. A. Andreas, R. B. McConlogue, H. C. Priester.

Annual Meeting Date: First Monday in December.

Office: 1130 15th Ave., Cedar Rapids, Ia.

INCOME ACCOUNT, STATED PERIODS

	9 mos. to	1 Year to
	Sept. 30, '37	Dec. 31, '36
Sales	\$1,750,497	\$1,750,497
Cost of sales	885,215	885,215
Oper. exp. & depr.	309,897	374,784
Comp. profit	134,091	114,498
Income tax	22,687	22,776

	9 mos. to	1 Year to
	Sept. 30, '37	Dec. 31, '36
Other income	2,489	2,489
Total income	137,570	115,013
Other deductions	1,935	1,814
*Net income	135,635	113,199

* Available for notes interest and other charges. † Operations of predecessors. ‡ In-charge operations of predecessors to date of incorporation.

***BALANCE SHEET, AS OF SEPT. 30, 1937**

Assets:	
Plant & equip.	\$128,763
Office exp.	4,344
<i>Cash</i>	15,288
<i>Receivables</i>	239,898
<i>Inventories</i>	75,839
Deferred charges	4,137
Total	\$508,617
Liabilities:	
Common stock	\$220,000
Mtgs. & nra. pay.	56,500
Accounts payable	9,688
Accr. intres. etc.	9,888
Paid-in surplus	80,000
Barred debit	1,017
Total	\$508,617

Current assets \$215,473
Current liabilities 121,304
Net curr. assets \$94,169

† Reported to the SEC. ‡ After \$34,399 depreciation.

Accounts certified by I. B. McGladrey Co.
Bonded Debt: Honeymead Products Co. 4 1/2% debts, due 1939:
Authorized — \$100,000; outstanding, \$100,000.
Dated—Aug. 1, 1937; due Aug. 1, 1939.
Interest Paid—F&A 1 at Merchants National Bank, Cedar Rapids, Ia.
Registrar—Peoples Savings Bank, Cedar Rapids, Ia.
Coupon—\$1,000.
Callable—As a whole or in part at any time on 30 days' notice at 100.

Security—A direct obligation of the company but not secured by mortgage. While notes are outstanding, company agrees that it will not create or suffer to be created any mortgage or pledge upon its fixed assets or fixed assets of any subsidiary, except as provided.

Tax Status—No provision made for assumption or refund of Federal or state taxes.

Issued—Together with common stock, for erection of a new solvent extraction plant to purchase additional property and for working capital.

Offered—(\$100,000) in 1938 at par by Priester-Quail & Co., Davenport, Ia.

Capital Stock: Honeymead Products Co. common:
Authorized, \$750,000; outstanding, \$380,000; par \$5. Has presumptive rights.

Dividends: Sept. 29, 1937, 24 cents (initial); Jan. 10 and April 1, 1938, 13 cents each.

Offered (40,000 shares) in 1938 at \$8 per share by Priester-Quail & Co., Davenport, Ia.

Transfer Agent: Company's office, Cedar Rapids, Ia. Registrar: Peoples Savings Bank, Cedar Rapids, Ia. Number of stockholders, May 2, 1938, 190.

KEARNEY (JAMES B.) CORP.: Organized in Aug., 1926 under laws of Missouri.

Engaged in the manufacture and distribution of all types of electrical equipment and telephone and power line accessories. Offices located in the principal cities of the United States, Canada and several foreign countries. Number of employees July 31, 1937, about 400.

Officers: J. R. Kearney, Pres. and Treas.; J. R. Kearney, Jr., Exec. Vice-Pres. and Sec.; W. A. Heinrich, Vice-Pres.; C. Clark, M. J. De Right, Vice-Pres.; F. W. Kearney, Asst. Sec.; E. W. Schmidt, Asst. Treas.

Directors: J. R. Kearney, A. B. Williams, E. J. De Right, W. N. Sittou, W. A. Heinrich.

Annual Meeting: Third Tuesday in Feb. Office: 4234-49 Clayton Ave., St. Louis, Mo.

INCOME ACCOUNT, YEARS ENDING DEC. 31

	1937	1938
Net sales	\$2,192,819	\$2,185,586
Net income	225,051	209,513
Dividends (cash)	105,408	Not stated
Surplus for yr.	*119,623	*170,000

* Before debiting \$176,080 dividend on common stock paid in 6% preferred stock.

BALANCE SHEET, AS OF

	Dec. 31, '37	July 31, '37
Assets:		
Plant, equip. etc.	\$225,107	225,107
Investments	169,218	169,218
<i>Cash</i>	289,899	289,899
<i>Receivables (net)</i>	222,221	222,221
<i>Inventories</i>	661,222	661,222
<i>Cash vol. 1/2% in- str. stock subscr.</i>	59,524	59,524
Other assets	11,222	11,222
Deferred charges	11,489	11,489
Total	\$1,887,871	\$1,887,871

Liabilities:	
Preferred stock	\$225,100
Common stock	222,077
Bonded debt	10,000
Accounts payable	222,222
Notes payable	222,222
Taxes	65,927
Accruals	7,222
Surplus	304,366
Total	\$1,887,871

Current assets \$1,887,871
Current liabilities 222,222
Net cur. assets \$1,665,649

* After depreciation: Dec. 31, \$77,478; July 31, \$70,728.

† Dividend rate: Dec. 31, 6%; July 31, 5.5%.

‡ At Dec. 31 (new stock) represented by 322,520 no par shares; at July 31 (old stock) represented by approximately 114,000 no par shares.

Capital Stock: I. James B. Kearney Corp. 6% cumulative preferred:
Authorized—40,000 shares; outstanding, Dec. 31, 1937, 9,945 shares; \$25 par. Preferences—Entitled to annual cumulative dividends of \$1.50 per share, payable semi-annually 3 & 1. Has preference as to assets and dividends. In case of liquidation or dissolution, voluntary or involuntary, entitled to 5% per share of assets accrued dividends, after which remaining assets shall go to the common stock.

Callable—As a whole or in part on any dividend paying date at \$25 per share and accrued dividends, on 30 days' notice.

Voting Power—Non-voting unless three semi-annual dividend payments are in arrears, in which event shall be entitled to same voting power as each common share until defaulted dividends have been paid in full.

Issued—In Dec., 1937 as stock dividend, 5.5% Preferred Stock issued: Entire issue of 5.5% cumulative convertible preferred stock was retired at \$26.25 per share at St. Louis Union Trust Co., St. Louis, Mo. in latter part of 1937.

2. **James B. Kearney Corp. common:** Authorized 400,000 shares; outstanding, Dec. 31, 1937, 322,520 shares; subscribed but unissued, 77,480; no par.

Initial dividend of 8 cents cash and 2 1/2% in 6% preferred stock paid Dec. 10, 1937; April 15, 1938, 12 1/2 cents.

Issued in exchange for old common at rate of 3 shares for each share of old common.

Transfer Agent and Registrar: St. Louis Union Trust Co., 222 North Broadway, St. Louis, Mo. Total number of stockholders, Dec. 31, 1937, 508.

LUSCOMBE AIRPLANE CORP.: Incorporated in New Jersey in April, 1937. Manufactures and sells all-metal airplanes and parts. Number of employees July 3, 1937, 77.

Officers: D. A. Luscombe, Pres.; F. J. Knack, Vice-Pres.; R. H. Johnson, Sec. and Treas.

Directors: D. A. Luscombe, H. E. Malinson, Ignatius Sturgent, Daniel Simonds, G. B. Circuit, Ed.

Annual Meeting: Third Wednesday in January. Office: Mercer Airport, West Trenton, N. J.

INCOME ACCOUNT, APR. 4, '37 to DEC. 31, '37

Net sales	\$23,821
Cost of sales	12,176
Expenses	10,776
Operating loss	21,999
Other income	21,999
Total income	1,999
Income taxes	1,999
Net income	1,999

BALANCE SHEET, AS OF (As reported to the SEC)

	Dec. 31, '37	May 31, '37
Assets:		
Fixed assets (net)	\$47,250	\$55,250
<i>Cash</i>	999	11,000
<i>Inventories</i>	17,127	20,970
<i>Receivables, etc.</i>	15,489	15,489
Devol. exp.	85,000	85,000
Deferred charges	551	551
Total	\$198,156	\$198,156