[illegible]lance Sheet, as of Dec. 31:

Assets:	1941	1940
[illegible]	$338,639	$420,003
[illegible]vables, net	261,347	184,195
[illegible]	324,574	449,820
Total current	$924,560	$1,054,018
[illegible]op. & equip.	1,252,266	1,239,485
Deprec. & deplet.	777,829	752,987
Net property	474,437	486,499
[illegible]sc. invest., cost	22,428	24,640
[illegible]ue from affil.	[3]1,651,975	[2]2,906,188
Other assets	8,766	28,800
Total	$3,082,165	$4,500,145
Liabilities:		
Accts. payable	$81,641	$72,945
Accruals	30,656	14,438
[illegible] reserve	35,000	--------

Liabilities (cont'd)	1941	1940
Bank loan	100,000	--------
Due to affil. cos.	2,591	10,503
Total current	$249,888	$97,887
4% 5-yr. bk. loan	425,000	--------
6% notes 1941	--------	939,170
[4]Capital stock	293,575	2,935,750
[5]Capital surplus	1,387,974	--------
Earned surplus	725,728	527,338
Total	$3,082,165	$4,500,145
Net curr. assets	$674,672	$956,131

[1]At cost.
[2]Notes and accounts receivable from Minnesota & Ontario Paper Co. and subsidiary after $1,714,651 deferred credit for interest accrued.
[3]Capital stock of Minnesota & Ontario Paper Co. (82,508 shares) pledged.
[4]58,715 no par shares.
[5]Arising from reduction in stated value of capital stock.

Accounts certified by Touche, Niven & Co.

Capital Stock: 1. National Pole & Treating Co. common; no par:

AUTHORIZED—60,000 shares; outstanding, 58,715 shares; in treasury, 1,285 shares; no par.

OWNERSHIP—Minnesota & Ontario Paper Co. and subsidiaries own 40,855 shares.

DIVIDEND RESTRICTIONS, ETC. — Under terms of 4% 5-year bank loan, dated July 25, 1941, company agrees not to pay any dividends nor purchase any of its stock. Agreement also provides that the company shall be in default if Minnesota & Ontario Paper Co. shall cease to own, directly or indirectly, less than 67% of outstanding stock.

THE GLIDDEN COMPANY

[illegible]APITAL STRUCTURE

[illegible]UNDED DEBT

Issue	Rating	Amount Outstanding	[1]Times Charges Earned 1941	1940	Interest Dates	Call Price	Price Range 1941	1932-41
1. 2% & 3% long term notes, 1943-47	----	$7,000,000	----	----	J & J 1	[2]	[3]	-------

[illegible]APITAL STOCK

Issue	Par Value	Amount Outstanding	[1]Earned per Sh. 1941	1940	[1]Divs. per Sh. 1941	1940	Call Price	Price Range 1941	1932-41
[illegible]½% cum. conv. preferred	$50	199,640 shs.	$15.08	$8.64	$2.25	$2.25	$52.50	46 –35	58⅛–34
[illegible] Common	No par	830,543 shs.	3.08	1.56	1.40	1.10	----	17⅞–11	55¼– 3⅛

[1]Fiscal years. [2]See text. [3]Sold privately.

[illegible]STORY

[illegible]ncorporated in Ohio, Dec. 11, 1917 to acquire [illegible] business and assets of Glidden Varnish [illegible] Cleveland, founded in 1870, and its sub[illegible], The Glidden Co., Ltd., Toronto.

[illegible] Dec. 30, 1919 was reorganized and ac[illegible] the following paint and varnish manu[illegible]:

[illegible]ompany, location, founded.
[illegible] & Kiting Co., Chicago, 1892.
[illegible] Paint Works, New Orleans, 1900.
[illegible] & Co., St. Paul, 1897.
[illegible] Paint & Varnish Co., St. Louis, 1879.
[illegible] Paint & Varnish Co., Cleveland, [illegible]
[illegible] Mfg. Co., Chicago, 1851.
[illegible] Mfg. Co. of California, San [illegible]
[illegible] Paint & Varnish Co., Chicago, 1879.
[illegible] Varnish Co., Minneapolis, 1900.
[illegible]helm Co., Reading, Pa., 1857.

[illegible] 1, 1936 acquired all the assets of [illegible] wholly owned subsidiaries, includ[illegible] paint companies acquired in 1919, [illegible] Famous Foods, Inc., The Chemical & [illegible] Co., Inc., The Diamond Paint Co., [illegible] Co., The Glidden Co. of Oregon, [illegible] Co. and the Mamolith Carbon [illegible] Inc.

[illegible] acquired the paint and var[illegible] paint and varnish inven[illegible] movable equipment of modest [illegible] Products Corp. and on [illegible] paint and varnish inventories [illegible] Billings-Chapin Co. of [illegible]

[illegible] 31, 19[illegible] organized (in Ohio) Nelio [illegible] Corp. and transferred to it [illegible] and business of the former Nelio [illegible] of Glidden company.

[illegible]: In 1920 incorporated The [illegible] Food Products Co., a wholly owned [illegible] vegetable oils, manu[illegible] margarine, etc.

[illegible] acquired (1) assets of Voco [illegible] Inc. of West Berkeley, [illegible] (2) outstanding common stock [illegible] Food Products Co. of Jefferson, [illegible] Wisconsin Food Products Ohio Co. [illegible] for $1,195,827 (3) certain net [illegible] Troco Co. of Illinois, a Chicago [illegible] of margarine, for $583,136 (4) [illegible]and, Ore. vegetable oil refinery of [illegible] Peet Co. for $374,972, and [illegible] stock of Dunham Mfg. Co. of New [illegible]facturers of shred cocoanut, for [illegible]

[illegible] acquired net assets of E. R. [illegible] Co., a leading manufacturer of [illegible], meat sauces, pickles, spices [illegible] for $1,804,808. Thereupon the [illegible] The Glidden Food Products Co. was [illegible] Durkee Famous Foods, Inc. Late [illegible] substantially all the capital [illegible] Vegetable Oil Mills Co., [illegible]

Chemicals and Pigments: In 1921 incorporated the Chemical & Pigment Co., Inc., a wholly owned subsidiary, to manufacture lithopone. In 1924 acquired for $440,310 the entire capital stock of Euston Lead Co., Scranton, Pa., manufacturers of white lead. In Feb., 1926 acquired the entire preferred and common stocks of National Barium Co. for $106,250 in 7% prior preference stock and also the property of St. Louis Lithopone Co. for $950,352 cash. In May, 1927 incorporated California Zinc Co., a wholly owned subsidiary, to acquire zinc mining properties in California, formerly held by a concern in whose stock an interest was held. This company also acquired Afterthought Zinc Mining Co.

In 1929 acquired the outstanding stock of Metals Refining Co. of Hammond, Ind., manufacturer of red lead, litharge, type metal, metal powders, etc., for $1,271,246.

In 1932 acquired a 54% interest and in Dec., 1935 the remaining 46% in Nelio-Resin Corp., manufacturers of turpentine and rosin by a patent process.

In 1933, jointly with Metal & Thermit Corp. of New York, formed American Zirconium Corp. to construct a plant at Baltimore, Md. for the manufacture of titanium pigments.

On Jan. 1, 1936 dissolved The Chemical & Pigment Co., Inc. and acquired its assets and business.

On Jan. 20, 1938 stockholders approved a proposal to acquire, effective as of Oct. 31, 1937, all of the assets of Southern Pine Chemical Co., paying therefor 34,697 common shares. The principal assets acquired were four plants in the South producing pine tar, rosins, turpentine, etc.

Soya Products: In 1934 constructed a plant at Chicago to extract soya bean oil under German patents.

On Dec. 28, 1937 incorporated Holland Mills, Inc., a wholly owned subsidiary, to manufacture animal feeds and utilizing chiefly products of this division.

On Dec. 31, 1938, Holland Mills, Inc. was dissolved and all its assets acquired by the parent. The Holland Mills plant was destroyed by fire in Dec., 1939 and Glidden Co. has not made plans to rebuild that plant or continue in the feed business.

SUBSIDIARIES

Functions primarily as an operating company. As of Oct. 31, 1941 owned 100% of the voting control of the following:

Name, place of incorporation and business:
Afterthought Zinc Mining Co., Cal., Mining properties—inactive.
The California Zinc Co., Ohio, Mining properties—inactive.
Sacramento Valley & Eastern Ry., Cal., Railroad—inactive.
The Glidden Co., Ltd., Ont.; Manufactures paints, varnishes, etc. at Toronto.
Glidden Co., Inc., Virginia.[1]
The Ripolin Co., Ohio, Inactive.

vested therein (as of Oct. 31, 1940) which are approximately as follows: paint and varnish, 35%; food products, 30%; chemical and pigment, 24% and soya products, 11%. Each of these divisions is reviewed below.

Paints and Varnishes: Ranks as one of the leading domestic factors in this line. Since 1919 lacquers and other types of finishes have been developed and added to the line so that it now includes coating compositions of practically every type for the decoration and preservation of surfaces. A substantial volume of business in this division is transacted with industrial users such as manufacturers of automobiles, railroad equipment, etc. and a sizable portion is sold to the general trade through jobbers, dealers and thirty retail stores.

Company has an exclusive continuous process for making iron powder, for which Sweden was the primary source. Iron powder is used in manufacture of electric resistors, magnetic cores, molding gears and break linings.

Food Products: Ranks as one of the leading domestic manufacturers of margarine which it sells under the tradenames Durkee's, Troco and Dinner Bell. The manufacture of this product contributes a substantial portion of the total revenue of the food products division. Engaged in crushing copra, cottonseed, sesame and other oil bearing seeds and in the respective production of cocoanut, cottonseed and sesame oils which are raw materials used in the manufacture of margarine. Other products of this division are salad dressing, mayonnaise, shred cocoanut, Worcestershire sauce, meat sauce and other condiments, and a full line of spices.

Chemicals and Pigments: Ranks as one of the leading producers of lithopone, a white pigment produced by combining materials derived from barium and zinc ores and extensively used in the paint, rubber, linoleum, oilcloth and shade cloth industries. Produces white lead in oil, white lead carbonate (used in producing ceramics and dry colors), red lead (used in storage batteries and paints), litharge (used in storage batteries, insecticides, etc.), type metal and metal powders. Ground white barytes are produced for the paint and rubber trade and zinc sulphate crystals for fertilizer and fungicide spraying materials. Pigments are manufactured for the paint, ceramic, printing ink and automobile industries, for outdoor advertisers and for railway signal purposes. Also manufactures nelio-resin which is a liquid combination of about 27% turpentine and 73% rosin used in the production of paints, varnishes, synthetic resins, soap, etc.

By the destructive distillation process produces pine tar, pine tar[illegible], rosins, turpentines, etc.

Through subsidiary, [illegible]conium Corp., manufactures tita[illegible] in the production of [illegible] cloth, paper and cer[illegible] conium obtains raw m[illegible] the American Lecithin Co., in which a 30% stock interest is owned. The company is one of the two exclusive licensees for the manufacture of lecithin under the United States patents of the American Lecithin Co.

PRINCIPAL PLANTS & PROPERTIES

Paints and Varnishes: Plants of this division are operated at Chicago, Minneapolis, Cleveland, St. Louis, New Orleans, Reading, San Francisco, Los Angeles, and Toronto, the latter by The Glidden Co., Ltd. Some 30 retail stores and 7 warehouses are located in the U. S. and Canada for product distribution.

Food Products: Plants for the crushing of copra and other oil-bearing seeds and nuts are located at Portland, Ore. and Berkeley, Cal.; vegetable oil refineries at Chicago, Louisville and Elmhurst, L. I.; margarine plants at Chicago, Norwalk, O., and Berkeley, Cal.; plants manufacturing salad dressings, mayonnaise, condiments, etc. at Elmhurst, L. I. and Berkeley, Cal.

Chemicals and Pigments: Lithopone plants are located at Collinsville, Ill., Oakland, Cal. and Baltimore, Md. At the latter location cadmium pigments are also produced. White lead is produced at Scranton, Pa. and red lead, litharge, type metal and metal powders at Hammond, Ind. Nelio-resin is made at Jacksonville, Fla. and Collins and Valdosta, Ga., pine tar, pine tar oils, rosins, turpentine, etc. at Jacksonville and Gull Point, Fla., Fayetteville, N. C. and Collins, Ga. and linseed oil at Buena Park, Cal.

Through The California Zinc Co. and Afterthought Zinc Mining Co. owns zinc ore properties in California, which have been inactive since 1927 due to low prices of zinc and other ores. Increased prices for zinc, cadmium and other metals would have made operation of the properties profitable in 1940. However, certain of the properties are in the area being flooded by the U. S. Government in building Shasta Dam, and company has filed a claim for damages in amount of $1,853,000.

Through a subsidiary, American Zirconium Corp., manufactures titanium pigments at Baltimore, Md. Raw material (ilmenite) comes from India and Georgia.

Soya Products: Facilities at Chicago comprise elevators suitable for storing over 2,000,000 bushels of soya beans, an oil extraction unit, a protein unit, a flour unit and a lecithin unit. Plant has a daily crushing capacity of 400 tons of soya beans.

MANAGEMENT

Officers:
Adrian D. Joyce, President
R. H. Horsburgh, Senior Vice-President
R. W. Levenhagen, Vice-President
W. J. O'Brien, Vice-President
Dwight P. Joyce, Vice-President
P. E. Sprague, Vice-President
Howard Beatty, Vice-President
J. A. Peters, Treasurer
Clifton M. Kolb, Secretary
W. W. Conant, Assistant Secretary

Directors:
Howard Beatty, Cleveland
R. H. Horsburgh, Cleveland
Adrian D. Joyce, Cleveland
Dwight P. Joyce, Cleveland
Clifton M. Kolb, Cleveland
R. W. Levenhagen, Cleveland
W. J. O'Brien, Cleveland
P. E. Sprague, Cleveland

Annual Meeting: Third Thursday in Jan.

Number of Stockholders: Dec. 31, 1941: [illegible] ferred, 3,500; common, 10,500.

Number of Employees: Dec. 31, 1941, 5,161

General Office: Cleveland, O.

INCOME ACCOUNTS

COMPARATIVE CONSOLIDATED INCOME ACCOUNT, YEARS ENDED OCT. 31
(Taken from reports to Securities and Exchange Commission)
(Excluding California mining companies)

	1941	1940	1939	1938	1937	1936	1935
Sales, less returns, discts. & allow.	$68,901,706	$50,169,733	$47,824,047	$44,049,023	$54,052,233	$44,580,959	[illegible]
[1]Cost of sales	56,263,924	40,435,946	37,766,061	36,343,188	43,805,366	34,504,245	[illegible]
Manufacturing profit	12,637,783	9,733,788	10,057,987	7,705,835	10,246,867	10,076,714	[illegible]
[1]Selling, general & adm. expenses	8,359,614	7,722,691	7,560,701	7,549,801	7,673,176	6,528,416	[illegible]
Prov. for doubtful accounts less rec.	99,389	108,638	76,195	76,129	31,747	69,728	[illegible]
Operating profit	4,178,779	1,902,459	2,421,091	79,905	2,541,944	3,478,570	[illegible]
Misc. comm. & profits on mdse.	865	219,980	231,018	161,895	404,934	174,152	[illegible]
Dividends received	30,553	83,596	71,659	92,215	125,719	68,339	[illegible]
Interest earned	32,930	14,528	22,533	14,034	9,031	13,597	[illegible]
Other income	97,901	62,582	33,165	33,836	40,055	53,130	[illegible]
Total	4,341,028	2,283,144	2,779,466	381,885	3,121,683	3,787,788	[illegible]
Idle plant expense	10,536	40,245	32,525	42,063	43,463	16,833	[illegible]
Life insurance expense	19,690	15,449	19,457	19,899	20,139	12,865	[illegible]
Interest on funded debt	41,531	98,703	--------	--------	--------	106,856	[illegible]
Interest on bank loans, etc.	49,115	17,894	147,863	119,973	48,971	30,062	[illegible]
Extraordinary exp.—legal, litigation	--------	--------	--------	--------	--------	5,295	[illegible]
Other deductions	38,971	35,163	42,489	12,977	37,113	43,608	[illegible]
Balance	4,181,186	2,075,690	2,537,132	186,973	2,971,997	3,570,469	[illegible]
[4]Special items	--------	--------	dr 249,841	cr 34,033	--------	--------	[illegible]
Balance	4,181,186	2,075,690	2,287,291	221,006	2,971,997	3,570,469	[illegible]
Prov. Federal taxes	990,000	292,000	433,742	15,409	429,204	485,000	[illegible]
Dominion & state income taxes	150,000	55,309					
Federal excess profits tax	15,000	--------	--------	--------	--------	--------	--------
Minority interest	15,796	552	--------	--------	--------	--------	--------
Net income to surplus	3,010,390	1,727,829	1,853,549	205,597	2,542,793	3,085,469	[illegible]
Earned surplus beginning of year	7,452,736	7,078,945	5,675,283	6,319,469	6,306,722	5,358,243	[illegible]
[5]Other surplus credits	102,321	--------	--------	--------	--------	--------	[illegible]
Preferred dividends	449,380	449,886	449,886	449,887	449,920	453,755	[illegible]
Common dividends	1,143,788	904,152	--------	399,897	2,080,126	1,576,924	[illegible]
[2]Other earned surplus charges	29,949	--------	--------	--------	--------	106,310	--------
Earned surplus end of year	$8,942,329	$7,452,736	$7,078,945	$5,675,283	$6,319,469	$6,306,722	[illegible]
SUPPLEMENTARY P. & L. DATA							
Maintenance & repairs	$896,239	$740,612	$600,054	$541,146	$543,721	$476,089	[illegible]
[3]Depreciation & depletion	846,703	835,754	804,517	698,148	607,735	542,735	[illegible]
Taxes other than income	666,185	591,778	622,290	537,782	500,854	389,125	[illegible]
Rents	174,440	165,951	158,691	151,231	142,178	123,670	[illegible]
Royalties	121,839	84,875	111,063	89,082	83,101	94,827	[illegible]
Amort. of pat., trade-marks, etc.	9,513	8,358	9,063	8,863	9,635	8,145	[illegible]
Parent company's net income	$2,856,449	$1,680,023	$1,774,815	$169,996	$2,469,203	$3,027,179	[illegible]
Eq. earns in unconsc. subs. & affil.	d 39,786	d 80,186	d 421	34,322	49,974	57,007	[illegible]
Divs. from unconsc. subs. & affil.	--------	31,500	42,000	69,200	99,469	44,436	--------

[1]Includes related portions of items shown under "Supplementary p. & l. data" below statement.

[2]1936: Premium on notes and bonds retired, $33,904; unamortized debt discount and expense on notes and bonds retired, $11,434; reduction of investment in affiliated company, $60,972; total, $106,310.

[3]See general note (b) below.

[4]1939: Provision for adjustments of open contracts to market, $200,000; reduction of net current assets in Canada to exchange rate in effect Oct. 31, 1939, $49,841; total, $249,841.

[5]1941: Represents net adjustment of reserves for depreciation to reflect reductions in rates allowed by Internal Revenue in 1939 and 1940.

General Notes

(a) No inter-company profit on inventories or inter-company sales included. Net income for 1941 includes $99,064 for Canadian subsidiary after given effect to adjustment of its net current assets to rate of exchange in effect at Oct. 31, 1941. No provision made for losses in wholly-owned California mining companies not consolidated; such losses are reflected in supplementary information "Equity earnings in unconsolidated subsidiaries and affiliates" above.

(b) Depreciation charges included in above statement were less than such charges claimed in Federal income tax returns by following amounts: 1940, not stated; 1939, $97,8[illegible]; 1938, $118,185; 1937, not stated; 1936, $75,4[illegible]; 1935, $75,773.

Excess of depreciation claimed in income tax returns is due to depreciation claimed on cost written off or credited to revaluation reserve during 1932.

(c) Principles of consolidation (see note (b) under balance sheet).

(d) Change in method of pricing certain inventories had the effect of reducing net profit for 1941 by approximately $455,000 (see note (c) under balance sheet).

BALANCE SHEETS

COMPARATIVE CONSOLIDATED BALANCE SHEET, AS OF OCT. 31
(Taken from reports to Securities and Exchange Commission; excluding California mining companies)

ASSETS	1941	1940	1939	1938	1937	1936	1935
Cash	$2,262,551	$2,126,192	$3,721,585	$1,467,297	$1,234,818	$1,376,057	[illegible]
[1]Notes & accounts receivable	7,179,515	4,590,872	4,680,667	3,962,734	4,375,543	4,297,960	[illegible]
[2]Inventories	15,521,123	10,612,031	9,779,601	11,449,791	11,778,663	10,106,827	[illegible]
Other current accounts receivable	655,613	523,246	327,121	165,663	549,303	216,152	[illegible]
Total current assets	$25,618,801	$17,852,341	$18,508,974	$17,045,485	$17,938,327	$15,996,996	[illegible]
[3]Calif. mining cos. (below cost)							
Capital stock (100% owned)	$15,000	$15,000	$15,000	$15,000	$15,000	$15,000	[illegible]
Bonds ($500,000 par)	187,500	187,500	187,500	187,500	187,500	187,500	[illegible]
Advances	927,426	915,063	396,959	877,716	857,481	841,280	[illegible]
[4]Investment in affiliates (cost)	--------	690,001	690,001	690,001	600,000	685,040	[illegible]
Insurance claims (paid Dec. '35)	--------	--------	--------	--------	--------	--------	[illegible]
Cash surrender value of life insurance	527,497	496,370	464,196	432,043	399,629	366,674	[illegible]
Sundry investments	69,350	48,480	78,629	72,535	165,552	150,959	[illegible]

...LANCE SHEETS (cont'd)

...SSETS	1941	1940	1939	1938	1937	1936	1935
...laims against closed banks	1,916	6,813	12,749	14,444	50,725	72,887	77,876
...ellaneous receivables (net)	116,239	72,233	72,578	66,951	60,184	48,667	65,470
...pl. notes rec., stock account	--------	--------	--------	--------	--------	--------	--------
...operty, plant & equipment	29,225,434	26,385,439	25,270,261	24,722,951	22,939,114	21,472,856	19,869,119
...s: Revaluation reserve	3,389,489	3,439,332	3,452,249	3,637,159	3,701,580	3,714,886	3,718,910
...[1]Depreciation & depletion res.	8,913,405	7,902,686	7,203,788	6,852,828	6,293,458	5,743,587	5,254,089
...Net property account	16,922,540	15,043,421	14,614,223	14,232,965	12,944,075	12,014,382	10,896,121
...cial new products devel. exp.	95,807	109,917	115,917	115,917	115,917	115,917	95,571
...paid insurance, expenses, etc.	551,620	386,652	433,043	442,567	428,203	366,839	383,618
...m. on sale of pfd. stock, etc.	--------	--------	--------	--------	--------	--------	170,769
...ganization expense	--------	--------	--------	--------	--------	--------	205,521
...dwill, pat., mfg. rights, etc.	127,714	86,859	85,217	92,871	95,214	104,848	2,795,509
...Total	$45,161,410	$35,910,650	$36,174,988	$34,286,015	$33,857,808	$30,966,989	$32,237,345
...LIABILITIES							
...es payable	$6,000,000	--------	$500,000	--------	$3,750,000	$800,000	$1,000,000
...ounts payable	2,824,539	$1,240,046	1,298,868	$1,065,085	1,202,367	1,173,152	965,421
...cessing taxes—Federal	279,933	233,251	84,752	188,171	171,537	167,483	314,377
...eral & state payroll taxes	53,408	45,876	49,558	46,484	--------	--------	--------
...Dom. & State income taxes	1,239,588	340,102	450,337	40,242	467,533}	750,204	588,041
...ued general taxes	323,369	199,866	206,323	187,270	266,582}		
...current liabilities	595,831	420,802	145,585	128,614	125,068	177,199	166,334
...ial notes & bonds due	--------	--------	--------	--------	--------	--------	36,000
...Total current liabilities	$11,316,669	$2,479,944	$2,735,424	$1,655,866	$5,983,088	$3,068,038	$3,070,173
...g term debt—notes & bonds	$2,000,000	$3,500,000	$3,750,000	$4,500,000	--------	--------	$3,323,200
...approp. portion of insurance settle.	--------	--------	--------	--------	--------	--------	210,349
...for adj. of open contracts to mkt.	170,474	50,000	200,000	--------	--------	--------	--------
...rve for contingencies	67,886	67,886	67,886	67,886	$67,886	$67,886	135,798
...rity interest in subs.	209,880	100,552	--------	--------	--------	--------	--------
...% cum. conv. pfd. ($50 par)	9,997,000	9,997,000	9,997,000	9,997,000	9,997,000	10,000,000	--------
...prior preference stock ($100)	--------	--------	--------	--------	--------	--------	6,500,000
...Common stock	4,180,655	4,180,655	4,180,655	4,180,655	4,006,705	4,000,000	3,769,405
...Capital surplus	8,374,037	8,374,037	8,374,037	8,374,605	7,520,063	7,524,344	9,870,177
...rned surplus	8,942,329	7,452,736	7,078,945	5,675,283	6,319,469	6,306,722	5,358,243
...al capital stock & surplus	31,494,021	30,004,428	29,630,637	28,227,543	27,843,238	27,831,066	25,497,825
...ess: Treasury stock (cost)	97,520	292,160	208,958	165,279	36,403	--------	--------
...Net capital stock & surplus	$31,396,501	$29,712,268	$29,421,679	$28,062,263	$27,806,834	$27,831,066	$25,497,825
...Total	$45,161,410	$35,910,650	$36,174,988	$34,286,015	$33,857,808	$30,966,989	$32,237,345
...current assets	$14,302,132	$15,372,397	$15,773,550	$15,389,619	$11,955,239	$12,928,958	$11,317,64?
...OPERTY ACCT.—ANALYSIS							
...Additions at cost	$1,666,100	$1,343,407	$1,260,674	$2,002,013	$1,617,958	$1,661,194	$1,016,0
...irements or sales	337,154	228,230	713,364	218,176	151,700	153,535	722,8
...Other additions	1,511,050	--------	--------	--------	--------	96,079	--------
...REC. RESERVE—ANALYSIS							
...ditions charged to income	$846,703	$835,754	$804,517	$707,193	$607,735	$542,735	$527,871
...irements, renewals chgd. to res.	351,024	136,857	458,231	149,529	57,864	60,009	54,742
...Other additions	515,040	--------	4,675	10,751	--------	6,773	--------
...er reductions	--------	--------	--------	9,045	--------	--------	--------
...AL RESERVE—ANALYSIS							
...uctions	49,843	$12,917	$134,909	$64,422	$13,306	$4,023	$22,056

...ter reserves (1941, $151,506).
...e note (c) below.
...nvestments in California mining com... whose assets consist almost entirely of ... not being operated, are stated at ... cost, which carrying amount on basis ... consolidated balance sheets, was $154,828 ... net assets as shown by books of ... companies, as of Oct. 31, 1941.
... represents all 7% preferred stock of ...an Zirconium Corp., $600,000 par, divi... on which have been paid to July 1, 1940 ...% of common.
...of Oct. 1, 1941 company acquired an ...tional interest in common stock, thereby ...sing same to approximately 90%. Ac...ts are now included in consolidation.
...ter reserves (1940, $62,132).

...	Book Val.	Depr. & depl. res.	Reval. Res.
... & leases	$80,523	$46,662	--------
...	2,482,594	--------	$455,599
...improv.	148,070	42,658	--------
...	78,836	14,532	6,340
...	10,092,824	2,456,049	1,598,529
... equip.	14,595,747	5,852,346	1,300,086
...	783,951	431,036	28,935
...	94,888	70,122	--------
... process	868,202	--------	--------
...al	$29,225,434	$8,913,405	$3,389,489

...presented by no par shares: 1938-41, 835,591; 1937, 800,801; 1936, 800,000; 1935, 753,881; includes treasury shares (see note (12) below).

[11]Principal "capital surplus" changes follow:

1938—Excess ($25 per share) of 34,697 common shares issued for assets of Southern Pine Chemical Co. over $5 amount allocated to stated capital, (cr)$867,425.

1936—Excess of selling price of 46,119 common shares over stated value, (cr)$784,023; write-off of goodwill, trademarks, formulas, etc., not previously amortized, (dr)$2,693,141; write-offs of reorganization expense and commissions on sale of preferred stock in prior years, (dr)$365,921; premium on retirement of 35,769 7% prior preference shares, (dr)$178,845.

1935—Excess of selling price of 103,881 common shares over stated value (after deducting underwriting expenses, etc. of $136,752), (cr)$1,629,225.

[12]Common shares: 1941, 5,048 (and 300 preferred); 1940, 16,671; 1939, 10,170; 1938, 5,602; 1937, 1,100.

[13]1938—Includes about $810,000 acquired from Southern Pine Chemical Co.

[14]1941: Represents property, plant and equipment, and related reserves, of American Zirconium Corp. at Oct. 1, 1941, date of which Glidden Co. acquired control of that company.

Depreciation Policy: Depreciation is provided by amounts considered by company as fair and reasonable to cover wear, tear and deterioration of property on basis of specific rates. Company does not believe it practicable to set forth rates in use as such rates have been determined generally as applicable to specific assets or groups of assets in various geographical locations.

Depletion is provided for as unit rates based upon estimated amount of remaining recoverable ore.

General Notes: (a) 1940: Net current assets of $604,314 located in Canada, included at Control Board rate of exchange; property, plant and equipment and sundry deferred items of $298,919 included at amounts shown on books of Canadian subsidiary.

(b) Consolidated statements include accounts of parent company and all its subsidiaries except California mining companies. As of Oct. 1, 1941 company acquired control of American Zirconium Corp. and thereafter included the accounts of that corporation in consolidated statements.

(c) In 1941 inventories of principal raw materials have been priced in accordance with last-in, first-out method of determining cost instead of methods previously used. Such change had the effect of reducing amounts stated for inventories at Oct. 31, 1941 by approximately $1,115,000 and reduced the net profit (after income and excess profits taxes) shown for fiscal year by approximately $455,000.

(e) Accounts certified by Ernst & Ernst.

...CIAL & OPERATING DATA

...ical Record, Fiscal Years	1941	1940	1939	1938	1937	1936	1935
...per share—preferred	$15.08	$8.64	$9.27	$1.03	$12.72	$15.43	$40.70
—common	$3.08	$1.56	$1.70	d $0.29	$2.62	$3.29	[2]2.91
...ds per sh.—preferred	$2.25	$2.25	$2.25	$2.25	$2.25	[5]$5.81¼	$7.00
—common	$1.40	$1.10	nil	$0.50	$2.60	$2.00	$1.60
...range—preferred	46–35	45–30	47–34	51½–37	58⅛–43	[4]56–52¼	111–104⅞
—common	17⅞–11	19¾–11	24½–14	28½–13	51½–19⅛	55¼–39½	49½–23⅜
...s per sh.—[1]preferred	$157.27	$148.61	$147.15	$140.35	$139.09	$139.16	$392.27
—common	$25.77	$24.07	$23.53	$21.77	$22.27	$22.29	$25.20
...arges earned:							
... inc. taxes, depr. & depl.	56.47	25.97	21.91	8.66	----	30.65	15.62
... taxes & after depr. & depl.	47.12	18.80	16.47	2.84	----	26.74	13.46
... inc. taxes, depr. & depl.	34.38	15.82	13.53	2.71	----	23.24	11.82
...ges & pfd. div. earned	5.74	3.26	3.35	0.57	----	5.42	4.13
... per $1,000 funded debt	$16,803	$9,518	$8,846	$7,236	----	----	$8,673
...ets per $1,000 fund. debt	$7,151	$4,392	$4,206	$3,420	----	----	$3,406
... of shares—preferred	199,640	199,940	199,940	199,940	199,940	200,000	[1]65,000
—common	830,543	818,920	825,421	829,989	799,701	800,000	759,881

...on 7% preferred.
...on 753,881 shares outstanding at end ... earned per common share based on ... number (676,883) of shares outstand... year was $3.23.

[3]Calendar years.

[4]Range for 4½% preferred. Range for former 7% preference, 114½–104¾.

[5]Of which $5.25 (three quarterly payments) on former 7% preferred and $0.56¼ initial quarterly payment on 4½% preferred.

Financial and Operating Ratios	1941	1940	1939	1938	1937	[illegible]
Curr. assets ÷ curr. liab.	2.26	7.20	6.77	10.29	3.00	[illegible]
% cash & sec. to curr. assets	8.83	11.91	20.11	8.61	8.88	[illegible]
% inventory to curr. assets	60.58	59.44	52.84	67.17	65.61	[illegible]
% net curr. asset[illegible] net worth	45.25	51.56	53.61	54.84	42.99	[illegible]
% property depr[illegible]ted	42.09	42.99	42.17	42.43	43.67	[illegible]
% annual depr. t[illegible] prop.	2.90	3.17	3.18	2.82	2.85	[illegible]
Capitalization:						
% long term deb[illegible]	5.95	10.51	11.30	13.82	----	----
% preferred stoc[illegible]	29.70	30.01	30.14	30.70	35.95	35.93
% common stock [illegible] surp.	64.35	59.48	58.56	55.48	64.05	64.07
Sales ÷ inventory	4.44	4.73	4.89	3.85	4.59	4.41
Sales ÷ receivables	8.79	9.81	9.55	10.67	10.98	9.88
% sales to net property	407.16	333.50	327.24	309.49	417.58	371.06
% sales to total assets	152.57	139.71	132.20	128.47	159.64	143.96
% net income to total assets	6.67	4.81	5.12	0.60	7.51	9.96
% net income to net worth	9.52	5.80	6.30	0.73	9.14	11.09
Pfd. div. times earned	6.70	3.84	4.12	0.46	5.65	7.81
Analysis of Operations	%	%	%	%	%	%
Net sales	100.00	100.00	100.00	100.00	100.00	100.00
Cost of sales	81.66	80.60	78.97	82.51	81.04	77.40
Sell., gen. & other exp.	12.28	15.61	15.97	17.31	14.25	14.80
Operating profit	6.06	3.79	5.06	.18	4.70	7.80
Other income	0.24	0.76	.75	.69	1.07	.69
Total income	6.30	4.55	5.81	.87	5.78	8.50
Income deductions	0.23	0.41	.51	.44	.28	.49
Special items	----	----	dr .52	cr .08	----	----
Net income before inc. taxes	6.07	4.14	4.78	.50	5.50	8.01
Income taxes	1.68	0.69	.91	.03	.79	1.09
Minority interest	0.02	----	----	----	----	----
Net income	4.37	3.45	3.88	.47	4.70	6.92

FUNDED DEBT

1. Glidden Co. 2% and 3% unsecured notes, due 1943-47:

OUTSTANDING—Dec. 1, 1941, $4,000,000 2% notes and $3,000,000 3% notes.

DATED—2% notes, Nov. 24, 1941; 3% notes, Nov. 1, 1941.

MATURITY—$1,000,000 2% notes each July 1, 1943-46, incl.; $3,000,000 3% notes July 1, 1947.

INTEREST—J&J 1.

CALLABLE—As a whole or in part at any time at par except through refunding at the same or a lower rate (any refunding through the sale of stock being exempt from this premium) when the premium shall be at the rate of ¼ of 1% per annum to maturity by not to exceed ¾ of 1% as to the 2% notes and 1% as to the 3% notes. There will be no premium if notes are redeemed within nine months of maturity unless the financing takes place within 60 days of redemption, in which case the premium applies.

SECURITY—A general obligation of company, but not secured by any lien.

OTHER PROVISIONS — Company covenants that it will not without consent of noteholders (a) pay dividends on its outstanding common stock, the aggregate of which dividends would exceed sum of consolidated net earnings accumulated since fiscal year ended Oct. 31, 1940; (b) create or incur any lien, mortgage or charge upon its property, nor permit any subsidiary to do so; (c) incur any debt or liability maturing beyond 12 months, nor permit any subsidiary to do so; (d) permit any subsidiary to incur or guarantee any debt except to the company and to minority stockholders and open account debt in ordinary course of business; (e) guarantee or lend its credit in excess of an aggregate amount of $100,000, directly or indirectly, to any one other than a subsidiary; (f) merge, sell or lease all or substantially all of its assets, with exceptions as to subsidiaries.

Company agrees that its consolidated working capital shall be maintained in an amount twice the amount of the indebtedness to be represented by the notes, but in no event shall the working capital (excess of current assets over current liabilities) be less than $12,000,000.

PURPOSE—Issued to refinance outstanding short and long term notes.

ISSUED—In Nov., 1941 as follows: $3,000,000 3% notes to Mutual Life Insurance Co. of New York and $4,000,000 2% notes to four banks.

CAPITAL STOCK

1. The Glidden Co. 4½% convertible cumulative preferred stock; par $50:

AUTHORIZED—200,000 shares; issued 200,000 shares; outstanding, Oct. 31, 1941, 199,640; in treasury, 300 shares; converted into common stock, 60 shares; par $50.

DIVIDEND RIGHTS—Has preference over common as to cumulative dividends of 4½% annually. Dividends payable quarterly Jan. 1, etc. to stock of record about Dec. 17, etc.

DIVIDEND RECORD—Initial dividend of 56¼c paid Oct. 1, 1936 and regularly each quarter thereafter.

DIVIDEND LIMITATION—None.

VOTING RIGHTS—None, except upon default of two successive quarterly dividends whereupon holders voting as a class shall elect one-half the directors and on all other matters vote on a share for share basis with the common.

Consent of two-thirds of the then outstanding preferred is required to (1) sell, lease or dispose of all, substantially all, or any essential portion of its assets (2) enter a merger or consolidation involving the extinction or merger of its corporate entity (3) encumber its assets or income, except for (a) purchase money mortgages with certain limitations, and (b) pledges of quick assets as security for loans in the regular course of business maturing not less than eighteen months (4) issue or guarantee any obligations maturing more than eighteen months from date of issue (5) authorize or issue any stock on a parity with or having priority over this preferred.

LIQUIDATION RIGHTS—In any liquidation entitled to preference over common to par and accrued dividends.

PREEMPTIVE RIGHTS—None.

CONVERTIBLE—Each share into common on the following basis: 8/10 of a share to Mar. 1, 1941, incl.; and thereafter into 7/10 of a share. Conversion privilege is protected against certain types of dilution. Preferred stock converted is to be cancelled.

CALLABLE—As a whole or in part at any time on thirty days' notice at $52.50 and dividends.

SINKING FUND—None.

LISTED—New York Stock Exchange.

TRANSFER AGENT—New York Trust Co., New York.

REGISTRAR—Chase National Bank, New York.

OFFERED—200,000 shares in May, 1936 to common stockholders at $52.50 per share. Unsubscribed balance then offered in exchange for prior preference stock on the basis of two new shares for each old share and remaining shares offered publicly at $52.50 per share by a syndicate headed by Hornblower & Weeks, New York and Hayden Miller & Co., Cleveland. Of the proceeds, $3,360,104 was applied to the retirement of funded debt (chiefly 5½% notes due June 1, 1939) and for retirement and/or conversion of prior preference stock.

PRICE RANGE—	1941	1940	1939
Preferred	46-35	45-30	47-34

2. The Glidden Co. common; no par:

AUTHORIZED—Authorized, 1,200,000 shares; issued, 835,591 shares; outstanding, Oct. 31, 1941, 830,543 shares, excl. in treasury, 5,048 shares; reserved for conversion of preferred, 139,958 shares; no par. (In reorganization on Dec. 30, 1919, 8 no par shares were issued for each share of $100 par stock.)

Dividend Record (In $)
(Calendar Years)
($100 par shares)

1917-19 nil

(no par shares)

1920	1.50	1921	0.50	1922	[illegible]
1926	2.00	1927	1.00	1928	[illegible]
1929	[1]2.00	1930	[2]1.80	1931-[illegible]	[illegible]
1933	0.25	1934	0.90	1935	[illegible]
1936	2.00	1937	2.60	1938-39	[illegible]
1940	1.00	1941	1.50	[3]1942	[illegible]

[1]Plus 1% in stock.
[2]Plus 2% in stock.
[3]To April 1.

DIVIDEND LIMITATION—For details [illegible] scription of unsecured notes above.

VOTING RIGHTS—Has exclusive [illegible] power. For exception see description [illegible] convertible preferred.

PREEMPTIVE RIGHTS—None.

LISTED—New York Stock Exchange.

TRANSFER AGENT—New York Tru[illegible] New York.

REGISTRAR—Chase National Bank, [illegible] York.

OFFERED—87,920 shares at $36 per shar[illegible] Jan., 1920 by W. F. Ladd & Co., New Yo[illegible] Hayden Miller & Co., Cleveland. Purp[illegible] see "Issued" below.

ISSUED—In reorganization dated Dec. 30, 1[illegible] 160,000 shares were issued in exchange fo[illegible] $100 par stock on the basis of 8 new sh[illegible] for each old share; 52,000 shares were is[illegible] for part purchase price to acquire N[illegible] Paint & Varnish Co. and 97,480 shares w[illegible] sold to underwriters to provide cash for [illegible] purchase price of constituent companies, [illegible] for working capital. At the same time 1[illegible] shares of 7% cumulative preferred stock we[illegible] issued for a like number of shares of pr[illegible] ferred; 24,849 preferred shares were issued [illegible] part payment for stocks of acquired comp[illegible] nies and 20,238 preferred shares were sold [illegible] underwriters to provide cash for part pu[illegible] chase price of constituent companies, and [illegible] working capital.

In 1920, 11,470 common shares were sold [illegible] employees.

In May, 1925, 37,045 common shares w[illegible] sold for the company's account in the op[illegible] market.

In July, 1935 offered 46,000 common shares [illegible] officers and key men at $22 per share.

PRICE RANGE—	1941	1940	1939
Common	17⅞-11	19¾-11	24⅝-[illegible]

Subscription Rights: Common stockholde[illegible] have received rights to subscribe for stock [illegible] follows:

Holders of Record	Shares Offered	Price per Sh.	Basis
7/22/25	40,000 com.	$20	1 for [illegible]
9/ 7/28	100,000 com.	23	1 for [illegible]
4/ 4/29	100,000 com.	35	1 for [illegible]
8/19/29	75,000 com.	50	1 for [illegible]
7/ 3/35	104,000 com.	22	16 for 10[illegible]
5/23/36	200,000 con. pfd.	52.50	1 for [illegible]
10/ 4/37	64,004 4/5 com.	30	1 for 12[illegible]

TAX STATUS OF BONDS

Users of this Manual will find a discussion of taxes affecting bondholders, in the blue insert pages in the center of this Manual. Tax free covenants and tax refund clauses in bond indentures are explained, and their application to Federal income and Pennsylvania taxes is discussed. In addition, bonds described in this Manual are listed according to their tax status in the various states; the Federal tax status of bonds so listed also is indicated.

Financial & Operating Ratios	1939	1938	1937	1936	1935	1934	1933
Current assets ÷ current liabilities	13.05	15.41	11.82	13.21	2.78	1.76	1.19
[1]% cash and sec. to current assets	28.40	10.16	50.31	48.30	1.70	2.63	2.95
[2]% inventory to current assets	50.25	74.64	44.16	44.22	75.52	85.07	76.35
% net current assets to net worth	42.35	42.76	42.94	39.91	31.88	23.88	5.74
[3]% property depreciated	37.87	36.06	34.25	32.66	31.21	29.66	27.67
[3]% annual depr. to gross prop.	3.01	3.76	3.51	3.10	2.96	4.01	1.79
Capitalization:							
[4]% long term debt	.04	.04	.06	1.75	2.67	3.50	4.84
% common stock and surplus	99.96	99.96	99.94	98.25	97.33	96.50	95.16
[2]Sales ÷ inventory	1.58	1.32	2.43	2.85	1.25	2.50	1.56
Sales ÷ receivables	3.71	6.47	19.36	16.83	4.13	17.28	5.76
[3]% sales to net property	73.33	90.78	102.00	104.25	78.69	109.32	51.48
% sales to total assets	34.40	42.84	47.32	51.17	38.45	63.24	30.89
% net income to total assets	5.33	8.31	11.48	15.62	10.97	14.88	d .39
% net income to net worth	5.63	8.73	12.19	16.60	13.38	17.21	d .54

[1]1933-35 excluding securities not shown as current assets. [2]Inventory includes planted and growing cane. [3]Excluding "Livestock and equipment net." [4]Mortgages. Receivables include amount due from Federal government.

Analysis of Operations	%	%	%	%	%	%	%
Sugar & molasses produced, etc.	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Expenses	96.11	87.50	75.84	70.39	84.87	72.26	98.18
Depreciation	6.60	6.48	5.24	4.42	5.48	5.21	4.82
Operating income	d 2.71	6.02	18.92	25.19	9.66	22.53	d 2.99
Other income	17.69	12.92	5.04	5.60	19.91	2.26	4.50
Total income	14.98	18.94	23.96	30.79	29.57	24.80	1.51
Interest (net)	cr .53	cr .46	cr.30	.26	1.05	1.28	2.78
[1]Net income	15.51	19.39	24.25	30.53	28.52	23.52	d 1.27

[1]Before income taxes.

CAPITAL STOCK

1. The Fajardo Sugar Co. of P. R. 7% cumulative preferred; par $100.

AUTHORIZED—15,000 shares; issued and outstanding, none; par $100. Preferred stock may not be issued in exchange for cash or property without consent of two-thirds of common stock.

DIVIDEND RIGHTS—Has preference as to cumulative dividend of 7% per annum, payable quarterly, half yearly or yearly.

VOTING RIGHTS—One vote per share.

LIQUIDATION RIGHTS—In any liquidation has preference to $100 per share and accrued dividends.

2. The Fajardo Sugar Co. of P. R. common; par $20.

AUTHORIZED—700,000 shares; issued, 323,890 shares; outstanding, 323,890 shares; par $20 (changed from $100 par Feb. 3, 1936, and 5 new $20 par shares issued for each $100 par share).

Dividend Record (in $)

($100 par shares—predecessor company)

1905–07	Nil	1908	10.00	[1]1909	8.50
1910	10.00	1911	5.25	1912	7.00
1913	1.25	1914–15	Nil	1916	20.00
1917–18	10.00	1919	2.50		

($100 par shares—present company)

1919	7.50	[2]1920	40.00	1921	7.50
1922	5.00	1923	16.25	1924	16.25
[3]1925	11.50	1926–28	10.00	[3]1929	2.50
1930–34	Nil	1935	4.50	1936	1.50

($20 par shares—present company)

1936	1.50	[3]1937–38	4.00	[3]1939	2.00
[4]1940	0.50				

[1]Plus 140% stock. [2]Plus 70% stock. [3]Includes distributions by Fajardo Sugar Growers Association—1925, $6.50; 1929, $2.50; 1937 and 1938, $2.00 each; 1939, $1.00. [4]To Mar. 2, 1940, including 25 cent distribution by Fajardo Sugar Growers Association.

Dividends payable quarterly Mar. 1, etc., to stock of record about Feb. 15, etc.

DIVIDEND LIMITATION—None.

VOTING RIGHTS—One vote per share.

PREEMPTIVE RIGHTS—None.

LISTED—New York Stock Exchange.

TRANSFER AGENT—City Bank Farmers Trust Co., New York.

REGISTRAR—National City Bank, New York.

ISSUED—1919: 33,372 shares (par $100) in exchange for stock of predecessor on a share for share basis, and 11 shares (par $100) for cash at 100.

1920: 500 shares (par $100) for cash at 100, and 23,718 shares (par $100) as 70% stock dividend.

1925: 7,177 shares (par $100) to stockholders for cash (see "Subscription Rights" below). Proceeds applied toward purchase of Loiza Sugar Co.

Feb. 3, 1936: 323,890 shares (par $20) in exchange for 64,778 shares (par $100).

PRICE RANGE:	1939	1938	1937
Common	38½–20	38¾–22½	70–26

Subscription Rights: Stockholders of record Nov. 16, 1925, had the right to subscribe to 7,177 shares common (par $100) at par to the extent of 12½% of holdings; rights expired Jan. 4, 1926.

THE GLIDDEN COMPANY

CAPITAL STRUCTURE

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	[1]Earned per Sh. 1939	[1]Earned per Sh. 1938	[1]Divs. per Sh. 1939	[1]Divs. per Sh. 1938	Call Price	Price Range 1939	Price Range 1932-39
1. 4½% cum. conv. preferred	$50	199,940 shs.	$9.27	$1.03	$2.25	$2.25	$52.50	47 –34	58⅛–34
2. Common	no par	825,421 shs.	1.70	d 0.29	nil	0.50	----	24½–14	55¼– 3⅛

[1]Fiscal Years.

HISTORY

Incorporated in Ohio, Dec. 11, 1917 to acquire the business and assets of Glidden Varnish Co. of Cleveland, founded in 1870, and its subsidiary, The Glidden Co., Ltd., Toronto.

On Dec. 30, 1919 was reorganized and acquired the following paint and varnish manufacturers:

Company, location, founded.
Adams & Elting Co., Chicago, 1892.
American Paint Work, New Orleans, 1900.
A. B. Blood & Co., St. Paul, 1897.
Campbell Paint & Varnish Co., St. Louis, 1879.
Forest City Paint & Varnish Co., Cleveland, 1884.
Heath & Milligan Mfg. Co., Chicago, 1851.
Heath & Milligan Mfg. Co. of California, San Francisco, 1899.
Nubian Paint & Varnish Co., Chicago, 1879.
Twin City Varnish Co., Minneapolis, 1900.
A. Wilhelm Co., Reading, Pa., 1857.

On May 9, 1936 acquired the paint and varnish inventories and some movable equipment of modest value of Certain-teed Products Corp.

Food Products: In 1920 incorporated The Glidden Food Products Co., a wholly owned subsidiary, to refine vegetable oils, manufacture oleomargarine, etc.

In early 1929 acquired (1) assets of Voco Nut Oil Products, Inc. of West Berkeley, Cal. for $789,409 (2) outstanding common stock of Wisconsin Food Products Co. of Jefferson, Wis. and Wisconsin Food Products Ohio Co. of Norwalk, O. for $1,195,927 (3) certain net assets of Troco Co. of Illinois, a Chicago manufacturer of margarine, for $583,136 (4) the Portland, Ore. vegetable oil refinery of Colgate-Palmolive-Peet Co. for $374,972, and the capital stock of Dunham Mfg. Co. of New York, manufacturers of shred cocoanut for [illegible].

In July, 1929 acquired net assets of E. R. Durkee & Co., a leading manufacturer of salad dressings, meat sauces, pickles, spices and condiments for $1,804,808. Thereupon the name of The Glidden Food Products Co. was changed to Durkee Famous Foods, Inc. Late in 1929 acquired substantially all the capital stock of Portland Vegetable Oil Mills Co., producers of cocoanut oil at Portland, Ore. for $644,500. In 1933 acquired from the Trustee in bankruptcy of Van Camp Oil Co. a cotton-seed oil refinery and shortening plant at Louisville, Ky. for $293,119. On Jan. 1, 1936 Durkee Famous Foods, Inc. was dissolved and its assets acquired by the parent.

On May 31, 1939 acquired all the capital stock of Liberty Vegetable Oil Co. (linseed oil at Buena Park, Cal.) paying therefor 1,844 shares of common stock. This company was dissolved and its assets acquired by the parent Oct. 9, 1939.

Chemicals and Pigments: In 1921 incorporated the Chemical & Pigment Co., Inc., a wholly owned subsidiary, to manufacture lithopone. In 1924 acquired for $440,310 the entire capital stock of Euston Lead Co., Scranton, Pa., manufacturers of white lead. In Feb., 1926 acquired the entire preferred and common stocks of National Barium Co. for $106,250 in 7% prior preference stock and also the property of St. Louis Lithopone Co. for $950,352 cash. In May, 1927 incorporated California Zinc Co., a wholly owned subsidiary, to acquire zinc mining properties in California, formerly held by a concern in whose stock an interest was held. This company also acquired Afterthought Zinc Mining Co.

In 1929 acquired the outstanding stock of Metals Refining Co. of Hammond, Ind., manufacturer of red lead, litharge, type metal, metal powders, etc., for $1,271,246.

In 1932 acquired a 54% interest and in Dec., 1935 the remaining 46% in Nelio-Resin Corp., manufacturers of turpentine and rosin by a patent process.

In 1933, jointly with Metal & Thermit Corp. of New York, formed American Zirconium Corp. to construct a plant at Baltimore, Md. for the manufacture of titanium pigments.

On Jan. 1, 1936 dissolved The Chemical & Pigment Co., Inc. and acquired its assets and business.

On Jan. 20, 1938 stockholders approved a proposal to acquire, effective as of Oct. 31, 1937, all of the assets of Southern Pine Chemical Co., paying therefor 34,697 common shares. The principal assets acquired were four plants in the South producing pine tar, rosins, turpentine, etc.

Soya Products: In 1934 constructed a plant at Chicago to extract soya bean oil under German patents.

On Dec. 28, 1937 incorporated Holland Mills, Inc., a wholly owned subsidiary, to manufacture animal feeds and utilizing chiefly products of this division.

On Dec. 31, 1938, Holland Mills, Inc. was dissolved and all its assets acquired by the parent.

On Jan. 1, 1936 acquired all the assets of seventeen wholly owned subsidiaries, including all ten paint companies acquired in 1919, Durkee Famous Foods, Inc., The Chemical & Pigment Co., Inc., The Diamond Paint Co., Euston Lead Co., The Glidden Co. of Oregon, Metals Refining Co. and the Mamolith Carbon Paint Co., Inc.

SUBSIDIARIES

Functions primarily as an operating company, the only active subsidiary being The Glidden Co., Ltd. As of Oct. 31, 1939 owned 100% of the voting control of the following:

Name, place of incorporation and business
Afterthought Zinc Mining Co., Cal., Mining properties—inactive.
The California Zinc Co., Ohio, Mining properties—inactive.
Sacramento Valley & Eastern Ry., Cal., Railroad—inactive.
The Glidden Co., Ltd., Ont., Manufactures paints, varnishes, etc. at Toronto.
The Ripolin Co., Ohio., Inactive.
Troco Co. of Illinois, Ill., Inactive.

In addition to the above, owns 45% of the common stock (voting) and all of the preferred stock (non-voting) of an affiliate, American Zirconium Corp.

BUSINESS & PRODUCTS

The business may be segregated into four divisions, the relative importance of which is indicated by the percentages of capital invested therein (as of Oct. 31, 1939) which are approximately as follows: paint and varnish, 33%; food products, 31%; chemical and pigment, 16% and soya products, 20%. Each of these divisions is reviewed below.

Paints and Varnishes: Ranks as one of the leading domestic factors in this line. Since 1919 lacquers and other types of finishes have been developed and added to the line so that it now includes coating compositions of practically every type for the decoration and preservation of surfaces. A substantial volume of business in this division is transacted with industrial users such as manufacturers of automobiles, railroad equipment, etc. and a sizable portion is sold to the general trade through jobbers, dealers and some thirty-four retail stores.

Food Products: Ranks as one of the leading domestic manufacturers of margarine which it sells under the tradenames Durkee's, Troco and Dinner Bell. The manufacture of this product contributes a substantial portion of the total revenue of the food products division. Engaged in crushing copra, cottonseed and sesame and in the respective production of cocoanut, cottonseed and sesame oils which are raw materials used in the manufacture of margarine. Other products of this division are salad dressing, mayonnaise, shred cocoanut, Worcestershire sauce, meat sauce and other condiments, and a full line of spices.

Chemicals and Pigments: Ranks as one of the leading producers of lithopone, a white pigment produced by combining materials derived from barium and zinc ores and extensively used in the paint, rubber, linoleum, oilcloth and shade cloth industries. Produces white lead in oil, white lead carbonate (used in producing ceramics and dry colors), red lead (used in storage batteries and paints), litharge (used in storage batteries, insecticides, etc.), type metal and metal powders. Ground white barytes are produced for the paint and rubber trade and zinc sulphate crystals for fertilizer and fungicide spraying materials. Pigments are manufactured for the paint, ceramic, printing ink and automobile industries, for outdoor advertisers and for railway signal purposes. Also manufactures nelio-resin which is a liquid combination of about 27% turpentine and 73% rosin used in the production of paints, varnishes, synthetic resins, soap, etc.

By the destructive distillation process produces pine tar, pine tar oils, rosins, turpentines, etc.

Through an affiliated company, American Zirconium Corp., manufactures titanium pigments used in the production of paints, linoleum, oilcloth, paper and ceramics.

Soya Products: Produces soya bean oil used by the paint and food divisions and also by other manufacturers of paint, linoleum, margarine, etc. Produces also soya bean flour and soya bean proteins used in the production of plastics, paper coatings and sizings and soya bean oil fatty acids used in the production of lacquers and synthetic resins. From soya bean oil produces lecithin used in the paint, wood preservings, rubber, candy, baking and margarine industries. All of the lecithin manufactured is sold at cost to American Lecithin Co., in which a 30% stock interest is owned. The company is one of the two exclusive licensees for the manufacture of lecithin under the United States patents of the American Lecithin Co.

PRINCIPAL PLANTS & PROPERTIES

Paints and Varnishes: Plants of this division are operated at Chicago, Minneapolis, Cleveland, St. Louis, New Orleans, Reading, San Francisco, Los Angeles, and Toronto, the latter by The Glidden Co., Ltd. Some 34 retail stores and 7 warehouses are located in the U. S. and Canada for product distribution.

Food Products: Plants for the crushing of copra and other oil-bearing seeds and nuts are located at Portland, Ore. and Berkeley, Cal.; vegetable oil refineries at Chicago, Louisville and Elmhurst, L. I.; margarine plants at Chicago, Norwalk, O., and Berkeley, Cal.; plants manufacturing salad dressings, mayonnaise, condiments, etc. at Elmhurst, L. I. and Berkeley, Cal.

Chemicals and Pigments: [illegible] are located at Collinsville, [illegible] and Baltimore, Md. At [illegible] cadmium pigments are also [illegible] lead is produced at Scranton [illegible] lead, litharge, type metal and [illegible] at Hammond, Ind. Nelio-resin [illegible] Jacksonville, Fla. and Collins [illegible] Ga., pine tar, pine tar oils, rosins, [illegible] etc. at Jacksonville and Gulf [illegible] etteville, N. C. and Collins, Ga. and [illegible] at Buena Park, Cal.

Through The California Zinc Co. [illegible] thought Zinc Mining Co. owns zinc [illegible] erties in California, which have been [illegible] since 1927. Through an affiliate, American Zirconium Corp., manufactures titanium [illegible] ments at Baltimore, Md.

Soya Products: Facilities at Chicago [illegible] prise elevators suitable for storing [illegible] bushels of soya bean, an oil extraction [illegible] a protein unit, a flour unit and [illegible] unit. Plant has a daily crushing capacity [illegible] 350 tons of soya beans.

MANAGEMENT

Officers:
Adrian D. Joyce, President
R. H. Horsburgh, Senior Vice-President [illegible]
R. W. Levenhagen, Vice-President [illegible]
W. J. O'Brien, Vice-President [illegible]
Dwight P. Joyce, Vice-President [illegible]
P. E. Sprague, Vice-President [illegible]
Howard Beatty, Vice-President [illegible]
J. A. Peters, Treasurer
Clifton M. Kolb, Secretary

Directors:
Howard Beatty, Cleveland
R. H. Horsburgh, Cleveland
Adrian D. Joyce, Cleveland
Dwight P. Joyce, Cleveland
Clifton M. Kolb, Cleveland
R. W. Levenhagen, Cleveland
W. J. O'Brien, Cleveland
P. E. Sprague, Cleveland

Annual Meeting: Third Thursday in June [illegible]

Number of Stockholders: Dec. 31, 1939, preferred, 3,525; common, 10,500 [illegible]

Number of Employees: Dec. 31, 1939, [illegible]

General Office: Cleveland, O.

INCOME ACCOUNTS

COMPARATIVE CONSOLIDATED INCOME ACCOUNT, YEARS ENDED OCT. 31
(Taken from reports to Securities and Exchange Commission)
(Excluding California mining companies)

	1939	1938	1937	1936	1935	1934	1933
Sales, less returns, discts. & allow.	$47,824,047	$44,049,023	$54,052,233	$44,580,959	$39,528,739	$29,820,274	$24,845,5[illegible]
[1]Cost of sales	37,766,061	36,343,188	43,805,366	34,504,245	30,316,852	22,307,850	18,1[illegible]
Manufacturing profit	10,057,987	7,705,835	10,246,867	10,076,714	9,211,887	7,512,424	6,71[illegible]
[1]Selling, general & adm. expenses	7,560,701	7,549,801	7,673,176	6,528,416	5,989,404	5,465,182	4,79[illegible]
Prov. for doubtful accounts less rec.	76,195	76,129	31,747	69,728	143,532	178,906	232,[illegible]
Operating profit	2,421,091	79,905	2,541,944	3,478,570	3,078,951	1,868,336	1,68[illegible]
Misc. comm. & profits on mdse.	231,018	161,895	404,934	174,152	195,159	45,966	25,7[illegible]
Dividends received	71,659	92,215	125,719	68,339	34	--------	
Interest earned	22,533	14,034	9,031	13,597	14,826	56,723	41,0[illegible]
Discount on notes retired	--------	--------	--------	--------		7,268	110,6[illegible]
Other income	33,165	33,836	40,055	53,130	97,381	38,179	27,0[illegible]
Total	2,779,466	381,885	3,121,683	3,787,788	3,386,351	2,016,472	1,89[illegible]
Idle plant expense	32,525	42,063	43,463	16,833	39,032	34,199	28,2[illegible]
Life insurance expense	19,457	19,899	20,139	12,865			
Interest on funded debt	--------	--------	--------	108,656	185,926	192,513	233,[illegible]
Interest on bank loans, etc.	147,863	119,973	48,971	30,062	58,510	28,009	6,4[illegible]
Extraordinary exp.—legal, litigation	--------	--------	--------	5,295	51,072	45,271	
Other deductions	42,489	12,977	37,113	43,608	5,976	7,732	11,5[illegible]
Balance	2,537,132	186,973	2,971,997	3,570,469	3,045,836	1,708,748	1,61[illegible]
[4]Special items	dr 249,841	cr 34,033	--------	--------	--------	cr 21,232	
Balance	2,287,291	221,006	2,971,997	3,570,469	3,045,836	1,729,979	1,61[illegible]
Fed., Dom. & state income taxes	433,742	15,409	429,204	485,000	400,245	197,655	180,[illegible]
Net income to surplus	1,853,549	205,597	2,542,793	3,085,469	2,645,590	1,532,324	1,43[illegible]
Earned surplus beginning of year	5,675,283	6,319,469	6,306,722	5,358,243	4,249,179	3,903,360	2,92[illegible]
Preferred dividends	449,886	449,887	449,920	453,755	455,000	440,346	440,[illegible]
Common dividends	--------	399,897	2,080,126	1,576,924	1,081,526	746,160	
[2]Other earned surplus charges	--------	--------	--------	106,310	--------		
Earned surplus end of year	$7,078,945	$5,675,283	$6,319,469	$6,306,722	$5,358,243	$4,249,179	$3,903,[illegible]
SUPPLEMENTARY P. & L. DATA							
Maintenance & repairs	$600,054	$541,146	$543,721	$476,089	$410,743	$396,891	$297,[illegible]
[3]Depreciation & depletion	804,517	698,148	607,735	542,735	527,871	478,473	429,[illegible]
Taxes other than Federal income	622,290	537,782	500,854	389,125	228,207	208,680	218,[illegible]
Rents	158,691	151,231	142,178	123,670	110,787	101,594	117,[illegible]
Royalties	111,063	89,082	83,101	94,827	84,244	25,926	[illegible]
Amort. of pat., trade-marks, etc.	9,063	8,863	9,635	8,145	7,208	1,024	Not stated
Parent company's net income	$1,774,815	$169,996	$2,469,203	$3,027,179	$2,600,675	$1,493,525	Not stated
Eq. earns in unconsc. subs. & affil.	d 421	34,322	49,974	57,007	d 99,945	d 76,015	--------
Divs. from unconsc. subs. & affil.	42,000	69,200	99,469	44,436	--------	--------	--------

[1]Includes related portions of items shown under "Supplementary p. & l. data" below statement.

[2]1936: Premium on notes and bonds retired, $33,904; unamortized debt discount and expense on notes and bonds retired, $11,434; reduction of investment in affiliated company, $60,972; total, $106,310.

[3]See general note (b) below.

[4]1939: Provision for adjustments of open contracts to market, $200,000; reduction of net current assets in Canada to exchange rate in effect Oct. 31, 1939, $49,841; total, $249,841.

Notes: (a) No inter-company profit on inventories or inter-company sales included. Canadian items included on a dollar for dollar basis. Special charge made to reduce current assets in Canada to exchange rate (see note [4] above). No provision made for losses in wholly-owned California mining companies not consolidated: such losses are reflected in supplementary information "Equity earnings in unconsolidated subsidiaries and affiliates" above.

(b) Depreciation charges included in above statement were less than such charges claimed in Federal income tax returns by following amounts: 1939, $97,890; 1938, $118,185; 1937, not stated; 1936, $75,441; 1935, $75,773; 1934, $77,797; 1933, $82,710.

Excess of depreciation claimed in income tax returns is due to depreciation claimed on costs written off or credited to revaluation reserve during 1932.

...NCE SHEETS — COMPARATIVE CONSOLIDATED BALANCE SHEET, AS OF OCT. 31

(1935-39 from reports to SEC—prior years from company's annual reports; excluding California mining companies)

ASSETS	1939	1938	1937	1936	1935	1934	1933
Cash	$3,721,585	$1,467,297	$1,234,818	$1,376,057	$1,030,969	$953,376	$680,728
Notes & accounts receivable	4,680,667	3,962,734	4,375,543	4,297,960	3,948,470	3,482,905	3,453,544
Inventories	9,779,601	11,449,791	11,778,663	10,106,827	9,258,576	7,902,063	7,031,107
Sundry current accounts receivable	327,121	165,663	549,303	216,152	149,800	205,859	--------
Total current assets	$18,508,974	$17,045,485	$17,938,327	$15,996,996	$14,387,815	$12,544,203	$11,165,379
Calif. mining cos. (below cost)							
Capital stock (100% owned)	$15,000	$15,000	$15,000	$15,000	$15,000 }		
Bonds ($500,000 par)	187,500	187,500	187,500	187,500	187,500 }	$1,027,388	$1,023,651
Advances	896,959	877,716	857,481	841,280	826,902 }		
Investment in affiliates (cost)	690,001	690,001	600,000	685,040	1,029,121	731,829	--------
Insurance claims (paid Dec. '35)	--------	--------	--------	--------	707,242		
Cash surrender value of life insurance	464,196	432,043	399,629	366,674	334,149	306,724	273,111
Sundry investments	78,629	72,535	165,552	150,959	59,163	Not stated	Not stated
Claims against closed banks	12,749	14,444	50,725	72,887	77,876	94,130	178,607
Miscellaneous receivables (net)	72,578	66,951	60,184	48,667	65,470	111,467	218,747
Treasury stock	--------	--------	--------	--------	--------	--------	254,792
Stock for resale to employees	--------	--------	--------	--------	--------	--------	269,081
Misc. notes rec., stock account	--------	--------	--------	--------	--------	169,986	208,670
Prior preference stock sinking fund							24,060
Property, plant & equipment	25,270,261	24,722,951	22,939,114	21,472,856	19,869,119	19,575,938	18,527,637
Revaluation reserve	3,452,249	3,637,159	3,701,580	3,714,886	3,718,910	3,740,966	3,750,355
Depreciation & depletion res.	7,203,788	6,852,828	6,293,458	5,743,587	5,254,089	4,780,959	4,337,902
Net property account	14,614,223	14,232,965	12,944,075	12,014,382	10,896,121	11,054,013	10,439,380
Special new products devel. exp.	115,917	115,917	115,917	115,917	95,571 }		
Prepaid insurance, expenses, etc.	433,043	442,587	428,203	366,839	383,618 }	347,807	331,827
Disc. on sale of pfd. stock, etc.	--------	--------	--------	--------	170,769 }		
Organization expense	--------	--------	--------	--------	205,521	365,921 }	3,096,326
Goodwill, pat., mfg. rights, etc.	85,217	92,871	95,214	104,848	2,795,509	2,740,131 }	
Total assets	$36,174,988	$34,286,015	$33,857,808	$30,966,989	$32,237,345	$29,493,600	$27,483,630
LIABILITIES							
Notes payable	$500,000	--------	$3,750,000	$800,000	$1,000,000	$1,975,000	$450,000
Accounts payable	1,298,868	$1,065,085	1,202,367	1,173,152	965,421 }		
Processing taxes—Federal	84,752	188,171	171,537	167,483	314,377 }		
Federal & state payroll taxes	49,558	46,484	--------	--------	-------- }	1,762,169	1,237,460
For. Dom. & State income taxes	450,337	40,242	467,533 }	750,204	588,041 }		
Accrued general taxes	206,323	187,270	266,582 }				
Other current liabilities	145,585	128,614	125,068	177,199	166,334 }		
Serial notes & bonds due	--------	--------	--------	--------	36,000	62,000	35,000
Total current liabilities	$2,735,424	$1,655,866	$5,983,088	$3,068,038	$3,070,173	$3,799,169	$1,722,460
Long term debt—notes & bonds	$3,750,000	$4,500,000	--------	--------	$3,323,200	$3,332,200	$3,645,000
Unapprop. portion of insurance settle.	--------	--------	--------	--------	210,349	--------	--------
Res. for adj. of open contracts to mkt.	200,000	--------	--------	--------	--------	--------	--------
Reserve for contingencies	67,886	67,886	$67,886	$67,886	135,798	122,100	268,406
...cum. conv. pfd. ($50 par)	9,997,000	9,997,000	9,997,000	10,000,000	--------	--------	--------
Prior preference stock ($100)	--------	--------	--------	--------	6,500,000	6,500,000	6,500,000
Common stock	4,180,655	4,180,655	4,006,705	4,000,000	3,769,405	3,250,000	3,250,000
Capital surplus	8,374,037	8,374,605	7,520,063	7,524,344	9,870,177	8,240,952	8,194,404
Earned surplus	7,078,945	5,675,283	6,319,469	6,306,722	5,358,243	4,249,179	3,903,360
Total capital stock & surplus	29,630,637	28,227,543	27,843,238	27,831,066	25,497,825	22,240,131	21,847,764
Treasury stock (cost)	208,958	165,279	36,403	--------	--------	--------	--------
Net capital stock & surplus	$29,421,679	$28,062,263	$27,806,834	$27,831,066	$25,497,825	$22,240,131	$21,847,764
Total liabilities	$36,174,988	$34,286,015	$33,857,808	$30,966,989	$32,237,345	$29,493,600	$27,483,630
Net current assets	$15,773,550	$15,389,619	$11,955,239	$12,928,958	$11,317,642	$8,745,034	$9,422,919
...ACCOUNT—ANALYSIS							
Additions at cost	$1,260,674	$2,002,013	$1,617,958	$1,661,194	$1,016,061	$1,314,111	$465,204
Retirements or sales	713,364	218,176	151,700	153,535	722,881	265,810	545,343
...deductions	--------	--------	--------	96,079	--------	--------	--------
...RESERVE—ANALYSIS							
Amount charged to income	$804,517	$707,193	$607,735	$542,735	$527,871	$478,473	$479,029
Retirements, renewals chgd. to res.	458,231	149,529	57,864	60,009	54,742	35,417	146,229
...additions	4,675	10,751	--------	6,773	--------	--------	--------
...deductions	--------	9,045	--------	--------	--------	--------	--------
...RESERVE—ANALYSIS							
Balance	$184,909	$64,422	$13,306	$4,023	$22,056	$9,389	$226,045

...reserves (1939, $120,823).

...lower of cost or market, except that in ... of oleo resin is included on ... cost, about $95,000 more than ... Raw materials and supplies, ... merchandise (includes ... of work in process), $5,903,510; ...

...ments in California mining com... at Oct. 31, 1939 were $67,557 in excess of equity in net assets of such com... Unaudited statements of mining com... show accumulated losses of $1,199,351 from date of acquisition to Oct. 31, 1939, ex... depreciation on appreciation and interest on bonds held by parent, ... has not been taken into in... Against these accumulated ... provided in prior years, $581,672 ... and contingency reserve and ...,500 arising from its reacquisi... ...,000 principal amount of bonds of ... Zinc Co. at $137,500 cost. Opera... properties of California mining ... was discontinued in 1927 and value ... is indeterminable at present.

... all 7% preferred stock of ... Zirconium Corp., $600,000 par, the ... which have been paid to Oct. 1, 1939 and 45% of common. Unaudited statement of company shows accumulated undistributed earnings of $74,983 at Oct. 31, 1939, of which $32,167 is applicable to Glidden.

[5]After reserves (1939, $65,142).

[6]1933: 11,341 common and 1,590 prior preference shares.

[7]1933: 35,355 common shares.

[8]1933: 366 prior preference shares.

[9]1939: Book values (and related depreciation reserves in parentheses) and [related revaluation reserves in brackets]: Ore lands and leases, $84,892 ($37,679); land, $2,424,614 [$455,798]; buildings, $9,135,306 ($2,034,627) [$1,598,951]; machinery and equipment, $12,174,284 ($4,650,867) [$1,362,133]; furniture and fixtures, etc., $969,749 ($480,615) [$35,367] construction in process, $481,417; total, $25,270,261 ($7,203,788) [$3,452,249]; net property account; $14,614,223.

[10]Represented by no par shares: 1938-39, 835,591; 1937, 800,801; 1936, 800,000; 1935, 753,881; 1933-34, 650,000—includes treasury shares (see note (12) below).

[11]Principal "capital surplus" changes follow:

1938—Excess ($25 per share) of 34,697 common shares issued for assets of Southern Pine Chemical Co. over $5 amount allocated to stated capital, (cr)$867,425.

1936—Excess of selling price of 46,119 common shares over stated value, (cr)$784,023; write-off of goodwill, trademarks, formulas, etc., not previously amortized, (dr)$2,693,141; write-offs of reorganization expense and commissions on sale of preferred stock in prior years, (dr)$365,921; premium on retirement of 35,769 7% prior preference shares, (dr)$178,845.

1935—Excess of selling price of 103,881 common shares over stated value (after deducting underwriting expenses, etc. of $136,752), (cr)$1,629,225.

[12]Common shares: 1939, 10,170; 1938, 5,602; 1937, 1,100. In 1933, treasury stock is shown on assets side.

[13]1938—Includes about $810,000 acquired from Southern Pine Chemical Co.

Notes: (a) 1939: Net current assets of $474,675 located in Canada, included at prevailing rate of exchange; property, plant and equipment and sundry deferred items of $134,848 included at amounts shown on books of Canadian subsidiary.

(b) Contingent liabilities at Oct. 31, 1939: Letters of credit, $580,504; endorser of uncollected drafts, $1,287.

(c) Accounts certified by Ernst & Ernst.

...& OPERATING DATA

...Fiscal Years	1939	1938	1937	1936	1935	1934	1933
...share—preferred	$9.27	$1.03	$12.72	$15.43	$40.70	$23.57	$22.59
—common	$1.70	d $0.29	$2.62	$3.29	[2]2.91	$1.67	$1.54
...per sh.—preferred	$2.25	$2.25	$2.25	[5]$5.81¼	$7.00	$7.00	$7.00
—common	nil	$0.50	$2.60	$2.00	$1.60	$1.15	nil
...pr...	47–34	51½–37	58⅛–43	[4]56–52¼	111–104⅞	107½–83	91½–48
...	24½–14	28½–13	51½–19⅛	55¼–39½	49½–23⅜	28⅜–15⅝	20–3¾
...	$147.15	$140.35	$139.09	$139.16	$392.27	$342.16	$340.53
...	$23.53	$21.77	$22.27	$22.29	$25.20	$24.22	$23.88

Statistical Record, Fiscal Years (cont'd)	1939	1938	1937	1936	1935	1934
Fixed chgs. earn. before depr. & depl.	20.68	8.66	----	30.65	15.62	11.01
Fixed chgs. earn. after depr. & depl.	16.47	2.84	----	26.74	13.46	8.84
Net assets per $1,000 funded debt	$8,846	$7,236	----	----	$8,590	$7,552
Net curr. assets per $1,000 fund. debt	$4,206	$3,420	----	----	$3,369	$2,576

[1]Based on 7% preferred for 1935 and prior years.
[2]Based on 753,881 shares outstanding at end of year. Earned per common share based on average number (678,883) of shares outstanding during year was $3.23.
[3]Calendar years.
[4]Range for 4½% preferred. Range for former 7% preference, 114½–104¾.
[5]Of which $5.25 (three quarterly [illegible]) on former 7% preferred and [illegible] quarterly payment on 4½% preferred.

Financial and Operating Ratios	1939	1938	1937	1936	1935	1934
Curr. assets ÷ curr. liab.	6.77	10.29	3.00	5.21	4.69	3.30
% cash & sec. to curr. assets	20.11	8.61	6.88	8.60	7.17	7.60
% inventory to curr. assets	52.84	67.17	65.61	63.18	64.35	62.99
% net curr. assets to net worth	53.61	54.84	42.99	46.46	44.39	39.32
% property depreciated	42.17	42.43	43.57	44.05	45.16	43.53
% annual depr. to gr. prop.	3.18	2.82	2.65	2.53	2.66	2.44
Capitalization:						
% long term debt	11.30	13.82	----	----	11.53	13.03
% preferred stock	30.14	30.70	35.95	35.93	22.55	25.42
% common stock & surp.	58.56	55.48	64.05	64.07	65.92	61.55
Sales ÷ inventory	4.89	3.85	4.59	4.41	4.27	3.77
Sales ÷ receivables	9.55	10.67	10.98	9.88	9.65	8.08
% sales to net property	327.24	309.49	417.58	371.06	362.78	269.77
% sales to total assets	132.20	128.47	159.64	143.96	122.62	101.11
% net income to total assets	5.12	0.60	7.51	9.96	8.21	5.20
% net income to net worth	6.30	0.73	9.14	11.09	10.38	6.89
Pfd. div. times earned	4.12	0.46	5.65	7.81	5.81	3.48

Analysis of Operations	%	%	%	%	%	%
Net sales	100.00	100.00	100.00	100.00	100.00	100.00
Cost of sales	78.97	82.51	81.04	77.40	76.70	74.81
Sell., gen. & other exp.	15.97	17.31	14.25	14.80	15.52	18.93
Operating profit	5.06	.18	4.70	7.80	7.79	6.27
Other income	.75	.69	1.07	.69	.78	.50
Total	5.81	.87	5.78	8.50	8.57	6.76
Income deductions	.51	.44	.28	.49	.86	1.03
Special items	dr .52	cr .08	----	----	----	cr .07
Balance	4.78	.50	5.50	8.01	7.71	5.80
Income taxes	.91	.03	.79	1.09	1.01	.66
Net income	3.88	.47	4.70	6.92	6.69	5.14

Bank Loans: On July 1, 1939 obtained $2,000,000 of 2¼% unsecured bank loans maturing each July 1, as follows: 1940, $250,000; 1941, $250,000; 1942-44, incl., $500,000 each. Proceeds, together with $15,207 cash, were used to redeem $1,750,000 of notes held by Mutual Life Insurance Co. and for payment of $250,000 of bank loans due Jan. 1, 1941. Of the total, $500,000 was obtained from National City Bank, N. Y. and $750,000 each from Chase National Bank and New York Trust Co. Under this bank loan neither the company nor any subsidiary may create any mortgage without securing this issue equally and ratably therewith, except as provided. The company cannot pay cash dividends on the common, except out of consolidated net earnings after Oct. 31, 1937.

In addition to the $2,000,000 of bank loans there were outstanding Oct. 31, 1939, $2,000,000 of series E notes, due July 1, 1945, held by Mutual Life Insurance Co. of New York, which reduced on July 1, 1939 the rate of interest from 3¾% to 3%.

CAPITAL STOCK

1. The Glidden Co. 4½% convertible cumulative preferred stock; par $50:

AUTHORIZED—200,000 shares; issued 200,000 shares, outstanding Oct. 31, 1939, 199,940 shares; converted into common stock, 60 shares; par $50.

DIVIDEND RIGHTS—Has preference over common as to cumulative dividends of 4½% annually. Dividends payable quarterly Jan. 1, etc. to stock of record about Dec. 17, etc.

DIVIDEND RECORD—Initial dividend of 56¼c paid Oct. 1, 1936 and regularly each quarter thereafter.

DIVIDEND LIMITATION—None.

VOTING RIGHTS—None, except upon default of two successive quarterly dividends whereupon holders voting as a class shall elect one-half the directors and on all other matters vote on a share for share basis with the common.

Consent of two-thirds of the then outstanding preferred is required to (1) sell, lease or dispose of all, substantially all, or any essential portion of its assets (2) enter a merger or consolidation involving the extinction or merger of its corporate entity (3) encumber its assets or income, except for (a) purchase money mortgages with certain limitations, and (b) pledges of quick assets as security for loans in the regular course of business maturing not less than eighteen months (4) issue or guarantee any obligations maturing more than eighteen months from date of issue (5) authorize or issue any stock on a parity with or having priority over this preferred.

LIQUIDATION RIGHTS—In any liquidation entitled to preference over common to par and accrued dividends.

PREEMPTIVE RIGHTS—None.

CONVERTIBLE—Each share into common on the following basis: 8/10 of a share to Mar. 1, 1941, incl.; and thereafter into 7/10 of a share. Conversion privilege is protected against certain types of dilution. Preferred stock converted is to be cancelled.

CALLABLE—As a whole or in part at any time on thirty days' notice at $52.50 and dividends.

SINKING FUND—None.

LISTED—New York Stock Exchange.

TRANSFER AGENT—New York Trust Co., New York.

REGISTRAR—Chase National Bank, New York.

OFFERED—200,000 shares in May, 1936 to common stockholders at $52.50 per share. Unsubscribed balance then offered in exchange for prior preference stock on the basis of two new shares for each old share and remaining shares offered publicly at $52.50 per share by a syndicate headed by Hornblower & Weeks, New York and Hayden Miller & Co., Cleveland. Of the proceeds, $3,360,104 was applied to the retirement of funded debt (chiefly 5½% notes due June 1, 1939) and for retirement and/or conversion of prior preference stock.

PRICE RANGE:	1939	1938	1937
Preferred ----	47–34	51½–37	58⅛–43

2. The Glidden Co. common; no par:

AUTHORIZED—Authorized, 1,200,000 shares; issued, 835,591 shares; outstanding, Oct. 31, 1939, 825,421 shares, excl. in treasury, 10,170 shares; reserved for conversion of preferred, 159,952 shares; no par. (In reorganization on Dec. 30, 1919, 8 no par shares were issued for each share of $100 par stock.)

Dividend Record (in $)

($100 par shares)

1917–19 nil

(no par shares)

1920---	1.50	1921---	0.50	1922–25	nil
1926---	2.00	1927---	1.00	1928---	nil
1929---	[1]2.00	1930---	[2]1.80	1931–32	nil
1933---	0.25	1934---	0.90	1935---	1.60
1936---	2.00	1937---	2.60	1938–39	0.50
1940---	[3]nil				

[1]Plus 1% in stock. [2]Plus 2% in stock. [3]To Mar. 15.

DIVIDEND LIMITATION—For details see description of Bank Loans above.

VOTING RIGHTS—Has exclusive voting power. For exception see description of 4½% convertible preferred.

PREEMPTIVE RIGHTS—None.

LISTED—New York Stock Exchange.

TRANSFER AGENT—New York Trust Co., New York.

REGISTRAR—Chase National Bank, New York.

OFFERED—87,920 shares at $36 per share in Jan., 1920 by W. F. Ladd & Co., New York; Hayden Miller & Co., Cleveland. Purpose—see "Issued" below.

ISSUED—In reorganization dated Dec. 30, 1919, 160,000 shares were issued in exchange for old $100 par stock on the basis of 8 new shares for each old share; 52,000 shares were issued for part purchase price to acquire Nubian Paint & Varnish Co. and 97,400 shares were sold to underwriters to provide cash for part purchase price of constituent companies, and for working capital. At the same time 15,000 shares of 7% cumulative preferred stock were issued for a like number of shares of preferred; 24,849 preferred shares were issued as part payment for stocks of acquired companies and 20,238 preferred shares were sold to underwriters to provide cash for part purchase price of constituent companies, and for working capital.

In 1920, 11,470 common shares were sold to employees.

In May, 1925, 37,045 common shares were sold for the company's account in the open market.

In July, 1935 offered 46,000 common shares to officers and key men at $22 per share.

PRICE RANGE:	1939	1938	1937
Common ----	24½–14	28½–13	51½–19⅛

Subscription Rights: Common stockholders have received rights to subscribe for stock as follows:

Holders of Record	Shares Offered	Price per Sh.	Basis
7/22/25	40,000 com.	$20	1 for 9
9/ 7/28	100,000 com.	23	1 for 4
4/ 4/29	100,000 com.	35	1 for 5
8/19/29	75,000 com.	50	1 for 8
7/ 3/35	104,000 com.	22	16 for 100
5/23/36	200,000 con. pfd.	52.50	1 for 4
10/ 4/37	64,004 4/5 com.	30	1 for 12½

CAPITAL STOCK

1. The Black & Decker Manufacturing Co. common; no par:

AUTHORIZED—400,000 shares; issued, 389,263 shares; outstanding, 389,263 shares; no par (changed from $25 par on Dec. 28, 1926, 2½ no par shares issued for each $25 par share; changed from $100 par to $25 par on Aug. 11, 1920, four $25 shares issued for each $100 par share).

Dividend Record (in $)
(Calendar Years)

($100 par shares)

1910-12	nil	1913	8.00	1914-17	nil
1918	108.00	1919	32.50	1920	20.00

($25 par shares)

[1]1920	nil	1921	0.50	1922	nil
1923	1.75	1924	2.50	1925	2.00
1926	2.00				

(no par shares)

1927	0.80	1928	0.95	1929	1.50
1930	1.20	1931-36	nil	1937	1.75
1938	0.50	1939	1.00	1940	1.35
1941	1.80	1942-43	1.60	1944	2.00
[2]1945	0.40				

[1]Paid 312½% stock. [2]To Apr. 1.

Dividends payable quarterly Mar. 31, etc. to stock of record about Mar. 17, etc.

DIVIDENDS PAYING AGENT — Maryland Trust Co., Baltimore, Md.

VOTING RIGHTS—One vote per share.

PREEMPTIVE RIGHTS—None.

LISTED—New York Stock Exchange.

TRANSFER AGENT — Guaranty Trust Co., New York.

REGISTRAR—Commercial National Bank & Trust Co., New York.

OFFERED—38,376 shares of common (no par) at $19 per share in November, 1935 by Lehman Bros., Stone & Webster and Blodget, Inc., New York. This offering did not represent new financing.

PRICE RANGE—	1944	1943	1942
Common	25⅛-16½	19¾-16	19¾-14¾

Subscription Rights—Common stockholders of record Dec. 3, 1936, had the right to subscribe to 60,909 shares of no par common stock at $21 per share on the basis of 1 additional share for each 5 shares held; rights expired Dec. 23, 1936. Net proceeds applied to the redemption of the former 8% preferred stock and for general corporate purposes.

THE GLIDDEN COMPANY

CAPITAL STRUCTURE

FUNDED DEBT

Issue	Rating	Amount Outstanding	[1]Times Charges Earned 1944	1943	Interest Dates	Call Price	Price Range 1944	1932-44
1. 2¼-3¼% serial notes due 1946-1952	----	$10,000,000	21.32	30.95	J & J 1	[2]	[3]--	[3]-----

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	[1]Earned per Sh. 1944	1943	[1]Divs. per Sh. 1944	1943	Call Price	Price Range 1944	1932-44
1. 4½% cum. conv. preferred	$50	199,540 shs.	$10.61	$10.01	$2.25	$2.25	$52.50	52 -45	58⅛-34
2. Common	No par	825,443 shs.	2.02	1.88	0.90	0.90	----	25⅜-18¼	55¼- 3⅛

[1]Fiscal years. [2]See text. [3]Privately placed.

HISTORY

Incorporated in Ohio, Dec. 11, 1917 to acquire the business and assets of Glidden Varnish Co. of Cleveland, founded in 1870, and its subsidiary, The Glidden Co., Ltd., Toronto.

On Dec. 30, 1919 was reorganized and acquired the following paint and varnish manufacturers:

Company, location, founded.
Adams & Elting Co., Chicago, 1892.
American Paint Works, New Orleans, 1900.
Forbes Blood & Co., St. Paul, 1897.
Campbell Paint & Varnish Co., St. Louis, 1879.
Forest City Paint & Varnish Co., Cleveland, 1894.
Heath & Milligan Mfg. Co., Chicago, 1851.
Heath & Milligan Mfg. Co. of California, San Francisco, 1899.
Twin City Paint & Varnish Co., Chicago, 1879.
Twin City Varnish Co., Minneapolis, 1900.
T. Wilhelm Co., Reading, Pa., 1857.

On Jan. 1, 1936 acquired all the assets of its then wholly owned subsidiaries, including [illegible] paint companies acquired in 1919, Durkee Famous Foods, Inc., The Chemical & Pigment Co., Inc., The Diamond Paint Co., [illegible] Lead Co., The Glidden Co. of Oregon, [illegible] Refining Co. and the Mamolith Carbon [illegible].

[illegible] acquired the paint and varnish [illegible] paint and varnish inventories [illegible] equipment of modest [illegible] Products Corp. and on [illegible] paint and varnish inventories [illegible] of the Billings-Chapin Co. of [illegible].

[illegible] 1940, organized (in Ohio) Nelio [illegible] Corp. and transferred to it [illegible] and business of the former Nelio [illegible] of Glidden company.

[illegible] In 1920, incorporated The [illegible] Food Products Co., a wholly owned [illegible] to refine vegetable oils, manu[illegible] etc.

[illegible] acquired (1) assets of Voco [illegible] Inc. of West Berkeley, [illegible] outstanding common stock [illegible] Products Co. of Jefferson, [illegible] Food Products Ohio Co. [illegible] for $1,185,227; (3) certain net [illegible] of Illinois, a Chicago [illegible] for $383,186 (4) [illegible] vegetable oil refinery of [illegible] Co. for $374,972 and [illegible] of Dunham Mfg. Co. of New [illegible] manufacturers of shred cocoanut, for [illegible].

[illegible] acquired net assets of E. R. [illegible] Co., a leading manufacturer of [illegible] meat sauces, pickles, spices [illegible] for $1,804,808. Thereupon the [illegible] Glidden Food Products Co. was [illegible] Durkee Famous Foods, Inc. Late [illegible] acquired substantially all the capital [illegible] Vegetable Oil Mills, Co., [illegible] cocoanut oil at Portland, Ore. for [illegible] acquired from the Trustee in [illegible] Van Camp Oil Co. a cotton-seed [illegible] and shortening plant at Louisville, [illegible]. On Jan. 1, 1936, all assets of [illegible] Famous Foods, Inc., were acquired by [illegible].

[illegible] May 31, 1939 acquired all the capital [illegible] Liberty Vegetable Oil Co. (linseed [illegible] Cal.) paying therefor 1,844 [illegible] common stock. This company was [illegible] and its assets acquired by the parent [illegible].

[illegible] constructed a hydrogen plant at Hill[illegible] for making hydrogen for the Dur[illegible] plant at Elmhurst, N. Y., and for sale [illegible].

[illegible] and Pigments: In 1921 incorpo[illegible] Chemical & Pigment Co., Inc., a [illegible] subsidiary, to manufacture lith[illegible] for $440,310 the entire [illegible] Euston Lead Co., Scranton, Pa., [illegible] of white lead. In Feb., 1926 ac[illegible] preferred and common [illegible] National Barium Co. for $106,250 in 7% prior preference stock and also the property of St. Louis Lithopone Co. for $950,352 cash. In May, 1927 incorporated California Zinc Co., a wholly owned subsidiary, to acquire zinc mining properties in California, formerly held by a concern in whose stock an interest was held. This company also acquired Afterthought Zinc Mining Co.

In 1929 acquired the outstanding stock of Metals Refining Co. of Hammond, Ind., manufacturer of red lead, litharge, type metal, metal powders, etc., for $1,271,246.

In 1932 acquired a 54% interest and in Dec., 1935 the remaining 46% in Nelio-Resin Corp., manufacturers of turpentine and rosin by a patent process. Company was dissolved in 1936 and assets acquired by parent.

In 1933, jointly with Metal & Thermit Corp. of New York, formed American Zirconium Corp. to construct a plant at Baltimore, Md. for the manufacture of titanium pigments. On July 18, 1944, company acquired remaining outstanding minority interest in American Zirconium Corp.

On Jan. 1, 1936 dissolved The Chemical & Pigment Co., Inc. and acquired its assets and business.

On Jan. 20, 1938 stockholders approved a proposal to acquire, effective as of Oct. 31, 1937, all of the assets of Southern Pine Chemical Co., paying therefor 34,697 common shares. The principal assets acquired were four plants in the South producing pine tar, rosins, turpentine, etc.

When war curtailed imports of ilmenite from India for paint pigments acquired mines at Lenoir, N. C. which are operated under trade name Yadkin Valley Ilmenite Co.

Soya Products: In 1934 constructed a plant at Chicago to extract soya bean oil under German patents.

On Dec. 28, 1937 incorporated Holland Mills, Inc., a wholly owned subsidiary, to manufacture animal feeds and utilizing chiefly products of this division.

On Dec. 31, 1938, Holland Mills, Inc. was dissolved and all its assets acquired by the parent. The Holland Mills plant was destroyed by fire in Dec., 1939. In Nov., 1942, acquired plant in Indianapolis of Standard Cereal Co. for producing dried foods and stock feeds.

SUBSIDIARIES

Functions primarily as an operating company. As of Oct. 31, 1944, owned 100% of the voting control of the following:

Name, place of incorporation and business:
Afterthought Zinc Mining Co., Cal., Mining properties—inactive.
The California Zinc Co., Ohio, Mining properties—inactive.
Sacramento Valley & Eastern Ry. Co., Cal., Railroad—inactive.
American Zirconium Corp., Md., Manufactures titanium pigments—inactive.
The Glidden Co., Ltd., Ont., Manufactures paints, varnishes, etc. at Toronto.
The Ripolin Co., Ohio, Inactive.
Troco Co. of Illinois, Ill., Inactive.

In addition to the above, owns 78.72% of stock of the Nelio Resin Processing Corp.

BUSINESS & PRODUCTS

The business may be segregated into four divisions, the relative importance of which is indicated by the percentages of capital invested therein (as of Oct. 31, 1944) which are approximately as follows: paint and varnish, 26%; food products, 27%; chemical and pigment, 23% and soya products, 24%. Each of these divisions is reviewed below.

Paints and Varnishes: Ranks as one of the leading domestic factors in this line. Since 1919 lacquers and other types of finishes have been developed and added to the line so that it now includes coating compositions of practically every type for the decoration and preservation of surfaces including a full line of the new soya protein base water-thinned paints. A substantial volume of business in this division is transacted with industrial users such as manufacturers of automobiles, railroad equipment, etc. and a sizable portion is sold to the general trade through jobbers, dealers and thirty retail stores.

Food Products: Ranks as one of the leading domestic manufacturers of margarine which it sells under the tradenames Durkee's, Troco and Dinner Bell. The manufacture of this product contributes a substantial portion of the total revenue of the food products division. Engaged in crushing copra, cottonseed, sesame and other oil bearing seeds and in the respective production of cocoanut, cottonseed and sesame oils which are raw materials used in the manufacture of margarine. Other products of this division are salad dressing, mayonnaise, shred cocoanut, Worcestershire sauce, meat sauce and other condiments, and a full line of spices.

Chemicals and Pigments: Ranks as one of the leading producers of lithopone, a white pigment produced by combining materials derived from barium and zinc ores and extensively used in the paint, rubber, linoleum, oilcloth and shade cloth industries. Produces white lead in oil, white lead carbonate (used in producing ceramics and dry colors), red lead (used in storage batteries and paints), litharge (used in storage batteries, insecticides, etc.), type metal and metal powders. Ground white barytes are produced for the paint and rubber trade and zinc sulphate crystals for fertilizer and fungicide spraying materials. Pigments are manufactured for the paint, ceramic, printing ink and automobile industries, for outdoor advertisers and for railway signal purposes. Also manufactures nelio-resin which is a liquid combination of about 27% turpentine and 73% rosin used in the production of paints, varnishes, synthetic resins, soap, etc.

By the destructive distillation process produces pine tar, pine tar oils, rosins, turpentines, etc.

Through American Zirconium Corp., Division manufactures titanium pigments used in the production of paints, linoleum, oilcloth, paper and ceramics. American Zirconium obtains raw material (ilmenite) from Travancore, India and company's mines in Georgia.

Company has an exclusive continuous process for making iron powder, for which Sweden was the primary source, and also copper powder. Iron powder is used in manufacture of electric resistors, magnetic cores, molding gears and brake linings.

Soya Products: Produces soya bean oil used by the paint and food divisions and also by other manufacturers of paint, linoleum, margarine, etc. Produces also soya bean flour and soya bean proteins used in the production of plastics, paper coatings and sizings and soya bean oil fatty acids used in the production of lacquers and synthetic resins. From soya bean oil produces lecithin used in the paint, wood preserving, rubber, candy, baking and margarine industries. Produces lecithin for the American Lecithin Co., in which a 30% stock interest is owned. The company is one of the two exclusive licensees for the manufacture of lecithin under the United States patents of the American Lecithin Co.

PRINCIPAL PLANTS & PROPERTIES

Paints and Varnishes: Plants of this division are operated at Chicago, Minneapolis, Cleveland, St. Louis, New Orleans, Reading, San Francisco, Los Angeles, and Toronto, the latter by The Glidden Co., Ltd. Some 30 retail stores and 7 warehouses are located in the U. S. and Canada for product distribution.

Food Products: Plants for the crushing of copra and other oil-bearing seeds and nuts are located at Portland, Ore. and Berkeley, Cal.; vegetable oil refineries at Chicago, Louisville and Elmhurst, L. I.; margarine plants at Chicago, Norwalk, O., and Berkeley, Cal.; plants manufacturing salad dressings, mayonnaise, condiments, etc. at Elmhurst, L. I. and Berkeley, Cal.

Chemicals and Pigments: Lithopone plants are located at Collinsville, Ill., Oakland, Cal.

and Baltimore, Md. At the latter location cadmium pigments are also produced. White lead is produced at Scranton, Pa. and red lead, litharge, type metal and metal powders at Hammond, Ind. Nelio-resin is made at Jacksonville, Fla. and Collins and Valdosta, Ga., pine tar, pine tar oils, rosins, turpentine, etc. at Jacksonville and Gull Point, Fla., Fayetteville, N. C. and Collins, Ga. and linseed oil at Buena Park, Cal. A hydrogen plant is located at Hillside, N. J., and a food and an animal feed plant at Indianapolis.

Through The California Zinc Co. and Afterthought Zinc Mining Co. owns zinc ore properties in California, which have been inactive since 1927 due to low prices of zinc and other ores. Increased prices for zinc, cadmium and other metals would have made operation of the properties profitable in 1940. However, certain of the properties are in the area being flooded by the U. S. Government in building Shasta Dam, and company has filed a claim for damages in amount of $1,853,000.

Through American Zirconium Corp., Division manufactures titanium pigments at Baltimore, Md. Raw material (ilmenite) comes from India and Georgia.

Soya Products: Facilities at Chicago comprise elevators suitable for storing over 2,000,000 bushels of soya beans, an oil extraction unit, a protein unit, a flour unit and a lecithin unit. Plant has a daily crushing capacity of 400 tons of soya beans.

MANAGEMENT

Officers:
Adrian D. Joyce, President
R. H. Horsburgh, Exec. Vice-President
R. W. Levenhagen, Vice-President
W. J. O'Brien, Vice-President
Dwight P. Joyce, Vice-President
P. E. Sprague, Vice-President
J. A. Peters, Treasurer
Clifton M. Kolb, Secretary
W. W. Conant, Assistant Secretary
C. L. Cole, Controller.

Directors:
R. H. Horsburgh, Cleveland
Adrian D. Joyce, Cleveland
Dwight P. Joyce, Cleveland
Clifton M. Kolb, Cleveland
R. W. Levenhagen, Cleveland
W. J. O'Brien, Cleveland
J. A. Peters, Cleveland
P. E. Sprague, Cleveland

Annual Meeting: Third Thursday in Jan.

Number of Stockholders: Dec. 31, 1944: Preferred, 3,431; common, 10,567.

Number of Employees: Dec. 31, 1944, 4,917.

General Office: Cleveland 2, O.

INCOME ACCOUNTS

COMPARATIVE CONSOLIDATED INCOME ACCOUNT, YEARS ENDED OCT. 31
(Taken from reports to Securities and Exchange Commission)
(Excluding California mining companies)

	1944	1943	1942	1941	1940	1939	1938
Sales, less returns, discts. & allow.	$111,897,815	$97,144,617	$81,705,732	$68,901,706	$50,169,733	$47,824,047	$44,049,0[illegible]
[1]Cost of sales	95,015,022	80,660,258	68,463,439	56,263,924	40,435,946	37,766,061	[illegible]
[1]Selling, general & adm. expenses	11,043,579	9,807,275	8,817,388	8,359,614	7,722,691	7,560,701	[illegible]
Prov. for doubtful accounts less rec.	26,924	78,153	86,534	99,389	108,638	76,195	[illegible]
Operating profit	5,812,290	6,598,931	4,338,371	4,178,779	1,902,459	2,421,091	[illegible]
Misc. comm. & profits on mdse.	137,751	88,512	228,198	865	219,980	231,018	[illegible]
Dividends received	40,297	19,557	20,866	30,553	83,596	71,659	[illegible]
Interest earned	23,650	17,780	35,385	32,930	14,528	22,533	[illegible]
Other income	159,700	60,252	105,427	97,901	62,582	33,165	[illegible]
Total	6,173,687	6,785,033	4,728,249	4,341,028	2,283,144	2,779,466	[illegible]
Idle plant expense	--------	--------	--------	10,536	40,245	32,525	[illegible]
Life insurance expense	24,607	24,085	24,041	19,690	15,449	19,457	[illegible]
Interest on long term debt	199,763	163,333	143,052	41,531	98,703	--------	--------
Interest on bank loans, etc.	69,023	53,114	115,998	49,115	17,894	147,863	[illegible]
Provision for contingencies	150,000	--------	--------	--------	--------	--------	--------
Other deductions	267,753	62,684	325,858	38,971	35,163	42,489	12,977
Balance	5,462,542	6,481,816	4,119,300	4,181,186	2,075,690	2,537,132	[illegible]
[4]Special items	dr 1,050,000	--------	--------	--------	--------	dr 249,841	cr [illegible]
Balance	4,412,542	6,481,816	4,119,300	4,181,186	2,075,690	2,287,291	221,006
Provision for Federal taxes	890,000	1,010,000	1,090,000	990,000	292,000	433,742	15,40[illegible]
Dominion & state income taxes	140,000	88,000	140,000	150,000	55,309		
Federal excess profits tax	1,422,800	3,750,000	1,062,000	15,000	--------	--------	--------
Post-war excess profits tax refund	cr 167,800	cr 375,000	--------	--------	--------	--------	--------
Minority interest	10,253	10,617	cr 26,452	15,796	552	--------	--------
Net income to surplus	2,117,289	1,998,199	1,853,753	3,010,390	1,727,829	1,853,549	[illegible]
Earned surplus beginning of year	8,961,567	9,269,890	8,942,329	7,452,736	7,078,945	5,675,283	[illegible]
[5]Other surplus credits	19,700	--------	--------	102,321	--------	--------	[illegible]
Preferred dividends	448,987	448,986	448,986	449,380	449,886	449,886	[illegible]
Common dividends	742,899	743,979	1,077,206	1,143,788	904,152	--------	[illegible]
[2]Other earned surplus charges	--------	1,113,557	--------	29,949	--------	--------	--------
Earned surplus end of year	$9,906,670	$8,961,567	$9,269,890	$8,942,329	$7,452,736	$7,078,945	$5,67[illegible]
SUPPLEMENTARY P. & L. DATA							
Maintenance & repairs	$1,970,008	$1,537,644	$1,127,558	$896,239	$740,612	$600,054	$541,146
[3]Depreciation & depletion	1,344,230	1,276,116	1,055,137	846,703	835,754	804,517	698,148
[6]Taxes other than income	686,726	724,691	675,357	686,185	591,778	622,290	537,782
Rents	212,815	198,662	183,827	174,440	165,951	158,691	151,231
Royalties	141,938	107,560	108,943	121,839	84,875	111,063	89,082
Amort. of pat., trade-marks, etc.	93,251	14,584	14,584	9,513	8,358	9,063	8,863
Parent company's net income	$1,278,810	$2,271,710	$2,063,754	$2,856,449	$1,680,023	$1,774,815	$169,996
Eq. earns. in uncons. subs. & affil.	--------	--------	d 38,852	d 39,786	d 80,186	d 421	34,322
Divs. from uncons. subs. & affil.	--------	--------	--------	--------	31,500	42,000	69,200

[1]Includes related portions of items shown under "Supplementary p. & l. data" below statement.

[2]1943: Write down of investment in California mining companies to nominal amount. Also see note [3] under consolidated balance sheet.

[3]See general note (b) below.

[4]1944: Charge equal to reduction for certain claims provided for in prior years (credited to reserve for contingencies), $1,050,000.

1939: Provision for adjustments of open contracts to market, $200,000; reduction of net current assets in Canada to exchange rate in effect Oct. 31, 1939, $49,841; total, $249,841.

[5]1941: Represents net adjustment of reserves for depreciation to reflect reductions in rates allowed by Internal Revenue in 1939 and 1940.

[6]Includes payroll taxes: 1944, $263,402; 1943, $303,358; 1942, $291,224; 1941, $296,560; 1940, $270,897; 1939-38, not available.

General Notes

(a) No inter-company profit on inventories or inter-company sales included. Net income for 1944 includes $101,623 (1943, $98,197) for Canadian subsidiary after giving effect to adjustment of its net current assets to rate of exchange in effect at Oct. 31, 1944.

(b) Depreciation charges included in above statement were less than such charges claimed in Federal income tax returns by following amounts: 1944, $68,962; 1943, $69,481; 1942, $71,683; 1941, $67,000; 1940, not stated; 1939, $97,890; 1938, $118,185.

Excess of depreciation claimed in income tax returns is due to depreciation claimed on costs written off or credited to revaluation reserve during 1932.

(c) Principles of consolidation (see note (b) under balance sheet).

(e) Change in method of pricing certain inventories had the effect of reducing net profit for 1941 by approximately $455,000 (see note (c) under balance sheet).

(f) Income account for 1944 fiscal year is subject to possible adjustment through renegotiation of war contracts.

BALANCE SHEETS

COMPARATIVE CONSOLIDATED BALANCE SHEET, AS OF OCT. 31
(Taken from reports to Securities and Exchange Commission; excluding California mining companies)

ASSETS	1944	1943	1942	1941	1940	1939	1938
Cash	$4,124,280	$3,888,917	$2,240,346	$2,262,551	$2,126,192	$3,721,585	$1,467,297
Government securities	119,369	--------	--------	--------	--------	--------	--------
[1]Notes & accounts receivable	6,451,323	6,271,318	6,302,040	7,179,515	4,590,872	4,680,667	3,962,734
[2]Inventories	24,257,190	22,889,602	17,107,785	15,521,123	10,612,031	9,779,601	11,449,791
Other current accounts receivable	306,518	351,049	1,690,691	655,613	523,246	327,121	165,663
Total current assets	$35,258,680	$33,400,886	$27,340,862	$25,618,801	$17,852,341	$18,508,974	$17,045,485
[3]Calif. mining cos. (below cost)							
Capital stock (100% owned)			$15,000	$15,000	$15,000	$15,000	$15,000
Bonds ($500,000 par)	$1	$2	187,500	187,500	187,500	187,500	187,500
Advances			913,301	927,426	915,063	896,959	877,716
[4]Investment in affiliates (cost)	--------	--------	--------	--------	690,001	690,001	690,001
Cash surrender value of life insurance	616,625	587,736	557,808	527,497	496,370	464,196	432,043
Sundry investments	35,891	$5,891	46,822	69,350	48,480	78,829	72,535
[5]Claims against closed banks	--------	--------	--------	1,916	6,813	12,749	14,444
Miscellaneous receivables (net)	107,407	164,969	125,228	116,239	72,233	72,578	66,951
Refundable excess profits tax	593,400	408,300		--------	--------	--------	--------
[9]Property, plant & equipment	31,845,801	31,488,674	30,474,027	29,225,434	26,385,439	25,270,261	24,722,951
Less: [9]Revaluation reserve	3,316,065	3,343,197	3,349,391	3,389,489	3,439,332	3,452,249	3,637,159
[9]Depreciation & depletion res.	11,874,212	10,908,927	9,837,593	8,913,405	7,902,686	7,203,788	6,852,828
Net property account	16,655,524	17,236,750	17,287,044	16,922,540	15,043,421	14,614,223	14,232,965
Special new products devel. exp.	--------	68,191	81,999	95,807	109,917	115,917	115,917
Prepaid insurance, expenses, etc.	279,552	475,481	539,326	551,620	386,652	433,043	442,5[illegible]
Goodwill, pat., mfg. rights, etc.	5,294	98,545	113,129	127,714	86,859	85,217	92,371
Total	$53,552,374	$52,476,771	$47,208,019	$45,161,410	$35,910,650	$36,174,988	$34,286,015
LIABILITIES							
Notes payable		$4,700,000	$1,600,000	$6,000,000	--------	$500,000	--------
Accounts payable	$5,662,726	4,459,880	3,101,045	2,824,539	$1,240,046	1,298,868	$1,065,085
Processing taxes—Federal	Not stated	58,903	76,679	279,933	233,251	84,752	188,171

BALANCE SHEETS (cont'd)

LIABILITIES	1944	1943	1942	1941	1940	1939	1938
Federal & state payroll, etc. taxes	28,038	174,499	57,455	53,408	45,876	49,558	46,484
Fed., Dom. & State income taxes	2,670,300	4,289,691	2,407,290	1,239,588	340,102	450,337	40,242
Accrued general taxes	307,781	285,659	345,447	323,369	199,866	206,323	187,270
Other current liabilities	921,107	917,776	687,471	595,831	420,802	145,585	128,614
Serial notes & bonds due	--------	1,000,000	1,000,000	--------	--------	--------	--------
Total current liabilities	$9,789,952	$15,886,407	$9,275,387	$11,316,669	$2,479,944	$2,735,424	$1,655,866
Long term debt—notes & bonds	$10,000,000	$5,000,000	$6,000,000	$2,000,000	$3,500,000	$3,750,000	$4,500,000
Res. for adj. of open contracts to mkt.		--------	--------	170,474	50,000	200,000	--------
Reserve for contingencies	1,200,000		--------	67,886	67,886	67,886	67,886
Minority interest in subs.	213,498	186,544	183,428	209,880	100,552	--------	--------
4½% cum. conv. pfd. ($50 par)	9,997,000	9,997,000	9,997,000	9,997,000	9,997,000	9,997,000	9,997,000
Common stock	4,177,655	4,177,655	4,180,655	4,180,655	4,180,655	4,180,655	4,180,655
Capital surplus	8,444,163	8,444,163	8,441,922	8,374,037	8,374,037	8,374,037	8,374,605
Earned surplus	9,906,670	8,961,567	9,269,890	8,942,329	7,452,736	7,078,945	5,675,283
Total capital stock & surplus	32,525,488	31,580,385	31,889,467	31,494,021	30,004,428	29,630,637	28,227,543
Less: Treasury stock (cost)	176,565	176,565	140,264	97,520	292,160	208,958	165,279
Net capital stock & surplus	$32,348,923	$31,403,820	$31,749,203	$31,396,501	$29,712,268	$29,421,679	$28,062,263
Total	$53,552,374	$52,476,771	$47,208,019	$45,161,410	$35,910,650	$36,174,988	$34,286,015
Net current assets	$35,258,680	$17,514,479	$18,065,475	$14,302,132	$15,372,397	$15,773,550	$15,389,619
PROPERTY ACCT.—ANALYSIS							
Additions at cost	$965,300	$1,362,879	$1,600,285	$1,666,100	$1,343,407	$1,260,674	$2,002,013
Retirements or sales	608,372	348,033	351,692	337,154	228,230	713,364	218,176
Other additions	--------	--------	--------	1,511,050	--------	--------	--------
DEPREC. RESERVE—ANALYSIS							
Additions charged to income	$1,344,230	$1,276,116	$1,055,137	$846,703	$835,754	$804,517	$707,193
Retirements, renewals chgd. to res.	378,945	209,364	130,949	351,024	136,857	458,231	149,529
Other additions	--------	4,582	--------	515,040	--------	4,675	10,751
Other reductions	--------	--------	--------	--------	--------	--------	9,045
REVAL. RESERVE—ANALYSIS							
Reductions	$27,131	$6,193	$40,099	$49,843	$12,917	$184,909	$64,422

After reserves (1944, $246,838).

1941-44: Principal raw materials stated at cost (last-in, first-out method) not in excess of market; other inventories at lower of cost (accumulated average) or replacement market (see note (c) below).

[3]Investments in California mining companies was written down to nominal amount of $2 by a direct charge to earned surplus in 1942. This action was taken because U. S. Government, in building Shasta Dam, will flood area in which mines are located. Company filed claims with U. S. Government for damages. Amount recovered will be credited directly to earned surplus.

1940 represents all 7% preferred stock of American Zirconium Corp., $600,000 par, dividends on which have been paid to July 1, 1940 and 45% of common.

As of Oct. 1, 1941 company acquired an additional interest in common stock, thereby increasing same to approximately 90%. Accounts are now included in consolidation.

After reserves (1944, $11,543).

Principal "capital surplus" changes follow:

1942—Excess ($25 per share) of 34,697 common shares issued for assets of Southern [illegible] Chemical Co. over $5 amount allocated to capital, (cr)$867,425.

After deducting $705,000 U. S. tax

[9]1944:	Book Val.	Depr. & depl. res.	Reval. Res.
Ore ld. & leas.	$74,927	$66,821	--------
Land	2,547,562	--------	$455,599
Land improv.	152,675	94,222	--------
R.R. sidings	89,229	21,611	6,340
Buildings	10,745,077	3,112,359	1,595,040
Mach. & eq.	16,649,501	7,948,478	1,230,152
Furn. & fixt.	831,277	535,259	28,935
Auto equip.	110,845	95,462	--------
Const. in proc.	644,706	--------	--------
Total	$31,845,801	$11,874,212	$3,316,065

[11]Represented by no par shares: 1944-43, 835,531; 1942-38, 835,591; includes treasury shares (see note (12) below).

[12]Common shares: 1944-43, 10,088 (and 400 preferred); 1942, 8,348 (and 400 preferred); 1941 5,048 (and 300 preferred); 1940, 16,671; 1939, 10,170; 1938, 5,602.

[13]1938—Includes about $810,000 acquired from Southern Pine Chemical Co.

[14]1941: Represents property, plant and equipment, and related reserves, of American Zirconium Corp. at Oct. 1, 1941, date of which Glidden Co. acquired control of that company.

Depreciation Policy: Depreciation is provided by amounts considered by company as fair and reasonable to cover wear, tear and deterioration of property on basis of specific rates. Company does not believe it practicable to set forth rates in use as such rates have been determined generally as applicable to specific assets or groups of assets in various geographical locations.

Depletion is provided for at rates based upon estimated amounts of remaining recoverable units.

General Notes: (a) 1944: Net current assets of $663,479 (1943, $564,617 located in Canada, included at Control Board rate of exchange; property, plant and equipment and sundry deferred assets of $329,203 (1943, $326,385) included at amounts shown on books of Canadian subsidiary.

(b) Consolidated statements include accounts of parent company and all its subsidiaries except California mining companies which investments have been written down to a nominal amount of $2 (see note [3] under consolidated balance sheet). As of Oct. 1, 1941 company acquired control of American Zirconium Corp. and thereafter included the accounts of that corporation in consolidated statements.

(c) In 1941 inventories of principal raw [illegible]terials have been priced in accordanc[illegible] [illegible]n last-in, first-out method of determinin[illegible] [illegible]ost instead of methods previously used. Such change had the effect of reducing amounts stated for inventories at Oct. 31, 1941 by approximately $1,115,000 and reduced the net profit (after income and excess profits taxes) shown for that fiscal year by approximately $455,000.

(e) Accounts certified by Ernst & Ernst.

[illegible]CIAL & OPERATING DATA

[illegible] Statistical Record, Fiscal Years	1944	1943	1942	1941	1940	1939	1938
[illegible] per share—preferred	$10.61	$10.01	$9.29	$15.08	$8.64	$9.27	$1.03
—common	$2.02	$1.88	$1.70	$3.08	$1.56	$1.70	d $0.29
Dividends per sh.—preferred	$2.25	$2.25	$2.25	$2.25	$2.25	$2.25	$2.25
—common	$0.90	$0.90	$1.30	$1.40	$1.10	nil	$0.50
Price range—preferred	52-45	48-41	44-37¾	46-35	45-30	47-34	51½-37
—common	25⅜-18¼	22⅛-14¾	16-12⅛	17⅞-11	19¾-11	24½-14	28½-13
[illegible] assets per sh.—preferred	$162.12	$157.38	$159.11	$157.27	$148.61	$147.15	$140.35
—common	$27.10	$25.96	$26.32	$25.77	$24.07	$23.53	$21.77
[illegible] charges earned:							
[illegible] inc. taxes, depr. & depl.	26.32	36.85	20.97	56.47	25.97	21.91	8.66
[illegible] taxes & after depr. & depl.	21.32	30.95	16.90	47.12	18.80	16.47	2.84
[illegible] taxes, depr. & depl.	12.82	10.28	8.05	34.38	15.82	13.53	2.71
[illegible] & pfd. div. earned	3.32	3.33	2.98	5.74	3.26	3.35	0.57
[illegible] funded debt	$4,258	$7,318	$6,322	$16,803	$9,518	$8,846	$7,236
[illegible] assets per $1,000 fund. debt	$3,526	$3,503	$3,011	$7,151	$4,392	$4,206	$3,420
[illegible] shares—preferred	199,540	199,540	199,540	199,640	199,940	199,940	199,940
—common	825,443	825,443	827,243	830,543	818,920	825,421	829,989
[illegible] years							
[illegible] and Operating Ratios							
[illegible] curr. liab.	3.60	2.10	2.95	2.26	7.20	6.77	10.29
[illegible] sec. to curr. assets	12.04	11.64	8.19	8.83	11.91	20.11	8.61
[illegible] to curr. assets	68.79	68.53	62.57	60.58	59.44	52.84	67.17
[illegible] assets to net worth	108.99	55.77	56.90	45.55	51.74	53.61	54.84
[illegible] depreciated	47.70	45.26	43.27	42.09	42.99	42.17	42.43
[illegible] depr. to gross property	4.22	4.05	3.46	2.90	3.17	3.18	2.82
[illegible]ization:							
[illegible] term debt	23.49	13.66	15.82	5.95	10.51	11.30	13.82
[illegible] stock	23.44	27.27	26.30	29.70	30.01	30.14	30.70
[illegible] stock & surp.	53.07	50.97	57.88	64.35	59.48	58.56	55.48
[illegible] inventory	4.61	4.24	4.78	4.44	4.73	4.89	3.85
[illegible] receivables	17.34	15.49	10.22	8.79	9.81	9.55	10.67
[illegible] to net property	671.83	583.59	472.64	407.16	333.50	327.24	309.49
[illegible] total assets	208.95	185.12	173.07	152.57	139.71	132.20	128.47
[illegible] income to total assets	3.95	3.81	3.93	6.67	4.81	5.12	0.60
[illegible] income to net worth	6.55	6.35	5.84	9.59	5.82	6.30	0.73
[illegible] earned	4.71	4.45	4.13	6.70	3.84	4.12	0.46
[illegible] of Operations	%	%	%	%	%	%	%
[illegible]	100.00	100.00	100.00	100.00	100.00	100.00	100.00
[illegible]	84.91	83.03	83.79	81.66	80.60	78.97	82.51
[illegible] & other exp.	9.89	10.18	10.90	12.28	15.61	15.97	17.31
[illegible] profit	5.19	6.79	5.31	6.06	3.79	5.06	.18
[illegible]come	0.32	0.19	0.48	0.24	0.76	.75	.69
[illegible]come	5.51	6.98	5.79	6.30	4.55	5.81	.87
[illegible] long term debt, etc.	0.24	0.22	0.32	0.13	0.23	0.31	0.27
[illegible]ductions	0.26	0.09	0.43	0.10	0.18	0.20	0.17
[illegible] contingencies	0.13	------	------	-----	------	------	------
[illegible]	dr 0.94	------			------	dr .52	cr .08
[illegible] before inc. taxes	3.94	6.67	5.04	6.07	4.14	4.78	.50
[illegible]	2.04	4.60	2.81	1.68	0.69	.91	.03
[illegible]	0.01	0.01	cr 0.03	0.02		--------	--------
[illegible]	1.89	2.06	2.26	4.37	3.45	3.88	.47

FUNDED DEBT

1. The Glidden Co. 2%-3¼% notes, due serially to 1952:

OUTSTANDING—Oct. 31, 1944, $10,000,000.
DATED—May 1, 1944.
MATURITY—$1,000,000 2% notes each July 1, 1946-48 incl.; $1,000,000 2¼% notes each July 1, 1949-51 incl.; $4,000,000 3¼s note July 1, 1952.
INTEREST—J&J 1.
CALLABLE—As a whole or in part at any time without premium except through refunding at the same or a lower rate (any refunding through the sale of stock being exempt from this premium) when premium shall be at the rate of ¼ of 1% per annum to maturity but not to exceed ¾ of 1%. There will be no premium if the notes are redeemed within nine months of maturity unless financing takes place within 60 days of redemption in which case the premium applies.
SECURITY—A general obligation of company but not secured by any lien.
OTHER PROVISIONS—Company covenants that it will not without consent of noteholders (a) pay dividends on outstanding common stock, in the aggregate to exceed sum of consolidated net earnings accumulated since fiscal year ended Oct. 31, 1942 or expend in excess of $200,000 for acquisition or retirement of any class of stock except out of such consolidated net earnings; (b) create or incur any lien, mortgage or charge upon its property, nor permit any subsidiary to do so; (c) incur any debt or liability maturing beyond 12 months, nor permit any subsidiary to do so; (d) permit any subsidiary to incur or guarantee any debt except to the company and to minority stockholders and open account debt in ordinary course of business; (e) guarantee or lend its credit in excess of an aggregate amount of $100,000, directly or indirectly, to any one other than a subsidiary; (f) merge, sell or lease all or substantially all assets, with exceptions as to subsidiaries.

Company agrees that consolidated working capital (excess of current assets over current liabilities, excluding the notes with exception of such as mature within 12 months from date of termination of such working capital) shall be maintained at all times in an amount not less than $18,000,000.
PURPOSE—Issued to refinance outstanding short and long-term indebtedness.
ISSUED—In May, 1944, as follows: $4,000,000 to Mutual Life Insurance Co. of New York and $6,000,000 to six banks.

CAPITAL STOCK

1. The Glidden Co. 4½% convertible cumulative preferred stock; par $50:

AUTHORIZED—200,000 shares; issued 200,000 shares; outstanding, Oct. 31, 1944, 199,540; in treasury, 400 shares; converted into common stock, 60 shares; par $50.
DIVIDEND RIGHTS—Has preference over common as to cumulative dividends of 4½% annually. Dividends payable quarterly Jan. 1, etc. to stock of record about Dec. 17, etc.
DIVIDEND RECORD—Initial dividend of 56¼c paid Oct. 1, 1936 and regularly each quarter thereafter.
DIVIDEND LIMITATION—None.
VOTING RIGHTS—None, except upon default of two successive quarterly dividends whereupon holders voting as a class shall elect one-half the directors and on all other matters vote on a share for share basis with the common.

Consent of two-thirds of the then outstanding preferred is required to (1) sell, lease or dispose of all, substantially all, or any essential portion of its assets (2) enter a merger or consolidation involving the extinction or merger of its corporate entity (3) encumber its assets or income, except for (a) purchase money mortgages with certain limitations, and (b) pledges of quick assets as security for loans in the regular course of business maturing not less than eighteen months (4) issue or guarantee any obligations maturing more than eighteen months from date of issue (5) authorize or issue any stock on a parity with or having priority over this preferred.
LIQUIDATION RIGHTS—In any liquidation entitled to preference over common to par and accrued dividends.
PREEMPTIVE RIGHTS—None.
CONVERTIBLE—Each share into 7/10 of a share of common. Conversion privilege is protected against certain types of dilution. Preferred stock converted is to be cancelled.
CALLABLE—As a whole or in part at any time on **thirty days' notice at $52.50 and dividends.**
SINKING FUND—None.
LISTED—New York Stock Exchange.
TRANSFER AGENT—New York Trust Co., New York.
REGISTRAR—Chase National Bank, New York.
DIVIDEND DISBURSING AGENT—Company.
OFFERED—200,000 shares in May, 1936 to common stockholders **at $52.50 per share.** Unsubscribed balance then offered in exchange for prior preference stock on the basis of two new shares for each old share and remaining shares offered publicly at $52.50 per share by a syndicate headed by Hornblower & Weeks, New York and Hayden Miller & Co., Cleveland. Of the proceeds, $3,360,104 was applied to the retirement of funded debt (chiefly 5½% notes due June 1, 1939) and for retirement and/or conversion of prior preference stock.

PRICE RANGE—	1944	1943	1942
Preferred	52-45	48-41	44-37¾

2. The Glidden Co. common; no par:

AUTHORIZED—Authorized, 1,200,000 shares; issued, 835,531 shares; outstanding, Oct. 31, 1944, 825,443 shares; in treasury, 10,088 shares; reserved for conversion of preferred, 139,958 shares; no par. (In reorganization on Dec. 30, 1919, 8 no par shares were issued for each share of $100 par stock.)

Dividend Record (In $) [illegible]
(Calendar Years)
($100 par shares)

1917-19	nil				
	(no par shares)				
1920	1.50	1921	[illegible]	[illegible]	[illegible]
1926	2.00	1927	1.00	[illegible]	[illegible]
1929	[1]2.00	1930	[2]1.80	1931-32	[illegible]
1933	0.25	1934	0.90	[illegible]	[illegible]
1936	2.00	1937	2.50	[illegible]	[illegible]
1940	1.00	1941	1.50	[illegible]	[illegible]
1943-44	0.90	[3]1944	0.40		

[1]Plus 1% in stock.
[2]Plus 2% in stock.
[3]To Jan. 3.

DIVIDEND LIMITATION—For details see description of unsecured notes above.
VOTING RIGHTS—Has exclusive [illegible] power. For exception see description of convertible preferred.
PREEMPTIVE RIGHTS—None.
LISTED—New York Stock Exchange.
TRANSFER AGENT—New York Trust Co., New York.
REGISTRAR—Chase National Bank, New York.
DIVIDEND DISBURSING AGENT—Company.
OFFERED—87,920 shares at $36 per share [illegible] Jan., 1920 by W. F. Ladd & Co., New York, Hayden Miller & Co., Cleveland. [illegible] see "Issued" below.
ISSUED—In reorganization dated Dec. [illegible] 160,000 shares were issued in exchange [illegible] $100 par stock on the basis of [illegible] for each old share; 52,000 shares [illegible] for part purchase price [illegible] Paint & Varnish Co. and [illegible] sold to underwriters to provide [illegible] purchase price of constituent companies [illegible] for working capital. At the same time [illegible] shares of 7% cumulative preferred stock [illegible] issued for a like number of shares [illegible] ferred; 24,849 preferred shares were [illegible] part payment for stocks of acquired companies and 20,238 preferred shares were sold to underwriters to provide cash for part purchase price of constituent companies and [illegible] working capital.

In 1920, 11,470 common shares were [illegible] employees.

In May, 1925, 37,045 common shares [illegible] sold for the company's account [illegible] market.

In July, 1935 offered [illegible] common [illegible] officers and key men at [illegible] per share.

PRICE RANGE— 1944 [illegible]
Common 25⅜-18¼ [illegible]

Subscription Rights: Common stockholders have received rights to subscribe for stock as follows:

Holders of Record	Shares Offered	Price per Sh.	Basis
7/22/25	40,000 com.	$20	1 for [illegible]
9/ 7/28	100,000 com.	23	1 for [illegible]
4/ 4/29	100,000 com.	35	1 for [illegible]
8/19/29	75,000 com.	50	1 for [illegible]
7/ 3/35	104,000 com.	22	16 for 100
5/23/36	200,000 con. pfd.	52.50	1 for [illegible]
10/ 4/37	64,004 4/5 com.	30	1 for [illegible]

MINNEAPOLIS-MOLINE POWER IMPLEMENT COMPANY

CAPITAL STRUCTURE

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	Earned per Sh. 1944	Earned per Sh. 1943	[1]Divs. per Sh. 1944	[1]Divs. per Sh. 1943	Call Price	Price Range 1944	Price Range 1932-44
1. $6.50 cumulative preferred	No par	98,700 shs.	$13.30	$16.54	$8.12½	$8.12½	$110	111 -93½	111-[illegible]
2. Common	$1	700,000 shs.	0.96	1.42	Nil	Nil	---	9¼- 6¼	16⅛-[illegible]

[1]Fiscal years ended Oct. 31.

HISTORY

Incorporated in Delaware Mar. 30, 1929, to acquire the business of three predecessor companies, Minneapolis Steel & Machinery Co., The Minneapolis Threshing Machine Co. and Moline Implement Co. The businesses of these companies were established in 1902, 1887 and 1865, respectively.

SUBSIDIARIES

This is principally an operating company. At Oct. 31, 1944, 100% of the voting power was owned in the following subsidiaries:

Name, place of incorporation and business:
Minneapolis-Moline Argentina, S. A., Comercial, Industrial & Financiera, Argentina sales agent in Argentina.
Minneapolis-Moline Power Implement Co. of Canada, Ltd., Canada, sales agent in Canada.
Minneapolis Steel Construction Co., S. Dak., contracting and construction
Twin City Products Finance Co., inactive.

BUSINESS AND PRODUCTS

This company is engaged in the manufacture of farm machinery sold under the trade-name "Minneapolis-Moline", such as the following:

Tractors	Threshers
Combine-harvesters	Harrows
Planters	Plows
Cultivators	Listers
Corn shellers	Hay tools
Corn pickers	Manure spreaders
Drills	Etc.

In addition, the company is engaged in the fabrication and erection of structural steel; the manufacture of industrial gas engines, feed mills, and tractors. The tractors are used for industrial purposes to some extent, as well as for farming. Thus the company, in addition to its activities in connection with the agricultural industry, also participates in industrial trends through its power machinery such as tractors and industrial engines and through its structural steel operations.

Company has substantial orders for war material, both prime products and sub-contracts.

The company has branch offices and warehouses for farm machinery in 35 cities throughout the States of California, Colorado, Illinois, Indiana, Iowa, Kansas, Louisiana, Michigan, Minnesota, Montana, Nebraska, North Dakota, South Dakota, Ohio, Oklahoma, Oregon, Tennessee, Texas and Wisconsin, and branch offices or warehouses for structural steel in California, Colorado, Montana and Utah.

PRINCIPAL PLANTS & PROPERTIES

Hopkins, Minn.—Plant comprises 22 buildings with approximately 670,000 square feet of floor space. Products are farm implements.

Minneapolis, Minn.—Plant consists of 30 buildings with approximately 642,000 square feet of floor space. Products include structural steel, industrial gas engines, tractors, etc.

A special ordnance plant, also located in Minneapolis, has 100,129 sq. ft. of floor space.

Moline, Ill.—Plant consists of 17 buildings with approximately 1,019,000 square feet of floor space. Products are farm implements.

MANAGEMENT

Officers
W. C. MacFarlane, President
G. L. Gillette, Vice-President
W. C. Rich, Secretary
S. L. Angle, Treasurer

Directors
S. L. Angle, Minneapolis
H. S. Bowers, New York
L. S. Gilmour, New York
G. L. Gillette, Minneapolis
W. C. MacFarlane, Minneapolis
W. C. MacFarlane, Jr., Minneapolis
S. T. McKnight, Minneapolis
H. C. Piper, Minneapolis
W. C. Rich, Minneapolis
E. W. Ross, Moline, Ill.

Annual Meeting: Third Tuesday in January.
Number of Stockholders: Dec. 8, 1944, Preferred, 2,088; common, 5,144.
Number of Employees: Dec. 31, 1944, 5,981.
General Office: 2854 Minnehaha Avenue, Minneapolis 1, Minn.

INCOME ACCOUNTS

COMPARATIVE CONSOLIDATED INCOME ACCOUNT, YEARS ENDED OCT. 31

	1944	1943	1942	1941	1940	1939	1938
Net sales	$42,932,697	$40,851,007	$29,845,720	$23,510,383	$16,367,628	$13,445,881	[illegible]
Cost and expenses	37,048,924	32,214,512	25,334,899	19,932,960	14,803,161	12,749,653	[illegible]
Depreciation & amortization	803,630	710,447	573,146	412,148	406,614	443,311	[illegible]
Operating profit	5,080,143	7,926,047	3,937,676	3,165,275	1,157,853	252,917	[illegible]
Other income	330,459	282,757	303,637	218,954	[1]452,563	176,988	[illegible]
Total income	5,410,602	8,208,804	4,241,313	3,384,229	1,610,416	429,905	1,012,401

AVAILABLE NET INCOME—Comprises gross revenues (excluding gains from sale of capital assets or purchase of outstanding securities), less operating and non-operating expenses and interest (other than debenture interest), but before deducting income taxes.
SECURITY—Direct obligation of company, but not secured by mortgage.
OTHER PROVISIONS—Cash proceeds from exercise of stock purchase warrants issued in connection with merger shall be applied to purchase of debentures at not exceeding par or to call at par. Consent of holders of 75% of outstanding debentures required for modification of indenture.
TAX STATUS—No provision for assumption or refund of any Federal or state taxes.
PURPOSE—Issued ($2,510,620) in exchange for 7% preferred stock of former Brill Corp. on basis of $70 debentures for each $100 par share and ($1,989,380) as part of settlement of debt of former American Car & Foundry Motors Co. to American Car & Foundry Co., pursuant to terms of merger.

PRICE RANGE—	1946	1945	1944
High	102¼	102	100½
Low	99	98¼	95

Capital Stock: 1. ACF-Brill Motors Co. common; par $2.50:
AUTHORIZED—1,250,000 shares; issued and outstanding, 962,433; reserved for exercise of warrants, 279,989; par $2.50.
OWNERSHIP—On Nov. 30, 1946 Consolidated Vultee Aircraft Corp. owned 458,849 shares and 160,464 stock purchase warrants.
VOTING RIGHTS—Has one vote per share.
LISTED—On New York Stock Exchange.
TRANSFER AGENT—Drexel & Co., New York.
REGISTRAR—Chase National Bank, New York.
ISSUED—In 1944, pursuant to terms of recapitalization and merger.
For plan of recapitalization and merger see above.

PRICE RANGE—	1946	1945	1944
High	19	17⅞	10½
Low	8	9¾	8⅛

Warrants: Merger plan provided for issuance of 280,138 warrants to purchase a like amount of shares at $12.50 a share to Jan. 1, 1950, and at $15 a share thereafter to Jan. 1, 1955.

Outstanding Dec. 31, 1946, 279,989.
Ownership: At Nov. 30, 1946 Consoli Vultee Aircraft Corp owned 160,464.5 war
Proceeds were used to purchase 6% in debentures (issued under terms of me for retirement or redemption.
Agent: Drexel & Co., New York.
Listed: On New York Curb Exchange.

Price Range:	1946	1945
High	11½	11½
Low	4	2⅞

Stock Options: Options to purchase 1 common shares at $13.54 a share have granted to 10 officers and supervisory ex tives of company and Hall-Scott Motor Co., a subsidiary. One-third of optioned s may be purchased at any time after Au 1946, one-third after Feb. 1, 1947, and rem ing one-third, including any options not viously exercised or disposed of, after Fe 1948, but not later than Jan. 31, 1949. Of t options R. R. Monroe received 7,500; W Henderson ,2,000; H. A. Flogaus, W. J. Be M. A. Hardie and Carl Hecker, 1,500 each, C. F. Hoell, B. M. Walter, R. H. Sjoberg Turner Dunkin, 1,000 each.

THE GLIDDEN COMPANY

CAPITAL STRUCTURE

FUNDED DEBT

Issue	Rating	Amount Outstanding	[1]Times Charges Earned 1946	1945	Interest Dates	Call Price	Price Range 1946	1932-
1. 1½-2% serial notes due 1948-1952	----	$8,000,000	52.44	23.67	J&J 1	[2]	[3]--	[3]--

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	[1]Earned per Sh. 1946	1945	[1]Divs. per Sh. 1946	1945	Call Price	Price Range 1946	1932-
1. 4½% cum. conv. preferred	$50	199,540 shs.	$28.64	$11.77	$2.25	$2.25	$52.50	59 -53	59 -
2. Common	No par	887,700 shs.	5.93	2.13	2.00	1.20	----	56¼-36⅜	56¼-

[1]Fiscal years. [2]See text. [3]Privately placed.

HISTORY

Incorporated in Ohio, Dec. 11, 1917 to acquire the business and assets of Glidden Varnish Co. of Cleveland, founded in 1875, and its subsidiary, The Glidden Co., Ltd., Toronto.

On Dec. 30, 1919 was reorganized and acquired the following paint and varnish manufacturers:

Company, location, founded.
Adams & Elting Co., Chicago, 1892.
American Paint Works, New Orleans, 1900.
T. L. Blood & Co., St. Paul, 1897.
Campbell Paint & Varnish Co., St. Louis, 1879.
Forest City Paint & Varnish Co., Cleveland, 1864.
Heath & Milligan Mfg. Co., Chicago, 1851.
Heath & Milligan Mfg. Co. of California, San Francisco, 1899.
Nubian Paint & Varnish Co., Chicago, 1879.
Twin City Varnish Co., Minneapolis, 1900.
A. Wilhelm Co., Reading, Pa., 1857.

On Jan. 1, 1936 acquired all the assets of seventeen wholly owned subsidiaries, including all ten paint companies acquired in 1919, Durkee Famous Foods, Inc., The Chemical & Pigment Co., Inc., The Diamond Paint Co., Euston Lead Co., The Glidden Co. of Oregon, Metals Refining Co. and the Mamolith Carbon Paint Co., Inc.

On May 9, 1936 acquired the paint and varnish business and paint and varnish inventories and some movable equipment of modest value of Certain-teed Products Corp. and on Oct. 7, 1938, the paint and varnish inventories and business of the Billings-Chapin Co. of Cleveland, O.

On Aug. 31, 1940, organized (in Ohio) Nelio Resin Processing Corp. and transferred to it the assets and business of the former Nelio resin division of Glidden company. Company acquired all assets Oct. 31, 1946. Nelio Resin Processing Corp. was dissolved and now operated as a division of company.

Food Products: In 1920 incorporated The Glidden Food Products Co., a wholly owned subsidiary, to refine vegetable oils, manufacture oleomargarine, etc.

In early 1929 acquired (1) assets of Voco Nut Oil Products, Inc. of West Berkeley, Cal. for $789,409 (2) outstanding common stock of Wisconsin Food Products Co. of Jefferson, Wis and Wisconsin Food Products Ohio Co. of Norwalk, O. for $1,195,927 (3) certain net assets of Troco Co. of Illinois, a Chicago manufacturer of margarine, for $583,136 (4) the Portland, Ore. vegetable oil refinery of Colgate-Palmolive-Peet Co. for $374,972, and (5) capital stock of Dunham Mfg. Co. of New York, manufacturers of shred cocoanut, for $381,800.

In July, 1929 acquired net assets of E. R. Durkee & Co., a leading manufacturer of salad dressings, meat sauces, pickles, spices and condiments for $1,804,808. Thereupon the name of The Glidden Food Products Co. was changed to Durkee Famous Foods, Inc. Late in 1929 acquired substantially all the capital stock of Portland Vegetable Oil Mills Co., producers of cocoanut oil at Portland, Ore. for $644,500. In 1933 acquired from the Trustee in bankruptcy of Van Camp Oil Co. a cotton-seed oil refinery and shortening plant at Louisville, Ky. for $293,119. On Jan. 1, 1936, all assets of Durkee Famous Foods, Inc., were acquired by the parent.

On May 31, 1939 acquired all the capital stock of Liberty Vegetable Oil Co. (linseed oil at Buena Park, Cal.) paying therefor 1,844 shares of common stock. This company was dissolved and its assets acquired by the parent Oct. 9, 1939.

In 1942 constructed a hydrogen plant at Hillside, N. J., for making hydrogen for the Durkee food plant at Elmhurst, N. Y., and for sale to others.

Chemicals and Pigments: In 1921 incorporated the Chemical & Pigment Co., Inc., a wholly owned subsidiary, to manufacture lithopone. In 1924 acquired for $440,310 the entire capital stock of Euston Lead Co., Scranton, Pa., manufacturers of white lead. In Feb., 1926 acquired the entire preferred and common stocks of National Barium Co. for $106,250 in 7% prior preference stock and also the property of St. Louis Lithopone Co. for $950,352 cash. In May, 1927 incorporated California Zinc Co., a wholly owned subsidiary, to acquire zinc mining properties in California, formerly held by a concern in whose stock an interest was held. This company also acquired Afterthought Zinc Mining Co.

In 1929 acquired the outstanding stock of Metals Refining Co. of Hammond, Ind., manufacturer of red lead, litharge, type metal, metal powders, etc., for $1,271,246.

In 1932 acquired a 54% interest and in Dec., 1935 the remaining 46% in Nelio-Resin Corp., manufacturers of turpentine and rosin by a patent process. Company was dissolved in 1936 and assets acquired by parent.

In 1933, jointly with Metal & Thermit Corp. of New York, formed American Zirconium Corp. to construct a plant at Baltimore, Md. for the manufacture of titanium pigments. On July 18, 1944, company acquired remaining outstanding minority interest in American Zirconium Corp., and on Feb. 13, 1946 company was dissolved.

On Jan. 1, 1936 dissolved The Chemical & Pigment Co., Inc. and acquired its assets and business.

On Jan. 20, 1938 stockholders approved a proposal to acquire, effective as of Oct. 31, 1937, all of the assets of Southern Pine Chemical Co., paying therefor 34,697 common shares. The principal assets acquired were four plants in the South producing pine tar, rosins, turpentine, etc.

When war curtailed imports of ilmenite from India for paint pigments acquired mines at Lenoir, N. C. which are operated under trade name Yadkin Valley Ilmenite Co.

Soya Products: In 1934 constructed a plant at Chicago to extract soya bean oil under German patents.

On Dec. 28, 1937 incorporated Holland Mills, Inc., a wholly owned subsidiary, to manufacture animal feeds and utilizing chiefly products of this division.

On Dec. 31, 1938, Holland Mills, Inc. was dissolved and all its assets acquired by the parent. The Holland Mills plant was destroyed by fire in Dec., 1939. In Nov., 1942, acquired plant in Indianapolis of Standard Cereal Co. for producing dried foods and stock feeds.

SUBSIDIARIES

Functions primarily as an operating company. As of Oct. 31, 1946, owned 100% of the voting control of the following:

Name, place of incorporation and business:
Afterthought Zinc Mining Co., Cal., Mining properties—inactive.
The California Zinc Co., Ohio, Mining properties—inactive.
Sacramento Valley & Eastern Ry. Co., Cal., Railroad—inactive.
The Glidden Co., Ltd., Ont., Manufactures paints, varnishes, etc. at Toronto.
The Ripolin Co., Ohio, Inactive.
Troco Co. of Illinois, Ill., Inactive.

BUSINESS & PRODUCTS

The business may be segregated into four divisions, the relative importance of which is indicated by the percentages of capital vested therein (as of Oct. 31, 1945) which approximately as follows: paint and varni 27%; food products, 40%; chemical and p ment, 23% and soya products, 33%. Each these divisions is reviewed below.

Paints and Varnishes: Ranks as one of leading domestic factors in this line. Si 1919 lacquers and other types of finishes ha been developed and added to the line so t it now includes coating compositions of pr tically every type for the decoration and pr ervation of surfaces including a full line the new soya protein base water-thinn paints. A substantial volume of business this division is transacted with industrial use such as manufacturers of automobiles, railro equipment, etc. and a sizable portion is so to the general trade through jobbers, deale and thirty retail stores.

Food Products: Ranks as one of the leadi domestic manufacturers of margarine whi it sells under the tradenames Durkee's, Tro and Dinner Bell. The manufacture of th product contributes a substantial portion the total revenue of the food products div sion. Engaged in crushing copra, cottonsee sesame and other oil bearing seeds and the respective production of cocoanut, co tonseed and sesame oils which are raw m terials used in the manufacture of margarin Other products of this division are salad dres ing, mayonnaise, shred cocoanut, Worceste shire sauce, meat sauce and other condimen and a full line of spices.

Chemicals and Pigments: Ranks as one the leading producers of lithopone, a whi pigment produced by combining materials d rived from barium and zinc ores and e tensively used in the paint, rubber, linoleu oilcloth and shade cloth industries. Produc white lead in oil, white lead carbonate (us in producing ceramics and dry colors), red le (used in storage batteries and paints), lithar (used in storage batteries, insecticides, etc type metal and metal powders. Ground whi barytes are produced for the paint and rubb trade and zinc sulphate crystals for fertiliz and fungicide spraying materials. Pigmen are manufactured for the paint, cerami printing ink and automobile industries, outdoor advertisers and for railway sign purposes. Also manufactures nelio-res which is a liquid combination of about 27 turpentine and 73% rosin used in the produ tion of paints, varnishes, synthetic resin soap, etc.

By the destructive distillation process pr duces pine tar, pine tar oils, rosins, tu pentines, etc.

Company has an exclusive continuous pro ess for making iron powder, for which Swede was the primary source, and also copper pow der. Iron powder is used in manufacture electric resistors, magnetic cores, moldin gears and brake linings.

Soya Products: Produces soya bean oil use by the paint and food divisions and also other manufacturers of paint, linoleum, ma garine, etc. Produces also soya bean flour an soya bean proteins used in the production plastics, paper coatings and sizings and soy bean oil fatty acids used in the productio of lacquers and synthetic resins. From soy bean oil produces lecithin used in the pain wood preservings, rubber, candy, baking an margarine industries. Produces lecithin fo use and sales under license agreement wi American Lecithin Co. Glidden is one of th two exclusive licensees for the manufactu of lecithin under the United States patents the American Lecithin Co.

AVAILABLE NET INCOME—Comprises gross revenues (excluding gains from sale of capital assets or purchase of outstanding securities), less operating and non-operating expenses and interest (other than debenture interest), but before deducting income taxes.
SECURITY—Direct obligation of company, but not secured by mortgage.
OTHER PROVISIONS—Cash proceeds from exercise of stock purchase warrants issued in connection with merger shall be applied to purchase of debentures at not exceeding par or to call at par. Consent of holders of 75% of outstanding debentures required for modification of indenture.
TAX STATUS—No provision for assumption or refund of any Federal or state taxes.
PURPOSE—Issued ($2,510,620) in exchange for 7% preferred stock of former Brill Corp. on basis of $70 debentures for each $100 par share and ($1,989,380) as part of settlement of debt of former American Car & Foundry Motors Co. to American Car & Foundry Co., pursuant to terms of merger.

PRICE RANGE—	1946	1945	1944
High	102¼	102	100½
Low	99	98¼	95

Capital Stock: 1. ACF-Brill Motors Co. common; par $2.50:
AUTHORIZED—1,250,000 shares; issued and outstanding, 962,433; reserved for exercise of warrants, 279,989; par $2.50.
OWNERSHIP—On Nov. 30, 1946 Consolidated Vultee Aircraft Corp. owned 458,849 shares and 160,464 stock purchase warrants.
VOTING RIGHTS—Has one vote per share.
LISTED—On New York Stock Exchange.
TRANSFER AGENT—Drexel & Co., New York.
REGISTRAR—Chase National Bank, New York.
ISSUED—In 1944, pursuant to terms of recapitalization and merger.
For plan of recapitalization and merger see above.

PRICE RANGE—	1946	1945	1944
High	19	17⅞	10½
Low	8	9¾	8⅛

Warrants: Merger plan provided for issuance of 280,138 warrants to purchase a like amount of shares at $12.50 a share to Jan. 1, 1950, and at $15 a share thereafter to Jan. 1, 1955.
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Low	4	2⅞

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granted to 10 officers and supervisory e
tives of company and Hall-Scott Moto:
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may be purchased at any time after A
1946, one-third after Feb. 1, 1947, and re
ing one-third, including any options not
viously exercised or disposed of, after F
1948, but not later than Jan. 31, 1949. Of
options R. R. Monroe received 7,500; \
Henderson ,2,000; H. A. Flogaus, W. J. Be
M. A. Hardie and Carl Hecker, 1,500 each
C. F. Hoell, B. M. Walter, R. H. Sjoberg
Turner Dunkin, 1,000 each.

THE GLIDDEN COMPANY

CAPITAL STRUCTURE

FUNDED DEBT

Issue	Rating	Amount Outstanding	[1]Times Charges Earned 1946	1945	Interest Dates	Call Price	Price Range 1946	193
1. 1½-2% serial notes due 1948-1952	----	$8,000,000	52.44	23.67	J&J 1	[2]	[3]--	[3]--

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	[1]Earned per Sh. 1946	1945	[1]Divs. per Sh. 1946	1945	Call Price	Price Range 1946	193
1. 4½% cum. conv. preferred	$50	199,540 shs.	$28.64	$11.77	$2.25	$2.25	$52.50	59 -53	59 -
2. Common	No par	887,700 shs.	5.93	2.13	2.00	1.20	----	56¼-36⅜	56¼-

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In July, 1929 acquired net assets of E. R. Durkee & Co., a leading manufacturer of salad dressings, meat sauces, pickles, spices and condiments for $1,804,808. Thereupon the name of The Glidden Food Products Co. was changed to Durkee Famous Foods, Inc. Late in 1929 acquired substantially all the capital stock of Portland Vegetable Oil Mills Co., producers of cocoanut oil at Portland, Ore. for $644,500. In 1933 acquired from the Trustee in bankruptcy of Van Camp Oil Co. a cotton-seed oil refinery and shortening plant at Louisville, Ky. for $293,119. On Jan. 1, 1936, all assets of Durkee Famous Foods, Inc., were acquired by the parent.

On May 31, 1929 acquired all the capital stock of Liberty Vegetable Oil Co. (linseed oil at Buena Park, Cal.) paying therefor 1,844 shares of common stock. This company was dissolved and its assets acquired by the parent Oct. 9, 1939.

In 1942 constructed a hydrogen plant at Hillside, N. J., for making hydrogen for the Durkee food plant at Elmhurst, N. Y., and for sale to others.

Chemicals and Pigments: In 1921 incorporated the Chemical & Pigment Co., Inc., a wholly owned subsidiary, to manufacture lithopone. In 1924 acquired for $440,310 the entire capital stock of Euston Lead Co., Scranton, Pa., manufacturers of white lead. In Feb., 1926 acquired the entire preferred and common stocks of National Barium Co. for $106,250 in 7% prior preference stock and also the property of St. Louis Lithopone Co. for $950,352 cash. In May, 1927 incorporated California Zinc Co., a wholly owned subsidiary, to acquire zinc mining properties in California, formerly held by a concern in whose stock an interest was held. This company also acquired Afterthought Zinc Mining Co.

In 1929 acquired the outstanding stock of Metals Refining Co. of Hammond, Ind., manufacturer of red lead, litharge, type metal, metal powders, etc., for $1,271,246.

In 1932 acquired a 54% interest and in Dec., 1935 the remaining 46% in Nelio-Resin Corp., manufacturers of turpentine and rosin by a patent process. Company was dissolved in 1936 and assets acquired by parent.

In 1933, jointly with Metal & Thermit Corp. of New York, formed American Zirconium Corp. to construct a plant at Baltimore, Md. for the manufacture of titanium pigments. On July 18, 1944, company acquired remaining outstanding minority interest in American Zirconium Corp., and on Feb. 13, 1946 company was dissolved.

On Jan. 1, 1936 dissolved The Chemical & Pigment Co., Inc. and acquired its assets and business.

On Jan. 20, 1938 stockholders approved a proposal to acquire, effective as of Oct. 31, 1937, all of the assets of Southern Pine Chemical Co., paying therefor 34,697 common shares. The principal assets acquired were four plants in the South producing pine tar, rosins, turpentine, etc.

When war curtailed imports of ilmenite from India for paint pigments acquired mines at Lenoir, N. C. which are operated under trade name Yadkin Valley Ilmenite Co.

Soya Products: In 1934 constructed a plant at Chicago to extract soya bean oil under German patents.

On Dec. 28, 1937 incorporated Holland Mills, Inc., a wholly owned subsidiary, to manufacture animal feeds and utilizing chiefly products of this division.

On Dec. 31, 1938, Holland Mills, Inc. was dissolved and all its assets acquired by the parent. The Holland Mills plant was destroyed by fire in Dec., 1939. In Nov., 1942, acquired plant in Indianapolis of Standard Cereal Co. for producing dried foods and stock feeds.

SUBSIDIARIES

Functions primarily as an operating company. As of Oct. 31, 1946, owned 100% of the voting control of the following:

Name, place of incorporation and business:
Afterthought Zinc Mining Co., Cal., Mining properties—inactive.
The California Zinc Co., Ohio, Mining properties—inactive.
Sacramento Valley & Eastern Ry. Co., Cal., Railroad—inactive.
The Glidden Co., Ltd., Ont., Manufactures paints, varnishes, etc. at Toronto.
The Ripolin Co., Ohio, Inactive.
Troco Co. of Illinois, Ill., Inactive.

BUSINESS & PRODUCTS

The business may be segregated into four divisions, the relative importance of which is
indicated by the percentages of capital
vested therein (as of Oct. 31, 1945) which
approximately as follows: paint and varn
27%; food products, 40%; chemical and
ment, 23% and soya products, 33%. Each
these divisions is reviewed below.

Paints and Varnishes: Ranks as one of
leading domestic factors in this line. Si
1919 lacquers and other types of finishes h
been developed and added to the line so t
it now includes coating compositions of pr
tically every type for the decoration and pr
ervation of surfaces including a full line
the new soya protein base water-thin
paints. A substantial volume of business
this division is transacted with industrial us
such as manufacturers of automobiles, railr
equipment, etc. and a sizable portion is s
to the general trade through jobbers, deal
and thirty retail stores.

Food Products: Ranks as one of the lead
domestic manufacturers of margarine wh
it sells under the tradenames Durkee's, Tr
and Dinner Bell. The manufacture of t
product contributes a substantial portion
the total revenue of the food products di
sion. Engaged in crushing copra, cottonse
sesame and other oil bearing seeds and
the respective production of cocoanut, c
tonseed and sesame oils which are raw m
terials used in the manufacture of margari
Other products of this division are salad dre
ing, mayonnaise, shred cocoanut, Worcest
shire sauce, meat sauce and other condimen
and a full line of spices.

Chemicals and Pigments: Ranks as one
the leading producers of lithopone, a wh
pigment produced by combining materials
rived from barium and zinc ores and
tensively used in the paint, rubber, linoleu
oilcloth and shade cloth industries. Produ
white lead in oil, white lead carbonate (u
in producing ceramics and dry colors), red le
(used in storage batteries and paints), lithar
(used in storage batteries, insecticides, et
type metal and metal powders. Ground wh
barytes are produced for the paint and rubb
trade and zinc sulphate crystals for fertili
and fungicide spraying materials. Pigme
are manufactured for the paint, ceram
printing ink and automobile industries,
outdoor advertisers and for railway sig
purposes. Also manufactures nelio-re
which is a liquid combination of about 2
turpentine and 73% rosin used in the produ
tion of paints, varnishes, synthetic resi
soap, etc.

By the destructive distillation process p
duces pine tar, pine tar oils, rosins, t
pentines, etc.

Company has an exclusive continuous pr
ess for making iron powder, for which Swed
was the primary source, and also copper po
der. Iron powder is used in manufacture
electric resistors, magnetic cores, moldi
gears and brake linings.

Soya Products: Produces soya bean oil us
by the paint and food divisions and also
other manufacturers of paint, linoleum, m
garine, etc. Produces also soya bean flour a
soya bean proteins used in the production
plastics, paper coatings and sizings and so
bean oil fatty acids used in the producti
of lacquers and synthetic resins. From so
bean oil produces lecithin used in the pai
wood preservings, rubber, candy, baking a
margarine industries. Produces lecithin
use and sales under license agreement wi
American Lecithin Co. Glidden is one of t
two exclusive licensees for the manufactu
of lecithin under the United States patents
the American Lecithin Co.

PRINCIPAL PLANTS & PROPERTIES

Paints and Varnishes: Plants of this division are operated at Chicago, Minneapolis, Cleveland, St. Louis, New Orleans, Reading, San Francisco, and Toronto, the latter by The Glidden Co., Ltd. Some 30 retail stores and 7 warehouses are located in the U. S. and Canada for product distribution.

Food Products: Plants for the crushing of copra and other oil-bearing seeds and nuts are located at Portland, Ore. and Berkeley, Cal.; vegetable oil refineries at Chicago, Louisville and Elmhurst, L. I.; margarine plants at Chicago, Norwalk, O., and Berkeley, Cal.; plants manufacturing salad dressings, mayonnaise, condiments, etc. at Elmhurst, L. I. and Berkeley, Cal.

Chemicals and Pigments: Lithopone plants are located at Collinsville, Ill., Oakland, Cal and Baltimore, Md. At the latter location cadmium pigments are also produced. White lead is produced at Scranton, Pa. and red lead, litharge, type metal and metal powders at Hammond, Ind. Nelio-resin is made at Jacksonville, Fla. and Collins and Valdosta, Ga., pine tar, pine tar oils, rosins, turpentine, etc. at Jacksonville and Gull Point, Fla., Fayetteville, N. C. and Collins, Ga. and linseed oil at Buena Park, Cal. A hydrogen plant is located at Hillside, N. J., and a food and an animal feed plant at Indianapolis.

Through The California Zinc Co. and Afterthought Zinc Mining Co. owns zinc ore properties in California, which have been inactive since 1927 due to low prices of zinc and other ores. Increased prices for zinc, cadmium and other metals would have made operation of the properties profitable in 1940. However, certain of the properties are in the area being flooded by the U. S. Government in building Shasta Dam, and company has filed a claim for damages in amount of $1,853,000.

Through American Zirconium Corp., Division manufactures titanium pigments at Baltimore, Md. Raw material (ilmenite) comes from India and Georgia.

Soya Products: Facilities at Chicago comprise elevators suitable for storing over 2,000,000 bushels of soya beans, an oil extraction unit, a protein unit, a flour unit and a lecithin unit. Plant has a daily crushing capacity of 400 tons of soya beans.

MANAGEMENT

Officers:

Adrian D. Joyce, Chairman of Board
R. H. Horsburgh, Vice-Chairman
Dwight P. Joyce, President
L. Y. Pulliam, Vice-President
W. J. O'Brien, Vice-Pres. (Research)
Newell Beatty, Vice-President
P. E. Sprague Vice-President
A. D. Duncan, Vice-President
J. A. Peters, Treasurer
Clifton M. Kolb, Secretary
W. W. Conant, Assistant Secretary
C. L. Cole, Controller.
J. M. Stadter, Purchasing Agent
E. L. Weber, Advertising Agent

Directors:

N. B. Betzold, Cleveland
A. D. Duncan, Cleveland
R. H. Horsburgh, Cleveland
Adrian D. Joyce, Cleveland
Dwight P. Joyce, Cleveland
Clifton M. Kolb, Cleveland
W. J. O'Brien, Cleveland
J. A. Peters, Cleveland
L. Y. Pulliam, Cleveland
J. P. Ruth, Cleveland
P. E. Sprague, Cleveland

General Counsel: M. B. & H. H. Jackson.
Annual Meeting: Second Thursday in Feb.
Number of Stockholders: Dec. 31, 1946: Preferred, 3,125; common, 12,504.
Number of Employees: Dec. 31, 1946, 5,462.
General Office: Cleveland 2, O.

NCOME ACCOUNTS

COMPARATIVE CONSOLIDATED INCOME ACCOUNT, YEARS ENDED OCT. 31
(Taken from reports to Securities and Exchange Commission)
(Excluding California mining companies)

	1946	1945	1944	1943	1942	1941	1940
ales, less returns, discts. & allow.	$122,439,119	$111,616,438	$111,897,815	$97,144,617	$81,705,732	$68,901,706	$50,169,733
Cost of sales	99,496,271	92,764,942	95,015,022	80,660,258	68,463,439	56,263,924	40,435,946
Selling, general & adm. expenses	12,685,567	11,838,022	11,043,579	9,807,275	8,817,388	8,359,614	7,722,691
rov. for doubtful accounts less rec.	26,752	15,357	26,924	78,153	86,534	99,389	108,638
Operating profit	10,230,529	6,998,117	5,812,290	6,598,931	4,338,371	4,178,779	1,902,459
isc. comm. & profits on mdse.	158,626	172,272	137,751	88,512	228,198	865	219,980
vidends received	--------	21,356	40,297	19,557	20,866	30,553	83,596
terest earned	31,248	29,275	23,650	17,780	35,385	32,930	14,528
her income	396,289	95,947	159,700	60,252	105,427	97,901	62,582
Total	10,816,691	7,316,967	6,173,687	6,785,033	4,728,249	4,341,028	2,283,144
e plant expense	--------	--------	--------	--------	--------	10,536	40,245
'e insurance expense	23,255	18,556	24,607	24,085	24,041	19,690	15,449
erest on long term debt	168,153	260,474	199,763	163,333	143,052	41,531	98,703
erest on bank loans, etc.	34,597	37,205	69,023	53,114	115,998	49,115	17,894
ovision for contingencies	140,000	15,357	150,000	--------	--------	--------	--------
ner deductions	20,171	235,732	[7]267,753	62,684	325,858	38,971	35,163
Balance	10,430,515	6,749,644	5,462,542	6,481,816	4,119,300	4,181,186	2,075,690
pecial items	--------	--------	dr 1,050,000	--------	--------	--------	--------
Balance	10,430,515	6,749,644	4,412,542	6,481,816	4,119,300	4,181,186	2,075,690
ovision for Federal taxes	3,452,500	950,000	890,000	1,010,000	1,090,000	990,000	292,000
minion & state income taxes	183,000	170,000	140,000	88,000	140,000	150,000	55,309
leral excess profits tax	1,080,000	3,302,000	1,422,800	3,750,000	1,062,000	15,000	--------
t-war excess profits tax refund	--------	cr 20,000	cr 167,800	cr 375,000	--------	--------	--------
iority interest	--------	--------	10,253	10,617	cr 26,452	15,796	552
Net income to surplus	5,715,015	2,347,644	2,117,289	1,998,199	1,853,753	3,010,390	1,727,829
ned surplus beginning of year	10,717,437	9,906,670	8,961,567	9,269,890	8,942,329	7,452,736	7,078,945
ther surplus credits	87,743	--------	19,700	--------	--------	102,321	--------
ferred dividends	448,986	448,986	448,987	448,986	448,986	449,380	449,886
mmon dividends	1,781,920	1,043,986	742,899	743,979	1,077,206	1,143,788	904,152
ther earned surplus charges	2,620,321	44,113	--------	1,113,557	--------	29,949	--------
Earned surplus end of year	$11,668,969	$10,717,437	$9,906,670	$8,961,567	$9,269,890	$8,942,329	$7,452,736
PLEMENTARY P. & L. DATA							
aintenance & repairs	$1,923,713	$1,994,782	$1,970,008	$1,537,644	$1,127,558	$896,239	$740,612
Depreciation & depletion	1,075,889	1,441,079	1,344,230	1,276,116	1,055,137	846,703	835,754
Taxes other than income	703,394	653,923	686,726	724,691	675,357	666,185	591,778
nts	248,231	195,059	212,815	198,662	183,827	174,440	165,951
oyalties	129,667	121,734	141,938	107,560	108,943	121,839	84,875
nort. of pat., trade-marks, etc.	4,508	786	93,251	14,584	14,584	9,513	8,358
ent company's net income	$5,478,834	$2,204,680	$1,278,810	$2,271,710	$2,063,754	$2,856,449	$1,680,023
earns. in uncons. subs. & affil.	--------	--------	--------	--------	d 38,852	d 39,786	d 80,186
s. from uncons. subs. & affil.	--------	--------	--------	--------	--------	--------	31,500

Includes related portions of items shown er "Supplementary p. & l. data" below ement.

1946: Certain items of note and bond disit and expense, provision for contin-ies,, losses on dismantlements, and reation of properties charged to capital surin 1932, $2,620,321.

l5: Applicable to prior years after deduct-$230,342 Federal income taxes recover-

.3: Write down of investment in Cali-a mining companies to nominal amount. see note [3] under consolidated balance t.

See general note (b) below.

[4]1944: Charge equal to reduction for certain claims provided for in prior years (credited to reserve for contingencies), $1,050,000.

[5]1946: Recovery on investment in California mining company charged off to earned surplus in 1943, $87,743.

1941: Represents net adjustment of reserves for depreciation to reflect reductions in rates allowed by Internal Revenue in 1939 and 1940.

[6]Includes payroll taxes: 1946, $259,052; 1945, $245,210; 1944, $263,402; 1943, $303,358; 1942, $291,224; 1941, $296,560; 1940, $270,897.

[7]Includes $98,649 write-off of unamortized cost of patents, rights to manufacture and special new products development.

General Notes

(a) No inter-company profit on inventories or inter-company sales included.

(b) Depreciation charges included in above statement were less than such charges claimed in Federal income tax returns by following amounts: 1946, not stated; 1945, $68,962; 1944, $68,962; 1943, $69,481; 1942, $71,683; 1941, $67,000; 1940, not stated.

Excess of depreciation claimed in income tax returns is due to depreciation claimed on costs written off or credited to revaluation reserve during 1932.

(c) Principles of consolidation (see note (a) under balance sheet).

Record of Earnings, years ended Oct. 31:

	Net Sales	Cost and Expenses	Operating Profit	Oth. Inc. & Ded. (Net)	Inc. Bef. Taxes	Income Taxes	Net Income	Common Dividends	Com. Shs. Outstand.	Earn. Per Com. Sh.
-------	$39,528,739	$36,449,788	$3,078,951	d $33,116	$3,045,835	$400,245	$2,645,590	$1,081,526	759,881	$2.91
-------	44,580,959	41,102,389	3,478,570	91,899	3,570,469	485,000	3,085,469	1,576,924	800,000	3.29
-------	54,052,233	51,510,289	2,541,944	430,053	2,971,997	429,204	2,542,793	2,080,126	799,701	2.62
-------	44,049,023	43,969,118	79,905	141,101	221,006	15,409	205,597	399,897	829,989	d 0.29
-------	47,824,047	45,402,956	2,421,091	d 133,800	2,287,291	433,742	1,853,549	--------	825,421	1.70

NCE SHEETS

COMPARATIVE CONSOLIDATED BALANCE SHEET, AS OF OCT. 31
(Taken from reports to Securities and Exchange Commission; excluding California mining companies)

SSETS	1946	1945	1944	1943	1942	1941	1940
	$6,038,069	$5,169,543	$4,124,280	$3,888,917	$2,240,346	$2,262,551	$2,126,192
of Canada bonds	200,000	180,996	119,369	--------	--------	--------	--------
Treasury certificates	--------	1,500,612	--------	--------	--------	--------	--------
s profit refund bonds	--------	417,120	--------	--------	--------	--------	--------
es & accounts receivable	9,441,913	5,953,352	6,451,323	6,271,318	6,302,040	7,179,515	4,590,872
ntories	25,503,273	25,010,799	24,257,190	22,889,602	17,107,785	15,521,123	10,612,031
current accounts receivable	367,709	295,640	306,518	351,049	1,690,691	655,613	523,246
tal current assets	$41,550,965	$38,528,062	$35,258,680	$33,400,886	$27,340,862	$25,618,801	$17,852,341

PRINCIPAL PLANTS & PROPERTIES

Paints and Varnishes: Plants of this division are operated at Chicago, Minneapolis, Cleveland, St. Louis, New Orleans, Reading, San Francisco, and Toronto, the latter by The Glidden Co., Ltd. Some 30 retail stores and 7 warehouses are located in the U. S. and Canada for product distribution.

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W. J. O'Brien, Vice-Pres. (Research)
Newell Beatty, Vice-President
P. E. Sprague Vice-President
A. D. Duncan, Vice-President
J. A. Peters, Treasurer
Clifton M. Kolb, Secretary
W. W. Conant, Assistant Secretary
C. L. Cole, Controller.
J. M. Stadter, Purchasing Agent
E. L. Weber, Advertising Agent

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P. E. Sprague, Cleveland

General Counsel: M. B. & H. H. Jackson.
Annual Meeting: Second Thursday in Feb.
Number of Stockholders: Dec. 31, 1946: Preferred, 3,125; common, 12,504.
Number of Employees: Dec. 31, 1946, 5,462.
General Office: Cleveland 2, O.

INCOME ACCOUNTS COMPARATIVE CONSOLIDATED INCOME ACCOUNT, YEARS ENDED OCT. 31
(Taken from reports to Securities and Exchange Commission)
(Excluding California mining companies)

	1946	1945	1944	1943	1942	1941	1940
Sales, less returns, discts. & allow.	$122,439,119	$111,616,438	$111,897,815	$97,144,617	$81,705,732	$68,901,706	$50,169,733
Cost of sales	99,496,271	92,764,942	95,015,022	80,660,258	68,463,439	56,263,924	40,435,946
Selling, general & adm. expenses	12,685,567	11,838,022	11,043,579	9,807,275	8,817,388	8,359,614	7,722,691
Prov. for doubtful accounts less rec.	26,752	15,357	26,924	78,153	86,534	99,389	108,638
Operating profit	10,230,529	6,998,117	5,812,290	6,598,931	4,338,371	4,178,779	1,902,459
Misc. comm. & profits on mdse.	158,626	172,272	137,751	88,512	228,198	865	219,980
Dividends received	--------	21,356	40,297	19,557	20,866	30,553	83,596
Interest earned	31,248	29,275	23,650	17,780	35,385	32,930	14,528
Other income	396,289	95,947	159,700	60,252	105,427	97,901	62,582
Total	10,816,691	7,316,967	6,173,687	6,785,033	4,728,249	4,341,028	2,283,144
Idle plant expense	--------	--------	--------	--------	--------	10,536	40,245
Life insurance expense	23,255	18,556	24,607	24,085	24,041	19,690	15,449
Interest on long term debt	168,153	260,474	199,763	163,333	143,052	41,531	98,703
Interest on bank loans, etc.	34,597	37,205	69,023	53,114	115,998	49,115	17,894
Provision for contingencies	140,000	15,357	150,000	--------	--------	--------	--------
Other deductions	20,171	235,732	[7]267,753	62,684	325,858	38,971	35,163
Balance	10,430,515	6,749,644	5,462,542	6,481,816	4,119,300	4,181,186	2,075,690
Special items	--------	--------	dr 1,050,000	--------	--------	--------	--------
Balance	10,430,515	6,749,644	4,412,542	6,481,816	4,119,300	4,181,186	2,075,690
Provision for Federal taxes	3,452,500	950,000	890,000	1,010,000	1,090,000	990,000	292,000
Dominion & state income taxes	183,000	170,000	140,000	88,000	140,000	150,000	55,309
Federal excess profits tax	1,080,000	3,302,000	1,422,800	3,750,000	1,062,000	15,000	--------
Post-war excess profits tax refund	--------	cr 20,000	cr 167,800	cr 375,000	--------	--------	--------
Minority interest	--------	--------	10,253	10,617	cr 26,452	15,796	552
Net income to surplus	5,715,015	2,347,644	2,117,289	1,998,199	1,853,753	3,010,390	1,727,829
Earned surplus beginning of year	10,717,437	9,906,670	8,961,567	9,269,890	8,942,329	7,452,736	7,078,945
Other surplus credits	87,743	--------	19,700	--------	--------	102,321	--------
Preferred dividends	448,986	448,986	448,987	448,986	448,986	449,380	449,886
Common dividends	1,781,920	1,043,986	742,899	743,979	1,077,206	1,143,788	904,152
Other earned surplus charges	2,620,321	44,113	--------	1,113,557	--------	29,949	--------
Earned surplus end of year	$11,668,969	$10,717,437	$9,906,670	$8,961,567	$9,269,890	$8,942,329	$7,452,736
SUPPLEMENTARY P. & L. DATA							
Maintenance & repairs	$1,923,713	$1,994,782	$1,970,008	$1,537,644	$1,127,558	$896,239	$740,612
Depreciation & depletion	1,075,889	1,441,079	1,344,230	1,276,116	1,055,137	846,703	835,754
Taxes other than income	703,394	653,923	686,726	724,691	675,357	666,185	591,778
Rents	248,231	195,059	212,815	198,662	183,827	174,440	165,951
Royalties	129,667	121,734	141,938	107,560	108,943	121,839	84,875
Amort. of pat., trade-marks, etc.	4,508	786	93,251	14,584	14,584	9,513	8,358
Parent company's net income	$5,478,834	$2,204,680	$1,278,810	$2,271,710	$2,063,754	$2,856,449	$1,680,023
Eq. earns. in uncons. subs. & affil.	--------	--------	--------	--------	d 38,852	d 39,786	d 80,186
Divs. from uncons. subs. & affil.	--------	--------	--------	--------	--------	--------	31,500

[1]Includes related portions of items shown under "Supplementary p. & l. data" below statement.

[2]1946: Certain items of note and bond discount and expense, provision for contingencies,, losses on dismantlements, and revaluation of properties charged to capital surplus in 1932, $2,620,321.

1945: Applicable to prior years after deducting $230,342 Federal income taxes recoverable.

1943: Write down of investment in California mining companies to nominal amount. Also see note [3] under consolidated balance sheet.

[3]See general note (b) below.

[4]1944: Charge equal to reduction for certain claims provided for in prior years (credited to reserve for contingencies), $1,050,000.

[5]1946: Recovery on investment in California mining company charged off to earned surplus in 1943, $87,743.

1941: Represents net adjustment of reserves for depreciation to reflect reductions in rates allowed by Internal Revenue in 1939 and 1940.

[6]Includes payroll taxes: 1946, $259,052; 1945, $245,210; 1944, $263,402; 1943, $303,358; 1942, $291,224; 1941, $296,560; 1940, $270,897.

[7]Includes $98,649 write-off of unamortized cost of patents, rights to manufacture and special new products development.

General Notes

(a) No inter-company profit on inventories or inter-company sales included.

(b) Depreciation charges included in above statement were less than such charges claimed in Federal income tax returns by following amounts: 1946, not stated; 1945, $68,962; 1944, $68,962; 1943, $69,481; 1942, $71,683; 1941, $67,000; 1940, not stated.

Excess of depreciation claimed in income tax returns is due to depreciation claimed on costs written off or credited to revaluation reserve during 1932.

(c) Principles of consolidation (see note (a) under balance sheet).

Record of Earnings, years ended Oct. 31:

Year	Net Sales	Cost and Expenses	Operating Profit	Oth. Inc. & Ded. (Net)	Inc. Bef. Taxes	Income Taxes	Net Income	Common Dividends	Com. Shs. Outstand.	Earn. Per Com. Sh.
1935	$39,528,739	$36,449,788	$3,078,951	d $33,116	$3,045,835	$400,245	$2,645,590	$1,081,526	759,881	$2.91
1936	44,580,959	41,102,389	3,478,570	91,899	3,570,469	485,000	3,085,469	1,576,924	800,000	3.29
1937	54,052,233	51,510,289	2,541,944	430,053	2,971,997	429,204	2,542,793	2,080,126	799,701	2.62
1938	44,049,023	43,969,118	79,905	141,101	221,006	15,409	205,597	399,897	829,989	d 0.29
1939	47,824,047	45,402,956	2,421,091	d 133,800	2,287,291	433,742	1,853,549	--------	825,421	1.70

BALANCE SHEETS COMPARATIVE CONSOLIDATED BALANCE SHEET, AS OF OCT. 31
(Taken from reports to Securities and Exchange Commission; excluding California mining companies)

ASSETS	1946	1945	1944	1943	1942	1941	1940
Cash	$6,038,069	$5,169,543	$4,124,280	$3,888,917	$2,240,346	$2,262,551	$2,126,192
Dom. of Canada bonds	200,000	180,996	119,369	--------	--------	--------	--------
U. S. Treasury certificates	--------	1,500,612	--------	--------	--------	--------	--------
Excess profit refund bonds	--------	417,120	--------	--------	--------	--------	--------
Notes & accounts receivable	9,441,913	5,953,352	6,451,323	6,271,318	6,302,040	7,179,515	4,590,872
Inventories	25,503,273	25,010,799	24,257,190	22,889,602	17,107,785	15,521,123	10,612,031
Other current accounts receivable	367,709	295,640	306,518	351,049	1,690,691	655,613	523,246
Total current assets	$41,550,965	$38,528,062	$35,258,680	$33,400,886	$27,340,862	$25,618,801	$17,852,341

BALANCE SHEETS (cont'd)

ASSETS	1946	1945	1944	1943	1942	1941	1940
[3]Calif. mining cos. (below cost)							
Capital stock (100% owned)					$15,000	$15,000	$15,(
Bonds ($500,000 par)	--------	--------	$1	$2	187,500	187,500	187,:
Advances					913,301	927,426	915,(
[4]Investment in affiliates (cost)	--------	--------	--------	--------	--------	--------	690,0
Cash surrender value of life insurance	$673,029	$645,333	616,625	587,736	557,808	527,497	496,3
Sundry investments	33,540	35,893	35,891	35,891	46,822	69,350	48,4
Claims against closed banks	--------	--------	--------	--------	--------	1,916	6,8
Miscellaneous receivables (net)	115,035	60,835	107,407	164,989	125,228	116,239	72,2
Refundable excess profits tax	[11]56,000	[11]51,000	593,400	408,300	--------	--------	--------
Income tax refund	244,285	[5]230,342	--------	--------	--------	--------	--------
[1]Property, plant & equipment	33,295,485	31,750,916	31,845,801	31,488,874	30,474,027	29,225,434	26,385,4
Less: [9]Revaluation reserve	3,268,227	3,307,623	3,316,065	3,343,197	3,349,391	3,389,489	3,439,3
[9]Depreciation & depletion res.	14,227,231	13,379,030	11,874,212	10,908,927	9,837,593	8,913,405	7,902,6
Net property account	15,800,027	15,064,263	16,655,524	17,236,750	17,287,044	16,932,540	15,043,4
Special new products devel. exp.	--------	--------	--------	68,191	81,999	95,807	109,9
Prepaid insurance, expenses, etc.	640,259	415,601	279,552	475,481	539,326	551,620	386,6
Goodwill, pat., mfg. rights, etc.	--------	4,508	5,294	98,545	113,129	127,714	66,8
Total	$59,113,139	$55,035,838	$53,552,374	$52,476,771	$47,208,019	$45,161,410	$35,910,6
LIABILITIES							
Notes payable	$102,300	$1,000,000	--------	$4,700,000	$1,600,000	$6,000,000	--------
Accounts payable	4,490,219	5,045,832	$5,862,726	4,459,880	3,101,045	2,824,539	$1,240,0
Processing taxes—Federal	Not stated	Not stated	Not stated	58,903	76,679	279,933	232,3
Federal & state payroll, etc. taxes	196,840	31,194	28,038	174,499	57,455	53,408	45,8
[7]Fed., Dom. & State income taxes	4,658,124	2,469,336	2,670,300	4,289,691	2,407,290	1,239,588	340,10
Accrued general taxes	212,914	207,370	307,781	285,659	345,447	323,369	199,
[8]Other current liabilities	1,603,940	966,551	921,107	917,776	687,471	595,831	420,80
Serial notes & bonds due	--------	--------	--------	1,000,000	1,000,000	--------	--------
Total current liabilities	$11,264,338	$9,720,283	$9,789,952	$15,836,407	$9,275,387	$11,316,669	$2,479,9
Long term debt—notes & bonds	$8,000,000	$9,000,000	$10,000,000	$5,000,000	$6,000,000	$2,000,000	$3,500,00
Res. for adj. of open contracts to mkt.	--------	--------	--------	--------	--------	170,474	50,00
Reserve for contingencies	1,340,000	1,200,000	1,200,000	--------	--------	67,886	67,8
Minority interest in subs.	--------	--------	213,498	186,544	183,428	209,880	100,55
4½% cum. conv. pfd. ($50 par)	9,977,000	9,977,000	9,997,000	9,997,000	9,997,000	9,997,000	9,997,00
[10]Common stock	4,460,000	4,460,000	4,177,655	4,177,655	4,180,655	4,180,655	4,180,6
[6]Capital surplus	12,581,438	9,961,117	8,444,163	8,444,163	8,441,922	8,374,037	8,374,0
Earned surplus	11,668,969	10,717,437	9,906,670	8,961,567	9,269,890	8,942,329	7,452,7
Total capital stock & surplus	38,687,407	35,115,554	32,525,488	31,580,385	31,889,467	31,494,021	30,004,4
[12]Less: Treasury stock (cost)	178,605	--------	176,565	176,565	140,264	97,520	292,1
Net capital stock & surplus	$38,508,802	$35,115,554	$32,348,923	$31,403,820	$31,749,203	$31,396,501	$29,712,2
Total	$59,113,139	$55,035,838	$53,552,374	$52,476,771	$47,208,019	$45,161,410	$35,910,
Net current assets	$30,286,627	$28,807,779	$35,258,680	$17,514,479	$18,065,475	$14,302,132	$15,372,
PROPERTY ACCT.—ANALYSIS							
Additions at cost	$2,298,759	$831,459	$965,300	$1,362,879	$1,600,285	$1,666,100	$1,343,6
Retirements or sales	754,191	926,344	608,372	348,033	351,692	337,154	220,2
[14]Other additions	--------	--------	--------	--------	--------	1,511,050	--------
DEPREC. RESERVE—ANALYSIS							
Additions charged to income	$1,075,889	$1,441,079	$1,344,230	$1,276,116	$1,055,137	$846,703	$835,7
Retirements, renewals chgd. to res.	227,687	210,716	378,945	209,364	130,949	351,024	136,
[14]Other additions	--------	274,455	--------	4,582	--------	515,040	--------
REVAL. RESERVE—ANALYSIS							
Reductions	$39,396	$8,442	$27,131	$8,193	$40,099	$49,843	$12,9

[1]After reserves (1946, $247,483).

[2]1941-46: Principal raw materials stated at cost (last-in, first-out method) not in excess of market; other inventories at lower of cost (accumulated average) or replacement market (see note (c) below).

[3]Investments in California mining companies was written down to nominal amount of $2 by a direct charge to earned surplus in 1943. This action was taken because U. S. Government, in building Shasta Dam, will flood area in which mines are located. Company filed claims with U. S. Government for damages. Amount recovered was credited directly to earned surplus in 1946.

[4]1940 represents all 7% preferred stock of American Zirconium Corp., $600,000 par, dividends on which have been paid to July 1, 1940 and 45% of common.

As of Oct. 1, 1941 company acquired an additional interest in common stock, thereby increasing same to approximately 90%. Accounts are now included in consolidation.

[5]1945: Applicable to prior years charged to earned surplus, arising from recomputation of amortization of emergency facilities so as to fully amortize such facilities by Sept. 30, 1945.

[6]Principal "capital surplus" changes follow:

1946: Transfer to earned surplus account of certain charges to capital surplus in 1932, $2,620,321.

1945: Proceeds from sale of 63,148 common shares in excess of amount credited to stated capital, $1,565,126.

[7]1945: After deducting $2,000,000 U. S. tax notes.

[9]1946:	Book Val.	Depr. & depl. res.	Reval. Res.
Ore ld. & leas.	$240,035	$69,819	--------
Land	2,526,424	--------	$455,599
Land improv.	152,674	123,426	--------
R.R. sidings	89,998	26,440	6,340
Buildings	11,164,787	3,608,865	1,594,353
Mach. & eq.	17,310,602	9,730,879	1,183,000
Furn. & fixt.	884,040	595,305	28,935
Auto equip.	118,301	72,497	--------
Const. in proc.	808,623	--------	--------
Total	$33,295,484	$14,227,231	$3,268,227

[10]Represented by no par shares: 1946-45, 892,000; 1944-43, 835,531; 1942-40, 835,591; includes treasury shares (see note [12] below).

[11]Canadian only.

[12]Common shares: 1946, 4,300; 1945, none; 1944-43, 10,088; (and 400 preferred); 1942, 8,348 (and 400 preferred); 1941, 5,048 (and 300 preferred); 1940, 16,671.

[14]1941: Represents property, plant and equipment, and related reserves, of American Zirconium Corp. at Oct. 1, 1941, date of which Glidden Co. acquired control of that company.

Depreciation Policy: Depreciation is provided by amounts considered by company as fair and reasonable to cover wear, tear and deterioration of property on basis of specific rates. Company does not believe it practicable to set forth rates in use as such rates have been determined generally as applicable to specific assets or groups of assets in various geographical locations.

Depletion is provided for at rates based upon estimated amounts of remaining recoverable units.

General Notes

(a) Principles of consolidation: Companies included in consolidated statements at Oct. 31, 1945 were also included for the preceding year except that Nelio Resin Processing Corp., a wholly-owned subsidiary was liquidated as of the close of business Oct. 31, 1946, and its assets and liabilities have been transferred to the parent company.

(b) Accounts certified by Ernst & Ernst.

(c) In 1941 inventories of principal raw materials have been priced in accordance with last-in, first-out method of determining cost instead of methods previously used. Such change had the effect of reducing amount stated for inventories at Oct. 31, 1941 by approximately $1,115,000 and reduced the net profit (after income and excess profits taxes) shown for that fiscal year by approximately $455,000.

FINANCIAL & OPERATING DATA

Statistical Record, Fiscal Years	1946	1945	1944	1943	1942	1941
Earned per share—preferred	$28.64	$11.77	$10.61	$10.01	$9.29	$15.08
—common	$5.93	$2.13	$2.02	$1.88	$1.70	$3.08
Dividends per sh.—preferred	$2.25	$2.25	$2.25	$2.25	$2.25	$2.25
—common	$2.00	$1.20	$0.90	$0.90	$1.30	$1.40
[3]Price range—preferred	59–53	57-52½	52-45	48-41	44-37¾	46-35
—common	56¼-36⅜	39-25¼	25⅜-18¼	22⅛-14¾	16-12⅛	17⅞-11
Net tangible assets per sh.—preferred	$192.99	$175.96	$162.09	$156.89	$158.54	$156.63
—common	$32.14	$28.18	$27.10	$25.81	$26.18	$25.63
Fixed charges earned:						
Before inc. taxes, depr. & depl.	57.75	28.51	26.32	36.85	20.97	56.47
Bef. inc. taxes & after depr. & depl.	52.44	23.67	21.32	30.95	16.90	47.12
After inc. taxes, depr. & depl.	29.19	8.89	12.82	10.28	8.05	34.38
Times charges & pfd. div. earned	9.07	3.54	3.32	3.33	2.98	5.74
Net tangible assets $1,000 fund. debt	$5,814	$4,901	$4,234	$7,261	$6,273	$16,634
Net curr. assets per $1,000 fund. debt	$3,786	$3,201	$3,526	$3,503	$3,011	$7,151
Number of shares—preferred	199,540	199,540	199,540	199,540	199,540	199,640
—common	887,700	892,000	825,443	825,443	827,243	830,543

[3]Calendar years.

Financial and Operating Ratios	1946	1945	1944	1943	1942	1941
Curr. assets ÷ curr. liab.	3.69	3.96	3.60	2.10	2.95	2.26
% cash & sec. to curr. assets	15.01	18.86	12.04	11.64	8.19	8.83
% inventory to curr. assets	61.38	64.92	68.79	68.53	62.57	60.58
% net curr. assets to net worth	78.65	82.04	108.99	55.77	56.90	45.55
% property depreciated	52.55	52.55	47.70	45.26	43.27	42.09
% annual depr. to gross property	3.23	4.54	4.22	4.05	3.46	2.90

Financial & Operating Ratios (cont'd)

Capitalization:	1946	1945	1944	1943	1942	1941	1940
% long term debt	17.20	20.40	23.49	13.66	15.82	5.95	10.51
% preferred stock	21.45	22.62	23.44	27.27	26.30	29.70	30.01
% common stock & surp.	61.35	56.98	53.07	50.97	57.88	64.35	59.48
Sales ÷ inventory	4.80	4.46	4.61	4.24	4.78	4.44	4.73
Sales ÷ receivables	12.97	18.75	17.34	15.49	10.22	8.79	9.81
% sales to net property	774.93	740.94	671.83	563.59	472.64	407.16	383.50
% sales to total assets	207.13	202.81	208.95	185.12	173.07	152.57	139.71
% net income to total assets	9.67	4.27	3.95	3.81	3.93	6.67	4.81
% net income to net worth	14.84	6.69	6.55	6.35	5.84	9.59	5.82
Pfd. div. times earned	12.73	5.23	4.72	4.45	4.13	6.70	3.84
Analysis of Operations	%	%	%	%	%	%	%
Net sales	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Cost of sales	81.26	83.11	84.91	83.03	83.79	81.66	80.60
Sell., gen. & other exp.	10.38	10.62	9.89	10.18	10.90	12.28	15.61
Operating profit	8.36	6.27	5.19	6.79	5.31	6.06	3.79
Other income	0.47	0.28	0.32	0.19	0.48	0.24	0.76
Total income	8.83	6.55	5.51	6.98	5.79	6.30	4.55
Interest on long term debt, etc.	0.17	0.27	0.24	0.22	0.32	0.13	0.23
Income deductions	0.04	0.23	0.26	0.09	0.43	0.10	0.16
Provision for contingencies	0.11	0.01	0.13	------	------	------	------
Special items	--------	--------	*dr* 0.94	------	----	----	----
Net income before inc. taxes	8.52	6.05	3.94	6.67	5.04	6.07	4.14
Income taxes	3.85	3.95	2.04	4.60	2.81	1.68	0.69
Minority interest	--------	--------	0.01	0.01	*cr* 0.03	0.02	----
Net income	4.67	2.10	1.89	2.06	2.26	4.37	3.45

FUNDED DEBT

1. The Glidden Co. 1½-2% notes, due serially to 1952:

OUTSTANDING—Oct. 31, 1946, $8,000,000.

DATED—May 1, 1944.

MATURITY—$1,000,000 1½% notes each July 1, 1946-48 incl.; $1,000,000 1¾% notes each July 1, 1949-51 incl.; $4,000,000 2% notes July 1, 1952.

INTEREST—J&J 1.

Under agreement dated May 2, 1945 with holders of serial notes interest rate was reduced ½ of 1% per annum from July 1, 1945, and holders, together with one additional bank, have agreed to lend company an additional $4,000,000 at 2% payable July 1, 1952. Thereupon company redeemed $4,000,000 of outstanding 3¼% notes.

CALLABLE—As a whole or in part at any time without premium except through refunding at the same or a lower rate (any refunding through the sale of stock being exempt from this premium) when premium shall be at the rate of ¼ of 1% per annum to maturity but not to exceed ¾ of 1%. There will be no premium if the notes are redeemed within nine months of maturity unless financing takes place within 60 days of redemption in which case the premium applies.

SECURITY—A general obligation of company but not secured by any lien.

OTHER PROVISIONS—Company covenants that it will not without consent of noteholders (a) pay dividends on outstanding common stock, in the aggregate to exceed sum of consolidated net earnings accumulated since fiscal year ended Oct. 31, 1942 or expend in excess of $200,000 for acquisition or retirement of any class of stock except out of such consolidated net earnings; (b) create or incur any lien, mortgage or charge upon its property, nor permit any subsidiary to do so; (c) incur any debt or liability maturing beyond 12 months, nor permit any subsidiary to do so; (d) permit any subsidiary to incur or guarantee any debt except to the company and to minority stockholders and open account debt in ordinary course of business: (e) guarantee or lend its credit in excess of an aggregate amount of $100,000, directly or indirectly, to any one other than a subsidiary; (f) merge, sell or lease all or substantially all assets, with exceptions as to subsidiaries.

Company agrees that consolidated working capital (excess of current assets over current liabilities, excluding the notes with exception of such as mature within 12 months from date of termination of such working capital) shall be maintained at all times in an amount not less than $18,000,000.

PURPOSE—Issued to refinance outstanding short and long-term indebtedness.

ISSUED—To seven banks.

CAPITAL STOCK

1. The Glidden Co. 4½% convertible cumulative preferred stock; par $50:

AUTHORIZED—200,000 shares; issued 200,000 shares; outstanding, Oct. 31, 1946, 199,540 shares; par $50.

DIVIDEND RIGHTS—Has preference over common as to cumulative dividends of 4½% annually. Dividends payable quarterly Jan. 1, etc. to stock of record about Dec. 17, etc.

DIVIDEND RECORD—Initial dividend of 56¼c paid Oct. 1, 1936 and regularly each quarter thereafter.

DIVIDEND LIMITATION—None.

VOTING RIGHTS—None, except upon default of two successive quarterly dividends whereupon holders voting as a class shall elect one-half the directors and on all other matters vote on a share for share basis with the common.

Consent of two-thirds of the then outstanding preferred is required to (1) sell, lease or dispose of all, substantially all, or any essential portion of its assets (2) enter a merger or consolidation involving the extinction or merger of its corporate entity (3) encumber its assets or income, except for (a) purchase money mortgages with certain limitations, and (b) pledges of quick assets as security for loans in the regular course of business maturing not less than eighteen months (4) issue or guarantee any obligations maturing more than eighteen months from date of issue (5) authorize or issue any stock on a parity with or having priority over this preferred.

LIQUIDATION RIGHTS—In any liquidation entitled to preference over common to par and accrued dividends.

PREEMPTIVE RIGHTS—None.

CONVERTIBLE—Each share into 7/10 of a share of common. Conversion privilege is protected against certain types of dilution. Preferred stock converted is to be cancelled.

CALLABLE—As a whole or in part at any time on thirty days' notice at $52.50 and dividends.

SINKING FUND—None.

LISTED—New York Stock Exchange.

TRANSFER AGENT—New York Trust Co., New York.

REGISTRAR—Chase National Bank, New York.

DIVIDEND DISBURSING AGENT—Company.

OFFERED—200,000 shares in May, 1936 to common stockholders at $52.50 per share. Unsubscribed balance then offered in exchange for prior preference stock on the basis of two new shares for each old share and remaining shares offered publicly at $52.50 per share by a syndicate headed by Hornblower & Weeks, New York and Hayden Miller & Co., Cleveland. Of the proceeds, $3,360,104 was applied to the retirement of funded debt (chiefly 5½% notes due June 1, 1939) and for retirement and/or conversion of prior preference stock.

PRICE RANGE—	1946	1945	1944
Preferred	59-53	57-52½	52-45

2. The Glidden Co. common; no par:

AUTHORIZED—Authorized, 1,200,000 shares; issued and outstanding, Oct. 31, 1946, 887,700 shares; in treasury, 4,300 shares; reserved for conversion of preferred, 145,505 shares; no par. (In reorganization on Dec. 30, 1919, 8 no par shares were issued for each share of $100 par stock.)

Dividend Record (in $)
(Calendar Years)
($100 par shares)

1917-19 nil

(no par shares)

1920	1.50	1921	0.50	1922-25	nil
1926	2.00	1927	1.00	1928	nil
1929	[1]2.00	1930	[2]1.80	1931-32	nil
1933	0.25	1934	0.90	1935	1.60
1936	2.00	1937	2.60	1938-39	0.50
1940	1.00	1941	1.50	1942	0.80
1943-44	0.90	1945	1.20	1946	2.00
[3]1947	1.00				

[1]Plus 1% in stock.
[2]Plus 2% in stock.
[3]To Apr. 2.

DIVIDEND LIMITATION—For details see description of unsecured notes above.

VOTING RIGHTS—Has exclusive voting power. For exception see description of 4½% convertible preferred.

PREEMPTIVE RIGHTS—None.

LISTED—New York Stock Exchange.

TRANSFER AGENT—New York Trust Co., New York.

REGISTRAR—Chase National Bank, New York.

DIVIDEND DISBURSING AGENT—Company.

OFFERED—87,920 shares at $36 per share in Jan., 1920 by W. F. Ladd & Co., New York; Hayden Miller & Co., Cleveland.

(63,148 shares) at $31 per share (proceeds to company $30 per share) on May 25, 1945 by a syndicate headed by Blyth & Co., Inc., New York.

ISSUED—In reorganization dated Dec. 30, 1919, 160,000 shares were issued in exchange for old $100 par stock on the basis of 8 new shares for each old share; 52,000 shares were issued for part purchase price to acquire Nubian Paint & Varnish Co. and 97,400 shares were sold to underwriters to provide cash for part purchase price of constituent companies, and for working capital. At the same time 15,000 shares of 7% cumulative preferred stock were issued for a like number of shares of preferred; 24,849 preferred shares were issued as part payment for stocks of acquired companies and 20,238 preferred shares were sold to underwriters to provide cash for part purchase price of constituent companies, and for working capital.

In 1920, 11,470 common shares were sold to employees.

In May, 1925, 37,045 common shares were sold for the company's account in the open market.

In July, 1935 offered 46,000 common shares to officers and key men at $22 per share.

In May, 1945, sold 63,148 shares. Net proceeds were added to working capital, to be used for increased inventories and accounts receivable.

PRICE RANGE—	1946	1945	1944
Common	56¼-36⅜	39-25¼	25⅝-18¼

Subscription Rights: Common stockholders have received rights to subscribe for stock as follows:

Holders of Record	Shares Offered	Price per Sh.	Basis
7/22/25	40,000 com.	$20	1 for 9
9/ 7/28	100,000 com.	23	1 for 4
4/ 4/29	100,000 com.	35	1 for 5
8/19/29	75,000 com.	50	1 for 8
7/ 3/35	104,000 com.	22	16 for 100
5/23/36	200,000 con. pfd.	52.50	1 for 4
10/ 4/37	64,004 4/5 com.	30	1 for 12½

RALSTON PURINA COMPANY

CAPITAL STRUCTURE

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	[1]Earned per Sh. 1946	1945	[1]Divs. per Sh. 1946	1945	Call Price	Price Range 1946	1932-46
1. 3¾% cum. preferred	$100	100,000 shs.	$40.53	$26.65	$3.75	$0.93¾	[2]108	112½-100½	[3]112½-100½
2. Common	25	795,896 shs.	4.62	3.17	2.00	1.50	---	68 - 45	[4]68 - 45

[1]Fiscal years ended Sept. 30. [2]Subject to change, see description below. [3]Range since 1945. [4]1946 range.

HISTORY

Incorporated in Missouri, Jan. 8, 1894, as Robinson Danforth Commission Co.; present title adopted in 1902.

On May 9, 1945, company merged Denver Alfalfa Milling & Products Co. (Colo.), a former wholly-owned subsidiary, and formed a new wholly-owned subsidiary, Denver Alfalfa Milling & Products Co. (Mo.). The latter, together with the alfalfa division of parent company, was sold on May 22, 1946, to National Alfalfa Dehydrating & Milling Co. for approximately $4,500,000.

In Dec. 1945 company acquired Taylor Milling Corp. (Calif.) for approximately $6,000,000.

SUBSIDIARIES

Functions primarily as an operating company. As of Sept. 30, 1946, company held 100% voting control in Ralston Purina Co. of Canada, Ltd., Woodstock and Montreal; Taylor Milling Co. (Cal.); and West Coast Wharf & Storage Co. (Cal.).

Note: Ralston Purina Co. of Fort Worth, Tex., and Checkerboard Elevator Co., St. Louis, former subsidiaries, were merged Oct. 1, 1936 and are now operated as branches.

BUSINESS & PRODUCTS

Company and subsidiaries are engaged primarily in the processing and sale of animal feeds (known in the trade as Purina Chows), and also in the manufacture and sale of breakfast cereals, sold largely under the Ralston name, and Ry-Krisp whole rye wafers. In con-