MERGENTHALER LINOTYPE COMPANY

History: Incorporated under laws of New York, December 16, 1895, as successor to the Mergenthaler Linotype Co. of N. J. In 1905 the company purchased all the patents and patent interests of the Monoline Composing Co. for the United States, Canada, Mexico and Australasia, and the leasehold, manufacturing plant, etc., of the Canadian Composing Co., Ltd., situated in Montreal, Canada. In 1909 acquired a controlling interest in Linotype & Machinery, Ltd., and in the Mergenthaler Setzmaschinen-Fabrik G.m.b.H. of Germany. Linotype & Machinery, Ltd., has a plant at Broadheath, near Manchester, England, where it manufactures linotypes and parts for sale at home and in France, Italy, Australasia, India, etc. The Canadian Linotype, Ltd., with headquarters at Toronto, sells throughout Canada. The Mergenthaler Setzmaschinen-Fabrik G.m.b.H., sells in Germany, Austria, Switzerland, Russia, Holland, Denmark, Sweden and Norway.

Business: The business is that of manufacturing, selling and leasing linotypes and other printers' appliances. Linotypes are machines which, being operated by finger keys, produce type-metal slugs or bars, each bearing on its edge type characters which produce a line of print. These machines do away with printers' type, and with the ordinary operations of composition and distribution. There are approximately 23,000 of them in use in America.

Management: OFFICERS: P. T. Dodge, Pres.; Ogden Mills, 1st Vice-Pres.; Norman Dodge, 2nd Vice-Pres. and Gen. Mgr.; T. J. Mercer, 3rd Vice-Pres.; J. T. Mackey, Sec. and Treas.; W. C. A. Maguire, Asst. Sec. and Treas. DIRECTORS: P. T. Dodge, Ogden Mills, Ogden L. Mills, Ogden M. Reid, New York; E. V. Murphy, Washington, D. C.; A. H. Sawyer, Boston; Frederic McKenney, Washington, D. C.; Sir Joseph Lawrence, London, Eng.; Norman Dodge, New York. MAIN OFFICE: Tribune Building, New York. TRANSFER OFFICE: Company's office, Tribune Building, New York. DATE OF ANNUAL MEETING: In November.

Comparative Income Account, Years Ended Sept. 30

	1917	1916	1915	1914	1913	1912
Total net earnings	$1,883,159	$1,898,200	$1,467,015	$2,547,849	$2,767,936	$2,738,522
Dividends paid	1,600,000	1,279,997	1,663,982	1,919,916	1,919,820	1,919,718
Final surplus	$283,159	$618,203	(def.) $196,967	$627,933	$848,116	$818,762
Earned on stock	14.71%	14.98%	11.46%	19.91%	21.63%	21.40%

Comparative Condensed Balance Sheet, as of Oct. 1

ASSETS:	1917	1916	1915	1914	1913	1912
Cash	$256,096	$832,796	$1,031,826	$1,277,918	$974,522	$859,317
Stock and bond account	3,677,473	3,905,507	3,658,998	3,727,049	4,332,169	4,282,612
Bills receivable	6,447,053	5,676,538	5,148,928	4,973,029	4,077,454	3,418,618
Accounts receivable	1,253,770	1,398,193	1,230,673	1,332,304	1,526,990	1,315,775
Canadian Linotype, Ltd	303,348	309,199	339,346	329,367	416,033	359,296
Raw material, etc	2,580,477	1,735,455	1,936,235	2,256,573	2,320,683	2,216,229
Plant, etc.	2,338,525	2,262,525	2,397,092	2,473,049	2,561,291	2,782,782
Linotypes	70,180	80,155	46,980	56,375	255,430	497,150
Office fixtures, etc	54,613	60,865	66,597	65,712	63,742	58,392
Rights, privileges, franchises	3,655,230	3,650,000	4,000,000	4,000,000	4,000,000	4,031,987
Total	$20,636,765	$19,911,233	$19,856,675	$20,491,376	$20,528,314	$19,822,158
LIABILITIES:						
Capital stock	$12,800,000	$12,800,000	$12,799,900	$12,799,600	$12,799,200	$12,798,400
Creditors' open accounts	35,768	43,420	14,645	5,057	46,616	34,367
Bills payable	450,000	.....	.....	.....	111,405	233,099
Dividends unpaid	673	648	628	602	856	811
Surplus	7,350,324	7,067,165	7,041,502	7,686,117	7,570,237	6,765,481
Total	$20,636,765	$19,911,233	$19,856,675	$20,491,376	$20,528,314	$19,822,158

Table B.—Stock Records and Ratings (Based on Five Year Income Results, Etc.)

NAME OF ISSUE	Rate of Dividend	Amount Outstanding	Average Income Available	Dividend Requirement	Factor of Safety	BASIS FOR RATING		Net Rating
						Equity	Salability	
1. Mergenthaler Linotype Co. stk	See text	$12,800,000	$2,112,832	$1,280,000*	40%	High	Good	Aa.

* For 10% regular.

Note: Average income available on stock issues is the average surplus, after deducting all fixed and other charges, for last five years shown in income account. For key to ratings, see pages 11 to 18.

1. Authorized, $15,000,000; par, $100. Dividends have been paid since 1895 at rates ranging from 10% to 20% per annum. Payments made quarterly March. Since 1902, the regular rate has been 10%, with extra dividends, bringing the total up to 15% to 1913, inclusive; 15% in 1914; 13% in 1915; 10% in 1916, and 12½% in 1917. In all, the company has paid up to date over $37,213,229 in dividends. Listed on New York, Boston and Washington Stock Exchanges.

THE MIAMI PAPER COMPANY

History: Incorporated under laws of Ohio in October, 1912. Purchased business and properties of the Friend Paper Co. Manufactures book and bond papers and note paper. Operates a paper mill of 85 tons daily capacity, a note paper and tablet factory at West Carrollton, Ohio.

Management: OFFICERS: W. W. Sunderland, Pres.; A. H. Nevius, Vice-Pres. and Gen. Mgr., Dayton, Ohio; W. S. Hayden, Treas., Cleveland, O.; G. C. Thornburg, Sec., Dayton, O. DIRECTORS: W. W. Sunderland, A. H. Nevius, Dayton, O.; W. S. Hayden, Cleveland, O.; A. M. Hall, 2nd; E. R. Tinker, Jr., New York. ANNUAL MEETING: Second Tuesday in October. GENERAL OFFICE: West Carrollton, Ohio.

Digitized by Google

Comparative Income Account, Years Ended Aug. 31

	1917	1916	1915	1914	1913
Net oper. revenues	$160,834	$81,621	$33,876	$68,740	$29,077
Fixed charges, bond int.	15,558	19,008	20,568	21,918	24,690
Balance	$145,276	$62,613	$13,308	$46,822	$4,387
Dividends paid	6,349	4,214	4,214	4,214	2,710
Final surplus	$138,927	$58,399	$9,094	$42,608	$1,677

Comparative Condensed Balance Sheet, as of Aug. 31

ASSETS:	1917	1916	1915	1914	1913
Real estate plant and equipment	$1,089,491	$1,203,434	$1,180,194	$1,174,057	$1,170,018
Bills and accounts receivable	486,557	259,088	219,294	307,028	266,877
Materials and supplies	365,864	144,529	196,812	146,180	173,353
Stock in process mfr.	83,649	24,720	56,885	53,908	74,376
Cash on hand	40,462	23,910	22,056	17,246	29,020
Insurance prepaid, etc	12,985	5,526	4,810	5,838	5,552
Total	$2,079,008	$1,661,207	$1,680,051	$1,704,257	$1,719,196
LIABILITIES:					
First preferred stock	$121,200	$60,200	$60,200	$60,200	$58,200
Second preferred stock	500,000	500,000	500,000	500,000	500,000
Common stock	500,000	500,000	500,000	500,000	500,000
Bonded debt	199,800	289,800	316,000	342,800	391,800
Interest, taxes accrued	4,949	5,003	4,371	6,339	19,560
Bills and accounts payable	481,282	168,426	245,301	250,633	247,960
Reserve	21,071	26,000	.....	.....	.....
Profit and loss surplus	250,706	111,778	53,379	44,285	1,676
Total	$2,079,008	$1,661,207	$1,680,051	$1,704,257	$1,719,196

Table A.—Bond Records and Ratings (Based on Five Year Income Results, Etc.)

NAME OF ISSUE	Interest Payable	Maturity	Authorized	Outstanding	Average Income Available	Interest Required Per Annum	Factor of Safety	BASIS FOR RATING		Net Rating
								Security	Salability	
1. Miami Paper Co. 1st 6s	M&S	Serially	$450,000	$199,800	$74,829	$11,988	84%	Large	Fair	Baa.

Note: Average income available is based on five years shown in income account. For key to ratings, see pages 11 to 18.

REFERENCE NOTE ON BOND ISSUE:

1. Dated Sept. 2, 1912. Due annually to Sept. 1, 1922, inclusive, in installments ranging from $23,000 to $168,000 Interest paid at Bankers' Trust Co., New York. Coupon, $100, $500 and $1,000. Callable in reverse order of numbers and maturities at 101 and interest. Secured by mortgage on the property. Convertible on any interest date into 7% cumultive 1st preferred stock at par. Company pays normal income tax.

Capital Stock: 1. Authorized, $350,000, 7% cumulative 1st preferred. Outstanding, $121,200. Par, $100. First preferred stock is deposited with Bankers' Trust Company, New York, Trustee for the bondholders, and can only be issued as, and to, the extent that bondholders exercise their conversion privileges. No lien other than the present bond issue can be created without consent of 75% of outstanding first preferred stock, and when dividends on this stock are in arrears it will have sole voting power. After all bonds have been retired $15,750 per annum will be set aside for retirement of first preferred stock. Dividends regularly paid quarterly, Mar. 1. Transfer Agent: Rhoades & Co., New York. Registrar: Bankers' Trust Co.

2. Authorized and outstanding, $500,000 non-cumulative second preferred. Par $100. No dividends.

3. Authorized and outstanding, $500,000 common. Par, $100. No dividends. Transfer Agent and Registrar for Nos. 2 and 3: Citizens' Savings & Trust Co., Cleveland, O.

MOLINE PLOW COMPANY

History: Incorporated in 1870, in Illinois; business established in 1865. In 1906 acquired the Mandt Wagon Co. of Stoughton, Wis. and the Henney Buggy Co. of Freeport, Ill.; in 1908, Freeport Carriage Co., and in 1909 the Monitor Drill Co. of Minneapolis. In 1911 acquired the property of the Acme Steel Co. of Chicago and late in 1912 the binder plant known as Adriance, Platt & Co., of Poughkeepsie, N. Y.

Business: Manufactures plows, planters, cultivators, tractors, etc., at Moline, Ill.; automobiles and pleasure vehicles at Freeport, Ill.; wagons, manure spreaders, hay tools and scales at Stoughton, Wis.; seeding machines at Minneapolis, and harvesting machinery and chilled plows at Poughkeepsie, N. Y.

Management: OFFICERS: G. A. Stephens, Pres.; F. G. Allen, Vice-Pres.; C. R. Stephens, Sec.; H. S. Lord, Treas.; L. C. Blanding, Asst. Sec.: E. D. Hilton, Compt., Moline, Ill. DIRECTORS: G. A. Stephens, F. G. Allen, C. R. Stephens, G. H. Huntoon, L. C. Blanding, O. H. Seiffert, R. W. Lea, G. E. Huntoon, J. L. Irving. ANNUAL MEETING: in September. OFFICE: Moline, Ill.

Digitized by Google

MOODY'S ANALYSES OF INVESTMENTS

"Founded to endure and Investors make secure."

PART II
PUBLIC UTILITIES AND INDUSTRIALS

Containing Statistics and Comparative Analyses of Public Utility and Industrial Companies in the United States and Canada, with Investment Ratings, Enabling the Banker and Investor to Ascertain the True Values of Securities

BY JOHN MOODY

NINTH YEAR

1918

NEW YORK
MOODY'S INVESTORS SERVICE
35 NASSAU STREET

London: FREDC. C. MATHIESON & SONS, 16 Copthall Ave., E. C.

Digitized by Google