

BOARD OF DIRECTORS MEETING OF CAMPBELL COMPANY, INCORPORATED

The regular monthly meeting of the Board of Directors of Campbell Company, postponed from January 6, 1931, held this day, January 13, 1931, at the office of the Company, 1114 West Liberty Street, Louisville, Kentucky, with C.D. Campbell, Frank Sutton, and W.S. Mansfield, all of the Directors present in person.

The minutes of the meetings held December 2nd and December 6th 1930 and January 6th 1931 were read and approved.

A Trial Balance was submitted showing position of the Company at close of business December 31, 1930.

This statement showed balances in Lincoln Bank & Trust Co., \$28,876.91, Bankers Trust Company, New York City \$6620.80, undeposited check \$400.00, and cash in country \$29,751.51, a total of cash on hand \$65,649.22.

Statement also showed savings deposit in Union Central Bank, Louisville, of \$50,000, and balance in Louisville Trust Company of \$19,509.53. Both of these banks are now closed. The Union Central is in process of liquidation, and the future of the Louisville Trust Company is at present undetermined, and we do not know whether this bank will eventually reopen. However, we feel we will secure the money on deposit in both of these banks.

The statement showed no discounts in banks and no accounts payable other than officer's and employees' balances, December bills and the Special Accounts of John Holt & Company, Compagnie Francaise de L'Afrique Occidentale, and Commonwealth Trust, Limited.

On December 31, 1929 and the same date in 1928 we also had no discounts in any bank.

Statement showed balances due from customers as follows:

C.F.A.O. Consignment	\$ 3,325.37
W. & A. Leaman	344.20
Rey & Company	235.77
Milton C. Henriquez	395.37
Booker Bros. McConnell & Company..	1,665.13
Compagnie Com. J.A.L. Vermeulen	1,854.42
Commonwealth Trust, Limited	798.53
	<u>\$ 8,618.79</u>

Fire insurance on tobacco at country points and in Louisville storage houses was reported in the following amounts on December 31, 1930 insured under terms of General Cover policy, viz.,

New Phoenix Storage Co. No. 1 ..	\$ 23,765.91
" " " " 2 ..	19,092.90
Bowling Green, Ky.	28,375.51
Dale, Indiana	4,307.03
	<u>\$ 75,541.35</u>

Tobacco of a value of \$74,665.65 was reported in Louisville factory with specific insurance in the amount of \$100,000. Of this specific insurance \$20,000 expires March 5th next, and the insurance is now so arranged that a policy of this amount expires each sixty days.

It was reported insurance coverage on tobacco stored at Owensboro Kentucky is as was the case last year, effected by the Kentucky & Virginia Leaf Tobacco Company, Owensboro, Kentucky, who render bill for this coverage as well as storage when tobacco is removed.

Statement showed the following orders in hand for delivery in 1931, viz.,

C.F.A.O.	1,435,143 lbs
John Holt & Company	842,913
Commonwealth Trust, Ltd.	100,000
Booker Bros. McConnell & Co. ...	80,000
W. & A. Leaman	50,000
Rey & Co.	50,000
Milton C. Henriquez	15,000
	<u>2,573,056 lbs</u>

It was reported that shipments in December 1930 compared with the two previous years as follows:

	1930	1929	1928
C.F.A.O.	117,277	99,902	44,050
John Holt & Company	53,840	122,217	61,042
Commonwealth Trust, Ltd.	7,590	5,044	-
Booker Bros. McC. & Co.	5,354	6,372	7,726
W. & A. Leaman	3,358	5,196	4,901
Rey & Co.	4,078	-	-
Milton C. Henriquez	1,800	-	-
Co. Vermeulen (Scrap)	19,780	-	-
	<u>213,077</u>	<u>238,731</u>	<u>117,719</u>

It was also reported that shipments for the full year 1930 compared with the two previous years as follows:

	1930	1929	1928
C.F.A.O.	1,823,637	1,473,916	1,259,290
John Holt & Company ..	1,562,332	1,858,788	1,449,709
Commonwealth Trust ...	80,304	39,136	-
Booker Bros. McC. & Co.	73,814	41,515	53,485
W. & A. Leaman	35,189	37,742	33,359
Rey & Co.	42,388	28,888	4,096
Milton C. Henriquez ..	9,000	11,400	6,600
Bradley-Preston Tob. Co.	-	1,903	-
Co. J.A.L. Vermeulen	144,880	110,415	-
Gebara & Co.	-	-	30,600
W.L. Burford & Co.	34,345	-	-
Ky. & Va. Leaf Tob. Co.	99,350	-	-
J.L. Boland	535	-	-
	<u>3,905,774</u>	<u>3,603,703</u>	<u>2,837,139</u>

It was further reported that shipping instructions in hand for January were:

C.F.A.O.	21,150 lbs
John Holt & Company	33,550
Booker Bros. McC. & Co.	7,200
W. & A. Leaman	7,000
M. C. Henriquez	1,800
	<u>70,700 lbs</u>

The above compares with shipping instructions for a total of 509,590 lbs in hand for shipment in January 1930.

The President recommended for the consideration of the new Board of Directors, which is to be elected at the stockholders meeting, that a dividend of 7 per cent be declared to Preferred Stockholders, $3\frac{1}{2}$ per cent payable January 1931 to Preferred stockholders of record January 1, 1931, and $3\frac{1}{2}$ per cent payable July 1931 to Preferred stockholders of record July 1, 1931.

From the statements submitted, the Net Gain of the Company for the year 1930 was shown to be \$68,986.02, and Undivided Profits from earnings of previous years of \$64,084.38, a total Undivided Profit as of December 31, 1930 of \$133,070.40. Considering this condition, the President recommended for the consideration of the incoming board that a dividend of 30 per cent be paid at once to Common stockholders of record January 1, 1931.

There being no further business to be considered at this meeting, on motion the Board adjourned sine die.

The minutes of this meeting were then read and approved, and there being no further business to be considered, on motion the old Board of Directors adjourned, sine die.

Approved Jan 13, 1931

Frank Ashton

Acting Sec'y

So much was this the case that we were constantly receiving letters and cables urging us to increase our deliveries, as the tobacco was being taken faster than they were receiving it and they must not be out of stock. As a consequence there was a continuous increase of our working force and the greatest effort made to turn out our full capacity, so that during those first six months of 1930 we reached a monthly output in excess of 425,000 pounds in one month, again the largest monthly business this Company had ever done, and certainly the prospect, with this constant encouragement and indication of increased orders, we would do a very much increased business in the year 1930, and at one time the indicated orders on our books exceeded 4,800,000 pounds. More than this, our actual deliveries as stated for the first six months of 1930 were 2,347,973 pounds, or an increase over the previous year which had been our best year up to this time, of about 540,000 pounds in the six months; so that you will again see the possibilities of this business when there is no trouble. When we took off our books the first of July, this statement showed that we had not only made our full allowance of \$2.00 per 100 pounds, but also we had received \$19,000 in excess of our allowed profit, which of course would have to be returned to our friends abroad if our business at the end of the year continued as profitable; and based on the experience of the first six months, it was more than probable we would have to rebate a sum in excess of this. Of course, a rebate of this size, while it would have been most acceptable to our people abroad, would not have been good business on our part, as naturally they would have thought if we were making so much in excess of our profits we were charging too high a price, and with the lower price we apparently could have made, the business would have been further increased.

Knowing we had been so successful in the first six months and considering that this might be the attitude of our friends abroad, we made a general reduction in our price-list of 50 cents per 100 pounds, and had our business continued in the same volume we would have still made our \$2.00 per 100 pound allowance and have paid them back a substantial cash rebate.

Unfortunately, as stated, our total delivery for the whole year was 3,905,774 pounds, showing that we only delivered in the last six months of 1930, 1,557,801 pounds, or a decline from the first six months delivery of 790,172 pounds. This naturally made a very material difference in our realizations, and our profits for the last six months, which were reflected in our profits for the year, the actual reduction in our profits in the last six months figuring \$23,000, this of course being brought about by the 50 cent reduction which we had given them on our price-list the 8th of July, and the increased overhead actually figuring in the last six months 45 cents per 100 pounds. This 95 cents per 100 pounds plus certain concessions in price and work which we felt should be allowed totaling the \$23,000 stated above. So that, you will see what a large reduction in profits can take place with a reduced business, and how the wisest of us can be mistaken in the realization of our anticipations under certain conditions.

This leads me to analyze to some extent just what did take place and our action in meeting it. Of course, with 3,600,000 pounds, the largest business in the history of this Company in any previous year, and with prospective orders on our books for 1930 of 4,800,000 pounds, your President became quite uneasy as to whether this quantity of tobacco would be taken or could be taken, and he was thoroughly convinced it could not be taken unless some special effort was made and inducement given to enable our friends to do this volume of business; and he felt if they did not do their intended volume of business they would never believe in the future they could do it and consequently would settle back into the belief that the peak of the business would only take what had been done in 1929 - 3,600,000 pounds.

After a careful consideration of this we decided there were certain changes which could be made in the preparation of the tobacco which would in reality amount to a reduction of \$1.14 per 100 pounds to our friends, and as this could not be put before them in writing he was authorized to go to Europe in March 1930 and present the question. This was done most successfully apparently, and our friends seized this suggestion as being decidedly worth while, and

price, the realization by the native is very small, just the same as the wheat and cotton grower is experiencing in this country. Consequently, with this very small realization the native is in no position to indulge himself to any great extent, and even when he does it must be at a very low price. We believe regardless of all that may be said, this is the real reason for the present trouble in West Africa. Of course, we could enlarge indefinitely on this statement and discuss details and specific articles, but it is not necessary. The fact is too plain to need argument. This makes it especially difficult for the time being in tobacco, as tobacco in West Africa the same as in other countries has always had to bear what is really a luxury tax, and consequently regardless of how low the price, the tax is fixed, and to tobacco today in West Africa becomes to some degree a prohibited article, the consumption not altogether stopped but certainly greatly reduced. We do not see how this condition can be changed until there has been a vast improvement in world conditions which will allow of a higher price for West African products, and when we remember West Africa was the last country to feel this depression, it reasonably follows it may be the last to have the improvement.

As an evidence of the selling conditions in West Africa and why this situation will be more difficult to meet in tobacco than possibly any other article imported, we quote from one of our last letters from John Holt & Company. In a former letter they stated: "There must be a reduction of 3 pence per pound (6 cents) to enable us to do any trade." Knowing there could be no general reduction of 6 cents per pound in the cost of tobacco, we wrote John Holt, pointing out this must have been a typographical error and that he meant 3 cents and not 3 pence, showing them in the lower grades of tobacco this would mean the farmer would receive nothing for his tobacco, as the original stock did not cost 6 cents per pound. Our reply to this letter stated that they of course knew nothing about this, but there had been a decline in everything imported into West Africa equivalent to a 6 cent reduction in the prices they were paying for tobacco, and regardless of what the situation might be with us they could not understand why tobacco should not have a similar reduction, and whether this was possible or not, it did mean unless there was this reduction they could give us no encouragement for next year's business, and they certainly could not increase their orders as indicated. This we think is very plain, and must be given serious consideration by us in planning our 1931 business.

On receipt of this letter we withdrew our buyers, as we had already protected a fair amount of our indicated business for 1931 and we did not feel justified in going further until the situation in this country in the purchase of tobacco had developed further. There has been an average decline of 4 cents per pound as compared with last year's prices, of course the greatest decline in the higher priced tobacco, as naturally the cheaper grades could not allow of such a decline. We hope that future prices for the crop will allow us to solve this difficulty to some extent at least. We understand our competitors have been free buyers and much larger buyers than their requirements would take, as we understand them, at the prices already paid, and if so we believe they will have great difficulty in doing a profitable business in 1931, and naturally we believe a conservative position should be taken, and if these prices continue, we should only protect our actual requirement. On the other hand, if there should come a further decline in the market and we should be able to approximate the reduction indicated to us as necessary, we would then be able to undersell our competitors with a reasonable belief that we would have an increased business over our present orders, and it is this to which we must look and consider carefully in determining our future action. If there is a further material decline we should not hesitate to buy freely and much more than our requirement, that we might be in a position to take care of a demand at a price which our competitors could not meet; but unless we can do this we feel it is a sensible position to only prepare to care for our orders in hand, as our competitors of course, if selling at equal prices, would be able to care for their own business and there would be no increased business coming to us.

I trust I have made this plain in this report, as I believe it is the policy ~~and~~ this Company should pursue, and while I am not pessimistic in any sense of the word, I see no justification for preparing for a larger business than indicated on our books, unless we are in a position to undersell our competitors.

I have spoken almost every year of the value of these reports and that I had written so fully that they might be a matter of record to which we could refer as a guidance to our future action, and because of this I think it is very well to repeat the outcome of this business for the past ten years.

	<u>POUNDS SHIPPED</u>	<u>EARNINGS</u>	<u>DIVIDEND</u>
1921 --	901,681	\$ 12,386.54	None
1922 --	1,565,431	13,379.44	"
1923 --	2,118,649	25,424.16	25%
1924 --	1,875,948	19,869.95	40%
1925 --	2,572,924	39,311.18	50%
1926 --	2,430,377	32,785.56	50%
1927 --	3,365,346	67,306.92	50%
1928 --	2,708,999	28,616.63	60%
1929 --	3,603,703	72,074.06	60%
1930 --	3,905,774	68,986.02	75%

I believe the above is very enlightening, as with exception of 1930 it shows our earnings have absolutely been in line with the amount of business done, and certainly this is sufficient to point out to us the care and attention and the conservative action we should take and give to our prospective business of 1931. It should also show very positively that we should not be depressed and through this depression affect our business of 1931 adversely, as it is impossible to intelligently and properly care for a business when one is laboring under a depression, as one cannot give his best efforts under such conditions.

From the figures given you above you will note our business in 1921 was only 901,681 pounds with a profit of \$12,386.54 and no dividends were declared. It is most interesting and instructive to study these reports and see the continuous growth from 1921 until 1930, where our business reached the grand total of 3,905,774 pounds with a net profit of \$68,986.02, and a dividend through the year of 75 per cent.

Now just a few words as to the outcome of our business in 1930. While we had this large output, the last half of the year had several very serious conditions to meet, and our net earnings only showed \$1.77 per 100 pounds instead of the \$2.00 per 100 pounds which we were allowed to take. However, I consider the action which we did take was sound and was for the future benefit of the business. But in addition to this, the rather large inventory carried over, due to the failure of our friends abroad to take their full orders and the very much reduced price of tobacco today, has subjected us to a further very serious loss, which, if deducted from our profits in 1930 would leave our actual profit on the 1930 business 79½ cents per 100 pounds. This reduction in price of our inventory is absolutely a necessity if we are to do the indicated business in 1931, and the previous experience as shown from these annual reports make this very clear to us, and I do not think any more need be said on this point.

I have nothing but commendation for all of our organization, no one could have been more loyal and have shown a more cooperative attitude than they have, and had it not been for this unanimous support we have received our outcome in 1930 would have been very much worse than we are able to report.

I again suggest that the question of dividend be left to the incoming board, and in conclusion submit to you the Balance Sheet as usual.

(Balance Sheet on page 110)

ANNUAL REPORT OF THE VICE PRESIDENT & TREASURER
TO THE STOCKHOLDERS OF CAMPBELL COMPANY

Gentlemen:

The Tobacco Inventory of your Company showed on hand January 1, 1931, 846,517 lbs of tobacco, of a value of \$87,330.42. This compares with 290,582 lbs, of a value of \$27,815.73 on January 1, 1930; 358,363 lbs, of a value of \$52,827.93 on January 1, 1929, and 776,342 lbs, of a value of \$78,014.25 on January 1, 1928. The average value per hundred pounds, was \$10.32 on January 1, 1931, \$9.57 January 1, 1930, \$14.74 January 1, 1929, and \$10.05 January 1, 1928.

Of the tobacco on hand January 1, 1931, 38,420 lbs was unworkable tobacco in the shape of Lugs, Scrap and Stems, while the quantity of such tobacco January 1, 1930 was 26,766 lbs; January 1, 1929, 7750 lbs; and January 1, 1928, 232,088 lbs.

Inventory of January 1, 1931 showed 808,097 lbs of workable and prepared tobacco. The quantity of such tobacco January 1, 1930 was 263,813 lbs; January 1, 1929, 350,613 lbs, and January 1, 1928, 544,254 lbs.

The base prices used in preparing our 1930 price-list, for tobacco requiring the One Sucker type, were \$14.50 per hundred pounds for AA/A length; \$11.50 for B; \$10.50 for C; \$8.50 for D, and \$7.00 for E, these being Loose Floor prices with no additions for cost of handling and freight to Louisville.

Of the purchase of One Sucker tobacco to apply on requirements, 3,157,975 lbs were bought by Mr. W.S. Mansfield, and although his figures showed a gain in weight of 54,875 lbs over buying weights, the final costs on the various lengths were .2783 cents per hundred pounds in excess of base prices used for price-list.

At Dale, Indiana, we purchased 613,611 lbs of Leaf, Lugs and Trash, of which 527,000 lbs were workable Leaf and Lugs. After crediting to the purchase the profit from an advantageous sale of Trash, the final outcome of the workable end of this purchase added .2428 per hundred pounds to base prices used in price-list.

Of Broad Leaf tobacco the base prices used for price-list were \$11.10 per hundred pounds for AA/A length, \$8.60 for B, \$7.60 for C, \$6.60 for D and \$5.70 for E. Of this type we bought at Owensboro on Loose Floors 857,185 lbs at a Loose Floor average of \$7.33 per hundred pounds. Most of this purchase was either sweated or stiffened, consequently losing considerable weight, but adding this loss to the original buying weight, the cost of the purchase was .3908 cents per hundred pounds in excess of base prices, this increase being due to the disappointing outcome of longer lengths in the purchase.

These three purchases amounted to 4,628,771 lbs, the total loose cost \$472,698.40. In addition we made miscellaneous purchases at various times during the year of 239,385 lbs costing delivered in Louisville \$31,250.64. Adding \$2.00 per hundred pounds handling cost and freight to Louisville, to the loose cost of the country purchase, we have a grand total of 4,868,656 lbs bought, costing delivered in Louisville \$596,524.46.

Our gross sales for the year amounted to \$790,695.82, and our profit as shown by statement was \$68,986.02, this representing a net profit of .0872% on gross sales.

Deliveries during the year amounted to 3,600,684 lbs of rehandled tobacco, of which quantity 1,823,637 lbs was taken by Compagnie Francaise de L'Afrique Occidentale; 1,562,332 lbs by John Holt & Company; 80,304 lbs by Commonwealth Trust, Ltd., 73,814 lbs by Booker Bros., McConnell & Company, 35,189 lbs by W. & A. Leaman, 16,408 lbs by Rey & Company, and 9000 lbs by Milton C. Henriquez.

On motion all actions of the officers and Board of Directors of the Company pertaining to the business during the year 1930, were ratified and approved.

On motion the stockholders then entered into an election of directors to serve during the ensuing year.

The Chairman appointed Miss Katharine Weber teller of the meeting.

On motion of Mr. C.D. Campbell the following were nominated for directors, viz., C.D. Campbell, Frank Sutton, and W.S. Mansfield.

The teller reported that Mr. C.D. Campbell, Frank Sutton, and W.S. Mansfield had each received 500 votes representing the Company's entire voting stock, and they were therefore declared unanimously elected.

On motion the stockholders adjourned.

R.A. Farnley
Chairman

Approved January 20, 1931
K. Weber, Secretary

January 13, 1931

ORGANIZATION AND DIRECTORS MEETING OF CAMPBELL COMPANY, INC.

The meeting was called to order by Mr. C.D. Campbell, and the new board was declared in session.

On motion Mr. Frank Sutton was appointed Acting Secretary of the meeting and reported the action of the Chairman and Teller for the stockholders meetings held January 13, 1931, showing C.D. Campbell, Frank Sutton, and W.S. Mansfield had been elected directors to serve for the ensuing year or until their successors are elected and qualified, they having received the unanimous vote of 500 shares, all the voting stock of the Company.

All of the directors being now present, the election of officers was entered into.

On motion Mr. C.D. Campbell was re-elected President of the Company, to serve during the ensuing year or until his successor is elected and qualified, at a salary of \$8000 per annum, and Mr. Campbell took the chair as President of the New Board.

On motion Mr. Frank Sutton was re-elected Vice-President and Treasurer of the Company to serve during the ensuing year, or until his successor is elected and qualified, at a salary of \$7000 per annum.

On motion Mr. Burrell H. Farnsley was re-appointed Advising Attorney of the Company, with a retaining fee at the rate of \$100 per annum, payable in quarterly installments.

On motion the Board approved and ratified the recommendation of the President at the old Board of Directors meeting held this day, recommending the payment of 7 per cent dividend to Preferred Stockholders, 3½ per cent in January 1931 and 3½ per cent in July 1931 to stockholders of record January 1, 1931 and July 1, 1931.

On motion the Board also ratified and approved the recommendation of the President at the old Board of Directors meeting held this day, recommending a dividend of 30 per cent be paid immediately to Common stockholders of record January 1, 1931.

There being no further business to be considered at this meeting, on motion the Board of Directors adjourned.

Approved Feb 10, 1931
Frank Sutton
Acting Secy

The position of workable stock as compared with orders follows:

	REQUIREMENT	ON HAND	SURPLUS	SHORTAGE
A Narrow.....	294,045	218,229	-	75,816
B ".....	354,904	414,015	59,111	-
C ".....	664,581	585,732	-	78,819
D ".....	290,231	388,494	98,263	-
E ".....	100,000	140,684	40,684	-
Tie Leaves Narrow..	-	36,581	36,581	-
AA Broad.....	40,208	4,563	-	35,645
A ".....	80,034	7,637	-	72,397
B ".....	118,441	19,086	-	99,355
C ".....	77,832	7,210	-	70,622
D ".....	80,000	108,704	28,704	-
E ".....	102,558	135,960	33,402	-
Tie Leaves Broad...	-	-	-	-
	<u>2,202,834</u>	<u>2,064,925</u>	<u>294,745</u>	<u>432,654</u>
			Shortage-	<u>137,909</u>

Shipments in January 1931 compared with two previous years as follows:

	1931	1930	1929
C.F.A.O.....	91,184	190,417	111,801
John Holt & Company ...	54,138	154,492	199,920
Booker Bros. McC. & Co..	-	8,800	7,283
M. C. Henriquez	1,800	1,200	1,200
Rey & Co.	3,951	3,961	2,124
Commonwealth Trust	1,580	4,710	-
W. & A. Leaman	6,691	-	-
Co. J. A. L. Vermeulen	21,175	21,855	-
Wm. L. Burford & Co....	10,565	-	5,656
	<u>191,084</u>	<u>385,435</u>	<u>327,984</u>

It was reported shipping instructions in hand for February were:

C.F.A.O.	81,400 lbs
John Holt & Company	28,000
Booker Bros. McC. & Co.	7,200
M. C. Henriquez	1,200
	<u>117,800 lbs</u>

It was reported prepared stock on hand January 31, 1931 was 156,771 lbs; December 31, 1930, 156,233 lbs.; November 30, 1930 142,022 lbs; October 31, 1930, 148,397 lbs; September 30, 1930, 230,779 lbs.; and August 31, 1930, 244,950 lbs.

The President reported that due to the indecision of our friends abroad in establishing definite specifications for their orders for tobacco destined for the Rivers, Port Harcourt and Duala, and the necessity of our having a definite knowledge of how to handle and prepare this tobacco in the immediate future, that letters had been addressed to the French Compagnie and John Holt & Company notifying them that this Company would definitely establish the specification of 2/22 inch and 2/24 inch leaves tied in the same head, with a tie leaf, and prepare tobacco under this specification in anticipation of shipping instructions to be received from these two companies, and requesting these two companies to adopt this specification this season if they could possibly do so, as we had so few handling instructions in hand for this class of tobacco, and it was up to us to continue our work to advantage, which we could not do unless definite action was taken immediately establishing a specification to which we could work. This question was submitted to the Board, and this action unanimously confirmed, and the Secretary instructed to correct his stock sheet in accordance with this new specification.

Mr. W. S. Mansfield reported he had received and bought 1,858,450 lbs tobacco at an average of \$6.92. His present average based on grade prices used in preparing tentative price-list gave an average of \$6.73, or 19 cents under cost. Due to the increased demand for 24 inch tobacco under the establishment of the new specifications,

It will be noted that in addition to the amount covered at Bowling Green, Ky., by General Cover Policy, we also had specific insurance in the amount of \$25,000 at the same point.

Tobacco of the value of \$95,809.14 shown in Louisville factory with specific insurance of \$80,000 in effect. This amount was increased to \$90,000 on March 2nd 1931.

Statement of orders as of February 28, 1931 showed undelivered:

C.F.A.O.	890,389 lbs
John Holt & Company	898,363
Commonwealth Trust Ltd.	98,420
Booker Bros. McC. & Co.	72,267
W. & A. Leaman	41,284
Rey & Co.	46,049
Milton C. Henriquez	11,400
	<u>2,058,172 lbs</u>

The position of workable stock as compared with orders follows:

	REQUIREMENT	ON HAND	SURPLUS	SHORTAGE
A Leaf Narrow	334,067	204,751	-	129,316
B " "	288,201	552,497	264,296	-
C " "	822,743	747,221	124,478	-
D " "	288,479	515,232	246,753	-
E " "	102,000	214,647	112,647	-
Tie " "	-	36,564	36,564	-
AA " Broad	36,889	5,320	-	31,569
A " "	70,035	23,846	-	46,189
B " "	96,836	67,887	-	28,949
C " "	67,922	37,127	-	30,795
D " "	72,267	139,428	67,161	-
E " "	98,733	170,425	71,692	-
Tie " "	-	2,250	2,250	-
	<u>2,058,172</u>	<u>2,717,195</u>	<u>925,841</u>	<u>286,818</u>
		Surplus -	<u>659,023</u>	

Shipments in February 1931 compared with three previous years as follows:

	1931	1930	1929	1928
C.F.A.O.	94,930	112,981	89,052	126,400
John Holt & Company	30,412	168,932	125,552	221,214
Booker Bros. McC. & Co.	7,733	-	7,080	7,001
W. & A. Leaman	2,025	1,402	1,380	1,334
Milton C. Henriquez	1,800	-	-	-
Commonwealth Trust Ltd.	-	740	1,248	-
Rey & Co.	-	9,572	-	-
Kentucky & Va. Leaf Tob. Co.	-	8,320	-	-
W. L. Burford & Co.	-	6,435	-	-
	<u>136,900</u>	<u>308,842</u>	<u>224,312</u>	<u>355,949</u>
Total for year -	<u>327,984</u>	<u>693,917</u>	<u>552,296</u>	<u>672,118</u>

It was reported shipping instructions in hand for March were:

C.F.A.O.	102,000 lbs
John Holt & Company	64,200
Booker Bros. McC. & Co.	7,200
Commonwealth Trust, Ltd.	2,400
Milton C. Henriquez	1,800
	<u>183,600 lbs</u>

It was reported prepared stock on hand February 28, 1931 was 220,865 lbs., January 31, 1931, 156,771 lbs., December 31, 1930, 156,233 lbs., November 30, 1930, 142,022 lbs., October 31, 1930, 148,397 lbs., and September 30, 1930, 230,779 lbs.

There being no further business to come before the meeting, on motion the Board of Directors adjourned.

Approved April 14, 1931,

Stuart Sutton

Acting Secy.

Statement of orders as of March 31, 1931 showed undelivered:

C.F.A.O.	850,662 lbs
John Holt & Co.	833,693
Commonwealth Trust, Limited ..	96,020
Booker Bros., McC. & Co.	65,145
W. & A. Leaman	33,955
Rey & Co.	46,049
Milton C. Henriquez	9,600
	<u>1,935,124 lbs</u>

The position of new workable stock as compared with orders follows:

	REQUIREMENT	ON HAND	SURPLUS	SHORTAGE
A Leaf Narrow....	322,616	182,912	-	139,704
B " " ...	274,730	529,443	254,713	-
C " " ...	590,617	692,852	102,235	-
D " " ...	250,356	526,863	276,507	-
E " " ...	102,000	221,059	119,059	-
Tie " " ...	-	47,070	47,070	-
AA " Broad ...	30,215	10,509	-	19,706
A " " ...	62,313	17,020	-	45,291
B " " ...	85,168	63,806	-	21,362
C " " ...	62,362	78,336	13,974	-
D " " ...	65,145	121,710	56,565	-
E " " ...	89,804	106,106	16,502	-
Tie " " ...	-	10,775	10,775	-
	<u>1,935,124</u>	<u>2,606,461</u>	<u>897,400</u>	<u>226,063</u>
			Surplus 671,337	

In addition to the above we have on hand 802,245 lbs. stock of D and E lengths in original packages from crops raised previous to 1930.

Shipments in March 1931 compared with three previous years as follows:

	1931	1930	1929	1928
C.F.A.O.	87,747	184,769	163,884	174,000
John Holt & Co. ...	64,670	172,935	145,285	131,920
Booker Bros. McC. & Co. ...	7,122	8,745	-	3,408
W. & A. Leaman	7,329	5,563	4,839	4,030
Milton C. Henriquez	1,800	-	-	-
Commonwealth Trust	2,400	13,978	-	-
Rey & Co.	-	-	2,182	-
Co. J. A. L. Vermeulen	21,965	-	-	-
Gebara & Co.	-	-	5,100	-
	<u>193,033</u>	<u>385,990</u>	<u>316,190</u>	<u>318,458</u>
Total for year	521,017	1,088,792	868,386	990,576

The above shows the delivery in 1931 to be 47.85 per cent of the delivery in 1930; 60 per cent of the delivery in 1929, and 52.60 per cent of the delivery in 1928.

It was reported shipping instructions in hand for April are:

C.F.A.O.	109,800 lbs
John Holt & Company	24,720
Booker Bros. McC. & Co.	9,600
Commonwealth Trust, Limited.	1,520
Milton C. Henriquez	1,800
Rey & Co.	4,200
	<u>151,640 lbs</u>

It was reported prepared stock on hand March 31st 1931 was 228,601 lbs; February 28th 1931, 220,865 lbs; January 31st 1931, 156,771 lbs; December 31st 1930, 156,233 lbs; November 30th 1930, 142,022 lbs; October 31st 1930, 148,397 lbs.

In addition to the above we have stored in the J.E. Bohannon & Co., factory at Bowling Green, Ky., 28,045 pounds tobacco, cost value \$2296.48, and in the Kentucky & Virginia factory at Owensboro, Ky., 291,720 pounds, costing \$18,957.23.

Tobacco of the value of \$92,754.39 was reported in Louisville factory with specific insurance in effect in the amount of \$90,000.

Statement of orders as of April 30, 1931 showed undelivered:

C.F.A.O.	705,176 lbs
John Holt & Company....	738,186
Commonwealth Trust Ltd.	89,543
Booker Bros. McC. & Co.	55,946
W. & A. Leaman	33,955
Rey & Co.	37,732
M. C. Henriquez	7,800
	<u>1,668,338 lbs</u>

Position of new workable stock as compared with orders follows:

	REQUIREMENT	ON HAND	SURPLUS	SHORTAGE
A Leaf Narrow	6,071	162,702	156,631	-
B " "	484,009	448,160	-	35,849
C " "	525,524	624,545	99,021	-
D " "	321,876	522,103	300,227	-
E " "	102,000	229,098	127,098	-
Tie " "	-	38,150	38,150	-
AA " Broad	26,020	840	-	25,180
A " "	56,091	5,309	-	50,782
B " "	64,398	17,053	-	47,345
C " "	46,916	53,645	6,729	-
D " "	55,946	102,168	46,222	-
E " "	79,487	104,441	24,954	-
Tie " "	-	10,775	10,775	-
	<u>1,668,338</u>	<u>2,318,989</u>	<u>809,807</u>	<u>159,156</u>

Surplus - 650,651

In addition to the above surplus of 1930 crop tobacco, we have on hand 602,445 lbs of D and E length tobacco of the 1929 crop.

Shipments in April 1931 compared with three previous years as follows:

	1931	1930	1929	1928
C.F.A.O.	132,846	190,936	126,825	113,750
John Holt & Co.	95,507	216,863	172,909	47,028
Booker Bros. McC. & Co.	9,199	-	-	11,834
W. & A. Leaman	-	1,383	1,489	1,408
M.C. Henriquez	1,800	-	1,200	1,200
Commonwealth Trust	6,477	6,098	-	-
Rey & Co.	8,317	7,350	4,331	-
W.L. Burford & Co. ..	-	7,725	-	-
Gebara & Co.	-	-	-	5,100
Bradley-Preston Tob.	-	-	1,120	-
	<u>254,146</u>	<u>430,355</u>	<u>307,474</u>	<u>180,320</u>
Total for year	<u>775,163</u>	<u>1,519,147</u>	<u>1,175,860</u>	<u>1,165,796</u>

The above shows deliveries to April 30th 1931 to be 51.03% of the deliveries in 1930 to the same time, 65.92% of 1929 deliveries, and 66.49% of 1928 deliveries.

It was reported prepared stock on hand compared with several previous months as follows:

April 30th 1931	- 198,094 lbs
March 31st "	- 228,601
Feb. 28th "	- 220,865
Jan. 31st "	- 156,771
Dec. 31st 1930	- 156,233

C.F.A.O. (Consignment) -----	\$ 4027.95
Rey & Co. -----	893.00
M.C.Henriquez -----	233.89
Booker Bros. McConnell & Co. -----	2156.14
Co.Com.J.A.L.Vermeulen -----	1957.31
Commonwealth Trust, Ltd. -----	1020.34
	<u>\$ 10,288.63</u>

Fire insurance at country points and in Louisville storage houses insured under terms of General Cover Policy amounted to the following on May 31, 1931:

New Phoenix No. 1 -----	\$ 26,175.88
" " 2 -----	19,228.81
Dale, Indiana -----	570.14
Bowling Green, Ky. -----	82,462.48
	<u>128,437.31</u>
Specific Insurance Bowling Green, Ky. -	25,000.00
	<u>\$ 153,437.31</u>

Tobacco of the value of \$80,971.72 was reported in Louisville factory with specific insurance in effect in the amount of \$90,000.

Statement of orders as of May 31st 1931 showed undelivered:

C.F.A.O. -----	651,512 lbs
John Holt & Company -----	700,092
Commonwealth Trust, Ltd. -----	83,877
Booker Bros. McC. & Co. -----	46,396
W. & A. Leaman -----	32,610
Rey & Co. -----	37,732
M.C.Henriquez -----	7,800
	<u>1,560,019 lbs</u>

Position of new workable stock as compared with orders follows:

	REQUIREMENT	ON HAND	SURPLUS	SHORTAGE
A Leaf Narrow	5,519	143,712	138,193	-
B " "	463,716	408,867	-	54,849
C " "	493,112	536,006	42,894	-
D " "	195,591	536,406	340,815	-
E " "	100,000	228,633	128,633	-
Tie " "	-	34,345	34,345	-
AA " Broad	34,234	4,431	-	29,803
A " "	59,308	6,704	-	52,604
B " "	56,222	13,801	-	42,421
C " "	33,772	59,951	26,179	-
D " "	46,396	90,511	44,115	-
E " "	78,142	114,161	36,019	-
Tie " "	-	10,775	10,775	-
	<u>1,566,012</u>	<u>2,188,103</u>	<u>601,968</u>	<u>179,877</u>

Surplus-622,091

In addition to the above surplus of 1930 crop tobacco, we have on hand 602,245 lbs D and E length tobacco of 1929 crop.

Shipments in May 1931 compared with three previous years as follows:

	1931	1930	1929	1928
C.F.A.O.	76,997	175,949	135,613	115,850
John Holt & Company -	38,094	208,957	192,867	85,086
Booker Bros. McC. & Co.	9,550	6,648	-	8,752
W. & A. Leaman	1,345	2,049	6,012	1,946
Commonwealth Trust, Ltd.	5,666	5,656	-	-
Co.Com.J.A.L.Vermeulen	22,200	20,415	-	-
Wm.L.Burford & Co.....	3,900	-	-	-
Rey & Co.	-	1,987	4,392	-
Ky. & Va. Leaf Tob.Co.	-	1,070	-	-
Milton C.Henriquez	-	-	-	1,800
Gebara & Co.	-	-	-	5,100
Bradley-Preston Tob.Co.	-	-	783	-
	<u>157,752</u>	<u>422,731</u>	<u>337,667</u>	<u>218,534</u>
Total for year	<u>932,915</u>	<u>1,941,878</u>	<u>1,513,527</u>	<u>1,384,330</u>

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New Phoenix No. 1	\$ 26,304.28
Isleyville " " 2	19,228.81
Dale, Indiana	550.73
Bowling Green, Ky. - \$	99,289.24
Specific Insurance -	25,000.00.. 74,289.24
	\$ 120,373.06

Tobacco of the value of \$70,784.65 was reported in Louisville factory with specific insurance in effect in the amount of \$80,000, of which \$20,000 expires on July 15th next. The intention at this time is to renew this policy for \$10,000.

Statement of orders as of June 30, 1931 showed undelivered:

C.F.A.O.	560,541 lbs
John Holt & Company	654,586
Commonwealth Trust, Ltd.	81,326
Booker Bros.McC. & Co.	37,107
W. & A. Leaman	25,779
Rey & Co.	37,732
Milton C. Henriquez	6,000
	1,403,071 lbs

Position of new workable stock as compared with orders follows:

	REQUIREMENT	ON HAND	SURPLUS	SHORTAGE
A Leaf Narrow --	4,990	109,540	104,550	-
B " " --	432,869	334,666	-	98,203
C " " --	449,131	486,900	37,769	-
D " " --	162,728	516,636	353,908	-
E " " --	100,000	233,579	133,579	-
Tie " " --	-	35,345	35,345	-
AA " Broad --	25,559	1,709	-	23,850
A " " --	49,380	10,195	-	39,185
B " " --	53,907	14,384	-	39,523
C " " --	42,026	56,600	14,574	-
D " " --	37,107	87,121	50,014	-
E " " --	69,511	109,739	40,228	-
Tie " " --	-	5,220	5,220	-
	1,427,208	2,001,634	775,187	200,761
		Surplus -	574,426	

In addition to above surplus of 574,426 pounds of 1930 crop tobacco, we have on hand 602,015 pounds of 1929 crop tobacco, the total being 1,176,441 pounds.

Shipments in June 1931 compared with this month in the three previous years as follows:

	1931	1930	1929	1928
C.F.A.O.	125,064	197,074	84,367	138,214
John Holt & Company	45,506	170,584	199,599	82,378
Commonwealth Trust,	2,551	4,584	-	-
Booker Bros.McC.&Co.	9,289	-	-	-
W. & A. Leaman	6,831	3,283	3,395	6,974
Milton C.Henriquez..	1,800	1,800	1,800	1,200
J.A.L.Vermeulen	-	21,035	-	-
J.L.Boland(Scrap)...	-	535	-	-
W.L.Burford (Stems).	-	7,200	-	-
Rey & Co.	-	-	2,002	-
Gebara & Co.	-	-	-	10,200
	191,041	406,095	291,163	238,966
	1,123,956	2,347,973	1,804,090	1,623,296

Above figures show deliveries for the first half of 1931 to be:47.87% of the same period in 1930, 62.30% of 1929, and 69.24% of 1928.

Our books actually show a net profit for the first six months of \$16,033.89, or \$1.425 per 100 pounds, while we are entitled under ordinary conditions to earn a net profit of \$2.00 per 100 pounds. This on the face of it is not very reassuring, as it is just our usual dividends and the average dividends which this Company has declared in the past. However, a very careful analysis of the business reveals that the actual earnings per 100 pounds of the business for the first six months of 1931 are very much in excess of this, and really are equal to our earnings in the first six months of previous years so far as the actual earning on the business done is concerned, notwithstanding the actual outcome of net profit is apparently so low.

It was estimated in the beginning of the season, that to keep our factory operating during the period of unemployment, and to supply the business called for in the best way possible, we would have an increased overhead in proportion to the business done, which would mean a decrease in profits of \$9000, and we advised our people abroad that we had figured our prices this year on the same basis of overhead of the past two years, when we had a very large business, so as to give them the benefit of the reduced price and possibly in this way induce a larger business than otherwise might have prevailed.

We have carefully gone into this question of overhead for the first six months, and we find that based on a yearly business of 4,000,000 pounds, practically the volume of our business in 1930, the overhead would be 99¢, while in reality the overhead for the first six months of this year has been \$1.75, or a difference of 76¢ per 100 pounds. So you will see we were justified in advising our friends abroad that our profit this year would depend largely on the question of overhead, which would be governed by the volume of the business done.

In addition to this, after making up our price-lists, in order to induce a larger sale and to give our friends abroad the advantage of the lowest possible prices we further reduced this price by 25 cents per 100 pounds on all tobacco prepared with a preparation; or rather, prepared tobacco as distinguished from what we designate as the natural big head tobacco, and it is these two reductions which has given us the result of \$16,033.89 net earnings for the first six months.

However, when analyzed, this is not so disappointing, as we have deducted the full amount of the Income Taxes which we are compelled to pay this year on the very large and profitable business of last year, and figuring these Income Taxes as to what they would be on an earning such as shown by our books for the first six months, the actual earning on the first six months' business would be entitled to a further credit of \$2000. Also in addition to this, we went into this year with a larger inventory than usual, and because we could not work this old tobacco with new tobacco, have had to carry this tobacco as a surplus stock, from the fact that our purchases of new tobacco are largely in excess of what it now appears our requirements will be. Consequently the cost of carrying this old tobacco, storage, insurance, and interest, is not in reality a charge against the factory operation of this first six months, but is in reality a charge against our surplus fund, and this amounts to \$3253.00. So the addition of this \$2000 excess Income Taxes and the cost of carrying this tobacco, gives us an actual earning on the first six months notwithstanding the increased overhead of which I have already spoken, of \$21,286.89, and I am quite sure we would all be perfectly satisfied and should be perfectly satisfied under the conditions of this year with such an earning, which is equivalent to \$1.892 per 100 pounds, and I believe this is an actual outcome and a perfectly satisfactory outcome with the prevailing conditions. But in addition to this, when our purchase had been completed we found the cost of our tobacco was an average of 8.79 cents per 100 pounds higher than the price we had used as the base price in making up our price-list, so that naturally we have had this further loss to take care of in the year's business, which would amount to \$2706.23 on the purchase made, and which of course is reflected in our inventory, so that with this addition it would have made our net profit \$2.13 per 100 pounds, or \$0.13 in excess of what we would have been entitled to earn, and all of this without allowance for the increased overhead, which as stated figures 76 cents per 100 pounds. This means, had similar conditions prevailed as last year, we would have had a profit for the first six months of \$2.89 per 100 pounds on all of our delivered tobacco and on that part in which we made the deduction of 25 cents, a profit of

The regular monthly meeting of the Board of Directors of Campbell Company, to be held this day, August 4th 1931, at the office of the Company, 1114 West Liberty Street, Louisville, Kentucky, was postponed until August 11th 1931, a quorum of the Directors not being present.

BOARD OF DIRECTORS MEETING OF CAMPBELL COMPANY, INCORPORATED.

The regular monthly meeting of the Board of Directors of Campbell Company, Incorporated, held this day, August 11th 1931, at the office of the Company, 1114 West Liberty Street, Louisville, Kentucky, with C.D. Campbell, W.S. Mansfield, and Frank Sutton, all of the Directors present in person.

The Minutes of the meeting held July 7th 1931 were read and approved.

A Trial Balance at the close of business July 31st 1931 was submitted, showing balances in Lincoln Bank & Trust Company of \$12,911.42, First National Bank \$1159.37, Union Central Bank \$25,174.43, and Louisville Trust Company \$19,509.53, a total of \$58,754.75.

Discounts in the amount of \$40,000 were reported, \$20,000 having been paid in July. Against these discounts of \$40,000, we have as stated, cash on hand of \$58,754.75. On same date in 1930 we had no discounts and cash on hand was \$11,924.95.

Balances due from customers was reported as follows:

John Holt & Company	\$ 12.50
C.F.A.O. Consignment	4,178.15
W. & A. Leaman	138.11
Rey & Co.	1,252.79
M.C. Henriquez	375.29
Booker Bros. McConnell & Co.	2,081.93
Co. J.A.L. Vermeulen	1,936.40
Commonwealth Trust, Ltd.	1,913.13
	<u>\$ 12,165.30</u>

Fire insurance at country points and in Louisville storage houses insured under terms of General Cover Policy, was reported as follows on July 31, 1931:

New Phoenix No. 1	\$ 25,204.95
" " " 2	19,228.81
Dale, Indiana	550.73
Bowling Green, Ky.	\$67,844.74
Specific Insurance 25,000.00	<u>42,844.74</u>
	<u>\$ 87,829.23</u>

Tobacco of the value of \$70,685.34 was reported in Louisville factory with specific insurance in effect in the amount of \$70,000.

Statement of orders as of July 31st 1931 showed undelivered:

C.F.A.O.	406,560 lbs
John Holt & Company	586,260
Commonwealth Trust	72,164
Booker Bros. McC. & Co.	27,581
W. & A. Leaman	23,641
Rey & Co.	36,195
M. C. Henriquez	<u>4,200</u>
	<u>1,156,601 lbs</u>

The regular monthly meeting of the Board of Directors of Campbell Company, to be held this day, September 1st 1931, at the office of the Company, 1114 West Liberty Street, Louisville, Ky., was postponed until September 7th 1931, a quorum of the Directors not being present.

BOARD OF DIRECTORS MEETING OF CAMPBELL COMPANY, INCORPORATED.

The regular monthly meeting of the Board of Directors of Campbell Company, Incorporated, held this day, September 7th 1931, at the office of the Company, 1114 West Liberty Street, Louisville, Kentucky, with C.D. Campbell and W.S. Mansfield present.

The Minutes of the meeting held August 11th 1931 were read and approved.

A Trial Balance at the close of business August 31st 1931 was submitted, showing balances in Lincoln Bank & Trust Company of \$6511.29, First National Bank \$10,236.23, Union Central Bank \$25,174.43, and Louisville Trust Company \$19,509.53, a total of \$61,431.48.

Discounts in the amount of \$20,000 were reported, \$20,000 having been paid in August. Against these discounts of \$20,000, we have as stated, cash on hand of \$61,431.48. On same date in 1930 we had no discounts and cash on hand was \$33,860.77.

Balances due from customers were reported as follows:

John Holt & Company	\$ 2,084.39
C.F.A.O. Consignment	5,386.78
Rey & Co.	1,252.79
Milton C. Henriquez	229.96
Booker Bros., McConnell & Co.	1,972.17
Co. Com. J.A.L. Vermeulen	1,936.40
Commonwealth Trust, Ltd.	938.75
	<u>\$ 13,801.24</u>

Fire insurance at country points and in Louisville storage houses insured under terms of General Cover Policy, was reported as follows on August 31st, 1931:

New Phoenix No. 1	\$ 23,342.25
" " 2	19,228.81
Dale, Indiana	552.85
Bowling Green, Ky.	\$ 54,699.16
In Transit from B.G.	
& J.E. Bohannon Tob...	2,178.31
	<u>\$ 56,877.47</u>
Specific insurance	25,000.00
	<u>31,877.47</u>
	<u>\$ 75,001.38</u>

Tobacco of the value of \$67,571.36 was reported in Louisville factory with specific insurance in effect in the amount of \$70,000.

Statement of orders as of August 31st 1931 showed undelivered:

C.F.A.O.	287,150 lbs
John Holt & Company	538,466
Commonwealth Trust, Ltd.	63,662
Booker Bros. McConnell & Co.	17,853
W. & A. Leaman	23,641
Rey & Co.	36,195
Milton G. Henriquez	4,200

971,167 lbs

Position of new workable stock as compared with orders follows:

The President then reported the death of Mr. W.S. Mansfield, a Director of the Company, who died at his home in Louisville, Kentucky, on August 28th, 1931. The President also reported that the Board of Directors had elected Mr. W.S. Mansfield's son, Mr. W.S. Mansfield, Jr., as a Director of the Company, effective from the date of his death.

Mr. W.S. Mansfield was then nominated as Vice President and Treasurer of the Company, and on motion duly seconded was unanimously elected to these offices, at a salary at the rate of \$5000 per annum.

The President also called attention that by the death of Mr. Sutton it left our organization incomplete so far as the authority to sign and countersign and otherwise complete the necessary papers required in the conduct of the business, and recommended that at this meeting we should amend the former resolution authorizing the various signatures and adopt a resolution at this meeting, giving the proper authority for signatures to such papers as require the signature of the Company in the conduct of its business.

On motion, duly seconded and unanimously adopted, it was ordered that Article XV of the By-Laws be amended to read as follows: "All checks and drafts given by the Company on its account or accounts are to be signed by the President, or Treasurer, or Secretary, and countersigned by the President, or Treasurer, or Secretary, or Superintendent, but the President or Treasurer, or Secretary may not sign and countersign the same paper. Any one of the above officers is authorized to endorse all checks and drafts requiring endorsement. All promissory notes shall always be executed by the President or Vice President, and the Secretary or Treasurer, but no person holding two of the above offices can sign more than once the same note."

The President was also instructed to cancel the security bond now held by Mr. Sutton and transfer this to Mr. Mansfield.

Due to the death of Mr. Sutton, who was Acting Secretary at the August 11th meeting, the Secretary of this meeting was instructed to sign.

There being no further business to be submitted at this meeting, on motion the Board of Directors adjourned.

Approved
October 6, 1931

K. Weber, Acting Secretary

BOARD OF DIRECTORS MEETING OF CAMPBELL COMPANY, INCORPORATED.

The regular monthly meeting of the Board of Directors of Campbell Company, Incorporated, held this day, October 6th 1931, at the office of the Company, 1114 West Liberty Street, Louisville, Ky., with W.S. Mansfield and K. Weber, a majority of the Directors present.

The Minutes of the meeting held September 7th 1931 were read and approved, and in the absence of the President, the Secretary of this meeting was instructed to sign.

A Trial Balance at the close of business September 30th 1931 was submitted, showing balances in Lincoln Bank & Trust Company of \$19,871.28, First National Bank \$5955.55, Louisville Trust Company (Checking account) \$6991.15, Union Central Bank \$25,174.43, and Louisville Trust Company \$8778.86, a total of \$66,771.27.

There were no discounts to report. On same date in 1930 we also had no discounts.

Balances due from customers were reported as follows:

John Holt & Company	\$ 10.00
C.F.A.O. Consignment	6111.26
W. & A. Leaman	138.74
Rey & Co.	1534.83
Milton C. Henriquez	229.96
Booker Bros. McC. & Co.	978.48
Co. Com. J.A.L. Vermeulen	1917.18
Commonwealth Trust, Ltd.	213.36
	<u>\$ 11,133.81</u>

September 30th - 240,038 lbs
 August 31st - 196,368
 July 31st - 203,969
 June 30th - 201,723
 May 31st - 231,318

It was also reported shipping instructions in hand for October were:

C.F.A.O.	192,670 lbs
John Holt & Co. ...	89,514
Commonwealth Trust	10,196
W. & A. Leaman ...	7,427
	<u>299,807 lbs</u>

There being no further business to be submitted at this meeting, on motion the Board of Directors adjourned.

Approved November 18, 1931.
K. Weber, Secretary.

The monthly meeting of the Board of Directors of Campbell Company, to be held this day, November 3rd 1931, at the office of the Company, 1114 West Liberty Street, Louisville, Ky., was postponed until November 18th, at which time Mr. Campbell would be present.

BOARD OF DIRECTORS MEETING OF CAMPBELL COMPANY, INCORPORATED.

The monthly meeting of the Board of Directors of Campbell Company, Incorporated, postponed from November 3rd 1931, held this day, November 18th, at the office of the Company, 1114 West Liberty Street, Louisville, Ky., with C.D. Campbell, W.S. Mansfield, and K. Weber present.

The Minutes of the meeting held October 6th 1931 were read and approved.

A Trial Balance at the close of business October 31st 1931 was submitted, showing balances in Lincoln Bank & Trust Company of \$30,885.06; First National Bank \$10,095.51; Louisville Trust Company (checking account) \$13,797.66; Union Central Bank \$25,174.43, and Louisville Trust Company \$8778.86, a total of \$88,731.52.

There were no discounts to report. On same date in 1930 we also had no discounts.

Balances due from Customers were reported as follows:

C.F.A.O. Consignment -----	\$ 7,116.07
Rey & Co. -----	932.13
Milton C. Henriquez -----	229.96
Booker Bros. McConnell & Co. ----	978.48
Co. Com. J.A.L. Vermeulen -----	2,917.05
Commonwealth Trust, Ltd. -----	213.36
	<u>\$ 12,387.05</u>

Fire insurance at country points and in Louisville storage houses, insured under terms of General Cover Policy, was reported as follows on October 31, 1931:

New Phoenix No. 1 -----	\$ 18,408.68
" " " 2 -----	19,228.80
Dale, Indiana -----	552.85
Bowling Green, Ky. - \$31,958.94	
Specific Insurance- <u>25,000.00</u> --	<u>6,958.94</u>
	<u>\$ 45,149.27</u>

Tobacco of the value of \$68,291.45 was reported in Louisville factory, with specific insurance in effect in the amount of \$70,000.

the C length he had to pay practically the same price as the cost of our original stock; that through this purchase, the Factory had continued to work and all orders filled and shipments made as requested. He also reported that we estimated it would require about 100,000 pounds of additional tobacco of B and C lengths to supply the requirements until the new crop would be available, and of this he had succeeded in buying 25 Hhds of the B length at a cost of \$10.30 delivered here, 18 Hhds of C length at \$8.80, and 7 Hhds at \$9.30, and hoped to be able to complete the purchase for the additional requirement at figures not to exceed these.

The President then submitted as a result of his trip abroad, the order sheet from the French Compagnie, showing a total estimated requirement for 1932 of 1,398,500 pounds, the estimated requirement for John Holt & Company of 1,200,000 pounds, and for the Commonwealth Trust 100,000 pounds. He also reported he had been able to satisfactorily adjust the difficulties which had arisen at Lagos with the French Compagnie, and the Agent at this point was now well satisfied, and the indications were that we would do a fairly large and satisfactory business with Lagos in 1932, and he reported there was general satisfaction in what we had delivered, and the business we had done for 1931, and every indication would point to an increased business and a satisfactory business for 1932, but that this of course would depend upon the conditions which might develop from the very much disturbed situation now existing in Europe as well as in this country, but on the whole he feels that we may be very well satisfied with the result of our business so far this year and for the outlook of the coming year of 1932.

There being no further business to be submitted at this meeting, on motion the Board of Directors adjourned.

Approved Dec. 7, 1931

*K. Weber,
Acting Secretary*

The monthly meeting of the Board of Directors of Campbell Company, to be held this day, December 1st, 1931, at the office of the Company, 1114 West Liberty Street, Louisville, Ky., was postponed until December 7th 1931, as statements for the month of November were not completed.

BOARD OF DIRECTORS MEETING OF CAMPBELL COMPANY, INCORPORATED.

The regular monthly meeting of the Board of Directors of Campbell Company, Incorporated, held this day, December 7th 1931, at the office of the Company, 1114 West Liberty Street, Louisville, Ky., with C.D. Campbell, W.S. Mansfield, and K. Weber present.

The Minutes of the meeting held November 18, 1931, were read and approved.

A Trial Balance at the close of business November 30, 1931 was submitted, showing balances in Lincoln Bank & Trust Company of \$17,438.92, First National Bank \$9472.19, Louisville Trust Company \$7152.53, Union Central Bank \$25,174.43, and Louisville Trust Company (Old account), \$8778.36, a total of \$68,017.03.

There were no discounts to report. On same date in 1930 we also had no discounts.

Balances due from customers were reported as follows:

C.F.A.O.	\$ 5785.48
John Holt & Company	618.65
C.F.A.O. Consignment	7921.30
Rey & Co.	1378.35
Milton C. Henriquez	329.96
Booker Bros. McConnell & Co.	978.48
Co. Com. J.A.L. Vermeulen	2917.05
Commonwealth Trust Ltd.	55.59
R.W. Noakes, Ltd.	319.17
	<u>\$ 20,104.01</u>

Mr. W. S. Mansfield then made a report that he had purchased in the opening sales about 60,000 pounds of tobacco at an average of from 4 to 4½ cents. Some of this tobacco has been received in the factory, and very carefully examined. The outcome of the tobacco which has been received is disappointing as compared with the last crop, and while it may all prove to be suitable working stock, the difference in quality is undoubtedly very apparent.

Considering this difference in quality, and the fact we are in no immediate great need for new tobacco, it was the opinion of the Board that it would be wise to go very slow in making further purchases, unless it was found possible to improve the quality of the purchase, until more of the crop had been sold and we were better able to judge what the character and quality of the tobacco would be available for our next year's work, and also until the price had become more stabilized and we were better able to judge what the probable price for the different lengths and grades would be.

There being no further business to be submitted at this meeting, on motion the Board of Directors adjourned.

Approved January 18, 1932
K. Weber, Secretary

The monthly meeting of the Board of Directors of Campbell Company to be held this day, January 5th 1932, at the office of the Company, 1114 West Liberty Street, Louisville, Ky., was postponed until January 18th 1932, as statements for the month of December were not completed.

BOARD OF DIRECTORS MEETING OF CAMPBELL COMPANY, INCORPORATED.

The regular monthly meeting of the Board of Directors of Campbell Company, Incorporated, held this day, January 18, 1932, at the office of the Company, 1114 West Liberty Street, Louisville, Ky., with C. D. Campbell, W. S. Mansfield, and K. Weber present.

The Minutes of the meeting held December 17, 1931 were read and approved.

A Trial Balance at the close of business December 31, 1931 was submitted, showing balances in Lincoln Bank & Trust Company of \$43,596.98, First National Bank \$5,805.54, Louisville Trust Company \$5,601.53, Union Central Bank \$17,622.10, a total of \$72,626.15.

There were no discounts to report. On the same date in 1930 we also had no discounts.

Balances due from Customers were reported as follows:

John Holt & Company -----	\$ 924.10
C.F.A.O. Consignment -----	9800.98
Rey & Co. -----	1845.65
Booker Bros. McConnell & Co. ---	1773.36
Co. Com. J. A. L. Vermeulen -----	3891.53
Commonwealth Trust, Ltd. -----	55.59
R. W. Noakes, Ltd. -----	219.17
Wm. L. Burford & Co. -----	184.40
	<u>\$ 18694.78</u>

Fire insurance at country points and in Louisville storage houses insured under terms of General Cover Policy, was reported as follows on December 31, 1931:

New Phoenix No. 1 -----	\$ 27,903.72
" " 2 -----	29,307.34
Dale, Indiana -----	552.85
Bowling Green, Ky. -----	13,007.86
	<u>\$ 70,771.77</u>
Specific Insurance -----	25,000.00
	<u>\$ 45,771.77</u>

Leaf tobacco, such as we buy in Owensboro, have increased materially. This indicates, that due to the disturbed conditions prevailing in English colonies, we cannot expect a resumption of shipments of this light weight tobacco to the French Compagnie until conditions have stabilized themselves sufficiently in West Africa to let the French Compagnie determine what will be required of them and of us to meet this situation before shipments of this class of tobacco will be resumed, and it is also evident from this that the French Compagnie had over-ordered during the last three months of the past year and there would be no resumption of their shipments of this light tobacco until they had disposed to some extent of their stocks on hand; but that he believed that shipments would be resumed as soon as the business on the West Coast became more stabilized. As the question of exchange did not enter into this Natural Leaf tobacco which was going to colonies other than English colonies, deliveries had increased because of the lower price of the new crop, and we had fair reason to think that these deliveries would continue for some time at least, as we were advised the tobacco was selling rapidly and a prospect of an increased demand.

On the other hand, the shipments to John Holt had continued fairly large of the light weight tobacco, although we had letters from John Holt & Company advising that their sales have not responded but they felt they should have sufficient stock to take care of whatever might arise, and had decided to continue the importation until they had more definite knowledge and consequently we might expect that future shipments to John Holt would be less until the situation in West Africa in English colonies cleared up.

The President then submitted the statement showing the outcome of the business in 1931, showing a total Tobacco Inventory as of December 31, 1931 of 1,601,201 pounds at a value of \$122,530.01, and a Net Gain of \$32,320.56, with a total Undivided Profit as of January 1, 1932 of \$133,390.96. He also called attention that this was the Net Gain and the remaining Undivided Profit after reducing the Inventory on our old tobacco, \$20,315.00.

Considering this condition and the fact that we had indicated orders on our books for 1932 of 1,200,000 pounds from John Holt & Company, 1,432,700 pounds from the French Compagnie, the President recommended for the consideration of the incoming Board that a dividend of 30 per cent be paid at once to Common Stockholders of record January 1, 1932.

The President also recommended for the consideration of the new Board of Directors, which is to be elected at the stockholders meeting, that a dividend of 7 per cent be declared to Preferred Stockholders, $3\frac{1}{2}$ per cent payable January 1932 to Preferred Stockholders of record January 1, 1932, and $3\frac{1}{2}$ per cent payable July 1932 to Preferred Stockholders of record July 1, 1932.

On motion the Board adjourned to meet after the Stockholders meeting.

Approved January 20, 1932
K. Weber, Secretary

STOCKHOLDERS MEETING OF CAMPBELL COMPANY, INCORPORATED.

The annual meeting of the Stockholders of Campbell Company, Incorporated, to be held this day, January 5th 1932, at the office of the Company, 1114 West Liberty St., Louisville, Kentucky, was postponed to January 20, 1932, as a complete set of statements covering 1931 business had not yet been prepared.

As the Company made money and grew, naturally it became necessary for us to have an increase in capital, which was accomplished by declaring stock dividends, and as a result, Mr. Sutton became quite a fair holder of this Company's stock. Naturally the name, Campbell & Cummings Company was retained until the business became so well known itself under this management, that we thought advisable to change the name to the Campbell Company because the Campbell family had been so well known abroad the past four generations and had really initiated the Leaf Tobacco business with West Africa, and we thought this name with its past history would prove of benefit to the Company.

This turned out to be true, and in 1913 the reputation and business of the Company had grown to such a point we were able to establish permanently the rather remarkable connections which have developed, and which have made this Company probably one of the most unique if not the most unique corporation in existence so far as its business relations and its position in the trade is concerned.

Of course, then came the Great War, and all business such as ours was in an almost chaotic state. However, the Company decided it could not and would not profit through the misfortune of its friends in Europe, who were having to face such a terrible situation which had developed. At this time, everyone that could began profiteering, and due to the menace to steamships, freight space became very scarce. It was no question of price, as any price could be obtained for tobacco if delivery could be made; but having decided to protect our friends abroad as much as possible against this profiteering, we were able through our connections and association in this country and their appreciation of the attitude we had taken, to secure a very fair, or we may say, a large percentage of the steamer space available for the transport of tobacco, and in this way we were of the greatest assistance to our friends abroad, not only in maintaining their business, but to largely increase their business, again with the result that at the end of the War, we think we can safely say we had the largest business of anyone engaged in the trade, which we succeeded in retaining.

The volume had now reached a point where it was necessary to have some readjustment in our own organization, and as Mr. Dallam died, Mr. Sutton bought his stock, the office of Vice President was created, and he was elected to the offices of Vice President and Treasurer of the Company and continued in these positions until his death.

Our books show that from 1920 through the year 1930 there was a continuous progress and growth, 1930 being the largest output in the history of the organization. Of course, the world depression had then started, and while it was not felt in Africa until a year later, serious trade troubles did then develop in Africa and actual money became very scarce, and it looked as if this business would be affected the same as other business; but with this wonderful association which had been developed and with the greatest care and attention being given to the business we were able to meet this depression which had now developed in the tobacco business, probably better than our competitors, but only because of our intense application and absorption in what we were doing, the first six months of 1931 proving quite satisfactory under the prevailing conditions, but this had only been accomplished by the closest application and absorption in our work.

As soon as our semi-annual statements were made up and the semi-annual meeting held in the first week of July, Mr. Sutton left for his vacation, and did not return until early in August, when of course he was very much occupied with getting back into his work. We were all very much pleased with the position of the Company, and it appeared as if everything was functioning properly and we could look forward to the last half of the year's business not being so strenuous as the first; but on the 25th of August, in the midst of a conference, Mr. Sutton was stricken.

At the very first we did not appreciate the seriousness of this attack, and Mr. Sutton himself protested the calling of a doctor, but in a very short time it was realized that this attack was serious and a physician called immediately, and while less than half an hour had passed, the doctor was with him and immediately had him transferred to the hospital, where he could have every attention, and advised us that

Our Inventory on December 31, 1930 was 846,517 pounds, and we bought from various sources outside during the year 486,831 pounds, giving a total stock available in 1931 of 4,341,642 pounds, from which, deducting our delivery of 2,891,173 pounds, left an Inventory as of December 31, 1931 of 1,450,469 pounds; but because of the addition of preparation and a certain proportion of our deliveries being in Blackfat, leaves us an actual Inventory on December 31, 1931 of 1,601,201 pounds.

As stated, we had a manufacturing profit in excess of \$50,000, but we also told our friends abroad that we would not increase our surplus account by any additions this year, but we did feel we were entitled to take as a profit the \$32,000 which we declared as dividends in 1931, so that the difference between this \$32,000 of dividends and the manufacturing profit, or you may say, the actual profit for the year, was \$20,315, and we have reduced the cost of our Inventory as of January 1, 1932 by this amount. We believe this is good business and is a conservative policy which it is well to pursue, besides retaining the good feeling of our friends abroad by not taking this as a profit, but reducing the cost of our tobacco, which would reflect in their prices of 1932.

Early in the year 1931 we appreciated the impossibility of continuing a satisfactory sale of the specification of 2 leaves of 22 inch and 2 leaves of 26 inch in the same head, because of the heavier weight of the head of this tobacco in this specification, making it impossible for the native to pay the price, and something had to be done by us to increase the number of heads to the pound so that the native could buy a head of tobacco at a reduced price over and above the reduction in the cost of the tobacco in 1931, as compared with 1930. After some correspondence, the specification of 2 leaves of 22 and 2 leaves of 24 inch in the same head was established, enabling us to deliver an average of 32 heads to the 4 pounds in this specification as compared with an average of 29 heads to the 4 pounds in the longer specification.

We were also moved to do this from the fact that the 1930 crop was a very short crop of tobacco and it would have been practically impossible to have secured sufficient tobacco of the 26 inch length to fill our indicated orders for this specification. We are very glad indeed to say that this change in length was accepted by our people abroad and proved acceptable to the native, resulting in a very much larger shipment of this class of tobacco than we had any reason to think would be taken, and it is to this that quite a good part of our profit is due.

There was another innovation which was started in 1930 and developed to quite a large proportions in 1931. That was what we call the Consignment Account, being a Farmers Head Natural tobacco, which, to create a trade we had agreed to consign to the French Compagnie for sale for our account, they being paid a commission and we to receive all the profit, if any, and stand a loss, if any. This the past year has also proven a successful introduction into our business, and has increased very much, with the prospect of a much larger increase in the year 1932; and we are also glad to advise you, that while we cannot give you the actual figures, as the account is not closed, it would seem that this consignment business has been very profitable throughout the year, and we anticipate it will continue so.

Because of the shortness of length in the 1930 crop, we found we did not have sufficient tobacco 24 inches and over in length in our country purchase to supply all of our orders, which, as stated above, increased materially for this 22/24 inch specification after it was introduced on the Coast. To meet this we were able to purchase outside, 486,831 pounds additional tobacco, of just the lengths required, and the outturn of this purchase was most satisfactory and also contributed largely to the profit resulting in the year's operations. But most fortunate of all was the fact that during the year 1931 we were able to deliver all the tobacco we had of these longer lengths 22 inches and over, leaving in our Inventory only the 20 inch and 18 inch lengths.

This was indeed much to our advantage, as the 1931 crop has proven a very long crop of tobacco, and the tobacco 24 inches and over in length is actually selling for less money than the lengths 22 inches and under of which our Inventory is composed. So that in our present purchase we were able to replace and supply what we may require of the

There is another possibility from which we may take some encouragement and which may develop. We are quite sure that our competitors as a rule have not received large orders for the coming year on account of this depreciated currency, and this may result in their not preparing for a large business or even their normal business, and should this take place, naturally if we have the tobacco to supply this extra demand, it would increase our business, and we shall certainly make every effort to have the tobacco to supply them. I am rather afraid to even suggest what the amount of this business might be, as there are so many contingencies affecting it, but it is possible it may result in a material increase over our indicated orders.

There is another point which may also affect the purchase of tobacco by our competitors, and that is, the financial situation at present. Our banks advise us that they are not disposed to assist in a speculative purchase of this crop, and unless our competitors had the orders in hand, any over-purchase of the crop by them would be speculative. We are also very glad to advise so far as our own financial arrangements are concerned, they have been perfected most satisfactorily, and there is no danger of all the money we may require being available for us to buy as we see fit.

Regarding our purchase in anticipation of the coming season, we may say that tobacco is selling at the very lowest price we have ever known it, and if there was only consideration of price, it would certainly seem wise for us to buy very largely, but there is a very great consideration and one that makes it impossible for us to state at the moment what our purchase of the 1931 crop may amount to. This question is the one of the weight of leaf or weight of head, which we have discussed at great length in previous reports, and do not repeat here more than calling attention to it. The 1931 crop from the purchase already made, is proving not only a crop of extraordinary length of leaf, but also due to this size, a heavy crop of tobacco, and it will be extremely difficult to do what we call make weight in working this crop. We have considered this very carefully and have experimented at length to see if we could meet this condition, and are very glad to say that to some extent we have succeeded. But besides this, we have instructed the people buying our tobacco to use extreme care in buying only the lightest weight leaf and avoid to the greatest extent possible the heavier weight, and it will be the outcome of this which will govern our purchase. If it proves we will be able to buy this lighter weight leaf in sufficient quantity, we will undoubtedly make a very large purchase, as there is no doubt of the value of this tobacco at the price paid, and it would be a sound business proposition to overbuy our requirements if this point can be satisfactorily met. If it cannot, we shall then only buy just what our obligations call for, as it would not be sound business to increase our inventory at the end of the year with unsuitable tobacco, regardless of the price we might have to pay. We only mention this that again it may be a matter of record to show how carefully all these features of the business must be considered at the beginning of the year, if a successful result is to be obtained.

I have already spoken of the death of Mr. Sutton, and am glad to report to you that Mr. W. S. Mansfield, who has been associated with us for the past twelve years as our buyer in the country, has been elected Vice President and Treasurer of this Company and has also bought Mr. Sutton's interest in the business. I am also very glad to report to you that Miss Weber has been made a director of the Company and Secretary, and that a real distribution of the duties of everyone has been satisfactorily made, so that I think I can truthfully say to you that the business of the Company today is better and more efficiently cared for than it ever has been in its history.

As stated in the beginning of this report, there were so many things which have taken place this year, that I hesitated to take them up, as it would make this report interminable, so that I have only dealt with those things which we are more or less in touch with constantly and should keep before us, and will close with a short reference to our shipments and the tobacco delivered in 1931, and a suggestion as to what I believe will be advisable action.

LIABILITIES

Loss & Gain	\$ 101,070.40	
Advance Account	3,138.74	
C.D.Campbell	800.13	
W.S.Mansfield	364.72	
K. Weber	27.81	
Tom Arnett	18.09	
Buildings Depreciation Reserve	17,488.00	
Machinery & Fixtures Depreciation Reserve	11,428.13	
Unpaid Bills	3,527.93	
Capital Stock "Preferred"	100,000.00	
Capital Stock "Common"	50,000.00	
NET GAIN - 1931	<u>32,320.56</u>	320,184.51

STATEMENT OF CONDITION
December 31, 1931

ASSETS

Tobacco Inventory.....	\$ 135,950.00	
Other Inventory	2,006.34	
Accounts Receivable	5,276.79	
Surrender Value Ins.Policies C.D.C... ..	14,470.00	
Miscellaneous Assets	8,778.86	
*Cash (In Louisville)	\$ 72,626.15	
Cash (Outside Louisville).....	<u>14,860.84</u>	.. 87,486.99
		\$ 253,968.98
Buildings	38,342.33	
Depreciation Reserve	<u>17,488.00</u>	.. 20,854.33
Machinery & Fixtures	18,082.19	
Depreciation Reserve	<u>11,428.13</u>	.. 6,654.06
Lands	9,021.63	
Unexpired Insurance	<u>709.38</u>	.. 9,731.01
		<u>37,239.40</u>
		\$ 291,208.38

LIABILITIES

Accounts Payable (Officers' & Employees' Balances) ..	\$ 4,349.49	
Accounts Payable (December Bills)	<u>3,527.93</u>	7,877.42
		<u>\$ 283,330.96</u>

BALANCE

Capital Stock "Preferred"	\$ 100,000.00	
Capital Stock "Common"	50,000.00	
Undivided Profit	<u>133,390.96</u>	\$ 283,330.96

The above is a true statement according to our best knowledge and belief.

President

Secretary

* Cash in Louisville includes \$17,622.10 in Union Central Bank December 31, 1931, as against \$50,000 Dec. 31, 1930 and \$19,509.53 in Louisville Trust Co. Dec. 31, 1930.

On motion all actions of the officers and Board of Directors of the Company pertaining to the business during the year 1931, were ratified and approved.

On motion the stockholders then entered into an election of directors to serve during the ensuing year.