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Published December 10, 1948

SECURITIES AND EXCHANGE COMMISSION

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WASHINGTON

FORM 10-K

FOR CORPORATIONS

ANNUAL REPORT

For Fiscal Year Ended October 31, 1947

THE GLIDDEN COMPANY
(Name of registrant)

Cleveland, Ohio
(Address of principal executive offices)

Ohio - December 22, 1917
(The State or other sovereign power under which incorporated and date of incorporation)

Perpetual
(Date of termination of charter)

Second Tuesday in February at Cleveland, Ohio
(Date and place of annual meetings)

TABLE OF SECURITIES REGISTERED

Securities Registered			
Title of issue	Amount as of close of fiscal year		Names of exchanges on which registered
	Amount as to which registration is effective	Amount to be registered upon notice of issuance	
Common Stock, without par value	1,784,000	349,290	New York Stock Exchange
Convertible Preferred Stock, 4½% Cumulative, $50.00 Par Value	199,540	None	New York Stock Exchange

Name and address of person authorized to receive notices and communications from the Securities and Exchange Commission:

Clifton M. Kolb, 1396 Union Commerce Building, Cleveland 14, Ohio.

The information required to be given under the items herein set forth is more specifically defined in the Instruction Book for Form 10-K for Corporations.

The instruction book also sets forth requirements as to exhibits which are to accompany the annual report.

AFFILIATIONS

1. List the following and indicate the respective percentages of voting power, or other basis of control, as required by the instructions:
   (a) All subsidiaries of the registrant.
   (b) All parents of the registrant.

		State of Incorporation	Stock Owned
(a)	Afterthought Zinc Mining Company[1]	California	All
	The California Zinc Company[2]	Ohio	All
	Sacramento Valley and Eastern Railway Company[2]	California	All
	The Ripolin Company[3]	Ohio	All
	Trees Company of Illinois[3]	Illinois	All
	The Glidden Company, Limited[4]	Ontario, Canada	All

1. On October 27, 1947, Afterthought Zinc Mining Company was dissolved, all assets having been sold.

2. The California Zinc Company and Sacramento Valley and Eastern Railway Company are inactive and have been carried as investments which, at the beginning of the fiscal year ended October 31, 1943, were written down to a nominal amount of $2.00 by this charge to surplus which has since been written off the books.

3. Inactive subsidiaries included in all statements.

4. The Glidden Company, Limited, a Canadian corporation, is active and is included in consolidated statements.

(b) None.

MANAGEMENT AND CONTROL

2. List the names and addresses of all directors and officers of the registrant. Indicate the office or offices held. If any person is both an officer and director, so state.

Name	Address	Office
Adrian D. Joyce	1396 Union Commerce Building Cleveland 14, Ohio	Chairman, Board of Directors
R. H. Horsburgh	1396 Union Commerce Building Cleveland 14, Ohio	Vice Chairman, Board of Directors
Dwight P. Joyce	1396 Union Commerce Building Cleveland 14, Ohio	President and Director
F. E. Sprague	1396 Union Commerce Building Cleveland 14, Ohio	Vice President, Director, and Assistant to President
W. J. O'Brien	1396 Union Commerce Building Cleveland 14, Ohio	Vice President and Director
Newell Beatty	2900 Fifth Street Berkeley 2, California	Vice President
Alexander D. Duncan	11001 Madison Avenue Cleveland 2, Ohio	Vice President and Director
Lovell Y. Pulliam	1396 Union Commerce Building Cleveland 14, Ohio	Vice President and Director
John F. Ruth	1396 Union Commerce Building Cleveland 14, Ohio	Vice President and Director
Ralph G. Golseth	5161 West Moffat Street Chicago 39, Illinois	Vice President
Nestor B. Betzold	1396 Union Commerce Building Cleveland 14, Ohio	Director
Clifton M. Kolb	1396 Union Commerce Building Cleveland 14, Ohio	Secretary and Director
J. A. Peters	11001 Madison Avenue Cleveland 2, Ohio	Treasurer and Director
C. L. Cole *	11001 Madison Avenue Cleveland 2, Ohio	Controller
W. N. Conant	11001 Madison Avenue Cleveland 2, Ohio	Assistant Secretary
* Retired December 31, 1947, and succeeded by		
B. W. Maxey	11001 Madison Avenue Cleveland 2, Ohio	Controller

3. Give the information required below for all persons owning of record more than 10 percent of any class of equity securities of the registrant.

As of March 31, 1947 (insert date within 93 days)

Name and address	Title of issue	Amount owned	Percent of the class
Of record, none. Beneficially, none to the knowledge of the registrant.			

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4. Give the following information as to the registrant's securities, other than equity securities, owned by each director and each officer of the registrant. The statements are to be made both as to the securities owned of record and those owned beneficially.

As of October 31, 1947

Name	Office	Securities owned		
		Title of issue	Amount of record	Amount beneficially
None of record. None beneficially owned.				

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5. State briefly the general effect of: (*a*) Material changes, made within the fiscal year and not previously reported, in contracts and arrangements of the categories enumerated below which have been previously reported; (*b*) such contracts and arrangements, made or in effect within the fiscal year and not previously reported, including the dates thereof and names of parties thereto.

   (i) Material management or general supervisory contracts providing for management of, or services to, the registrant or any of its subsidiaries.

   (ii) Material advisory, construction or service contracts with affiliates providing for management of, or services to, the registrant or any of its subsidiaries.

   (iii) Material contracts, except as provided by the instructions, between the registrant or any affiliate of the registrant on the one hand, and, on the other hand, any director or officer of the registrant, any principal underwriter of any securities of the registrant sold by the registrant within the past 3 fiscal years, or any security holder named in answer to item 3.

   (iv) Material bonus and profit-sharing arrangements.

(i) (a) None
(b) None

(ii) (a) None
(b) None

(iii) (a) None
(b) None

(iv) (a) On December 3, 1946, the registrant amended The Glidden Company's Retirement Plan for Salaried Employees to provide that if the services of a salaried employee are terminated before age 55 or prior to 20 years of continuous service, no benefits may be had under the plan; but if the termination is after age 55 or 20 years of service and is not for cause or through early retirement provided for in Paragraph 9 of the Plan, the employee at age 65 will be entitled to normal retirement benefits reduced by 1/30th for each complete year between such termination and the reaching of age 65, but no minimum benefit shall apply.

(b) None (See Page 6-1, facing this page)

6. As to any options outstanding at the close of the fiscal year to purchase securities of the registrant from the registrant: (*a*) State the amount, with the title of the issue, called for by such options; (*b*) outline briefly the prices, expiration dates, and other material conditions on which such options may be exercised; (*c*) give the name and address of each person holding such options calling for more than 5 percent of the total amount subject to option, and give the amount called for by the options of each such person; and (*d*) for each class of such options not previously reported state the consideration for the granting thereof.

(a) On October 31, 1947, the registrant had outstanding options to purchase 13,100 shares of its Common Stock without par value held in the Treasury.

(b) On August 1, 1947, the registrant granted options to 50 key employees to purchase within 5 years 12,300 shares of its Common Stock for $42.00 per share. Like options were granted 5 other key employees on October 10, 1947, to purchase 900 additional shares of said Stock.

(c) There was no option to purchase more than 5% of the total amount of said stock subject to option.

(d) The granting of said options was reported on Forms 8-K dated September 10, 1947 and January 26, 1948.

Note: An option to purchase 100 shares of said stock was exercised on September 22, 1947.

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5. (iv) Continued:

Note: During the fiscal year the registrant amended its Amended Articles of Incorporation, changed its Regulations, and split its Common Stock two-for-one, all of which were reported in Forms 8-K.

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BUSINESS

7. Describe briefly the material changes which may have occurred within the fiscal year in the general character of the business done by the registrant and its subsidiaries.

There have been no material changes within the fiscal year ended October 31, 1947, in the general character of the business done by the registrant and its subsidiaries.

The general character of the business in which the registrant was engaged at the end of the fiscal year was the production of paints, varnishes, lacquers, enamels and allied products; food products consisting principally of vegetable oil margarine and shortening, spices and the refining of edible oils; chemicals, pigments and metal powders; soya bean products and by-products including protein, flours, meals and pharmaceutical products; feeds and naval stores; and that of its subsidiary, The Glidden Company, Limited, was the production of paints, varnishes, lacquers and enamels.

FINANCIAL STATEMENTS

8. Submit financial statements in accordance with the instructions and the rules and regulations of the Commission supplementary thereto.

(The financial statements shall be bound as a separate part of the annual report and attached to it following the signature page.)

Financial statements, separately bound, accompany this report.

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REMUNERATION OF DIRECTORS, OFFICERS, AND OTHERS

9. Give the information required below in tabular form concerning the aggregate remuneration paid by the registrant and its subsidiaries, directly or indirectly, to the following persons *in all of their capacities:*

(a) The name and aggregate remuneration of each person among the officers, directors, and employees of the registrant receiving one of the three highest aggregate amounts of remuneration.

(b) The aggregate remuneration of all directors of the registrant; indicate the number of such directors without naming them.

(c) The aggregate remuneration of all officers, other than those who are directors, of the registrant; indicate the number of such officers without naming them.

(d) The aggregate remuneration of all employees of the registrant who, respectively, received remuneration from the registrant in excess of $20,000 within the fiscal year; indicate the number of such employees without naming them.

Name, or number of persons not named	Capacities in which remuneration was received	Aggregate remuneration within registrant's fiscal year
(a) Adrian D. Joyce	Chairman, Board of Directors	$ 96,300.00
Dwight P. Joyce	President and Director	43,266.67
R. H. Horsburgh	Vice Chairman, Board of Directors	40,250.00
(b) Eleven Directors	Salaries	376,433.22
	Directors' Fees	1,700.00
	Total	378,133.22
(c) Four Officers	Two Vice-Presidents, Assistant Secretary and Controller	62,533.26
(d) Five	Salesmen	155,340.31

NOTE: Some of the persons named or referred to in the foregoing table are eligible for benefits under The Glidden Company's Retirement Plan for Salaried Employees which became effective October 31, 1945, provided they remain in the employ of the registrant until their retirement pursuant to the provisions of the Plan. The amounts of aggregate remuneration listed above do not include the amounts contributed by the registrant to the pension trust primarily for the benefit of such persons pursuant to said Pension Plan. The total amount contributed by the registrant to said Plan during the Registrant's last fiscal year ended October 31, 1947, included the following amounts for said persons or groups of persons, respectively:

	Amount of Registrant's Contributions to Pension Trust
(a) R. H. Horsburgh	$10,144.00
Dwight P. Joyce	4,282.00
(b) Ten Directors	52,088.00
(c) Three Officers	6,745.00
(d) One Salesman	2,716.00

10. State the name of, and amount received by, each person who received as bonuses or shares in profits $30,000, or more, from the registrant or its wholly-owned subsidiaries, during the fiscal year.

None.

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11. Give the information required below in tabular form concerning the aggregate remuneration paid by the registrant, directly or indirectly, to any person, other than a director, officer, or employee, whose aggregate remuneration from the registrant, in all capacities, exceeded $20,000 during the fiscal year.

Name	Capacities in which remuneration was received from the registrant	Aggregate remuneration during registrant's fiscal year
N o n e.		

SALES OF SECURITIES BY REGISTRANT

12. Furnish the following information as to all securities of the registrant sold by the registrant within the fiscal year:

(a) Title of issue; and, if stock, the par value, or, if no par, stated value, if any.

(b) Amount sold.

(c) Date of sale.

(d) Aggregate net cash proceeds, or the nature and aggregate amount of any consideration other than cash, received by the registrant.

(e) Names of principal underwriters, if any, indicating any such underwriters as were affiliates of the registrant.

(f) A statement that such securities were registered under the Securities Act of 1933, or a brief statement of the facts necessary to establish that such registration was not required.

(a) Common Stock without par value.

(b) 100 Shares.

(c) September 22, 1947.

(d) $4200.00.

(e) None.

(f) This was an exempt transaction and registration of the securities was not required, in accordance with letter of approval dated August 27, 1947, from the Regional Office in Cleveland, Ohio, of the Securities and Exchange Commission.

Note: This sale was the result of the exercise of an option reported in Item 6 of this report.

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13. As to any securities for which application for registration under the Securities Exchange Act of 1934 had been filed and which remained unissued at the close of the fiscal year, furnish the following information:

(a) Title of issue.

(b) The total amount unissued at the close of the fiscal year.

(c) A brief description of the proposed transactions for the issuance of such securities.

(a) Common Stock without par value.
(b) 349,290 Shares.
(c) 289,373 Shares of Common Stock reserved for the conversion of 199,540 shares of the Convertible Preferred Stock, 4½% Cumulative, $50.00 par value, of the registrant. The difference between 289,373 and 349,290 or 59,917 shares is not currently required at the present conversion rate of approximately one and forty-five one-hundredths (1.45) of a share of Common Stock for one share of Convertible Preferred Stock to meet the conversion privileges of the holders of the Convertible Preferred Stock. There are at present no proposed transactions for the issuance of said 59,917 shares. *(See Note below)

DESCRIPTION OF SECURITIES

14. (a) If any material modifications, not previously reported, have been made in any security a description of which has previously been reported, or in the indenture, charter, or other constituent instrument defining rights of the holders of such security, give the title of the issue and state briefly the general effect of such modifications.

(b) For each class of capital stock of the registrant a description of which has not previously been reported, and which, either as to dividends or on liquidation, ranks equal or prior to any stock registered on a national securities exchange, outline briefly: (1) Dividend rights; (2) limitations in any indentures or other agreements on the payment of dividends; (3) voting rights; (4) liquidation rights; (5) preemptive rights; (6) subscription rights; (7) conversion rights; (8) redemption provisions applicable thereto; and (9) liability to further calls.

(a) None.

(b) None.

* 13. Note: The increase in the amount of unissued securities at the close of the fiscal year resulted from the filing of an application for registration on Form 8-A of an additional 149,350 common shares for conversion necessitated by registrant's two-for-one common stock split as of October 24, 1947.

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15. State briefly the general effect of—

(*a*) Any material modifications, made within the fiscal year and not previously reported, in contracts of guarantee by the registrant of the securities of other issuers, which have been previously reported.

(*b*) Any such contracts made within the fiscal year and not previously reported.

(a) None.

(b) None.

This annual report comprises—

(1) Pages numbered 1 to 12, consecutively, and insert pages numbered 6-1, including the following financial statements and schedules:

Financial statements, separately bound, accompany this report.

Schedules: None.

Exhibits: None.

(2) The following exhibits:

None.

This annual report is filed subject to the instructions contained in the Instruction Book for Form 10-K for Corporations, and amendments numbered None.

SIGNATURE

In pursuance of the requirements of the Securities Exchange Act of 1934, the registrant The Glidden Company, a corporation organized and existing under the laws of the State of Ohio, has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized, and its seal to be hereunto affixed and attested, all in the city of Cleveland and State of Ohio on the 26th day of April, 1943.

THE GLIDDEN COMPANY
(Signature of registrant)

By
(Name and title)
R. H. Horsburgh, Vice Chairman
Board of Directors

[SEAL]

Attest:

(Name and title)
Clifton M. Kolb, Secretary

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FINANCIAL STATEMENTS AND SCHEDULES

The following financial statements and schedules are included:

Consolidated balance sheet
Consolidated profit and loss statement
Statement of consolidated surplus
Schedule V - Property, plant, and equipment
Schedule V-A - Reserves for revaluation of property, plant, and equipment
Schedule VI - Reserves for depreciation, depletion, and amortization of property, plant, and equipment
Schedule XII - Reserves
Schedule XIII - Capital shares
Schedule XVI - Supplementary profit and loss information

The following statements and schedules have been omitted:

Schedules I, II, and XVII are not required under the regulations.
Subject matter for Schedules III, IV, VII, VIII, IX, X, XI, XIV, and XV is not present.
The Glidden Company (parent Company):
All of the conditions outlined under instructions Item 8.1.(c) for Form 10-K annual report are met in this instance and the financial statements and schedules of the parent Company have been omitted.

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UNION COMMERCE BUILDING
CLEVELAND

Board of Directors,
The Glidden Company,
Cleveland, Ohio.

We have examined the consolidated balance sheet of The Glidden Company and its Canadian subsidiary as of October 31, 1947, the consolidated statements of profit and loss and surplus for the fiscal year then ended, and the schedules listed in the accompanying index, have reviewed the system of internal control and the accounting procedures of the companies and, without making a detailed audit of the transactions, have examined or tested accounting records of the companies and other supporting evidence, by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary.

In our opinion, the accompanying balance sheet and related statements of profit and loss and surplus present fairly the consolidated position of The Glidden Company and its Canadian subsidiary at October 31, 1947, and the consolidated results of their operations for the fiscal year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Further it is our opinion that the schedules referred to present fairly the information therein set forth.

Ernst & Ernst

Certified Public Accountants

Cleveland, Ohio
December 15, 1947

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CONSOLIDATED BALANCE SHEET

THE GLIDDEN COMPANY AND CANADIAN SUBSIDIARY

October 31, 1947

ASSETS

CURRENT ASSETS			
Cash on hand and demand deposits			$ 5,633,490.02
Dominion of Canada Victory Loan Bonds-at cost (approximate market)			175,000.00
Trade notes receivable	$ 102,398.09		
Trade accounts receivable	11,797,378.51	$11,899,776.60	
Less reserves-Schedule XII		278,936.39	11,620,840.21
Inventories-principal raw materials are stated at cost (last-in, first-out method) which did not exceed replacement market; other items at the lower of cost (accumulated average) or replacement market:			
Raw materials		$17,838,982.06	
Finished merchandise (includes minor amount for work in process)		9,685,382.83	
Supplies		580,162.22	28,104,527.11
Other current notes and accounts receivable and advances		$ 896,485.51	
Less reserve-Schedule XII		8,985.55	887,499.96
TOTAL CURRENT ASSETS			$46,421,357.30
OTHER ASSETS AND INVESTMENTS			
Cash surrender value of life insurance		$ 700,579.75	
Estimated refund of federal and dominion taxes on income of prior years		300,284.83	
Miscellaneous investments, at cost or less (no quoted market prices)		112,728.97	
Claims against closed banks	$ 9,892.62		
Less reserve-Schedule XII	9,892.62	-0-	
Miscellaneous notes and accounts receivable and advances	$ 444,123.28		
Less reserve-Schedule XII	3,537.81	440,585.47	1,554,179.02
PROPERTY, PLANT, AND EQUIPMENT-Note A			
Land, buildings, machinery, and equipment at cost or appraised amount-Schedule V	$36,092,408.54		
Less reserves for revaluation as determined by Board of Directors-Schedule V-A	3,258,516.24	$32,833,892.30	
Less reserves for depreciation, depletion, and amortization-Schedule VI		15,209,800.42	17,624,091.88
DEFERRED CHARGES			
Prepaid insurance and expenses			653,258.11
			$66,252,886.31

LIABILITIES, CAPITAL SHARES, AND SURPLUS

CURRENT LIABILITIES			
Notes payable			$ 38,000.00
Accounts payable-trade		$ 5,888,426.02	
Wages and commissions		1,097,883.69	
Pay roll and withholding taxes		241,441.95	
Other current liabilities		135,098.76	7,362,850.42
Accrued liabilities:			
Taxes		$ 266,550.39	
Royalties, water rent, etc.		139,648.83	
Insurance		135,797.36	541,996.58
Federal, state, and dominion taxes on income-estimated		$ 8,766,936.62	
Less United States Treasury Savings Notes		1,500,000.00	7,266,936.62
	TOTAL CURRENT LIABILITIES		$15,209,783.62
RESERVE-Schedule XII			
For contingencies			2,525,000.00
CAPITAL SHARES AND SURPLUS			
Capital stock-Schedule XIII:			
Convertible preferred 4½% cumulative, par value $50.00 a share, redeemable at $52.50 a share (aggregate amount $10,475,850.00) each share convertible into approximately 1.45 shares of common stock:			
Authorized	200,000 shares		
Issued and outstanding	199,540 shares	$ 9,977,000.00	
Common, without par value:			
Authorized 3,000,000 shares			
Outstanding, including treasury shares, 1,784,000 shares after 2 for 1 split-up, October 24, 1947			
Reserved for conversion of preferred stock 289,373 shares			
Stated capital		4,460,000.00	
		$14,437,000.00	
Surplus (see statement)			
Capital surplus	$12,581,438.41		
Earned surplus (includes $2,025,163.36 of surplus of Canadian subsidiary)	22,039,017.59		
	$34,620,456.00		
Less common stock in treasury (reserved for sale to certain officers and key employees)-26,200 shares, at cost	539,353.31	34,081,102.69	48,518,102.69
			$66,252,886.31

CONTINGENT LIABILITIES

Letters of Credit outstanding $ 1,968,707.48

See principles of consolidation and notes to financial statements.

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CONSOLIDATED PROFIT AND LOSS STATEMENT

THE GLIDDEN COMPANY AND CANADIAN SUBSIDIARY

Fiscal year ended October 31, 1947

GROSS SALES-LESS DISCOUNTS, RETURNS, AND ALLOWANCES		$185,753,245.89
COST OF GOODS SOLD, SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES-Notes B and C:		
Cost of goods sold	$146,948,296.28	
Selling, general, and administrative expenses	16,406,229.29	
Provision for doubtful accounts ($135,499.33) less recoveries ($39,254.53) on accounts charged off in prior years-Schedule XII	96,244.80	163,450,770.37
		$ 22,302,475.52
OTHER INCOME		
Profit on storage, processing, purchases and sales of miscellaneous merchandise	$ 445,985.60	
Interest earned	23,883.18	
Miscellaneous	115,492.94	585,361.72
		$ 22,887,837.24
OTHER DEDUCTIONS		
Interest on long-term debt retired during the year	$ 136,567.32	
Other interest	413.01	
Provision for contingencies-Schedule XII	185,000.00	
Miscellaneous	34,872.50	356,852.83
PROFIT BEFORE TAXES ON INCOME		$ 22,530,984.41
ESTIMATED TAXES ON INCOME		
Federal income taxes	$ 8,500,000.00	
Dominion and state taxes	273,000.00	8,773,000.00
CONSOLIDATED NET PROFIT		$ 13,757,984.41
Appropriation for possible additional assessment of federal taxes on income of prior years (added to reserve for contingencies)		1,000,000.00
AMOUNT TRANSFERRED TO EARNED SURPLUS		$ 12,757,984.41

See principles of consolidation and notes to financial statements.

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STATEMENT OF CONSOLIDATED SURPLUS

THE GLIDDEN COMPANY AND CANADIAN SUBSIDIARY

Fiscal year ended October 31, 1947

CAPITAL SURPLUS		
Balance at November 1, 1946 and October 31, 1947		$12,581,438.41
EARNED SURPLUS		
Balance at November 1, 1946		$11,668,968.63
Add portion of net profit transferred from profit and loss		12,757,984.41
		$24,426,953.04
Deduct cash dividends paid:		
Convertible preferred-$2.25 per share	$ 448,985.45	
Common-$2.20 per share (prior to stock split-up)	1,938,950.00	2,387,935.45
Balance at October 31, 1947		$22,039,017.59

See notes to financial statements.

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PRINCIPLES OF CONSOLIDATION AND NOTES TO FINANCIAL STATEMENTS

THE GLIDDEN COMPANY AND CANADIAN SUBSIDIARY

October 31, 1947

Principles of consolidation:

(a) Inventories include small amounts of inter-company profit which are not significant and have not been eliminated because it is not considered practicable to do so.

(b) The companies included in the consolidated financial statements at October 31, 1947, and for the fiscal year then ended are the same companies included in the financial statements for the preceding year.

(c) Inter-company sales have been eliminated.

(d) Investment in the Canadian subsidiary is carried on the parent Company's books as recorded at date of acquisition. The parent Company's equity in net assets as shown by the books of such subsidiary is $2,025,163.36 more than the carrying amount. The excess represents equity in accumulated net earnings since date of acquisition, and is added to earned surplus in consolidation of the accounts of the parent and subsidiary companies. Realization of accumulated earnings is dependent upon Canadian foreign exchange control restrictions and is subject to reduction on account of federal income taxes payable thereon upon receipt by parent Company.

Notes:

Note A - Property, plant, and equipment are stated on the basis of cost or appraisal value less reserves provided for revaluation, depreciation, depletion, and amortization. The remaining portion of unrealized appreciation (approximately $1,600,000.00) included in the gross amount of these assets is offset by a portion of the revaluation reserve which reserve was also provided to further reduce the carrying amount of certain assets from cost to estimated values prevailing during the year 1932 as determined by the Board of Directors. Cost of property, plant, and equipment represents principally cash expenditures, although certain properties were acquired for stock. The net book carrying amount is not intended to represent the present values of the properties.

Note B - Inventories at the beginning and end of the fiscal year, in the respective amounts of $25,503,273.42 and $28,104,527.11, used in the computation of cost of goods sold have been priced as described under the inventory caption of the consolidated balance sheet.

Note C - Depreciation, depletion, obsolescence, and amortization:

The policy of the companies with respect to depreciation is to provide amounts considered by the management as fair and reasonable to cover wear, tear, and deterioration of the property on a basis of specific rates as determined. It is not certain as to what extent obsolescence is covered in the provisions as changes in the art may result in shortening the useful life of the property. The companies do not believe it practicable to set forth the rates in use as such rates have been determined generally as applicable to specific assets or groups of assets in various geographical locations.

NOTES TO FINANCIAL STATEMENTS-CONTINUED

Note C - continued:

Provision for depletion is computed for each unit of production, based upon estimated recoverable ore.

Expenditures for maintenance, repairs, and renewals are charged to operating expenses, and expenditures for betterments are added to the property accounts.

The recorded amounts of properties retired or sold are charged to related reserves for depreciation and revaluation if such retirements or disposals were contemplated in the determination of depreciation rates. If such retirements or disposals were not contemplated, the asset accounts and related reserves for depreciation and revaluation are reduced by the amounts included therein for such properties.

Note D - The reserve for contingencies has been provided primarily for possible additional assessment of federal taxes on income of prior years, but includes a provision of $325,000.00 for possible patent infringement liability.

Note E - Reference is made to Schedule XVI for information as to charges for maintenance and repairs, depletion, depreciation and amortization, taxes (other than income taxes), management and service contract fees, rents and royalties.

SCHEDULE V—PROPERTY, PLANT, AND EQUIPMENT

THE GLIDDEN COMPANY AND CANADIAN SUBSIDIARY

Fiscal year ended October 31, 1947

COL. A	COL. B	COL. C	COL. D	COL. E	COL. F
CLASSIFICATION	Balance at Beginning of Period	Additions at Cost	Retirements or Sales	Other Changes—Debit and/or Credit*—Describe	Balance at Close of Period
Ore lands and leases					$ 240,034.84
Land					2,573,952.67
Land improvements					179,535.22
Railroad sidings					105,333.94
Buildings					11,444,377.86
Machinery and equipment					18,054,546.75
Furniture and fixtures					987,981.10
Automotive equipment					174,921.58
Construction in process					2,331,724.58
				TOTAL	$36,092,408.54

Note A - Total additions and deductions for the fiscal year amounted to $3,119,984.63 and $323,060.70, respectively. As neither the additions nor the deductions amounted to more than 10% of the closing balance, Columns B, C, D, and E have been omitted.

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SCHEDULE V-A - RESERVES FOR REVALUATION

THE GLIDDEN COMPANY AND CANADIAN SUBSIDIARY

Fiscal year ended October 31, 1947

COL. A	COL. B	COL. C
CLASSIFICATION	BALANCE AT BEGINNING OF THE FISCAL YEAR AS PER ACCOUNTS	ADDITIONS TO RESERVES
Land	$ 455,598.77	$ -0-
Buildings	1,594,353.04	-0-
Machinery and equipment	1,182,999.59	-0-
Furniture and fixtures	28,935.39	-0-
Railroad sidings	6,339.77	-0-
TOTAL	$3,268,226.56	$ -0-

Note A - These reserves were provided by charges to capital surplus (charges tra in 1946) and reserves for depreciation, to eliminate appreciation of property, plant, reduce recorded amount to estimated basis of values during 1932 as determined by the

RVES FOR REVALUATION

ND CANADIAN SUBSIDIARY

October 31, 1947

	COL. B BALANCE AT BEGINNING OF THE FISCAL YEAR AS PER ACCOUNTS	COL. C ADDITIONS TO RESERVES	COL. D RETIREMENTS, RENEWALS AND MAJOR REPAIRS	COL. E BALANCE AT CLOSE OF THE FISCAL YEAR
	$ 455,598.77	$ -0-	$ 879.78	$ 454,718.99
	1,594,353.04	-0-	-0-	1,594,353.04
	1,182,999.59	-0-	8,830.54	1,174,169.05
	28,935.39	-0-	-0-	28,935.39
	6,339.77	-0-	-0-	6,339.77
TOTAL	$3,268,226.56	$ -0-	$ 9,710.32	$3,258,516.24

were provided by charges to capital surplus (charges transferred to earned surplus
reciation, to eliminate appreciation of property, plant, and equipment, and to
imated basis of values during 1932 as determined by the Board of Directors.

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SCHEDULE VI—RESERVES FOR DEPRECIATION, DEPLETION, AND AMORTIZATION OF PROPERTY, PLANT, AND EQUIPMENT

THE GLIDDEN COMPANY AND CANADIAN SUBSIDIARY

Fiscal year ended October 31, 1947

COL. A	COL. B	COL. C		COL. D		COL. E
		ADDITIONS		DEDUCTIONS FROM RESERVES		
DESCRIPTION	Balance at Beginning of Period	(1) Charged to Profit and Loss or Income	(2) Charged to Other Accounts—Describe	(1) Retirements, Renewals, and Replacements	(2) Other—Describe	Balance at Close of Period
Ore lands and leases	$ 69,819.15	$ 14,157.50	$ -0-	$ -0-	$ -0-	$ 83,976.65
Land improvements	123,426.48	10,835.63	-0-	-0-	-0-	134,262.11
Railroad sidings	26,439.94	1,826.82	-0-	-0-	-0-	28,266.76
Buildings	3,608,864.60	242,479.38	-0-	13,572.94	-0-	3,837,771.04
Machinery and equipment	9,730,879.16	859,367.82	-0-	188,867.44	-0-	10,401,379.54
Furniture and fixtures	595,305.00	42,242.74	-0-	11,574.97	-0-	625,972.77
Automotive equipment	72,497.15	27,121.51	-0-	1,447.11	-0-	98,171.55
TOTAL	$14,227,231.48	$1,198,031.40	$ -0-	$ 215,462.46	$ -0-	$15,209,800.42

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SCHEDULE XII—RESERVES

THE GLIDDEN COMPANY AND CANADIAN SUBSIDIARY

Fiscal year ended October 31, 1947

COL. A	COL. B	COL. C		COL. D	COL. E
		ADDITIONS			
DESCRIPTION	Balance at Beginning of Period	(1) Charged to Profit and Loss or Income	(2) Charged to Other Accounts—Describe	Deductions from Reserves—Describe	Balance at Close of Period
RESERVES DEDUCTED FROM ASSETS					
For doubtful accounts, discounts, etc.	$ 247,482.67	$ 135,499.33	$ -0-	$ 25,390.03A 78,655.58B	$ 278,936.39
For other current accounts receivable and advances	23,228.83	-0-	2,037.81*C	12,205.47B	8,985.55
For claims against closed banks	9,892.62	-0-	-0-		9,892.62
For miscellaneous notes, etc.	1,500.00	-0-	2,037.81C		3,537.81
TOTAL	$ 282,104.12	$ 135,499.33	$ -0-	$ 116,251.08	$ 301,352.37
GENERAL RESERVE					
For contingencies	$1,340,000.00	$ 185,000.00	$1,000,000.00D	$ -0-	$2,525,000.00

* Indicates red figure.

Note A - Discounts allowed in excess of amount provided.

Note B - Accounts charged off.

Note C - Transfers between accounts.

Note D - Appropriation of net profit for possible assessment of federal taxes on income of prior years.

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SCHEDULE XIII—CAPITAL SHARES

THE GLIDDEN COMPANY AND CANADIAN SUBSIDIARY

October 31, 1947

COL. A	COL. B	COL. C	COL. D		COL. [cut off]	
NAME OF ISSUER AND TITLE OF ISSUE	Number of Shares Authorized by Charter	Number of Shares Issued and Not Retired or Cancelled	NUMBER OF SHARES INCLUDED IN COL. C WHICH ARE (1) Held by or for Account of Issuer Thereof	(2) Not Held by or for account of Issuer Thereof	SHARES OUTST[cut off] SHOWN ON OR IN RELATED BALA[cut off] UNDER CA[cut off] "CAPITAL SH[cut off] (1) Number	V[cut off]
THE GLIDDEN COMPANY						
Convertible preferred stock 4½% cumulative, par value $50.00 a share	200,000	199,540	None	199,540	199,540	$ 9,
Common without par value	3,000,000	1,784,000	26,200A	1,757,800	1,784,000	4,
					TOTAL	$14,
SUBSIDIARY CONSOLIDATED						
The Glidden Company, Ltd.- common, par value $100.00 a share	4,200	4,200	None	4,200	None	$

Note A - The number (26,200) of common shares shown under Col. G represents treasury shares reserved for sale to certain officers and Key Employees.

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. C	COL. D		COL. E		COL. F		COL. G	COL. H
	NUMBER OF SHARES INCLUDED IN COL. C WHICH ARE		SHARES OUTSTANDING AS SHOWN ON OR INCLUDED IN RELATED BALANCE SHEET UNDER CAPTION "CAPITAL SHARES"		NUMBER OF SHARES HELD BY AFFILIATES FOR WHICH STATEMENTS ARE FILED HEREWITH		Number of Shares Reserved for Officers and Employees	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights
er of Issued Retired celled	(1) Held by or for Account of Issuer Thereof	(2) Not Held by or for account of Issuer Thereof	(1) Number	(2) Amount at Which Carried	(1) Persons Included in Consolidated Statements	(2) Others		
9,540	None	199,540	199,540	$ 9,977,000.00	None	None	None	None
4,000	26,200A	1,757,800	1,784,000	4,460,000.00	None	None	26,200A	289,373
			TOTAL	$14,437,000.00				
4,200	None	4,200	None	$ -0-	4,200	None	None	None

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SCHEDULE XVI—SUPPLEMENTARY PROFIT AND LOSS INFORMATION

THE GLIDDEN COMPANY AND CANADIAN SUBSIDIARY

Fiscal year ended October 31, 1947

COL. A	COL. B		COL. C		COL. D
ITEM	CHARGED DIRECTLY TO PROFIT AND LOSS		CHARGED TO OTHER ACCOUNTS		Total
	(1) To Costs or Operating Expenses	(2) Other	(1) Account	(2) Amount	
Maintenance and repairs	$2,848,488.16	$ 158,383.59		$ -0-	$3,006,871.75
Depreciation and depletion	1,198,031.40	-0-		-0-	1,198,031.40
Taxes:					
Pay roll taxes	$ 196,062.82	$ 98,733.40		$ -0-	$ 294,796.22
Real and personal and miscellaneous taxes	323,234.86	196,461.10		-0-	519,695.96
TOTAL TAXES	$ 519,297.68	$ 295,194.50		$ -0-	$ 814,492.18
Rents-Note A	68,117.17	235,032.31		-0-	303,149.48
Royalties	134,181.43	-0-		-0-	134,181.43
Management and service contract fees	-0-	-0-		-0-	-0-

Note A - The aggregate annual amount of rentals upon real property now leased to the Company and its subsidiaries for terms expiring more than three years after the date of filing is not significant.