

MOODY'S MANUAL OF INVESTMENTS AMERICAN AND FOREIGN

INDUSTRIAL SECURITIES

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1952

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MOODY'S INVESTORS SERVICE

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Analysis of Operations (cont'd)	1951	1950	1949	1948	1947	1946	1945
Operating profit	15.12	9.83	11.42	15.23	15.19	8.87	8.34
Other income	0.51	0.05	0.06	0.22	0.76	0.88	0.23
Total income	15.63	9.88	11.48	15.45	15.95	9.75	8.57
Interest in bank loans, etc.	0.26	0.32	0.28	0.06	0.09	0.12	-----
Income deductions	0.52	0.50	0.84	0.72	0.55	0.67	0.71
Net income before income taxes	14.85	9.05	10.36	14.76	15.31	8.95	8.16
Income taxes and surtax	7.82	3.42	3.37	5.32	5.72	4.30	5.20
Provision for contingencies	-----	-----	-----	-----	-----	-----	-----
Net income	7.03	5.63	6.79	9.44	9.59	4.65	2.96

①For amount of annual depreciation used in figuring ratio see "Depreciation Reserve—Analysis" under balance sheet.

②After deducting preferred and participating preferred dividends in arrears.

③Participating basis.

④Priority basis; on participating basis earned per share preferred would be: 1951, \$9.31; 1950, \$6.53; 1949, \$7.88; 1948, \$9.29; 1947, \$7.90.

⑤For calendar years ended 6 months after fiscal years.

FUNDED DEBT

3½% Notes, due 1951-63:

Outstanding, June 30, 1951, \$5,000,000. Issued under loan agreement with Metropolitan Life Insurance Co. Interest at 3½% per annum and repayable in 10 equal annual installments beginning May 1, 1954.

Under the agreement company, covenants to maintain consolidated net current assets of \$7,500,000 and not to pay dividends in excess of 75% of consolidated net income during term of loan.

Purchase Notes: Outstanding, June 30, 1951, \$688,053 (including \$129,309 current installment). Issued for additional phosphate rock lands.

CAPITAL STOCK

1. Virginia-Carolina Chemical Corp. 6% cumulative participating preferred; par \$100; AUTHORIZED—214,480 shares; issued, 214,140 shares; outstanding, June 30, 1951, 213,052.15 shares; in treasury 1,087.85 shares; par \$100.

As of Sept. 4, 1951, Allied Chemical & Dye Corp. owned 43,502 shares (20.42%).

DIVIDEND RIGHTS—Has preference over common as to cumulative dividends of 6% annually from July 1, 1927. After common has received \$3 per share in any fiscal year entitled to participate share for share with the common in any additional dividends in such fiscal year.

DIVIDEND RECORD—

Year	Dividend	Year	Dividend	Year	Dividend
1923	\$3.00	1929	\$2.00	1935-36	nil
1937	1.50	1938-40	nil	1941	\$1.00
1942	5.00	1943-45	3.00	1946	5.00

Year	Dividend	Year	Dividend	Year	Dividend
1947	11.50	1948	12.00	1949	10.00
1950-51	6.00	1952	1.50		

①Initial dividend.

②To Jan. 4.

Arrears, Jan. 3, 1952, \$73.50 per share.

VOTING RIGHTS—Has one vote per share.

Consent of at least two-thirds of then outstanding preferred stock is required to (1) increase the authorized amount (2) create any class of stock superior to or on a parity with the preferred, and (3) create any mortgage or other encumbrance.

LIQUIDATION RIGHTS—Has preference over common to \$105 per share and dividends, if voluntary, and \$100 per share and dividends, if involuntary.

PREEMPTIVE RIGHTS—None; also see under common below.

CALLABLE—On any dividend date on sixty days' notice at 105 and dividends.

SINKING FUND—None.

LISTED—New York Stock Exchange.

TRANSFER AGENTS—Bankers Trust Co., New York; State-Planters Bank & Trust Co., Richmond, Va.

REGISTRARS—Chase National Bank, New York; First & Merchants National Bank, Richmond, Va.

ISSUED—214,140 shares in 1926, see Reorganization.

2. Virginia-Carolina Chemical Corp. common; no par:

AUTHORIZED—750,000 shares; issued, 486,122 shares; outstanding, June 30, 1951, 486,122 shares.

DIVIDEND RECORD—No dividends paid.

VOTING RIGHTS—One vote per share, or same as preferred.

PREEMPTIVE RIGHTS—None, but in the event that directors offer any security to stockholders they must offer them either to holders of the common stock exclusively or to holders of stock of every class, and in the latter event every holder shall have the right to subscribe pro rata, share for share, with every holder of stock of any class.

LISTED—New York Stock Exchange.

TRANSFER AGENTS—Chase National Bank, New York; State-Planters Bank & Trust Co., Richmond, Va.

REGISTRARS—City Bank Farmers Trust Co., New York; First & Merchants National Bank, Richmond, Va.

ISSUED—486,708 shares in 1926, see Reorganization.

Reorganization: Under the reorganization in 1926, holders of the first mortgage 7% bonds, outstanding at \$24,348,000, received for each \$1,000 of principal amount and appurtenant coupons \$510 cash and \$588 in prior preference stock (v.t.c.). Holders of the 7½% debentures, outstanding at \$12,250,000 received for each \$1,000 of principal amount and accrued interest \$1,225 of 6% cumulative participating preferred and 20 shares of common. Holders of the old 8% preferred stock, outstanding at 215,888 shares, received one-half share of common for each share held. Holders of the old common, outstanding at 349,805 shares, received one share of new common for each fifteen shares held.

CAPITAL STRUCTURE

AMERICAN CAR AND FOUNDRY COMPANY

FUNDED DEBT

Issue	Rating	Amount Outstanding	Times Charges Earned 1951	Times Charges Earned 1950	Interest Dates	Call Price	Price Range 1951	Price Range 1932-51
1. Shippers' Car Line Corp. (subs.) 3s, deb. due 1961	A--	\$3,825,000	----	----	A&O 1	100	100	100
2. Shippers' Car Line Corp. (subs.) 3s, deb. due 1962	A--	2,900,000	----	----	J&J 1	100	100	100
3. Shippers' Car Line Corp. (subs.) 3½s, deb. due 1963	A--	2,020,000	----	----	A&O 1	100	100	100

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	Earned per Sh. 1951	Earned per Sh. 1950	Divs. per Sh. 1951	Divs. per Sh. 1950	Call Price	Price Range 1951	Price Range 1932-51
1. 7% non-cum. preferred	\$100	289,450 shs.	\$9.24	\$1.51	\$1.19	\$5.25	N.C.	85½-73½	132½-15
2. Common	No par	589,400 shs.	1.08	2.65	Nil	3.00	-----	39½-29½	72½-3½

①Fiscal years. ②Placed privately. ③See text.

HISTORY

Incorporated under the laws of New Jersey Feb. 20, 1899, and acquired the following plants at time of incorporation: Buffalo Car Mfg. Co., Buffalo, N. Y.; Ensign Mfg. Co., Huntington, W. Va.; Jackson & Woodin Mfg. Co., Barwick, Pa.; Michigan-Pennsylvania Co., Detroit, Mich.; Missouri Car & Foundry Co., St. Louis, Mo.; Murray, Douglas & Co., Milton, Pa.; Niagara Car Wheel Co., Buffalo, N. Y.; Ohio Falls Car Mfg. Co., Jeffersonville, Ind.; Pennock Bros. (dismantled), Minerva, Ohio; St. Charles Car Co., St. Charles, Mo.; Terre Haute Car & Mfg. Co., Terre Haute, Ind.; the Walls & French Co., Chicago, Ill.; Union Car Co., Depew, N. Y.

The company has also acquired from time to time since incorporation the following plants: Bloomsburg Car Mfg. Co., Bloomsburg, Pa.; Common-Sense Holster Co., Chicago, Ill.; Indianapolis Car Co., Indianapolis, Ind.; Jackson & Sharp Co., Wilmington, Del.; and the Southern Car & Foundry Co., Memphis, Tenn.

In Jan., 1946, holdings in ACF-Brill Motors Co., an affiliate company, were sold for approximately \$7,500,000.

American Car & Foundry Export Corp. and American Car & Foundry Investment Corp., wholly-owned subsidiaries, were dissolved in April, 1951.

SUBSIDIARIES

This is both an operating and holding company. As of April 30, 1951, 100% of the voting power was held in the following subsidiaries:

Name, place of incorporation and business: Carter Carburetor Corp., Del., makes automobile carburetors.

American Car & Foundry Securities Corp., Amcar Corp., N. Y., holds parent company interest in car lease rental payments.

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

Shippers' Car Line Corp., N. Y. (99%). Company leases cars to various industrial concerns. Owns fleet of 11,691 cars including 10,767 tank cars.

BUSINESS AND PRODUCTS

This is a leading manufacturer of railroad equipment, the parent company specializing particularly in the manufacture and sale of railway passenger and freight train cars of all types for domestic and foreign service, cars for industrial purposes, repairs to railway cars, spare parts, railway supplies, iron and steel forgings, cast iron wheels, iron castings, valves (lubricated plug type—tank—all industrial types, welded products (all sizes and designs) miscellaneous articles of iron and steel and manufacture of and repairs to small vessels.

Carter Carburetor Corporation, subsidiary, manufactures and sells carburetors, governors, fuel filters and fuel pumps for automobiles.

The subsidiary, Shippers' Car Line Corp. is engaged in the owning, operating and leasing of railway tank cars and freight cars of other types.

PLANTS & PROPERTIES

Plants of the parent company and the general character of activity of these plants are noted below. These do not include plants of subsidiaries with separate statements shown elsewhere. The plant of the Carter Carburetor Corp., a subsidiary, is located at St. Louis, Mo. and plants of Shippers' Car Line Corp. are at Milton, Pa.; Smackover, Ark.; Kansas City, Mo. and East St. Louis, Ill.

Location of Plant	General Character
Barwick, Pa.	Passenger, freight and mine car plant—iron foundry—rolling mill.
Buffalo, N. Y.	Special Products (Incorporative)
Chicago, Ill.	Valves
Detroit, Mich.	Freight and mine car plant—iron foundry.
Huntington, W. Va.	Passenger car plant (Incorporative)
Jeffersonville, Ind.	(Incorporative)
Milton, Pa.	Tank car plant—pressed steel containers.
St. Charles, Mo.	Passenger car plant.
St. Louis, Mo.	Freight car plant—rolling mill—iron foundry.
Wilmington, Del.	(Incorporative)

MANAGEMENT

Officers

John E. Rovensky, Chairman
Charles J. Hardy, Jr., President
H. V. Bootes, Vice-President
Rudolph Furrer, Vice-Pres.
P. A. Hollar, Vice-President
W. L. Richeson, Vice-President
Frank H. Norton, Vice-President (Sales)
Robert W. Ward, Vice-Pres. (Production)
J. F. Clark, Vice-Pres. & Treas.
P. B. Hoyt, Vice-Pres. (Purchase)
C. Allan Fee, Secretary
J. P. Richmond, Comptroller
P. Connette, Asst. to President
H. E. Perry, Asst. Treasurer
W. E. Anderson, Asst. Treasurer
John F. Burditt, Asst. Treasurer
W. J. Haley, Assistant Secretary
Paul Anderson, Asst. Comptroller
W. S. Becker, Asst. Comptroller
J. M. Reibel, Advertising Manager

Executive Committee

Charles J. Hardy, Jr., Chairman
W. J. Cummings
John E. Rovensky
L. P. Philp, Exec. Assistant

Directors

R. B. Colgate, New York
W. J. Cummings, Chicago
C. J. Hardy, Jr., New York
W. F. Van Deventer, New York
E. L. Nye, New York
J. E. Rovensky, New York
H. C. Wick, New York
J. A. Farrell, Jr., New York
R. H. R. Loughborough, New York
General Counsel: Hardy, Stancliffe & Hardy, New York.

Auditors: Ernest W. Bell & Co., Inc.

Annual Meeting: Last Thursday in August.
Number of Stockholders: July 31, 1951: Preferred, 6,007; common, 7,663.

Number of Employees: Dec. 31, 1951, 10,000

General Office: 30 Church St., New York 8 N. Y.

Corporate Office: 117 Main Street, Flemington, N. J.

INCOME ACCOUNTS

COMPARATIVE CONSOLIDATED INCOME ACCOUNT, YEARS ENDED APRIL 30
(Taken from reports to Securities and Exchange Commission; including wholly owned subsidiaries)

	1951	1950	1949	1948	1947	1946	1945
Sales, less discounts & allowances	\$119,657,304	\$147,470,154	\$219,848,488	\$131,360,758	\$132,820,944	\$118,113,587	\$199,735,179
Cost of sales	98,766,357	133,442,962	196,030,838	112,303,185	111,871,390	99,841,422	164,078,500
Selling, gen. and admin. exp.	10,975,890	9,178,002	10,182,985	8,700,532	10,084,670	8,884,113	7,322,108
Depreciation & amortization	3,969,371	3,883,931	3,750,866	3,215,609	2,922,210	2,237,747	4,157,870
Operating profit	5,945,686	965,259	9,683,974	7,141,367	8,022,066	7,350,269	23,890,606
Dividends received	113,902	105,192	114,604	114,831	134,087	181,642	199,128
Interest from affiliates							220,427
Other interest and discount							1,000,304
Royalties	387,912	683,703	700,826	434,068	819,290	711,724	7,221
Miscellaneous other income	64,644	47,173	65,421	63,839	33,686	43,691	7,221
	50,621	56,508	82,393	32,908	19,262	1,282,244	8,640
Total income	6,562,765	1,867,235	10,647,218	7,787,111	9,028,400	9,069,570	24,982,237
Interest, etc.	683,797	893,714	1,562,947	554,573	180,373	230,150	175,900
Royalties paid	296,064	272,809	388,821	342,077	347,563	325,467	483,679
Misc. other deductions	633,353	143,403	274,654	349,060	576,790	580,026	596,431
Minority interest	1,639	2,148	2,920	1,854	1,440	379	
Balance	4,937,912	555,761	8,417,876	6,539,547	7,922,236	8,533,549	23,746,215
Prov. for Fed. inc. and surtax	2,261,998	119,569	3,485,762	2,435,595	2,746,194	1,531,456	2,134,779
Excess profits taxes						1,655,404	15,276,298
Net income to surplus	2,675,914	436,193	4,932,114	4,103,952	5,176,042	5,346,689	6,335,141
Surplus beginning of year	24,275,464	44,917,204	42,226,316	41,946,714	41,045,022	37,511,456	34,700,364
Other surplus credits		1,086,160	1,583,124		5,104,278	2,098,000	
Preferred dividends	344,446	1,519,613	2,026,150	2,026,150	2,026,150	2,026,150	2,026,150
Common dividends		1,798,200	1,798,200	1,798,200	1,798,200	1,798,200	1,498,500
Other surplus debits		18,846,280			5,554,278	86,773	
Surplus end of year	\$26,606,932	\$24,275,464	\$44,917,204	\$42,226,316	\$41,946,714	\$41,045,022	\$37,511,456

SUPPLEMENTARY P. & L. DATA

Maintenance and repairs	\$4,866,284	\$5,000,101	\$5,977,205	\$6,551,814	\$5,784,905	\$5,817,292	\$6,694,743
Taxes (other than income)	2,281,810	2,101,477	2,681,014	2,195,695	1,813,856	1,882,874	2,749,806
Parent company's net income	2,638,121	849,836	2,601,679	3,027,900	2,694,280	3,811,026	\$4,088,171

After including dividends from consolidated group subsidiaries: 1951, \$3,915,200; 1950, \$3,780,200; 1949, \$2,510,200; 1948, \$1,510,200; 1947, \$616,200; 1946, \$25,200; 1945, \$10,200.

Includes related portions of items shown under "Supplementary p. & l. data" below statement.

Includes loss on property retirements: 1951, \$313,338; 1950, \$72,787; 1949, \$149,607; 1948, \$226,021; 1947, \$455,440; 1946, \$499,870; 1945, \$311,484.

Includes amortization of expenditures for extension of plant facilities under National Defense program: 1945, \$2,170,665.

1946: Includes \$1,306,324 profit on sales of specific securities.

After deducting post-war credits: 1945, \$1,696,800.

1951: \$1.19 per share out of earnings for year ended Apr. 30, 1950.

1950: \$3.50 out of earnings for year ended Apr. 30, 1949 and \$1.75 out of earnings for year ended Apr. 30, 1950.

Record of Earnings, years ended April 30 (in \$):

Year	Net Sales	Cost and Expenses	Operating Profit	Oth. Inc. & Ded. (Net)	Inc. Bef. Taxes	Income Taxes	Net Income	Common Dividends	Com. Sh. Outstand.	Earn. Per Com. Sh.
1936	24,852,036	23,939,653	912,383	648,889	4,441,628	140,887	4,299,741		599,400	4.25
1937	40,136,278	39,627,167	509,111	899,545	1,408,676	186,000	1,216,676		599,400	4.19
1938	47,674,815	47,375,231	299,584	657,722	967,106	283,898	783,407		599,400	4.21
1939	23,853,517	23,964,725	4,111,308	571,559	4,139,849	123,644	4,016,205		599,400	4.15
1940	35,795,090	36,238,071	4,443,981	641,622	198,841	209,418	4,234,563		599,400	4.30
1941	67,192,012	60,338,809	6,853,103	502,954	7,356,057	2,194,927	5,161,130		599,400	5.23
1942	218,336,568	163,272,167	55,064,401	4,528,146	47,782,939	38,507,562	9,275,377	599,400	599,400	12.08
1943	289,275,689	256,757,879	32,517,810	4,208,189	30,430,621	25,374,902	5,055,719	1,198,800	599,400	5.08
1944	218,834,838	196,180,489	22,654,349	365,253	23,019,602	17,427,770	5,591,832	1,198,800	599,400	5.95

1947: After giving effect to adjustments (estimated) of sales prices through renegotiation.

1949-45: \$3.50 per share out of earnings from preceding fiscal year and \$3.50 per share out of earnings from current fiscal year.

1946-45: After giving effect to adjustments (estimated) of sales prices through renegotiation.

Includes social security taxes: 1951, \$1,098,870; 1950, \$1,116,174; 1949, \$1,611,632; 1948, \$403,635; 1947, \$368,759; 1946, \$353,424; 1945, \$496,346.

1950: Write-off of goodwill from "Intangibles" account, \$18,846,280.

1947: Transfer to reserve for employees' welfare plan to cover provision for employees' retirement cost applicable to past services, \$5,554,280.

1948: Write-off of intangible assets of subsidiary dissolved during year.

Includes operations of Shippers' Car Line Corp. for period Jan. 1, 1946 to April 30, 1948.

Principal "other surplus credits" follow:

1950: Transfer from reserve for contingencies, \$1,086,160.

1949: Adjustment of accrued for prior years Federal income taxes, \$1,583,124.

1947: Amount transferred from reserve for contingencies, \$5,104,278.

1951: Before tax credit of \$119,247 (1950, \$98,359; 1949, \$94,054; 1948, \$158,828) as a result of charges made to Employees' Welfare Plan Reserve. This credit has been credited to said reserve.

General Note

(a) As the result of a change in cost accounting methods, during fiscal year ended Apr. 30, 1948, certain engineering costs, which in prior years were considered as general and administrative expenses, have in current year 1948 been treated as direct charges to production costs. Accordingly, costs of \$1,539,248 representing engineering expenses have been included in closing inventory of work in process with a resultant increase of approximately \$950,000 in net earnings after income taxes.

BALANCE SHEETS

COMPARATIVE CONSOLIDATED BALANCE SHEET, AS OF APRIL 30

(Taken from reports to Securities and Exchange Commission; including wholly-owned subsidiaries)

ASSETS	1951	1950	1949	1948	1947	1946	1945
Cash	\$12,263,562	\$14,940,280	\$12,545,984	\$7,609,574	\$7,256,383	\$9,393,249	\$15,940,168
U.S. Govt. sec. (cost or less)	1,780,698	1,151,811	1,205,020	1,923,762	1,749,685	2,000,053	2,962,578
Notes receivable (net)	500,000	1,100,000		4,033,281	4,033,281	83,199,158	69,373,604
Accounts receivable (net)	20,614,117	11,923,048	33,667,869	789,732	1,102,741	566,299	787,021
Inventories	46,088,993	29,435,273	59,430,070	16,785,084	12,879,689	6,618,114	12,068,215
Adv. payments for materials				67,910,973	46,201,179	28,512,700	29,551,416
Total current assets	81,247,368	58,550,412	106,848,943	95,843,406	73,222,968	80,979,574	121,601,606
Spec. deposits (U. S. Govt. contracts)							2,381,308
Securities of affiliate (net)							81,479
Notes receivable	621,603	742,030	363,292				
Interest in car lease rental	1,194,483						
Deposits for comp., ins., etc.	574,904	280,843	289,353				
Miscellaneous securities (net)	20,542	54,039	101,719	103,564	107,979	118,835	175,052
Rec. of affiliates (net)							6,343,653
Post-war refund-excess profits tax							5,881,330
Property, plant and equipment	118,330,129	117,539,978	116,440,178	112,477,095	105,934,417	103,426,020	85,817,163
Less: Depreciation reserve	57,910,403	55,898,130	53,806,388	53,237,261	53,468,000	54,925,420	46,518,873
Net property account	60,419,726	61,641,848	62,633,790	59,239,834	52,466,417	48,500,600	39,098,290
Intangibles	18,606	18,170	18,865,076	18,889,457	18,896,443	18,903,885	19,021,892
Treasury stock (at cost)						533,400	533,400
Prepaid taxes, insurance, etc.	997,544	771,801	827,998	748,133	980,503	764,806	486,119
Total	\$145,094,784	\$122,039,143	\$199,030,171	\$174,824,394	\$145,674,310	\$149,801,249	\$306,784,218
LIABILITIES							
Accounts payable	\$15,217,647	\$8,084,828	\$11,136,646	\$16,027,416	\$10,641,526	\$6,027,570	\$9,301,416
Accrued payrolls				2,296,675	2,307,008	2,961,046	3,638,028
Accrued taxes, etc.	3,380,186	1,003,032	1,192,571	4,426,683	3,400,066	11,564,546	77,043,754
Bills payable (banks)	15,309,528	5,000,000	25,000,000	21,875,000	5,000,000		
Advance contr. payments	81,076	174,750	1,154,551	1,068,795	1,222,752	5,050,712	71,398
Sinking fund requirement	685,000	685,000	685,000	685,000	325,000	325,000	
Total current liabilities	34,673,437	14,947,610	60,168,768	46,379,569	22,896,352	25,928,874	90,054,666
Secured long term notes payable	1,180,478						
Subsidiary funded debt	8,060,000	8,745,000	9,430,000	10,115,000	4,800,000	5,125,000	
Minority interest	11,275	10,187	8,543	7,347	5,593	4,448	
Advances on Govt. contracts							6,182,200
Insurance reserve							
Res. for empl. welfare plan	4,233,318	4,396,117	4,547,307	4,700,036	4,958,726		
Reserve for common dividends	735,745	735,745	735,745	735,745	735,745	735,745	735,745
Reserve for contingencies, etc.	7,729,208	7,074,629	8,276,211	8,795,968	8,466,798	14,864,640	12,280,181

LIABILITIES (cont'd)		1951	1950	1949	1948	1947	1946	1945
Preferred stock (\$100 par)	-----	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Common stock	-----	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Capital surplus	-----	2,949,391	2,949,391	2,949,391	2,949,391	2,949,391	2,397,720	2,397,720
Earned surplus	-----	26,606,932	24,275,464	44,917,204	42,226,316	41,946,714	41,045,022	37,511,456
Total capital stock & surplus	-----	89,556,323	87,224,855	107,866,595	105,175,707	104,896,105	103,442,742	97,511,456
Less: Treasury stock	-----	1,085,000	1,085,000	1,085,000	1,085,000	1,085,000	-----	-----
Net capital stock & surplus	-----	88,471,323	86,139,855	106,781,595	104,090,707	103,811,105	103,442,742	97,511,456
Total	-----	\$145,094,784	\$122,039,143	\$189,930,171	\$174,824,394	\$145,674,310	\$149,801,249	\$308,784,318
Net current assets	-----	\$46,573,931	\$43,602,802	\$46,680,175	\$49,463,837	\$50,326,816	\$35,050,902	\$41,547,009
PROPERTY ACCT.—ANALYSIS								
Additions at cost	-----	\$3,516,832	\$3,316,893	\$8,315,984	\$10,980,883	\$8,650,946	\$4,371,501	\$1,904,188
Retirements or sales	-----	2,726,681	2,217,093	4,372,901	4,438,205	6,142,849	1,740,262	1,254,944
Other additions	-----	-----	-----	20,000	-----	-----	15,280,794	-----
Other reductions	-----	-----	-----	-----	-----	-----	8,176	-----
DEPREC. RESERVE—ANALYSIS								
Additions charged to p. & l.	-----	\$3,969,371	\$3,883,931	\$3,750,868	\$3,215,669	\$2,822,210	\$2,237,747	\$4,187,870
Retirements or sales	-----	1,957,099	1,792,189	3,181,739	3,446,408	4,379,630	1,043,313	903,587
Other additions	-----	-----	-----	-----	-----	-----	7,212,115	-----

1946: Represent additions to fixed assets through acquisition of Shippers' Car Line Corp. and its subsidiary (\$14,785,129) and Cummings Car and Coach Co. (\$495,665).

At cost or less and after deducting reserves: 1945, \$3,007,117; 1946, \$1,823,822; 1947, \$2,764,178; 1948, \$2,589,588; 1949, \$3,205,797; 1950, \$3,259,008; 1951, \$2,630,121. Market value: 1945, \$3,279,756; 1946, \$3,315,672; 1947, \$2,029,945; 1948, \$1,992,313; 1949, \$1,205,020; 1950, \$1,151,811; 1951, \$1,780,696.

1949: After deducting \$600,000 U. S. tax notes.

1946-45: Includes amount due on renegotiation of U. S. contracts.

After \$150,000 reserve in 1948. Includes notes receivable due beyond one year: 1945, \$12,116; 1946, \$531,284; 1947, \$626,223; 1948, \$480,113—these notes are carried as current assets because they are readily marketable. Carried as noncurrent asset in 1949.

After reserves (1951, \$319,002).

1950-48: Includes 1950, \$1,402,239; 1949, \$2,932,064; 1948, \$1,614,894 accrued unbilled escalation charges (estimated).

At cost or less and not in excess of market:

	1951	1950
Work in process	\$14,054,905	\$11,305,423
Finished goods	2,753,967	1,894,283
Raw materials	27,381,337	14,806,371
Supplies	1,898,783	1,429,196

Total \$46,088,993 \$29,435,273

At cost or less and after reserves: 1945, \$632,582.

1945: Investments, before reserves, comprised of ACF-Brill Motors Co. (445,139 9/10 common shares, \$4,150,718; 6% debenture

bonds, 1969, \$2,004,012; 190,464% warrants, \$231,593), \$7,066,323; Shippers' Car Line Corp. (\$7,611 shares, class B), \$119,912; total, \$7,806,235.

At cost or less and after following reserves: 1945, \$132,414; 1946, \$123,453; 1947, \$117,643; 1948, \$121,978; 1949, \$122,440; 1950, \$115,694; 1951, \$95,001.

An inventory of property, plant and equipment was made by Coverdale & Colpitts, consulting engineers, as of April 30, 1939 on basis of values at Mar. 1, 1913 with subsequent additions at cost.

	1951	Book Values	Reserves
Land	-----	\$5,834,164	-----
Land improv., etc.	-----	970,448	-----
Dies, patt., etc.	-----	6,783,942	-----
General improve.	-----	1,521,226	\$1,190,109
Tracks	-----	112,908	43,868
Structures	-----	21,795,218	11,377,985
Mch'y. and equip.	-----	34,834,741	20,850,354
Tank & oth. cars	-----	30,616,093	11,243,208
Mobile equip.	-----	341,601	135,480
Distr. & commun. system	-----	3,824,228	3,616,915
Meters, gauges, etc.	-----	117,987	85,809
Air. cond. equip.	-----	87,443	29,441
Constr. in progr.	-----	388,155	-----
Defense facilities	-----	10,292,489	10,292,489
Emerg. facil. ctfd.	-----	809,495	44,741

Total \$118,330,129 \$57,910,403

Comprises 10,550 preferred and 600 common shares in all years. 1946 and previous years carried on the asset side.

Represented by 600,000 no par shares which include treasury stock (see note 11 above).

Represents notes receivable maturing beyond one year; 1948 and previous years carried as a current asset.

1946: Represent related reserve of additions to fixed assets through acquisition of Shippers' Car Line Corp. and its subsidiary and Cummings Car & Coach Co.

Includes Shippers' Car Line Corp.

Represents excess of acquired equities as at Jan. 1, 1946 over capital stock costs of Shippers' Car Line Corp.

Adjustment of above through purchase of an additional nine shares of common stock, \$71; adjustment of excess of par value of 10,550 shares preferred and stated value of 600 shares common treasury stock over cost, \$551,600; total, \$551,671.

Depreciation Policy: Depreciation rates used: General improvements, 5%; structures—A, 2%; B, 2½%; C, 3%; D, 6%; E, 5%; F, 4½%; machinery and equipment—A, 4%; B, 8%; C, 10%; D, 7%; E, 3½%; F, 14%; G, 5%; H, 20%; I, 12½%; tank and other cars, 3.6% to 33 1/3%; mobile equipment, 10 and 25%; marine equipment, 5%; distribution and communication systems, 5%; meters, instruments and gauges, 10%; air conditioning equipment, 8%.

Dies, patterns, forms, small tools, etc., are not depreciated but are maintained by charging off all replacements and renewals to repairs expense (charge-offs, 1951, \$388,740; 1950, \$592,193; 1949, \$683,827; 1948, \$950,397; 1947, \$645,883; 1946, \$1,118,975; 1945, \$532,341).

General Notes: (a) Earned surplus includes \$2,026,150 representing balance due on publicly-owned shares of preferred stock out of earnings for the fiscal year ending April 30, 1951.

FINANCIAL & OPERATING DATA

Statistical Record, Fiscal Years

	1951	1950	1949	1948	1947	1946	1945
Earned per share—preferred	\$9.24	\$1.51	\$17.04	\$14.16	\$17.98	\$18.47	\$21.89
Common	\$1.08	\$2.65	\$4.85	\$3.47	\$5.26	\$5.54	\$7.18
Dividends per share—preferred	\$1.19	\$5.25	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00
Common	Nil	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$2.50
Price Range—preferred	85¼-73¼	79-55½	82-60	100¼-74	115¼-94	132¼-96¼	127-96
Common	39¾-29¼	35-22	33½-21½	49¼-23½	54¾-36	72¾-42	67¾-39
Fixed charges earned:							
Before income taxes, depr. & depl.	13.84	5.97	8.79	18.59	61.12	47.80	-----
Before income taxes, & after depr. & depl.	8.36	1.62	6.39	12.79	44.92	38.08	-----
After inc. taxes, depr. & depl.	4.86	1.49	4.16	8.40	29.70	24.23	-----
Times chgs. & pfd. div. earned	1.24	0.45	1.81	1.81	2.43	2.47	-----
Net tangible assets per sh.—pfd.	\$305.50	\$297.54	\$303.14	\$294.36	\$293.37	\$290.22	\$260.32
Common	\$99.28	\$95.39	\$98.56	\$93.85	\$93.33	\$91.86	\$81.77
Number of shares—preferred	289,450	289,450	289,450	289,450	289,450	289,450	289,450
Common	599,400	599,400	599,400	599,400	599,400	599,400	599,400

Financial & Operating Ratios

	1951	1950	1949	1948	1947	1946	1945
Current assets/current liabilities	2.34	3.92	1.78	2.07	3.20	3.12	1.46
% cash & sec. to curr. assets	17.90	29.56	12.87	10.93	17.81	55.92	67.00
% inventory to curr. assets	56.73	50.27	55.62	70.86	63.10	35.21	22.46
% net curr. assets to net worth	52.64	50.62	43.72	47.52	46.48	53.49	42.84
% property depreciated	48.94	47.56	46.21	47.33	50.47	53.11	54.33
% ann. depr. & amort. to gross prop.	3.35	3.30	3.22	2.86	2.76	2.16	4.86
Capitalization:							
% Subs. and other long term debt	8.35	9.22	8.11	8.86	5.35	5.72	-----
% preferred stock	29.99	30.50	24.91	25.34	32.26	32.28	29.85
% common stock & surplus	61.66	60.28	65.98	65.80	62.39	62.00	70.15
Sales/inventory	2.60	5.01	3.70	1.93	2.87	4.14	6.74
Sales/receivables	5.80	12.37	6.52	7.48	9.50	16.44	14.43
% sales to net property	198.04	239.24	350.69	221.74	253.15	243.55	510.90
% sales to total assets	82.47	120.84	115.85	75.14	91.18	78.85	86.60
% net inc. to total assets	1.84	0.56	2.60	2.35	3.53	3.57	3.06
% net income to net worth	3.02	0.51	4.62	3.94	4.99	5.20	6.53
Pfd. div., times earned	1.32	0.22	2.43	2.03	2.55	2.64	3.13
Analysis of Operations							
Sales	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Cost of sales	82.54	90.49	83.24	85.49	83.78	84.53	83.14
Sell., gen. & adm. exp.	9.17	6.22	4.64	6.62	7.98	7.35	9.97
Deprec., renew., etc.	3.52	2.63	1.71	2.45	2.20	1.89	2.08
Operating profits	4.97	0.66	4.41	5.44	6.04	6.22	11.81
Other income	0.52	0.61	0.44	0.49	0.76	1.96	0.70
Total income	5.49	1.27	4.85	5.93	6.80	8.18	12.51
Income deductions	1.36	0.89	1.01	0.95	0.83	0.96	0.62
Net income before income taxes	4.13	0.38	3.83	4.98	5.97	7.22	11.89
Income taxes	1.89	0.08	1.52	1.85	2.07	2.70	8.72
Net income	2.24	0.30	2.24	3.12	3.90	4.52	3.17

Calendar years. Includes \$1.00 declared in July, 1941 but held up by court action and paid in Feb., 1943. Excludes \$0.9219 payable to holders of record Feb. 15, 1943 paid Nov. 18, 1944 under court ruling.

SUBSIDIARY FUNDED DEBT

1. Shippers' Car Line Corp. sinking fund debenture 3s, due 1961:

AUTHORIZED—\$5,450,000; outstanding, Apr. 30, 1951, \$3,825,000.

DATED—April 1, 1946.

MATURITY—April 1, 1961.

INTEREST—A&O 1 at office of trustee.

TRUSTEE—New York Trust Co., New York.

CALLABLE—As a whole or in part at any time at 103¼ to Mar. 31, 1949 and ¼ less each year thereafter.

Also callable for sinking fund, which see.

SINKING FUND—Annually March 31, 1947-60 incl. sufficient to redeem on next ensuing April 1, \$225,000 par of debentures. In addition,

company may make optional payments in multiples of \$5,000 up to \$325,000.

Callable for sinking fund at 100 on any April 1.

DIVIDEND RESTRICTION—Same as series C, below, dividends not to exceed net income from Dec. 31, 1945.

OFFERED—(\$5,450,000) Sold privately April 1, 1946 to Equitable Life Assurance Society.

2. Shippers' Car Line Corp. debenture 3s, series B, due 1962:
AUTHORIZED—\$3,500,000; outstanding, April 30, 1951, \$2,900,000.
DATED—July 1, 1947.
MATURITY—July 1, 1962.
INTEREST—J&J 1 at office of trustee.
TRUSTEE—New York Trust Co., New York.
CALLABLE—As a whole or in part at any time at 103 to June 30, 1949 and 1/4% less each year thereafter.

Also callable for sinking fund, which see.
SINKING FUND—\$200,000 annually June 30.
SECURITY—Not secure by any lien.
DIVIDEND RESTRICTION—Same as series C, below, dividends not to exceed net income from Apr. 30, 1947.
OFFERED—(\$3,500,000). Sold privately July 1, 1947.

3. Shippers' Car Line Corp. debenture 3 1/4s, series C, due 1963:
AUTHORIZED—\$2,500,000; outstanding Apr. 30, 1951, \$2,020,000.
DATED—Apr. 1, 1948.
MATURITY—Apr. 1, 1963.
INTEREST—A&O 1 at office of trustee.
TRUSTEE—New York Trust Co., New York.
CALLABLE—As a whole or in part at any time at 103 to Mar. 31, 1949 and 1/4% less each year thereafter.

Also callable for sinking fund, which see.
SINKING FUND—\$160,000 annually Mar. 31.
DIVIDEND RESTRICTION—Company will not pay any cash dividend on or reacquire stock unless thereafter on a consolidated basis (a) net working capital (as defined) is at least 10% of funded debt, (b) current assets at least 175% of current liabilities, and (c) net income from Apr. 3, 1947 exceeds such disbursements by at least \$500,000.
OFFERED—(\$2,500,000). Sold privately April 1, 1948.

Bank Loan: Outstanding, Apr. 30, 1951, \$1,490,006 Amcar Corp. notes payable due monthly through March, 1958. Secured by assignment of interest in car lease rentals, also U. S. Govt. obligations and cash.

CAPITAL STOCK

1. American Car & Foundry Co. 7% non-cumulative preferred stock; par \$100.
AUTHORIZED—300,000 shares; in treasury, 10,550 shares; outstanding, 289,450 shares; par \$100.

DIVIDEND RIGHTS—Has preference over common to non-cumulative dividends of 7% per annum. Dividends payable quarterly Jan. 1, etc.

DIVIDEND RECORD—Regular quarterly dividends paid from organization in 1898 to July 1, 1932, incl. None thereafter to Apr. 20, 1937, when 4% was paid; Apr. 23, 1938, 2 1/4%; 1939 and 1940, none; April 19 and July 7, 1941, 1 3/4%; Aug. 29, 1941, 2.04%; Oct. 1 and Dec. 31, 1941, 1 3/4%; 1942, 7%; Feb. 23, 1943, (on arrears) \$7.25 (excluding \$1.04 pending under court order); April 26, July 1, Oct. 1 and Dec. 24, 1943, 1 3/4%; 1944, \$7.9219 (including \$0.9219 paid Nov. 18, 1944 to holders of record Feb. 15, 1943 under court ruling), April 2, 1945, 1 3/4%, and regular quarterly thereafter to Dec. 15, 1949, incl.; July 18, 1950, \$1.19; June 30 and Oct. 1, 1950, 1 3/4%; Jan. 2 and Apr. 1, 1951 1 3/4%.

DIVIDEND LIMITATIONS—None.

VOTING RIGHTS—One vote per share.

LIQUDATION RIGHTS—In dissolution entitled to \$100 per share before any distribution on common.

PREEMPTIVE RIGHTS—Full rights.

CALLABLE—Not callable.

PROPERTY SALES—Under the Articles of Incorporation, the Board of Directors has

power, independent of the stockholders, to mortgage, sell or otherwise dispose of any or all of the property of the company, but no sale of all the property may be made without the assenting vote of at least two-thirds of the Board of Directors.

LISTED—New York Stock Exchange.

TRANSFER AGENT—Guaranty Trust Co., New York.

REGISTRAR—Hanover Bank, New York.

ISSUED—At organization of company.

2. American Car & Foundry Co. common stock; no par.

AUTHORIZED—400,000 shares; in treasury, 500 shares; outstanding, 399,500 shares; no par (changed from \$100 par in March, 1925, 2 no par shares issued for each \$100 share).

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

1899---	Nil	1900---	\$1.00	1901-02	\$2.00
1903---	4.00	1904---	1.00	1905-06	Nil
1907-08	2.00	1909-10	2.00	1917-18	5.00
1919---	9.00	1920-21	12.00	1925---	\$6.00

(no par shares, after 2 for 1 split)

1925---	3.00	1926-30	6.00	1931---	2.75
1932-34	Nil	1937---	0.25	1938-40	Nil
1941-42	Nil	1943---	4.00	1944---	2.50
1945-49	3.00	1950---	Nil	1951---	2.00

(Before split-up.)

VOTING RIGHTS—One vote for each 2 shares held. See also preferred (1) above.

PREEMPTIVE RIGHTS—Full rights.

PROPERTY SALES—See under preferred above.

LISTED—New York Stock Exchange.

TRANSFER AGENT—Guaranty Trust Co., New York, N. Y.

REGISTRAR—Hanover Bank, New York.

AMERICAN STORES COMPANY

CAPITAL STRUCTURE

FUNDED DEBT

Issue
 1. 2 3/4-3% s. f. notes, 1952-57-----

CAPITAL STOCK

Issue
 1. Capital stock
 [Privately placed in 1947. [See text. [Fiscal years.

HISTORY

Incorporated in Delaware Mar. 29, 1917, with perpetual charter, to acquire business and assets of Robinson & Crawford (founded in 1891), with 186 grocery stores; The Bell Co. (founded 1890), with 214 stores; Childs Co. (founded 1893), with 268 stores; Geo. M. Dunlap Co. (founded 1888), with 122 stores; and control of Acme Tea Co. (founded 1885), with 433 stores.

In 1924 acquired Mullison Economy Stores, with 62 stores in and around Wilkes-Barre, Pa. In Mar., 1926 acquired Fred P. Bell Stores Co., with 46 grocery and meat stores in Philadelphia. In 1927 acquired three cooperative establishments of Endicott Johnson Corp., one in Endicott, N. Y. and two in Johnson City, N. Y. In 1928 acquired 19 grocery and meat stores in Washington, D. C., operating as Old Dutch Market, Inc.

On Mar. 1, 1929 acquired 305 grocery and meat stores in northern New Jersey from U. S. Stores Corp. On Mar. 22, 1928 formed American Stores Dairy Co. In Jan., 1929 acquired Cupp Grocery Co. chain of 62 stores in the Johnstown, Pa. district. In 1930 formed American Stores Produce Co. to act as purchasing agent in St. Paul, Minn.

As of Apr. 12, 1932 purchased J. W. Crook Stores Co. with about 150 grocery stores. In Dec., 1932 acquired 93 stores (part of Keystone Stores Corp.) in western Pennsylvania. In 1934 purchased 11 Piggly Wiggly stores in Philadelphia and vicinity.

As of July 29, 1941 acquired from Wilkinson, Gaddis & Co. of Newark, N. J. 128 stores in Northern New Jersey which were operated by that company under the name of Mutual Grocery Stores. These stores are now operated under trade names of American Stores Co.

In Dec., 1942, company acquired a meat packing plant in Lincoln, Nebraska, which was operated by Lincoln Packing Co., former subsidiary, now operated as a division.

In April, 1945, purchased Nuckolls Packing Co., Pueblo, Colo.

In 1946 completed acquisition of 100% of stock of Danahy-Faxon Stores, Inc., Buffalo, which operates a chain of 131 grocery and meat retail stores, now operated as a subsidiary.

SUBSIDIARIES

An operating and holding company. On Apr. 1, 1951, held 100% voting power in the following subsidiaries:

Name, place of incorporation and business:
 American Stores Dairy Co. (Del.)—Condensory and vegetable canning.

INCOME ACCOUNTS

COMPARATIVE CONSOLIDATED INCOME ACCOUNT, YEARS ENDED DEC. 31

(Taken from reports filed with Securities and Exchange Commission)

	52 wks. to Mar. 31, '51	52 wks. to Apr. 1, '50	3 mos. to Apr. 2, '49	1948	1947	1946	1945
Sales	\$469,771,090	\$416,644,432	\$105,890,758	\$417,466,728	\$388,613,836	\$314,574,528	\$233,541,509
[Cost of goods sold	391,957,526	348,444,603	89,414,703	355,230,257	331,247,465	262,485,942	196,376,328
[Selling, general & admin. exp.	60,264,458	54,497,697	13,267,142	50,414,042	45,578,964	36,552,857	28,852,589
Depreciation	2,688,641	2,375,613	548,463	1,946,517	1,644,268	1,394,531	1,562,898
Profit from operations	14,860,465	11,328,519	2,650,455	9,875,622	10,143,139	14,141,188	8,549,724

Rating	Amount Outstanding	Charges Earned	Interest Dates	Call Price	Price Range
[Times		1951 1950	F&A 1		1951 1952-51
[--	\$25,000,000	28.47 24.66			[--
Par	Amount	[Earned per Sh.	[Divs. per Sh.	Call	Price Range
Value	Outstanding	1951 1950	1951 1950	Price	1951 1952-51
no par	1,301,320 shs.	\$5.46 \$5.18	\$2.00 \$1.70	---	38 1/2-32 1/2 47 1/2-6 1/2
[Fiscal years.					

American Stores Produce Co. (Del.)—Purchasing

American Grocery Stores Co. (W. Va.)—Inactive

American Stores Co., Inc. (Va.)—Inactive

Acme Markets, Inc. (Del.)—Inactive

United States Coffee Corp.—Coffee purchasing

American Stores Co. (Pa.)—Inactive

Danahy-Faxon Stores, Inc. (N. Y.)—Chain grocery

Crown Stamp Co. (Pa.)—Inactive

Acme Tea Co. (Pa.)—Inactive

American Stores Co. (N. J.)—Inactive

American Stores Co. (Md.)—Inactive

American Stores Co. (Pa.)—Inactive

Mutual Grocery Co. (N. J.)—Inactive

Acme Markets, Inc. (N. J.)—Inactive

BUSINESS & PRODUCTS

Company and subsidiaries operate a chain of grocery stores, including meat and produce departments. As of Mar. 31, 1951, company operated 1,505 stores (of which 773 were self-service supermarkets) distributed in the following states:

Pennsylvania	Maryland
New Jersey	Dist. of Columbia
New York	Virginia
Delaware	West Virginia

Comparative Store Statistics, years ended Dec. 31:

	No. of Stores	Av. Sales per Store	Av. Net Inc. per Store
1942-----	2,099	\$99,622	\$957
1943-----	2,066	102,653	827
1944-----	2,020	112,688	907
1945-----	1,964	118,453	1,005
1946-----	2,012	156,349	2,237
1947-----	1,921	202,298	3,084
1948-----	1,833	227,751	3,089
1950-----	[1,637	[254,517	[4,119
1951-----	1,505	312,150	4,727

[As of Apr. 1, 1950.

[For 52 weeks ended Apr. 1, 1950.

PRINCIPAL PLANTS & PROPERTIES

Company and subsidiaries own in fee 11 operating warehouses with approximately 1,500,000 sq. ft. of floor space, including three in Philadelphia, Pa. and one each in Wilkes-Barre, Pa., Baltimore, Md., Kearney, N. J., Johnstown, Pa., Allentown, Pa., Primos, Pa. (leased), Buffalo and Syracuse, N. Y.

Two bakeries are owned in Philadelphia and one each in Harrisburg and Wilkes-Barre, Pa. Additional bakeries are situated in the Buffalo, Baltimore and Johnstown warehouses.

Weekly capacity of bakeries is approximately 2,000,000 loaves of bread and 175,000 pounds of cake and pastry.

Company also owns a fruit and vegetable cannery at Hurluck, Md., vegetable cannery at Fairwater, Wis., a creamery plant at Lakeville, Minn., a milk evaporating plant in Neillsville, Wis. with a capacity of over 850,000 cases per year, an office building with 50,000 sq. ft. of floor space, and maintenance shop buildings, and garages in Philadelphia.

Store properties are mainly leased, with leases usually drawn on a yearly basis providing for yearly renewal privileges at the lessee's option.

United States Coffee Corp., a subsidiary, owns a mill in Cartago, Colombia, for processing of coffee bought from growers and for conversion of it into green coffee for shipment to United States.

MANAGEMENT

Officers

William Park, President
 F. J. Heaney, Vice-President & Gen. Mgr.
 F. W. Johnson, Vice President
 A. J. Faulhaber, Vice-President
 J. K. Robinson, Jr., Vice-President
 W. H. Eden, Vice-President
 John R. Park, Treasurer
 E. A. Colson, Secretary
 S. C. Archer, Assistant Treasurer
 J. V. Keers, Assistant Secretary

Directors

E. J. Flanagan, Philadelphia
 Wm. Gould, Philadelphia
 J. M. Hancock, New York
 Fred J. Heaney, Philadelphia
 John R. Park, Philadelphia
 William Park, Philadelphia
 James K. Robinson, Jr., Philadelphia
 Samuel Robinson, Philadelphia
 T. H. Sherrard, Baltimore
 James M. Skinner, Philadelphia
 General Counsel: Gillilan, Gilpin & Braham, Philadelphia.

Auditors: Peat, Marwick, Mitchell & Co.
Annual Meeting: Third Wednesday in June at Philadelphia.

No. of Stockholders: June 1, 1951, 8,438.

General Office: 424 North 19th St., Philadelphia 30, Pa.

Employee Retirement Plan: Established in Dec., 1946. Payments in respect of plan totalled \$1,300,571 in 1951, \$677,498 being company's portion of current cost and balance representing approximately 20% of initial past service liability.

	52 wks. to Mar. 31, '51 27,231	52 wks. to Apr. 1, '50 58,622	3 mos. to Apr. 2, '49 1,282	1948 14,239	1947 8,546	1946 47,250	1945 49,532
Miscellaneous income							
Total income	14,887,697	11,385,141	2,651,752	9,889,861	10,151,835	14,103,948	6,540,193
Interest on loans, etc.	522,949	461,621	110,451	457,040	196,797		
Balance	14,364,748	10,923,520	2,541,281	9,432,821	9,954,888	14,103,948	6,540,193
Provision for Federal income taxes ..	6,010,000	3,898,000	980,000	3,509,288	3,775,000	5,454,979	907,000
Provision for state income taxes	379,000	282,000	75,000	280,712	255,000	352,021	163,000
Excess profits taxes	867,000						3,483,000
Special reserves						118,798,600	
Net income to surplus	\$7,114,748	\$6,743,520	\$1,486,281	\$5,662,821	\$5,924,888	\$4,501,948	\$1,978,193
Earned surplus begin. of year	32,437,573	25,630,606	24,599,787	21,214,276	19,721,206	16,781,442	16,107,570
Other surplus credits		2,275,691					
Dividends	2,602,640	2,212,244	455,462	2,277,310	2,277,310	1,561,584	1,301,320
Debits					12,154,508		
Earned surplus end of year	\$36,949,681	\$32,437,573	\$25,630,606	\$24,599,787	\$21,214,276	\$19,721,206	\$16,781,442

Includes related portions of items shown under "Supplementary P. & L. data" below statement.

Represents excess of cost over average paid-in value of 98,680 shares common treasury stock retired and cancelled.

1949: Transfer from reserves: For possible inventory price declines, \$1,500,000; for contingencies, \$775,691; total, \$2,275,691.

Includes Social Security tax: 1951, \$1,304,587; 1950, \$950,104; 1949, \$247,109; 1948, \$887,847; 1947, \$940,212; 1946, \$774,637.

For possible decline in prices of merchandise inventories, \$1,500,000; for estimated cost, less tax benefits to be derived in future years, of unfunded portion of past service single sum liability under the employees retirement plan (\$1,695,600), and under supplementary retirement plan (\$600,000), \$2,295,600; total, \$3,795,600.

Record of Earnings, years ended Dec. 31 (in \$):

Year	Net Sales	Cost and Expenses	Operating Profit	Oth. Inc. & Ded. (Net)	Inc. Bef. Taxes	Income Taxes	Net Income	Common Dividends	Com. Shs. Outstand.	Earn. Per Com. Sh.
1936	113,367,803	111,112,408	2,275,395	224,192	2,499,587	454,000	2,045,587	2,602,640	1,301,320	1.57
1937	114,565,593	114,102,189	463,404	130,730	594,134	98,500	495,634	1,301,320	1,301,320	0.38
1938	109,852,807	109,868,418	15,611	87,938	72,327	14,700	57,627		1,301,320	0.04
1939	114,824,010	113,521,921	1,302,089	95,570	1,397,659	244,000	1,153,659	650,660	1,301,320	0.89
1940	124,838,735	123,678,819	1,159,916	98,686	1,258,602	268,000	990,602	975,960	1,301,320	0.76
1941	157,677,475	154,395,701	3,281,774	38,655	3,320,429	1,160,000	2,160,429	1,301,320	1,301,320	1.66
1942	209,105,554	203,401,703	5,703,851	51,986	5,651,865	3,643,000	2,008,865	1,301,320	1,301,320	1.54
1943	212,082,181	207,568,271	4,513,910	29,826	4,484,084	2,775,000	1,709,084	1,301,320	1,301,320	1.31
1944	227,630,084	221,255,712	6,374,372	22,782	6,351,590	4,520,000	1,831,590	1,301,320	1,301,320	1.40

BALANCE SHEETS

COMPARATIVE CONSOLIDATED BALANCE SHEET, AS OF DEC. 31 (Taken from reports filed with Securities and Exchange Commission)

	Mar. 31, '51 \$15,057,378	Apr. 1, '50 \$12,116,172	Apr. 2, '49 \$14,050,966	1948 \$12,448,102	1947 \$10,474,913	1946 \$10,805,343	1945 \$7,420,816
ASSETS							
Cash	996,540	2,492,975	1,581,402	1,826,676	1,711,846	1,571,231	1,688,769
U. S. Govt. securities (cost)	2,318,464	1,528,439	1,581,402	1,826,676	1,711,846	1,571,231	1,688,769
Notes and accounts receivable	52,303,569	40,727,787	38,675,960	41,120,952	43,919,743	35,607,030	23,062,214
Inventories							
Total current assets	\$70,675,951	\$56,865,373	\$54,308,328	\$55,395,730	\$56,106,502	\$47,783,604	\$22,171,733
Miscellaneous investments	204,280	216,476	202,932	219,833	274,001	283,892	231,063
Property plant & equipment	47,067,369	38,951,290	34,283,070	33,606,451	29,280,465	24,247,084	21,128,948
Less: Depr. & amort. reserves	16,469,454	14,563,184	12,393,102	12,500,431	11,603,791	10,853,749	9,974,812
Net property account	30,597,915	24,388,096	21,889,968	21,106,020	17,676,674	13,393,305	11,154,963
Goodwill	1	1	1	1	1	1	1
Prepaid taxes & licenses, etc.	1,195,441	1,477,951	1,326,371	742,158	525,822	434,979	228,212
Improvements to leased properties ..	2,068,092	1,176,937	858,468	837,472	563,159	306,697	129,964
Total	\$104,741,679	\$84,124,834	\$78,586,068	\$78,301,212	\$75,146,159	\$62,249,478	\$44,003,015
LIABILITIES							
Notes payable					\$1,000,000	\$6,200,000	\$4,689,033
Accounts payable	\$10,871,796	\$8,423,787	\$7,577,695	\$8,078,466	6,898,834	6,673,701	5,167,299
Accrued payrolls & other expenses ..	2,985,489	2,505,655	2,289,129	1,631,170	1,478,348	863,990	1,167,299
Dividends payable				910,924	910,924	485,462	325,230
Federal income, excise, profits tax ..	7,486,870	4,517,298	4,185,762	4,102,290	4,272,535	5,963,546	3,088,181
Federal and state taxes	1,271,391	978,718	939,490	859,873	806,749	842,860	542,240
Other current liabilities	1,269,354	1,045,553	942,683	933,533	942,350	809,010	515,480
Total current liabilities	\$23,884,900	\$17,471,011	\$15,934,759	\$16,516,246	\$16,309,740	\$21,808,569	\$10,347,569
Notes payable 1954-57	25,000,000	15,000,000	15,000,000	15,000,000	15,000,000		
Purchase obligations		57,293	114,586	171,879	229,172	286,465	343,758
Reserve for contingencies			825,297	824,514	788,037	783,591	675,200
Reserve, inventory price decline			1,500,000	1,500,000	1,500,000	1,500,000	
Employee retirement res.	898,543	1,150,402	1,572,355	1,680,231	2,096,379	2,295,600	
Common stock	18,008,555	18,008,555	18,008,555	18,008,555	18,008,555	18,374,156	19,374,156
Earned surplus	36,949,681	32,437,573	25,630,606	24,599,787	21,214,276	19,721,206	16,781,442
Total capital stock & surplus	\$4,958,236	\$0,446,128	\$43,639,161	\$42,608,342	\$39,222,831	\$39,095,362	\$36,155,586
Less: Treasury stock						3,520,109	3,520,109
Net capital stock & surplus	\$4,958,236	\$0,446,128	\$43,639,161	\$42,608,342	\$39,222,831	\$35,575,253	\$32,635,489
Total	\$104,741,679	\$84,124,834	\$78,586,068	\$78,301,212	\$75,146,159	\$62,249,478	\$44,003,015
Net current assets	\$46,791,051	\$39,394,362	\$38,373,563	\$38,879,494	\$39,798,762	\$25,975,035	\$21,824,165
PROPERTY ACCT.—ANALYSIS							
Additions at cost	\$9,364,531	\$5,232,331	\$1,393,226	\$5,617,130	\$6,448,062	\$3,927,730	\$1,970,972
Retirements or sales	667,387	426,315	69,472	232,414	587,027	203,719	279,516
Other deductions	581,066	137,796	647,135	1,058,730	827,624	605,922	1,813,259
DEPR. & AMORT. RES.—ANALYSIS							
Additions charged to income	\$2,688,641	\$2,375,613	\$548,465	\$1,946,917	\$1,644,268	\$1,394,531	\$1,562,898
Retire renewals chgd. to reserve	288,848	152,546	25,007	81,898	191,547	97,827	83,220
Other additions	69,105	84,821	16,350	90,451	124,945	189,055	9,584
Other reductions	562,637	137,796	647,135	1,058,730	827,624	605,922	1,813,259
At lower of cost or market							

	1951	1950
Merchandise	\$48,878,973	\$38,901,213
Supplies	3,424,596	1,826,574
Total	\$52,303,569	\$40,727,787

1951: Book values (and related reserves in parentheses) were: Land, \$2,317,639; buildings, \$10,196,539 (\$5,675,009); machinery, store fixtures and equipment, \$28,242,830 (\$10,605,729); unallocated portion of reserve (\$488,716); total, \$47,667,509 (\$16,469,454).

FINANCIAL AND OPERATING DATA

Statistical Record	1951	1950	1949	1948	1947	1946	1945
Earned per share	\$5.46	\$5.18	\$1.14	\$4.35	\$4.55	\$3.46	\$1.51
Dividends per share	\$2.00	\$1.70	\$1.06	\$1.75	\$1.40	\$1.10	\$1.00
Price range	38 1/4-32 1/4	38-29 1/4	31 1/4-21 1/4	27-21	28 1/4-23 1/4	43-25 1/4	29-17 1/4
Net tangible assets per share	\$42.23	\$38.77	\$33.63	\$32.74	\$30.14	\$27.84	\$25.08

No par shares: 1951-47, 1,301,320; 1946 and prior years, 1,400,000.

Represents principally fully depreciated store fixtures written off against reserves.

After deducting U. S. tax notes: 1945, \$1,885,000.

Includes investment in 2,548 shares Danahy-Faxon Stores, Inc. at cost; balance of capital stock acquired in 1946 and company consolidated.

Depreciation Policy: Depreciation is accrued on straight line method at rates calculated to provide for retirement of buildings and equipment at the end of their useful life. Leasehold improvements are amortized over period of various leases to which they apply. Rates are as follows: Buildings, 2 to 7 1/2%; store fixtures, 6-8 1/2%; machinery and equipment, 6 2/3 to 10%; automobiles and trucks, 25% and 15%.

Note: In 1949 company changed fiscal year to end Saturday nearest March 31, instead of Dec. 31.

Statistical Record (cont'd)

	1951	1950	1949	1948	1947	1946	1945
Fixed charges earned	33.61	29.81	28.97	25.90	59.94	-----	-----
Def. inc. taxes & deprec.	28.47	24.66	24.01	21.64	51.58	-----	-----
After income taxes & deprec.	14.61	15.61	14.46	13.39	31.11	-----	-----
Net tangible assets \$1,000 fund. debt.	\$3,198	\$4,350	\$3,887	\$3,808	\$3,575	-----	-----
Net current assets \$1,000 fund. debt.	\$1,872	\$2,616	\$2,539	\$2,563	\$2,613	-----	-----
Number of shares	1,301,320	1,301,320	1,301,320	1,301,320	1,301,320	1,301,320	1,301,320
Operating & Financial Ratios							
Current assets ÷ curr. liabilities	2.96	3.25	3.41	3.35	3.44	2.19	2.11
% cash and securities to curr. assets	22.72	25.69	25.87	22.47	18.67	22.61	23.97
% inventory to current assets	74.01	71.62	71.22	74.23	78.28	74.53	71.74
% net curr. assets to net worth	35.14	76.09	87.93	91.25	101.46	73.01	66.87
% property depreciated	34.99	37.39	36.15	37.20	39.63	44.76	67.30
% annual depr. to gross prop.	5.71	6.10	1.60	5.79	5.62	5.75	7.40
Capitalization:							
% long-term debt	31.27	22.92	25.58	26.04	27.66	-----	-----
% Common stock and surplus	68.73	77.08	74.42	73.96	72.34	100.00	100.00
Sales ÷ inventory	8.98	10.23	2.74	10.15	8.85	8.83	10.13
Sales ÷ receivables	202.63	272.59	66.95	228.54	227.01	229.41	129.86
% sales to net property	1,532.30	1,708.39	483.70	1,977.95	2,198.45	2,248.74	2,093.61
% sales to total assets	664.69	495.27	134.73	533.15	517.11	505.34	539.71
% net income to total assets	10.07	8.02	1.89	7.23	7.88	107.23	4.46
% net income to net worth	12.95	13.37	3.41	13.29	15.11	12.65	6.66
Analysis of Operations							
Net sales	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Cost of goods sold	83.44	83.63	84.45	85.03	85.24	83.44	84.17
Selling, general & admin. exp.	12.83	13.08	12.53	12.08	11.73	11.62	12.35
Depreciation	0.57	0.57	0.52	0.47	0.42	0.44	0.67
Profit from operations	3.16	2.72	2.50	2.37	2.61	4.50	2.80
Misc. income	0.01	0.01	-----	-----	-----	0.01	-----
Total income	3.17	2.73	2.50	2.37	2.61	4.51	2.80
Interest on loans, etc.	0.11	0.11	0.10	0.11	0.05	-----	-----
Balance	3.06	2.62	2.40	2.26	2.56	-----	-----
Federal income taxes	1.28	0.93	0.93	0.84	0.97	1.74	0.39
State income taxes	0.08	0.07	0.07	0.06	0.07	0.11	0.07
Excess profits tax	0.18	-----	-----	-----	-----	-----	1.50
Special reserves	-----	-----	-----	-----	-----	1.31	-----
Net income to surplus	1.52	1.62	1.40	1.36	1.52	1.43	0.84

①After special reserves; before \$5.38.

②After special reserves.

③Fiscal period changed. Three month period Jan. 1, 1949 to Apr. 2, 1949.

④Calendar years.

Term Loan: Outstanding, Apr. 1, 1951, \$25,000,000 evidenced by 2½% and 3% notes due Aug. 1, 1967; privately held. Interest 3% per annum, other terms same as below.

Company is to prepay 4½% of principal each Aug. 1, commencing 1954, and may prepay an additional 4½% yearly without premium. Callable as a whole or in part at 102½% to Aug. 1, 1951, premium decreasing yearly. Notes are not secured but loan agreement limits other debt.

Company may not pay dividends in excess of consolidated net income after Dec. 31, 1946, plus \$1,000,000. Proceeds for expansion.

CAPITAL STOCK

1. American Stores Co. common stock; no par.
AUTHORIZED—1,500,000 shares; outstanding, 1,301,320 shares; cancelled, 98,680 shares; no par.

Dividend Record (in \$)				
(No par shares)				
1917-19	Nil	1920...	3.00	1921.... 4.00
1922...	5.50	①1923...	3.50	
(No par shares—after 700% stock dividend)				
1923...	0.50	1924...	1.25	1925.... 1.85
1926-34	2.50	1935-38	2.00	1937.... 1.50
1938...	Nil	1939...	0.50	1940.... 0.75
1941...	1.00	1942...	0.75	1943-45 1.00
1946...	1.10	1947...	1.40	1948-49 1.75
1950-51	2.00	②1952...	0.50	

①Plus 700% stock, June 15, 1923. ②To Jan. 3.

DIVIDEND RESTRICTIONS—See funded debt, above.

VOTING RIGHTS—Full, with privilege of cumulation.

PREEMPTIVE RIGHTS—As conferred by Delaware law.

LISTED—New York and Philadelphia-Baltimore Stock Exchanges.

TRANSFER AGENTS—Bankers Trust Co., New York, and Pennsylvania Co. for Banking & Trusts, Philadelphia.

REGISTRARS—City Bank Farmers Trust Co., New York, and Liberty Title & Trust Co., Philadelphia.

OFFERED—100,000 shares in November 1938 at \$91 per share by Lehman Bros. and Commercial National Corp., New York. This offering did not represent company financing.

CAPITAL STRUCTURE**CAPITAL STOCK**

Issue
1. Capital stock
①Calendar years ended Dec. 31. ②Fiscal year.

CENTRAL AGUIRRE SUGAR COMPANY

Par Value	Amount Outstanding	①Earned per Sh.	②Divs. per Sh.	Call Price	Price Range
\$5	742,674 shs.	1951 \$3.35 1950 \$2.84	1951 \$1.75 1950 \$1.50	---	1951 20½-18½ 1950 41-7½

HISTORY

Organized in Massachusetts Aug. 1, 1928, as Central Aguirre Associates, a voluntary association and primarily as a holding company for shares of the Central Aguirre Sugar Co. In 1947, assets and business of the latter were acquired by the company and present name adopted (see reorganization below).

Central Aguirre Sugar Co. was incorporated under laws of Puerto Rico on Dec. 19, 1918, as a reincorporation of the Central Aguirre Sugar Companies, a voluntary trust organized under Massachusetts laws Aug. 14, 1905. Company's activity in production of raw sugar in Puerto Rico dates back to 1899.

In Sept., 1933, obtained 45% ownership in New England Alcohol Co. (now Nealco Monsanto Co.), formed jointly by Central Aguirre Associates and Monsanto Chemical Co. (general index).

Reorganization: Under a reorganization plan, approved by stockholders Oct. 18, 1947, company succeeded its subsidiary, Central Aguirre Sugar Co., as the operating company in Puerto Rico under latter name.

Under the plan, 343,374 shares were issued in exchange for assets of the sugar company. Of the 189,600 shares of the sugar company outstanding, Central Aguirre Associates held 179,990 shares.

Land Law Litigation: Puerto Rican land laws limit to 500 acres lands which may be held by any "artificial person" and define a partnership such as Luce & Co. (see subsidiaries, below) as an artificial person.

On July 11, 1941, Judge Cooper in the U. S. District Court at San Juan, Puerto Rico, granted company's affiliate, Luce & Co., a preliminary injunction against insular officials to prevent operation of the land law against its properties of more than 40,000 acres of sugar lands. The court order enjoins insular officials from initiating expropriation proceedings under the land act against the plaintiff and likewise restrains the Attorney General from initiating any proceedings under the law against the plaintiff for violating the land law until its validity has been determined.

SUBSIDIARIES

Is both an operating and holding company, owning as of July 31, 1951, 100% voting control in the following:

Name, place of incorporation and business: Aguirre Corp. of New York, N. Y., Engaged in supply purchasing.

Ponce & Guayama R.R. of N. J.

Railroad operation.

Central Machete Co., P. R. (72.50%) Sugar manufacture.

Also owns 45% interest in Nealco Monsanto Co.

Company is affiliated with Luce & Co., S. en C., a limited partnership created under Puerto Rican laws to engage in agriculture. Owns cane lands from which practically all of the canes are purchased for fabrication by company.

BUSINESS & PRODUCTS

Company and its subsidiary, Central Machete Co., are leading producers of sugar and molasses in Puerto Rico, deriving a large part of its cane supply from Luce & Co., whose lands are tributary to the three mills. Company supplies a large part of the molasses requirements of the Nealco Monsanto Co., in which a 45% stock interest is owned.

PRINCIPAL PLANTS AND PROPERTIES

Company has sugar mills at Central Aguirre (annual capacity around 80,000 tons) and at Santa Isabel (annual capacity around 25,000 tons), Puerto Rico, while the Central Machete Co. has a factory at Guayama (annual capacity around 25,000 tons), making a total annual capacity of approximately 130,000 tons. The Ponce & Guayama R.R. Co. has about 92 kilometers of meter gauge railroad, used mainly for cane transportation but to a small extent for general freight and passenger business. Luce & Co. owns 23,500 and leases 15,000 acres of cane and pasture lands in Puerto Rico and all necessary cattle implements, tractors, portable track and cars used in the cultivation and harvesting of cane.

MANAGEMENT

Officers
J. B. Keyes, President
J. P. Percy, Vice-President

E. F. Rice, Vice-Pres. & Gen. Mgr.

Curtis Campbell, Treasurer

Edw. G. English, Secretary & Asst. Treas.

R. B. Chandler, Assistant Secretary

J. G. Garcia, Compt., Asst. Sec.-Treas.

R. S. Baxter, Purchasing Agent.

Trustees

C. F. Adams, Boston

C. R. Burgin, Boston

Guillermo Cabrera, Miami, Fla.

John Farr, New York

W. L. Gray, Boston

J. B. Keyes, Boston

George S. Mumford, Jr., Boston

J. T. Noonan, Boston

P. A. Singleton, London, Eng.

Annual Meeting: Fourth Thursday in Jan.

Auditors: Arthur Andersen & Co.

No. of Stockholders: Oct. 31, 1951, 3,971.

No. of Employees: Dec. 31, 1950, approx. 5,000.

General Office: 140 Federal Street, Boston, Mass.

Consolidated Income Account, years ended

July 31 (excluding Luce & Co. S. en C.) (from SEC reports):	1951	1950
Net sales	\$15,071,414	\$14,514,549
Cost of sales	11,677,000	11,240,545
Selling, etc., exp.	3,402,614	1,399,016
Operating profit	1,548,748	1,874,988
Dividends rec'd.	1,853,696	54,000
Other income	364,293	721,797
total income	2,217,989	2,650,785
Inc. deductions	12,112	308,383
Balance	2,205,875	2,342,402
P.R. & U.S. inc. tax	929,460	908,890
Net income	1,276,415	1,433,512
Prev. earn. surp.	5,184,615	4,661,498
Dividends, etc.	458,837	610,365
Prov. for conting.	-----	300,000
Earn. surp., 7-31	6,007,223	5,184,645

①Includes: Central Aguirre Sugar Co. cash dividends: 1951, \$371,327 or \$0.50 per share; 1950, \$557,015 or \$0.75 per share. Central Machete Co. minority interest: 1951, \$82,500 or \$37.50 per share; 1950, \$23,350 or \$24.25 per share.

In addition, distribution to shareholders from net income of Luce & Co. S. en C. amounted to: 1951, \$934,800 (\$1.25 per share); 1950, \$557,015 (\$0.75 per share).