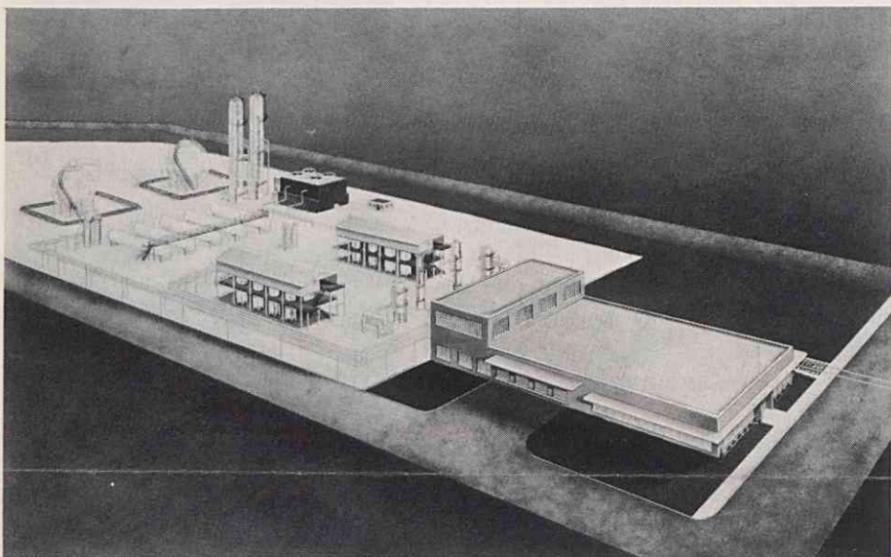
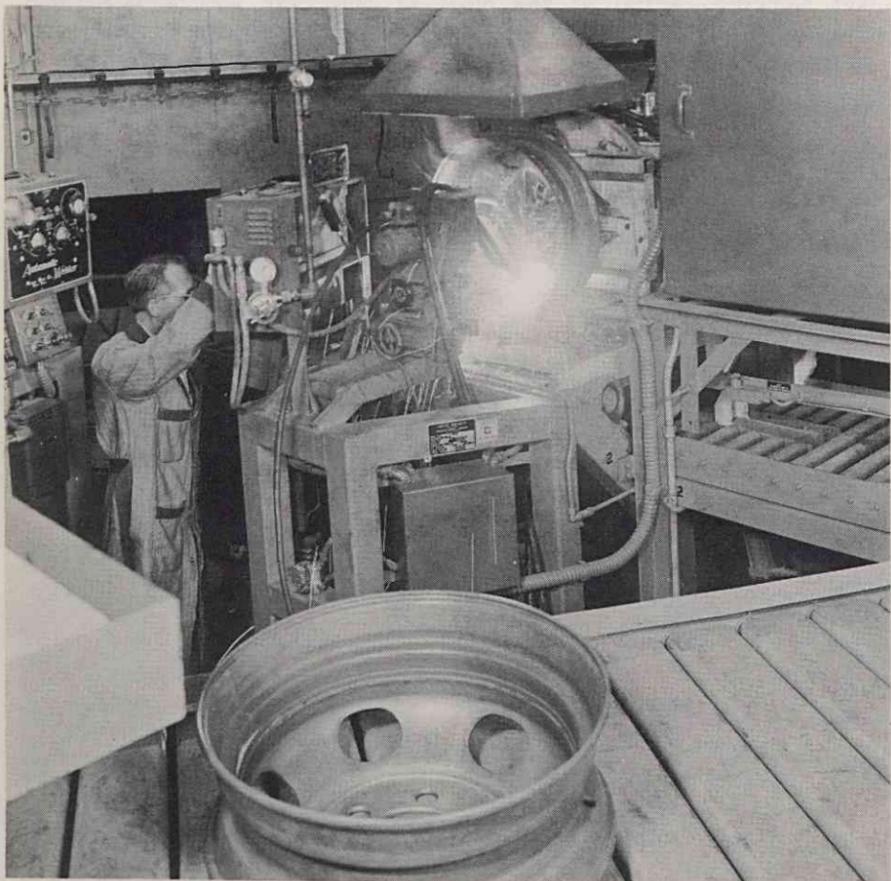


ADDITIONS AND IMPROVEMENTS to plants and equipment amounted to \$48,476,032 during the year. At the Des Moines plant, for example, this new line of 75-inch automatic bladder-type presses was installed for the curing of agricultural tires.



PRELIMINARY ENGINEERING has been completed for a plant to be erected at the Firestone Petrochemical Center in Orange, Texas, for the manufacture of Coral and Diene synthetic rubbers, both of which were developed in the Firestone research laboratories. It is expected that the plant (shown here in an artist's conception) will begin operation in 1961 and have a yearly capacity of 30,000 long tons.



AMONG NEW AND IMPROVED products introduced during the year were Accu-Ride precision-made wheels for trucks and buses. A unique new thru-welding process is used to mass produce the precision heavy-duty wheels at the Wyandotte, Mich., plant. Previously the rim and disc—the two components of a wheel—had usually been united by riveting or spot welding.



RUBBER CONSUMPTION throughout the world was the highest in history. Above, Art Buck of the Hamilton, Ontario, plant stacks tires in a warehouse. From here they are transported to motor vehicle manufacturers or to trade distribution points.

of two per cent on the Common Stock, was paid on October 30. Cash dividends on Common and Preferred Stocks amounted to \$22,456,162. As a result of the stock dividend, \$1,077,700 was transferred from Income Invested in the Business to Capital Stock and \$20,346,976 to Additional Capital. Your Board of Directors, at a meeting held on November 17, 1959, increased the quarterly dividend on the present Common Stock from 65c to 75c per share, effective with the dividend payable January 20, 1960.

Your Board of Directors has approved, and recommended to holders of Common Stock, that a stock split of three shares for one be approved, and to accomplish the split the Articles of Incorporation be amended, increasing the number of shares of Common Stock from 12,000,000 with par value of \$6.25 to 36,000,000 without par value. The proposed Amendment is being submitted today to holders of shares of Common Stock. It is expected that this action will result in a market price for the stock more attractive to investors and will increase public interest in the Company's business.

On November 1, 1958, under the 1951 Incentive Stock Option Plan, 62,056 shares of Common Stock were subject to outstanding options. During the year ended October 31, 1959, options for 28,715 shares were exercised and options for 1,001 shares were cancelled. No options expired and the period during which further options could be granted terminated on July 1, 1958. On October 31, 1959, after giving effect to the 2% Stock Dividend, there were 32,949 shares subject to outstanding options. The purpose of the Plan was to secure for the Company and its shareholders the benefits of the incentive inherent in Common Stock ownership by key employees who, in the judgment of the Board of Directors, would be largely responsible for its future growth and continued success. Your Board of Directors has determined that the company has benefited substantially from the 1951 Plan, and is submitting a new Plan for approval at this shareholders' meeting today.

* * *

ADDITIONS and improvements to plants and equipment amounted to \$48,476,032, compared with \$37,766,473 last year. Provision for depreciation amounted to \$40,661,088, compared with \$41,415,782 for the previous year. Extensive programs of modernization were begun in all of our North American tire plants. In addition, manufacturing capacities are being increased in our plants in Akron, Memphis, Pottstown, Des Moines, Quincy, Lake Charles, Los Angeles, Buenos Aires, Sao Paulo, Valencia, and Bombay.

We purchased facilities for the manufacture of polyurethane foam, and a plant at Hopewell, Virginia, to be operated by a new division, the Firestone Synthetic Fibers Company, for the production of nylon and polypropylene resins.

A plant for the manufacture of Fibrocast is in operation at Magnolia, Arkansas. Fibrocast, a new development, is a fibrous material which can be molded in many forms and has a wide variety of applications.

The new tire plant at Alcochete, Portugal, is now in operation. A new tire factory is under construction at Calgary, Alberta, Canada. Preliminary engineering has been completed for a plant to be erected at the Firestone Petrochemical Center in Orange, Texas, for the manufacture of Coral and Diene synthetic rubbers, both of which were developed in our research laboratories. Coral rubber is the man-made equivalent of natural rubber, while Diene rubber can be used for many purposes which formerly required natural rubber.

* * *

WE ORGANIZED a company in France to engage in the manufacture and sale of Firestone tires, related products, and synthetic rubber. We have joined with local businessmen in India to form a company