

# Chairman Reports Record Year For Company

## Harvey S. Firestone, Jr. Addresses Stockholders

### ★ ★ ★ All Directors Re-elected

**H**ARVEY S. FIRESTONE, JR., chairman, reported to stockholders at their annual meeting Saturday, January 19, a profit of \$60,538,848, the highest ever earned by any company in the rubber industry. Sales for fiscal 1956 were \$1,115,179,783, a record high for Firestone.

"This profit is the largest ever made by any company in the history of the rubber industry," Mr. Firestone said, "and it is the first time that the annual profit of any company in the industry has exceeded \$60,000,000."

He revealed that during fiscal 1956 Firestone had carried out the largest program of modernization and expansion in its 56-year history, investing more than \$58,500,000 for additions to and improvements of plants and equipment.

"Our company is in an excellent position for 1957," he said. "Our production facilities are equipped to turn out more and better products with greater efficiency than ever before."

At the stockholders' meeting the nine directors of the company were re-elected. They are: Harvey S. Firestone, Jr., Lee R. Jackson, Raymond C. Firestone, James E. Trainer, John J. Shea, Harvey H. Hollinger, Leonard K. Firestone, Roger S. Firestone and Joseph Thomas.

The complete text of Mr. Firestone's address at the meeting follows:

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**ON BEHALF** of the Board of Directors, it is my pleasure to report to you the progress of The Firestone Tire & Rubber Company for the fiscal year ended October 31, 1956. Our net sales and net profits were the largest in our history. Net sales amounted to \$1,115,179,783 compared with \$1,114,870,187 last year.

Net income amounted to \$60,538,848 equal to \$7.43 a share of Common Stock, compared with \$55,378,916 equal to \$6.81 per share of Common Stock last year. This profit is the largest ever made by any company in the history of the rubber industry, and it is the first time that the annual profit of any company in the industry has exceeded \$60,000,000.

Profits of foreign subsidiaries were \$13,080,665.

Federal, state and foreign taxes totaled \$128,375,793 of which income taxes were \$59,250,000; excise taxes \$55,222,722; social security taxes \$6,257,264 and other taxes \$7,645,807.

We redeemed \$4,350,000 of long-term debt and \$1,200,000 of Preferred Stock. Net working capital at the close of the year was \$321,281,115 compared with \$308,185,327 on October 31, 1955.

During the fiscal year, dividends of \$2.60 per share were paid on the Common Stock of the Company. Aggregate dividends on Common and Preferred Stock amounted to \$21,294,388.

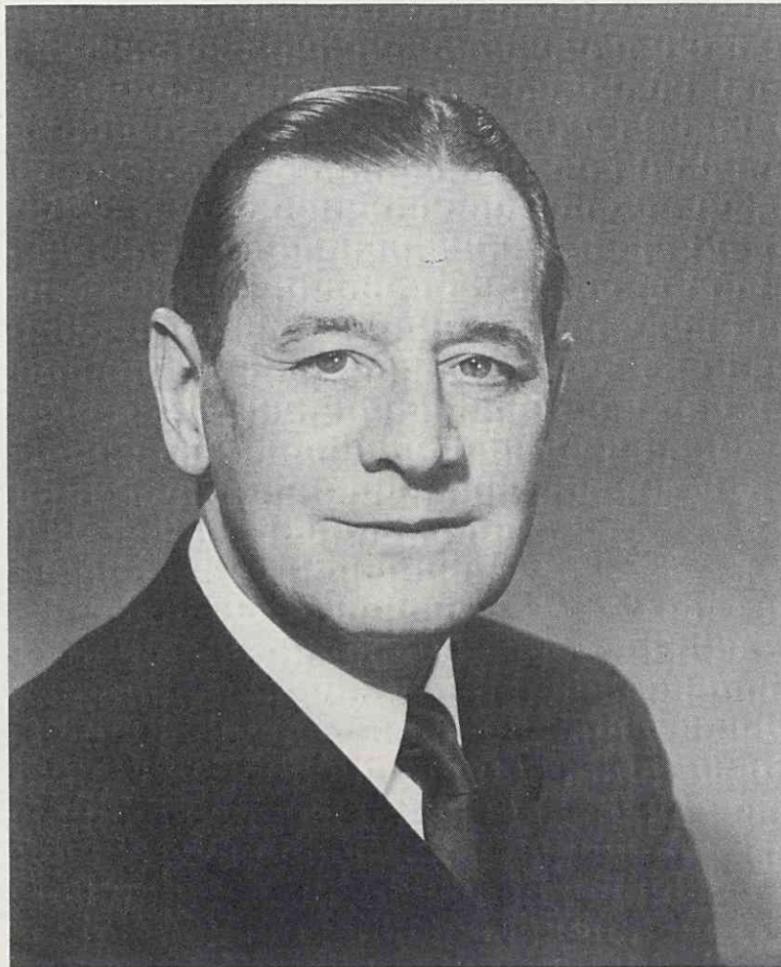
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**ADDITIONS** to and improvements in plants and equipment amounted to \$58,570,529 compared with \$55,723,138 for last year. Provision for depreciation amounted to \$36,933,867 compared with \$32,020,916 for the previous year.

Major additions were made to our plants at home and abroad and a new plant for the manufacture of coated fabric products was established at Magnolia, Arkansas. New tire factories are now under construction in Cuba and in the Philippines. The adoption of fourteen-inch wheels by most of the passenger car manufacturers for their 1957 models necessitated extensive mechanical changes in all of our domestic tire factories.

Expanded capacity and improvements in processing equipment were provided for the production of tires, natural and synthetic rubber, Foamex foam rubber, Velon plastics, metal products, Exxon basic resins for plastics, textiles, and Airide springs. Additional warehouse facilities were provided at our plant in Brentford, England, and in our Buffalo, Columbus, Des Moines, Peoria and Richmond sales districts. These will add to the efficiency and economy of our distribution.

The production capacities of our synthetic rubber plants at Lake



HARVEY S. FIRESTONE, JR.

Charles, Louisiana, and Akron, Ohio, have been substantially increased. When these plants were purchased from the Government in 1955, they had a combined capacity of 129,600 long tons. When the present expansion program is completed this year, capacity will be 230,000 long tons. To help supply these plants, a new plant for the manufacture of butadiene, a principal raw material of synthetic rubber, is under construction as the first unit of a new Firestone petrochemical center which we are establishing on a 1,000-acre site at Orange, Texas. We also have a financial interest in a synthetic rubber plant now under construction in England.

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**PRODUCTS** introduced during the fiscal year include fourteen-inch tires in most of our lines to fit the 1957 model passenger cars; newly designed Supreme, Town & Country and De Luxe Champion passenger car tires; new Transport and Super Mileage Lug truck tires; new wide-base Rock Grip Excavator tires; nylon cord tires for light aircraft; improved rigid Velon sheeting; additional Exxon vinyl resin compounds; Airide springs for passenger cars and for industrial vibration dampening; brake lining for industrial applications; premix tanks for beverage dispensers; hand wheel stampings for freight cars; stainless steel parts for jet engines; components for color television tubes; steel balance rings for automatic washers; metal stampings for the automotive industry; and an all-purpose household rubber cement.

The demand for rubber abroad reached a new high, whereas consumption in the United States declined as a result of the reduction in passenger car output. Natural rubber prices ranged from 52 cents a pound in December, 1955, to 26 cents in May, 1956. At the close of our fiscal year the price was 35¼ cents. The price of synthetic rubber remained stable at 23 cents a pound. We are continuing to expand the use of synthetic rubber both in our foreign and in our domestic plants.

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**MR. FIRESTONE** GAVE his annual address to stockholders at their annual meeting on January 19 in Akron. Facing the stockholders are the directors, all of whom were re-elected. Left to right: Roger S. Firestone,

Harvey H. Hollinger, John J. Shea, Joseph Thomas, Harvey S. Firestone, Jr., Lee R. Jackson, James E. Trainer, Leonard K. Firestone and Raymond C. Firestone.