

# MOODY'S

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## INDUSTRIALS

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JOHN MOODY

1939

AMERICAN AND FOREIGN

Denomination—Coupon, \$500 and \$1,000; registrable as to principal.

Callable—As a whole or in part at any time on 30 days' notice at 107. Bonds may also be purchased or called for the sinking fund (which see).

Sinking Fund—Payable annually beginning June 30, 1939 of an amount equal to 25% of net income, as defined, for preceding year to be applied to the purchase of bonds at not exceeding 100 and interest or by redemption of bonds at 103 and interest.

Secured—By pledge of like amount of exchanged first 7½% due 1942.

First 7½% due 1942, are secured by a first closed mortgage on all the fixed properties of the company and, additionally, by pledge of \$2,600,000 first mortgage bonds and \$2,600,000 par value stock (entire amounts outstanding) of the Compania Azucarera Elia, which shall not create any additional lien on any real property or plants except as security for obligation Junior in lien to the bonds of the Elia Co. above referred to. Purchase money mortgages on properties hereafter acquired are excepted from this provision which will also permit the acquisition of property subject to mortgage liens or other encumbrances then existing thereon and their extension or renewal.

Other Provisions—In case one or more of the events of default, as enumerated in the indenture, shall happen and be continuing, then, the trustee, by notice in writing given to the company, may, and, upon a written request of the holders of not less than 20 then outstanding shall declare the principal of all bonds, if not already due and payable, to be due and payable, and upon any such declaration the principal of all bonds outstanding, shall become immediately due and payable.

Purpose—Issued, under a reorganization declared operative in 1936, in exchange for a like principal amount of first sinking fund 7½%, due 1942. Bondholders also received 35 shares of capital stock and \$29.58 in cash for each \$1,000 of first sinking fund.

Tax Status—Pennsylvania tax not exceeding 4 mills on principal amount refunded. Federal income tax not paid or refunded.

Listed—On New York Stock Exchange.

Price Range: 1938, 83¼-84; 1937, 87½-88; 1936, 83-81. Note: As of June 30, 1938, there were outstanding \$12,500 of first 7½%, due 1942, not yet exchanged.

Capital Stock: 1. Francisco Sugar Co. stock: Authorized, 400,000 shares (increased from 60,000 shares on Dec. 28, 1933); outstanding, June 30, 1938, 350,301 shares; no par (changed from \$100 par Nov. 28, 1936; five new shares issued for each old share). Has one vote per share.

Issued in a reorganization plan declared operative in 1936 in exchange for first 7½% due 1942 of the Elia Co. of 35 shares for each \$1,000 principal amount of collateral 6½% due 1956 and \$28.58 in cash for each \$1,000 first 7½%.

Dividends paid on former \$100 par shares: 1905, 20%; 1913, 1914 and 1915, 10% each; 1916, 20%; 1917, 10%; 1918, 10%; 1919, 20%; 1920, 30%; 1921, 20%; 1922, 2%; 1923, 2%; 1924 and 1925, 6%; Jan. and Apr., 1926, 1½%; none thereafter. Paid stock dividends of 233⅓% in 1915 and 200% in 1921. No dividends paid on present no par shares.

Transfer Agent: Bankers Trust Co., New York. Registrar: Bank of the Manhattan Co., New York. Listed on New York Stock Exchange.

Price Range: 1938, 15½-24; 1937, 18%-2%.

**ATLANTIC RAYON CORP.**

Incorporated in Rhode Island, April 16, 1923 as Franklin Rayon Corp.; name changed to present title Mar. 24, 1939. Company merged Franklin Rayon Dyeing Co. and Special Yarns Corp. at time of organization.

Engaged in hobbins and converting rayon yarns. Plant located at Providence contains about 125,000 sq. ft. of floor space and has a weekly capacity of 200,000 lbs. Number of employees, Dec. 31, 1938, 512.

Exports shipped: 1938, \$3,488,000; 1930, 4,390,000; 1931, 5,042,000; 1932, 4,322,000; 1933, 6,857,122; 1934, 6,628,825; 1935, 7,494,047; 1936, 9,186,156; 1937, 8,216,142; 1938, 9,683,416.

Management: Officers: Elliot Farley, Chairman; Royal Little, Pres. and Treas.; H. F. C. Wilcox, Vice-Pres.; C. B. Quinn, Sec. II. E. Bletcher, Asst. Sec. and Asst. Treas. Directors: M. C. Hobbs, R. G. Stone, Elliot Farley, K. L. Lindsey, Royal Little; C. B. Quinn.

General Counsel: Edwards & Angell, Providence, R. I. Annual Meeting: Third Wednesday in Feb. General Office: 86 Cray St., Providence, R. I.

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

	1938	1937	1936				
Net sales	\$5,821,272	\$4,824,702	\$5,458,553				
Cost of sales	5,075,490	4,524,696	5,045,170				
Operating expenses	163,500	151,935	179,845				
Net earnings	(d) 43,719	106,993	240,397				
Margin of profit		2.21%	4.40%				
Other income	39,782	85,777	94,205				
Total income	(d) 83,501	192,770	334,602				
Interest charges	7,033	4,962	5,643				
Sales discounts, etc.	79,905	65,646	104,474				
Other deductions	31,103						
Federal income tax		16,855	32,769				
Federal surtax			1,935				
Net income	(d) 72,629	107,807	185,300				
Preferred dividends	6,471	5,715	16,833				
Common dividends		110,297	124,177				
Surplus for year	(d) 77,600	(d) 8,205	44,351				
Earned surplus, Jan. 1	371,249	422,741	385,690				
Surplus credits	36,420	44,878	12,244				
Surplus debits		17,575	19,385				
Earned surplus, Dec. 31	380,169	371,249	422,741				
Earn. per share, prior pref.	nil	\$48.98	\$42.22				
Earned per share, 2nd pfd.			\$139.95				
No. of prior pref. shares	2,151	2,201	4,390				
Number of 2nd pfd. shares			1,246				
Earned per share, common (In \$), years to Dec. 31:							
1938	1937	1936	1935	1934	1933	1932	1931
(d) 0.35	0.46	10.80	11.48	2.08	4.62	(d) 0.23	2.02

Number of common shares: 1937-38, 220,635; 1936, 207,501; 1931 to 1935, incl., 50,000.

† After deducting preferred dividend requirements.

**COMPARATIVE BALANCE SHEET, AS OF DEC. 31**

	1938	1937	1936
Assets:			
* Plant and equipment	\$754,151	\$705,437	\$682,091
Current Assets:			
Cash	136,402	152,145	55,104
Notes & accts. rec., net	891,762	292,168	688,979
Inventories	454,656	906,370	635,229
Life insur., cash value	20,256	17,818	14,494
Cash for dividends			2,736
Other receivables (net)	1,350	30,646	
Other assets & def. charges	36,472	\$1,230	86,782
Total	\$2,293,049	\$2,186,832	\$2,165,354
Liabilities:			
\$2.50 prior preference stock	\$108,950	\$108,950	\$217,205
7% 1st preferred stock			10,600
7 1/2 2nd preferred stock			1137,292
Common stock (par \$1)	221,545	221,545	208,411
Capital surplus	336,032	235,823	737,953
Appropriated surplus			44,573
Earned surplus	380,169	371,249	422,741
Total	1,546,696	1,537,566	1,778,778
Less: (a) Reacq. stock	(a) 1,750		18,050
Balance	1,544,945	1,537,566	1,760,728
Current Liabilities:			
Notes payable	300,000	500,000	200,000
Accounts payable	428,880	117,672	136,649
Accrued interest	162,223	10,739	22,920
Federal taxes	2,000	19,855	39,225
Dividend payable			2,736
Deferred credits			3,439
Total	\$2,293,049	\$2,186,832	\$2,165,354
Current assets	\$1,502,075	\$1,368,499	\$1,896,532
Current liabilities	648,103	648,266	404,626
Net current assets	753,972	720,233	991,906

\* After depreciation: 1938, \$285,685; 1937, \$261,962; 1936, \$241,536.

† Represented by 1,346 no par shares.

‡ At lower of cost or market.

§ Includes 810 shares held in treasury.

(a) At cost 1938, 50 preferred and 910 common shares; 1936, 105 first preferred, 100 second preferred and 910 common shares.

Accounts certified by Charles F. Rittenhouse & Co.

**Capital Stock: 1 Atlantic Rayon Corp. \$2.50 cumulative convertible prior preference:**

Authorized, 10,167 shares (reduced from 15,000 to 11,656 shares in 1936 and to 10,167 shares in 1937; outstanding, Dec. 31, 1938, 2,151 shares; in treasury, 50 shares; par \$49.50).

First preference as to assets and dividends. In any liquidation, entitled to \$50 per share and dividends. Callable as a whole or in part on any dividend date on 60 days' notice at \$62.50 per share. Has one vote per share, except on default of dividends amounting to \$2.50 or more, when elects one-third of directors.

Convertible into common stock as follows: Into six shares through July 31, 1938; into ten shares through July 31, 1940 and into four shares through July 31, 1942. Unanimous approval of holders of prior preference is required to reduce the dividends, redemption price or liquidation rights of prior preference and two-thirds approval, to create prior stock, to create a mortgage as provided, to sell property, etc. Has no preemptive rights.

Issued in 1936 under recapitalization plan (for details, see Moody's 1937 Industrial Manual).

Initial dividend of 62½ cents paid Nov. 2, 1936. Regular dividends paid quarterly, Feb. 1, etc. to stock of record about Jan. 20, etc. Offered (1,802 shares) in 1936 (prior to Aug. 29) at the market by Distributors Group, Inc., Jersey City, N. J.

2. Atlantic Rayon Corp. common: Authorized, 282,330 shares (reduced from 306,007 shares in 1938 and from 314,472 shares in 1936); outstanding, Dec. 31, 1938, 220,635 shares; in treasury, 910 shares; par \$1. Has one vote per share. Has no preemptive rights.

Initial dividend of 60 cents paid Dec. 21, 1936; Sept. 1, 1937, 50 cents; none thereafter. Offered (1,220 shares) in 1936 (prior to Aug. 29) at the market by Distrib. Group, Inc., Jersey City, N. J.

Subscription Rights: In connection with certain changes in 1936, stockholders had the right to subscribe for 1,000 prior preference shares and 10,000 \$1 par common shares at \$49.50 and \$7 per share respectively. Offer was made July 28, 1936 and expired Aug. 26, 1936.

Transfer Agent (both classes): Rhode Island Hospital Trust Co. Providence, R. I. Registrar (both classes): Providence National Bank, Providence, R. I. Listed: Common listed on New York Curb Exchange. Number of stockholders, Jan. 31, 1939: Prior preference, 50; common, 716.

Price Range: 1938 40-18 34-bid 63-49½ 1937 5¼-2½ 14¼-3¾ 12-7 1936

**FROEDTERT GRAIN & MALTING CO., INC.:** Incorporated in Wisconsin, Feb. 17, 1888.

Produces malt at Greenfield, Wis.; Red Wing, Minn. and Winona, Minn. Combined annual production capacity exceeds 10,000,000 bushels of malt. Total storage capacity exceeds 5,000,000 bushels. Number of employees, Dec. 31, 1937, 216.

Management: Officers: K. R. Froedtert, Chairman; W. A. Teipel, Pres. and Treas.; Curt Kanow, Vice-Pres. and Sec.; J. J. Wisniewski, Asst. Sec. Directors: K. R. Froedtert, L. B. Lamiron, W. A. Teipel, Fred Lewash, J. V. Loewel, Patrick Buckley, Curt Kanow, J. F. Zell, R. L. Lecko. Fiscal Year Ends July 31. Annual Meeting: Third Tuesday in Sept. Office: 88 & West Grant Sts., Milwaukee, Wis.

COMPARATIVE INCOME ACCOUNT, YEARS ENDED JULY 31

	1938	1937	1936
Malt sales (net)	\$10,498,735	\$11,749,310	\$10,173,756
Cost of sales	8,305,695	9,435,066	8,421,451
Depreciation	91,709	79,903	47,883
Selling and admin. expenses	1,100,740	672,231	590,434
Operating income	1,383,544	1,562,950	1,119,988
Margin of profit	13.2%	13.29%	11.09%
Other income	24,551	29,248	26,278
Total income	1,413,092	1,591,298	1,146,266
Income charges	71,265	71,707	212,678
Income taxes, etc.	432,145	410,200	412,245
Net income	909,742	1,109,391	915,129
Preferred dividends	168,000	168,000	168,000
Common dividends	168,000	500,000	84,000
Surplus for year	579,742	431,391	663,129
Earn. surp. begin. of year	2,138,504	1,775,500	1,112,451
Underwriting expenses, etc.		24,466	
Earned surplus, July 31	2,762,246	2,138,504	1,775,500
Earn. per share, preferred	\$6.50	\$7.92	\$6.54
Number of preferred shares	140,000	140,000	140,000
Earned per share, common (in \$), years to July 31:			
1938	1937	1936	1934
1.77	2.24	1.78	1.42
Number of common shares, 420,000.			

COMPARATIVE BALANCE SHEET, AS OF JULY 31

	1938	1937	1936
Assets:			
Land, bldgs, mach., etc.	\$2,199,602	\$2,472,403	\$1,670,817
Invest. etc. (cost or less)	106,130	90,477	90,477
Cash	369,997	439,134	459,214
Notes & accts. receiv. (net)	1,293,118	2,374,484	1,238,044
Bonds due in 1937		29,000	
Prepayments	1,144,812	1,144,812	1,269,867
Cash value, life insurance	114,430	96,992	75,922
Other assets	47,439	8,786	15,298
Deferred charges	64,541	137,557	67,911
Total	\$5,861,498	\$7,281,458	\$4,808,087
Liabilities:			
\$1.20 preferred stock	\$2,100,000	\$2,100,000	\$2,100,000
Common stock	420,000	420,000	420,000
Notes payable		1,925,000	
Accounts payable	22,919	46,751	154,674
Dividends payable		42,000	
Accrued taxes, etc.	556,069	564,455	317,737
Other current liabilities	1,164	37,348	1,096
Earned surplus	2,762,247	2,138,504	1,775,500
Total	\$5,861,498	\$7,281,458	\$4,808,087
Current assets	\$3,029,354	\$4,158,180	\$2,887,163
Current liabilities	579,252	1,272,954	612,507
Net current assets	2,450,102	1,885,226	2,274,616

\* After depreciation: 1938, \$635,195; 1937, \$594,725; 1936, \$521,081.

Malt and grain: (1938, \$1,863,139; 1937, \$1,597,236; 1936, \$1,122,720) valued at weighted average price of contracts for future deliveries of malt, less allowances for manufacturing, selling and administrative expenses and profit.

Accounts certified by Haskins & Sells.

Capital Stock: 1. Froedtert Grain & Maltng Co., Inc.

\$1.20 cum. convertible participating preferred: Authorized, 140,000 (increased from 80,000 in July, 1935) shares; outstanding, 140,000 shares; par \$15.  
Has preference as to assets and cumulative dividends of \$1.20 per share and, in addition, is entitled to a non-cumulative participating dividend of 30 cents per share before common, in any fiscal year, is entitled to receive more than \$1.20 per share, voluntary liquidation, entitled to \$20 per share; in involuntary liquidation, entitled to \$15 per share. Callable in whole or in part on any dividend date on 90 days' notice at \$20 per share.  
Has equal voting power per share with common.  
Convertible, on 90 days' notice, into one common share. In event preferred is called, conversion right ceases 10 days before 90-day notice in event of call.  
Regular preferred dividends paid since issuance of stock, quarterly, Feb. 1, to stockholders of record Jan. 15, etc.  
Offered (80,000 shares) at \$15 per share in June, 1934 and (60,000 shares) at \$15.75 in July, 1935 by Hammons & Co., Inc., New York.

2. Froedtert Grain & Maltng Co., Inc. common:

Authorized, 500,000 (increased from 500,000 in July, 1935) shares; outstanding, July 31, 1938, 420,000 shares; reserved for conversion of preferred, 140,000; par \$1.  
Issued in part exchange for former \$500 par common. Dividends paid on former common: 1931, 10%; 1932, 2 1/2%; 1933, 15%; Dividends, on \$1 par stock, 1934, 10%; none thereafter to July 1, 1935. Dividends paid on \$1 stock: Aug. 1, 1937, 15 cents regular and \$1.05 extra; Nov. 1, 1937, 15 cents; July 23, 1938, 25 cents; Nov. 1, 1938, 10 cents; Feb. 1, 1939, 10 cents.  
Offered (60,000 shares) at \$11 per share in July, 1934 and (100,000 shares), not representing new financing, at \$13.50 per share in Aug., 1936 by Hammons & Co., Inc., New York.

Transfer Agent: Registrar & Transfer Co., New York, N. Y. and Jersey City, N. J. Registrar: Continental Bank & Trust Co., New York. Listed: Both classes listed on New York Curb Exchange. Number of stockholders, Dec. 31, 1937: Preferred, 1,344; common, 1,358.  
Price Range: 1938 1937 1936 1935  
Preferred..... 18 1/4 14 1/4 19 1/16 17 3/4  
Common..... 9% - 6 1/4 14% - 6 1/4 13 1/8 - 8%

FULLER BRUSH CO. (THE): Incorporated under the laws of Connecticut Sept. 29, 1913. Established in 1906.

Engaged in the manufacture and sale of brushes. Company manufactures over 125 varieties of bristle, fibre and cotton brushes, brooms and mops, for household and personal use, and over 300 items in industrial use; also waxes, polishes, dentifrices, etc. Products are sold direct to users.  
Plant located at Hamilton, Ont. Owns the tire capital stock of Fuller Brush Co., Ltd. (Canadian subsidiary with a

plant at Hamilton, Ont.), incorporated in 1935, and Fuller Brush Co., Ltd. of England. In 1924 purchased the Edlund Broom Corp. of Burlington, Vt., and moved the machinery to Hartford plant in 1924. Charter Oak Brush Co. (Conn.), a wholly-owned subsidiary, was dissolved in 1936. Has 14 warehouses in U. S. and Canada. Sales offices in principal cities. Number of employees, Jan. 1, 1939 factory, warehouses and office, 938. In addition, there are 200 branch office managers and special dealers, and about 6,000 dealers not rated as employees.

Management: Officers: A. C. Fuller, Pres.; F. W. Adams, First Vice-Pres. and Gen. Mgr.; G. A. Millard, Second Vice-Pres. Dir. of Purchases and Industrial Sales; A. H. Fuller, Third Vice-Pres.; E. R. Cotton, Treas. and Dir. of Distribution; W. E. Campbell, Sec.; H. D. Fowler, Compt.; Ruby E. Perkins, Asst. Treas.; W. F. Honer, Asst. Sec. Fuller, Conn. Directors: A. C. Fuller, E. R. Cotton, G. A. Millard, S. N. Dunning, M. Maternack, F. W. Adams, G. W. Fox, W. E. Campbell, C. C. Russ, A. H. Fuller, Hartford, Conn. General Counsel: S. N. Dunning. Annual Meeting: in Jan. Office: Hartford, Conn.

Consolidated Retail Sales for years ended Dec. 31: 1934, \$5,780,454; 1935, \$7,099,392; 1936, \$8,443,700; 1937, \$10,825,843; 1938, \$12,777,934.

CONSOLIDATED INCOME ACCOUNT, YEARS ENDED DEC. 31

	1938	1937	1936
Sales, net	\$8,713,908	\$7,180,515	\$5,675,322
Cost of sales	3,756,631	3,093,246	2,510,270
Selling and adm. exp., etc.	4,227,972	3,717,302	2,931,342
Operating income	629,305	389,967	233,710
Margin of profit	6.0%	5.4%	4.1%
Other income	62,075	22,423	45,820
Total income	691,380	392,290	279,530
Income deductions	95,245	110,100	95,427
Reserve for taxes	34,347	74,162	37,490
Net income	4,636	208,028	165,613
Preferred dividends	441,819	46,237	33,888
Common dividends	86,325	84,501	85,501
Surplus for year	281,225	77,241	21,925
Earned per share, preferred	\$4.91	\$5.37	\$30.02
Number of preferred shares	5,939	5,982	4,550
Earned per share, common (in dollars):			
1938	*1937	*1936	*1935
2.07	0.95	0.65	1.30
			0.73
			(d)0.29
Number of common shares: 1933, 172,000; 1934-35, 173,000; 1936, 168,000; 1937, 170,513; 1938, 177,366.			

\* Years ended Dec. 31, † Years ended Jan. 2.

CONSOLIDATED BALANCE SHEET, AS OF DEC. 31

	1938	1937	1936
Assets:			
*Plant and equipment	\$1,062,739	\$985,731	\$825,462
Patents, good-will, etc.	25	25	25
Investments	8,608	8,654	8,951
Current Assets:			
Cash	255,892	212,637	271,436
Accounts receivable, etc.	393,608	515,535	274,529
Inventories (cost)	1,981,252	2,113,232	1,838,092
Life insur., cash val.	72,527	42,186	36,147
Other assets	6,985	20,483	32,295
Deferred charges	51,920	50,053	44,283
Total	\$3,834,556	\$3,757,138	\$3,330,179
Liabilities:			
7% preferred stock	\$749,900	\$588,200	\$485,000
Common stock	868,830	852,565	840,000
Current Liabilities:			
Loans payable		500,000	400,000
Accounts payable		157,810	84,520
Accrued wages, etc.	364,909	1,732	15,092
Taxes accrued		129,393	85,845
Divs. payable (not curr.)	13,123	42,000	33,950
Reserves	100,000	106,500	100,000
Surplus	1,719,794	1,276,938	1,286,133
Total	\$3,834,556	\$3,757,138	\$3,330,179
Current assets	\$2,703,279	\$2,683,590	\$2,419,204
Current liabilities	364,909	791,395	585,097
Net current assets	2,338,370	1,892,195	\$1,834,107
* After depreciation: 1938, \$689,071; 1937, \$735,868; 1936, \$689,793.			

Note: Balance sheets certified by Hadfield, Rothwell, Soule & Coates.

Capital Stock: 1. Fuller Brush Co. 7% cum. preferred:

Authorized, \$2,500,000; outstanding, \$749,900; par \$100.  
Has first preference for assets and dividends. In liquidation entitled to bond and dividends. Callable at any time on 60 days' notice at par. Has one vote per share on default of dividend provisions. Held almost exclusively by employees. First preferred stock formerly outstanding was retired July 1, 1927, at \$27.50 per share. Regular dividends paid quarterly, Jan. 1, etc., to stock of record about Dec. 25, etc.

2. Fuller Brush Co. A common: Authorized, \$1,000,000;

outstanding, \$886,830; par \$5 (changed from \$25 in Nov., 1924; five new shares issued for each old share). Has exclusive voting power with restrictions, see preferred (No. 1) above.

Dividends paid on \$25 par shares: 1922, \$4; 1923, \$4.50; 1924, \$6. Initial dividend of 30 cents per share paid on \$5 par shares Feb. 1, 1925; total, 1925, 50 cents; 1926, 60 cents; 1927, 75 cents regular and 15 cents extra; 1928, 80 cents regular; 1929 to 1931, incl., 80 cents regular and 20 cents extra; 1932, 60 cents regular; 1933, 35 cents; 1934, 40 cents; 1935, 40 cents; 1936 to 1938, incl., 50 cents each; Feb. 1, 1939, 12 1/2 cents.  
Dividends payable quarterly, Feb. 1, etc., to stock of record about Jan. 25, etc.  
The AA common stock formerly outstanding was purchased by company and cancelled.

Transfer Agent: Stock transferred and registered at company's office. Number of stockholders, Dec. 31, 1938: Preferred, 403; common A, 381.

Price Range: 1938 1937 1936 1935 1934  
Class A..... 9-8 8 bid 14 1/2 bid 13 bid 7-7