

# Harvey S. Firestone, Jr. Forecasts Prosperous Year, Decade For Industry

## Reviews 1958-1959 At Annual Stockholders' Meeting

"THE RUBBER INDUSTRY WILL CONTINUE TO PROSPER in the coming year and decade," predicted Harvey S. Firestone, Jr., chairman and chief executive officer, when he addressed company stockholders at their annual meeting in Akron January 16.

Reporting that Firestone sales have exceeded a billion dollars for the sixth time in the last seven years, Mr. Firestone told the stockholders that sales for the fiscal year ended October 31 were \$1,187,784,024.

Mr. Firestone forecasted even greater sales during this year. He said: "Judging by the enthusiasm with which the new model cars and trucks have been received, it appears that the demand for original equipment tires will remain high during the 1960 fiscal year."

He revealed that during fiscal 1959, the company invested more than \$48 million for additions to and improvements of plants and equipment.

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AT THE STOCKHOLDERS' MEETING, authorization was given for the enlargement of the board of directors from nine to eleven members and two new directors were elected.

Mr. Firestone told of the stockholders' action and also announced the retirement of Harvey H. Hollinger as vice president in charge of finance, and the election of Elton H. Schulenberg and Earl B. Hathaway to the board of directors. Mr. Hollinger will continue as a director. (Additional details on elections on Page 8.)

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AT A MEETING of the board of directors following the stockholders' meeting, the following officers were re-elected: Harvey S. Firestone, Jr., chairman; Lee R. Jackson, vice chairman; Raymond C. Firestone, president; James E. Trainer, executive vice president; Joseph Thomas, vice president, secretary and general counsel; Mr. Hathaway, vice president; Harold D. Tompkins, vice president; Harold M. Taylor, vice president; John L. Cohill, vice president; Joseph A. Meek, vice president; Louis J. Campbell, vice president; Claude A. Pauley, comptroller; Elden H. Eaton, assistant treasurer; Henry S. Brainard, assistant secretary; Byron H. Larabee, assistant secretary; Laurence A. Frese, assistant comptroller; and Lee R. Shannon, assistant comptroller.

In other board action Mr. Schulenberg, who has been treasurer, was made vice president and treasurer; Herbert H. Wiedenmann, general production manager of U. S. and Canadian tire plants, became vice president for tire production; Robert P. Beasley, formerly assistant comptroller, was named an assistant treasurer and John K. Smucker, manager of the budget department, was named an assistant comptroller.

A three-for-one split for common stock of the Firestone company was approved by the stockholders.

The effective date for the stock split was January 25, when the authorized number of shares of common stock was changed from

12,000,000 shares with par value of \$6.25 per share to 36,000,000 shares, without par value.

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MR. HOLLINGER, whose retirement was announced, is a company executive with 47 years of service and has been an officer and director of the company for 30 years. He joined Firestone in July, 1913, was appointed auditor in 1922 and was elected comptroller in 1928. He became a director in 1930 and secretary in 1943. In 1948, Mr. Hollinger became treasurer of the company and was named vice president in charge of finance in 1957.

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The complete text of the report of Harvey S. Firestone, Jr., to stockholders at their 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, 1959.

Net sales and net income were the largest in the history of our Company, although a strike covering eight weeks of the principal tire-selling season halted production from April 15 until June 12, and the volume of defense business materially decreased. In addition, the steel industry strike caused shutdowns in major automobile plants, resulting in reduced deliveries of tires and other products which we supply for original equipment.

Net sales amounted to \$1,187,784,024, compared with \$1,061,590,801 in the previous fiscal year. This is the sixth time in the last seven years that our sales have exceeded one billion dollars. Net income was \$64,596,848, equal to \$7.48 per share of Common Stock, compared with \$53,751,650, equal to \$6.23 per share of Common Stock last year, both based on the average number of shares outstanding.

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PROFITS of foreign subsidiaries were \$18,578,206 from which we provided a reserve of \$1,476,311 for profits which could not be remitted during the year because of exchange shortages. Last year the comparable profits were \$15,070,768 and a reserve of \$584,600 was provided. Devaluation of foreign assets resulted in a charge this year of \$1,576,799 to a reserve provided from income in prior years.

Federal, state and foreign taxes totaled \$152,486,795, of which income taxes were \$64,450,000; excise taxes \$68,516,728; social security taxes \$7,681,551 and other taxes \$11,838,516.

We redeemed \$4,650,000 of long-term debt and retired \$1,200,000 of Preferred Stock.

Net working capital at the close of the year was \$394,491,835, compared with \$359,961,160 on October 31, 1958, a gain of \$34,530,675.

Dividends of \$2.60 per share were paid on the Common Stock of the Company, and an extra dividend, in the form of a stock dividend

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HARVEY S. FIRESTONE, JR., chairman and chief executive officer, gave his address to stockholders attending their annual meeting in Akron, January 16. Facing the stockholders are nine directors, all of whom were re-elected. Left to right, John J. Shea, Harvey H. Hollinger, Raymond C. Firestone, Joseph Thomas, Harvey S. Firestone, Jr., Lee R. Jackson, James E. Trainer, Leonard K. Firestone, and Roger S. Firestone. Two new directors were elected at the stockholders' meeting. They are Elton H. Schulenberg and Earl B. Hathaway.

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