1949

SECURITIES AND EXCHANGE COMMISSION
Washington

FORM 10-K

ANNUAL REPORT

Pursuant to Section 13 or 15 (d) of the
Securities Exchange Act of 1934.

For the Fiscal Year Ended October 31, 1949

THE GLIDDEN COMPANY

1396 Union Commerce Building, Cleveland, Ohio

Item 1. Securities Registered on Exchanges.

(1) Title of the class	(2) Amount of issued securities registered	(3) Amount of unissued securities registered upon notice of issuance	(4) Name of each exchange on which registered
Common Stock, without par value	1,816,050	354,837	New York Stock Exchange
Convertible Preferred Stock, 4-1/2% Cumulative $50.00 Par Value	199,540	None	New York Stock Exchange

Item 2. Parents and Subsidiaries of Registrant.

Name	State of Incorporation	Stock Owned
The Glidden Company, Limited (1)	Ontario	All
The California Zinc Company (2)	Ohio	All
The Ripolin Company (2)	Ohio	All
Troco Company of Illinois (2)	Illinois	All
Durkee Famous Foods, Inc. (2)	Illinois	All
Jacksonville Processing Company (3)	Florida	80%
Growth Products Company (3)	Mississippi	60%

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

(2) Inactive subsidiaries included in all statements.

(3) Active subsidiaries which have not been included in any group or consolidated statements and for which separate statements are not filed. The aggregate assets of all unconsolidated subsidiaries for which statements are not filed do not exceed 15% of the total assets of the registrant and its consolidated subsidiaries as shown by the registrant's consolidated balance sheet filed with this report. The aggregate gross revenue of all unconsolidated subsidiaries does not exceed 15% of the aggregate gross revenue of the registrant and its consolidated subsidiaries as shown by the registrant's consolidated profit and loss statement filed with this report.

Item 3. Changes in the Business.

There were no materially important changes within the fiscal year ended October 31, 1949, in the business of the registrant and its subsidiaries.

Item 4. Developments in Pending Legal Proceedings.

There were no materially important developments during the fiscal year ended October 31, 1949 in any material pending legal proceedings of a character required to be described in an application on Form 10 or in a report on Form 8-K.

Item 5. Directors and Officers.

Name of director or officer	Complete mailing address	Positions and offices held
Adrian D. Joyce	1396 Union Commerce Building Cleveland, Ohio	Director and Chairman of the Board of Directors and Executive Committee
Dwight P. Joyce	1396 Union Commerce Building Cleveland, Ohio	Director, President, and member of Executive Committee
Clifton M. Kolb	1396 Union Commerce Building Cleveland, Ohio	Director, Senior Vice President, Secretary, and member of Executive Committee
Paul E. Sprague	1396 Union Commerce Building Cleveland, Ohio	Director, Vice President, Assistant to the President, and member of Executive Committee
William J. O'Brien	1396 Union Commerce Building Cleveland, Ohio	Director, Vice President, and member of Executive Committee
Newell Beatty	2900 Fifth Street Berkeley, California	Vice President
Alexander D. Duncan	11001 Madison Avenue Cleveland, Ohio	Director and Vice President
Lovell Y. Pulliam	1303 S. Shelby Street Louisville, Kentucky	Vice President
John P. Ruth	1396 Union Commerce Building Cleveland, Ohio	Director and Vice President
Nestor B. Betzold	1396 Union Commerce Building Cleveland, Ohio	Director and Manager of Packaged Food Sales
Ralph G. Golseth	5161 W. Moffat Street Chicago, Illinois	Director and Vice President
John A. Peters	11001 Madison Avenue Cleveland, Ohio	Director and Treasurer

B. W. Maxey	11001 Madison Avenue Cleveland, Ohio	Controller
W. W. Conant	11001 Madison Avenue Cleveland, Ohio	Assistant Secretary
R. D. Horner	1396 Union Commerce Building Cleveland, Ohio	Assistant Secretary

Item 6. Business Experience of Executive Officers.

During the last five years all of the executive officers of the Company have been actively engaged in the business and affairs of the Company, with the exception of Mr. R. G. Golseth who entered the employ of the Corporation in January 1946. For more than 15 years prior thereto he was employed by Cargill, Inc., Minneapolis, Minnesota, serving as Vice President of that company prior to entering the employment of the registrant. In 1947 he was elected Vice President of The Glidden Company and in 1949 was elected Director to fill for the unexpired term a vacancy caused by the death of Mr. R. H. Horsburgh.

Item 7. Indemnification of Directors and Officers.

Article II-A of the Regulations of the Corporation provides for the indemnification of its directors and officers in relation to certain matters. Said Article II-A of the Regulations reads as follows:

> Each director and each officer of the Company, who is in office at the time of the adoption of this Article or thereafter, shall be indemnified by the Company against all costs and expenses (including the cost of reasonable settlements made with a view to the curtailment of costs of litigation) reasonably incurred by him in connection with or arising out of any claim, action, suit or proceeding in which he may be involved or to which he may be made a party by reason of his being or having been a director or officer of the Company, whether or not he continues to be a director or officer at the time such costs and expenses are incurred; provided, however, that such indemnity shall not include any costs or expenses incurred by any such director or officer in respect of matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his duties as such director or officer, and provided further that the Company shall not indemnify any such director or officer against such costs and expenses incurred in any action, suit or proceeding, in which a settlement or compromise is effected, if the total amount of such costs and expenses, including the cost of settlement, incurred by such director or officer in connection therewith, shall substantially exceed the amount of the costs and expenses which might reasonably have been incurred by such director or officer in conducting such litigation to a final conclusion. The foregoing right of indemnification shall inure to the benefit of the heirs, executors or administrators of each such director or officer and shall not be exclusive of any other rights to which such director or officer may be entitled as a matter of law.

Insofar as the foregoing provision may permit indemnification for liabilities arising under the Securities Act of 1933, the Company has been advised that in the opinion of the Securities and Exchange Commission it is against public policy as expressed in the Act and therefore unenforceable. In the event that a claim for indemnification for liability under the Securities Act should be asserted by an officer or director, the Company will, unless the question has already been settled by controlling precedent, submit to a court or appropriate jurisdiction the question of whether or not indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

Item 8. Remuneration of Directors and Officers.

Name of Individual or Identity of Group and Capacity in Which Remuneration Was Received	Fees, Salaries and Commissions	Paid to Trustee for Benefit of Officer Pursuant to Retirement Plan	Annual Benefits Estimated to be Payable in the Event of Retirement(a)
Adrian D. Joyce Chairman of the Board and Director	$ 96,500	--	--
Dwight P. Joyce President and Director	75,500	$ 4,282	$ 11,520
Clifton M. Kolb Senior Vice President and Director	35,500	8,214	11,520
Paul E. Sprague Vice President and Director	40,450	6,107	11,520
William J. O'Brien Vice President and Director	40,450	7,472	11,520
John P. Buth Vice President and Director	35,500	5,539	11,520
Alexander D. Duncan Vice President and Director	27,550	4,109	10,320
Lovell Y. Pulliam Vice President and Director	27,900	4,614	10,600
Ralph G. Golseth Vice President and Director	40,350(b)	--	--
John A. Peters Treasurer and Director	35,450	7,209	11,520
All directors and officers as a group (including those named above)	602,672	58,672	

(See footnotes on following page)

(a) The information given in this column as to officers participating in the Retirement Plan is based on the assumption that such officers will continue to receive the present rate of compensation until retirement at age 65, that they do not at any time prior to retirement date die or withdraw from active service with the Company, and that the Company continues its contributions to the Retirement Plan on the present basis.

(b) Excluding $10,000 paid as bonus.

During the fiscal year ended October 31, 1949 no director nor officer of the registrant at any time received remuneration, directly or indirectly, from the registrant or its subsidiaries in the form of securities, options, warrants, rights or other property, or through the exercise or disposition thereof.

Item 9. Remuneration of Certain Other Persons.

Not applicable.

Item 10. Interest of Management and Others in Certain Transactions.

Not applicable.

Item 11. Principal Holders of Equity Securities.

No person is known by the registrant to own beneficially, more than 10% of any class of equity securities of the registrant.

As of January 31, 1950 all directors and officers of the registrant, as a group owned 63,291 shares of Common Stock without par value of the corporation, constituting 3.48% of the shares outstanding. The shares of 4-1/2% Cumulative Preferred Stock held by directors and officers constitute less than one per cent of the class of shares outstanding.

Item 12. Number of Holders of Equity Securities.

On December 31, 1949 there were the following numbers of holders of record of each class of equity securities of the registrant:

Title of class	Number of holders
Common Stock, without par value	14,061
Convertible Preferred Stock, 4-1/2% Cumulative, $50.00 Par Value	2,969

Item 13. Options, Warrants and Rights.

Pursuant to resolutions passed by the Directors on July 24, 1947, and on November 12, 1947, options for the purchase of Common Shares of the Company held in the Treasury, at the average cost thereof, were granted to the extent of 13,200 shares of Common Stock to officers and key employees of the Company. The terms of the option agreements provided the grantees the privilege of purchasing at any time prior to the close of business on October 31, 1952, Common Shares of the Company held in the Treasury at a price of Forty-Two Dollars ($42.00) per share, payable in cash. The option does not entitle the holder to any cash dividends on the stock covered by the option, excepting such cash dividends as may be declared and are payable to stockholders of record on a date subsequent to the date upon which the stock has been purchased and paid for. The options are non-assignable and terminate when the grantee ceases for any reason to be employed by the Company, except that in the event the grantee dies, the option may be exercised by the heirs or personal representatives as the case may be within three months from the date of death. It is also provided that the option shall be deemed to cover such shares of The Glidden Company as shall have been received in place of, or substituted or received in exchange for, the shares theretofore covered by the option, including all Common Stock shares issued as a stock dividend or upon split-up of the Common Stock. The purchase price stipulated for a share of Common Stock is declared in such event to be the price payable for the share or shares received in place of, or substituted or received in exchange for, each share of Common Stock theretofore covered by the option.

The Board of Directors, by resolutions duly adopted on March 18 and December 16, 1949, set aside and earmarked for delivery to officers and key men, 5,100 shares of Common Stock then in the Treasury of the Company. The Chairman was authorized to grant options for the purchase of these shares in the future but as of the date of this report no options have been granted by the Chairman for the purchase of these designated shares.

As of October 31, 1949, options for the purchase of 1893 shares of Common Stock had been exercised by Company employees since the granting of options for the purchase of 13,200 shares (prior to stock split and share dividend) by the Board of Directors on July 24, 1947 and November 12, 1947 as above described. As of October 31, 1949 options for the purchase of 24,935 shares remained unexercised; an option for 200 shares having been canceled on December 31, 1948 when one employee holding such option left the company.

Item 14. Financial Statements and Exhibits.

(a) Financial Statements intended to accompany this report were submitted by the registrant to the Commission on February 8, 1950, prior to the filing of an S-1 Registration Statement, under the Securities Act of 1933.

(b) Exhibits - none.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

THE GLIDDEN COMPANY

By______________________________
Clifton M. Kolb
Senior Vice President and Secretary

Date______________________________

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FINANCIAL STATEMENTS AND SCHEDULES 6 - 1950

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K

FOR CORPORATIONS

ANNUAL REPORT

FOR THE FISCAL YEAR ENDED OCTOBER 31, 1949

THE GLIDDEN COMPANY

CLEVELAND, OHIO

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FINANCIAL STATEMENTS AND SCHEDULES

The following financial statements and schedules are included:

Consolidated balance sheet
Statement of consolidated profit and loss
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 XVI - Supplementary profit and loss information

The following statements and schedules have been omitted:

Schedules I, II, III, XIII, and XVII, are not required under the regulations.
Subject matter for Schedules 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.

ERNST & ERNST

CONSOLIDATED BALANCE SHEET

THE GLIDDEN COMPANY AND CANADIAN SUBSIDIARY

October 31, 1949

ASSETS

CURRENT ASSETS			
Cash on hand and demand deposits			$ 6,
Dominion of Canada Victory Loan Bonds-at cost (approximate market)			
Trade notes receivable	$ 238,175.23		
Trade accounts receivable	10,686,430.57	$10,924,605.80	
Less allowances for doubtful accounts-Schedule XII		164,738.81	10
Inventories:			
Raw materials	$17,261,431.34		
Less reserve to reduce certain items to replacement market-Schedule XII	445,000.00	$16,816,431.34	
Finished merchandise (includes minor amount for work in process)		11,703,098.21	
Supplies		605,071.73	29
Principal raw materials are stated at cost (last-in, first-out method); other items are stated at the lower of cost (accumulated average) or replacement market			
Other current notes and accounts receivable and advances		1,426,936.15	
Less reserve-Schedule XII		8,733.02	1
		TOTAL CURRENT ASSETS	$47
OTHER ASSETS			
Advance payment on account of possible federal income tax assessment		$ 1,000,000.00	
Cash surrender value of life insurance		740,707.50	
Miscellaneous investments, at cost or less (no quoted market prices)		222,673.00	
Claims against closed banks	$ 9,892.62		
Less reserve-Schedule XII	9,892.62	--	
Miscellaneous notes and accounts receivable and advances	$ 577,842.75		
Less reserve-Schedule XII	1,475.00	576,367.75	
Estimated refund of federal and dominion taxes on income of prior years		48,310.61	
PROPERTY, PLANT, AND EQUIPMENT-Note			
Land, buildings, machinery, and equipment at cost or appraised amount-Schedule V	$46,085,418.69		
Less reserves for revaluation-Schedule V-A	3,163,928.33	$42,921,490.36	
Less reserves for depreciation, depletion, and amortization-Schedule VI		27,473,216.36	25
DEFERRED CHARGES			
Prepaid insurance and expenses			
			$76

V-3

CONSOLIDATED BALANCE SHEET

E GLIDDEN COMPANY AND CANADIAN SUBSIDIARY

October 31, 1949

ASSETS

[illegible]				CURRENT
on hand and demand deposits			$ 6,561,251.18	Notes
ion of Canada Victory Loan Bonds-				Accou
cost (approximate market)			91,761.36	Wages
notes receivable	$ 238,175.23			Pay
accounts receivable	10,686,430.57	$10,924,605.80		Other
llowances for doubtful accounts-				Accru
edule XII		364,738.81	10,559,866.99	Ta
tories:				Ro
materials	$17,261,431.34			In
reserve to reduce certain items				Feder
replacement market-Schedule XII	445,000.00	$16,816,431.34		es
shed merchandise (includes minor				
ount for work in process)		11,703,098.21		RESERV
plies		605,071.73	29,124,601.28	For
rincipal raw materials are stated at cost				
(last-in, first-out method); other items				CAPITA
are stated at the lower of cost (ac-				Capi
cumulated average) or replacement market				Co
current notes and accounts receivable				
advances		$1,476,936.15		
reserve-Schedule XII		8,733.02	1,418,203.13	
		TOTAL CURRENT ASSETS	$47,755,683.54	
[illegible]				
se payment on account of possible				
eral income tax assessment		$ 1,000,000.00		
surrender value of life insurance		740,207.50		
llaneous investments, at cost or less				
quoted market prices)		792,673.00		
s against closed banks	$ 9,892.62			
reserve-Schedule XII	9,892.62	-0-		
llaneous notes and accounts				
eivable and advances	$ 577,842.75			
reserve-Schedule XII	1,475.00	576,367.75		Surp
ated refund of federal and dominion				Ca
es on income of prior years		348,310.61	3,457,508.86	Ea
Y, PLANT, AND EQUIPMENT-Note				
buildings, machinery, and equipment				
cost or appraised amount-				
edule V	$46,085,418.69			Less
reserves for revaluation-				sh
edule V-A	3,163,928.33	$42,921,490.36		re
reserves for depreciation, depletion,				an
amortization-Schedule VI		17,473,266.36	25,448,224.00	
CHARGES				
id insurance and expenses			785,346.92	
			$76,776,763.74	

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LIABILITIES, CAPITAL SHARES, AND SURPLUS

	CURRENT LIABILITIES				
8	Notes payable to banks				$ 5,000
	Accounts payable-trade			$ 6,061,456.45	
16	Wages and commissions			750,402.56	
	Pay roll and withholding taxes			217,522.23	
	Other current liabilities			92,6[illegible].18	7,122
	Accrued liabilities:				
9	Taxes			$ 343,957.40	
	Royalties, water rent, etc.			347,046.40	
	Insurance			221,417.12	914
	Federal, state and dominion taxes on income-estimated				4,402
		TOTAL CURRENT LIABILITIES			$17,439
	RESERVE-Schedule XII				
8	For contingencies				2,500
	CAPITAL SHARES AND SURPLUS				
	Capital stock:				
	Convertible preferred 4-1/2% cumulative, par value $50.00 a share redeemable at $52.50 a share (aggregate amount $10,475,550.00) each share convertible into approximately 1.478 shares of common stock:				
	Authorized	200,000 shares			
34	Issued and outstanding	199,540 shares		$ 9,977,000.00	
	Common without par value:				
	Authorized 3,000,000 shares				
	Outstanding, including treasury shares, 1,816,050 shares				
	Reserved for conversion of preferred stock 294,9[illegible] shares				
	Stated capital			[illegible]	
				$14,[illegible]17,175.00	
	Surplus (see statement):				
	Capital surplus	$13,7[illegible],[illegible]13.41			
56	Earned surplus (includes $[illegible],303,012.61 of surplus of Canadian subsidiary)	[illegible]			
		$43,056,318.73			
	Less common stock in treasury [illegible] shares, at cost (includes [illegible] shares reserved for sale to certain officers and key employees)	715,[illegible]		42,[illegible]	56,637
60					
12					
74					$76,770

See principles of consolidation and notes to financial statements.

LIABILITIES, CAPITAL SHARES, AND SURPLUS

[illegible]			
able to banks			$ 5,000,000.00
payable-trade		$ 6,061,456.45	
commissions		750,402.56	
and withholding taxes		217,532.23	
rent liabilities		92,684.18	7,122,075.42
iabilities:			
		$ 343,957.40	
es, water rent, etc.		347,046.40	
ce		223,417.18	914,420.98
state and dominion taxes on income-			
ed			4,402,775.14
	TOTAL CURRENT LIABILITIES		$17,439,271.54
edule VII			
ngencies			2,500,000.00
[illegible] AND SURPLUS			
tock:			
ible preferred 4 1/2% cumulative, par			
$50.00 a share redeemable at $52.50			
re (aggregate amount $10,475,850.00)			
share convertible into approximately			
shares of common stock:			
horized	200,000 shares		
ued and outstanding	199,540 shares $ 9,977,000.00		
without par value:			
rised 3,000,000 shares			
tanding, including treasury shares,			
16,050 shares			
ved for conversion of preferred			
ck 294,920 shares			
d capital		4,540,175.00	
		$14,517,175.00	
see statement)			
surplus	$13,270,513.41		
surplus (includes			
3,017.61 of surplus of			
dian subsidiary)	29,785,805.32		
	$43,056,318.73		
mon stock in treasury 32,314			
, at cost (includes 29,535 shares			
ed for sale to certain officers			
y employees)	735,851.53	42,320,267.20	56,837,492.20
			$76,776,763.74

ples of consolidation and notes
cial statements.

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

THE GLIDDEN COMPANY AND CANADIAN SUBSIDIARY

Fiscal year ended October 31, 1949

GROSS SALES-LESS DISCOUNTS, RETURNS, AND ALLOWANCES		$160,143,275.90
COST OF GOODS SOLD, SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES-Notes B and C		
Cost of goods sold	$129,463,765.56	
Provision to reduce certain inventory items to replacement market-Schedule XII	445,000.00	
Selling, general, and administrative expenses	19,882,349.77	
Provision for doubtful accounts ($314,158.92) less recoveries ($99,280.24) on accounts charged off in prior years-Schedule XII	214,878.68	150,005,994.01
		$ 10,137,281.89
OTHER INCOME		
Profit on storage, processing, purchases and sales of miscellaneous merchandise	$ 201,852.63	
Miscellaneous	108,824.50	310,677.13
		$ 10,447,959.02
OTHER DEDUCTIONS		
Adjustment of net current assets and miscellaneous other assets of Canadian subsidiary to Control Board rate of exchange	$ 145,120.68	
Loss on disposal of properties	103,982.84	
Interest on notes and loans	49,932.34	299,035.86
PROFIT BEFORE TAXES ON INCOME		$ 10,148,923.16
ESTIMATED TAXES ON INCOME		
Federal income taxes	$ 3,900,000.00	
Dominion and state taxes	57,000.00	3,957,000.00
CONSOLIDATED NET PROFIT		$ 6,191,923.16

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, 1949

CAPITAL SURPLUS		
Balance at November 1, 1948		$12,581,438.41
Add portion of common stock dividend in excess of stated value of shares issued		689,075.00
Balance at October 31, 1949		$13,270,513.41
EARNED SURPLUS		
Balance at November 1, 1948		$27,530,177.07
Add:		
Net profit for the fiscal year	$6,191,923.16	
Recovery on investments previously charged off	193,326.10	6,385,249.26
		$33,915,426.33
Deduct dividends:		
Paid in cash:		
Convertible preferred-$2.25 per share	$ 448,984.21	
Common-$1.60 per share	2,838,850.00	
	$3,287,834.21	
Paid in common stock and cash:		
2% on common stock-32,050 shares at approximate quoted market price, plus $72,586.80 cash in lieu of fractional shares	841,786.80	4,129,621.01
Balance at October 31, 1949		$29,785,805.32

See notes to financial statements.

PRINCIPLES OF CONSOLIDATION AND NOTES TO FINANCIAL STATEMENTS

THE GLIDDEN COMPANY AND CANADIAN SUBSIDIARY

October 31, 1949

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, 1949, 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) Assets of Canadian subsidiary included herein comprise net current assets and miscellaneous other assets $1,451,206.61, at the Control Board rate of exchange, and property, plant, and equipment, $522,740.76, at cost to the subsidiary. The net profit of Canadian subsidiary included in the consolidated profit and loss statement amounts to $74,588.59 after reflecting the exchange adjustments resulting from the devaluation of Canadian currency.

(e) The equity of the parent Company in the net assets of its Canadian subsidiary, as shown by its books at October 31, 1949, after appropriate adjustments for exchange, exceeds the carrying amount of the parent Company's investment by the sum of $2,303,012.61. This excess represents the undistributed earnings of the subsidiary since date of acquisition, and is added to earned surplus in the consolidated statements. Realization of such undistributed earnings in U. S. funds is subject to restrictions on exchange and may be reduced through deduction of 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.

NOTES TO FINANCIAL STATEMENTS

Note B - Inventories at the beginning and end of the fiscal year, in the respective amounts of $32,085,504.02 and $29,124,601.28, 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 group of assets in various geographical locations.

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 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. Patent infringement suit to which reference was made in prior years has been settled during the year and the amount included in the reserve therefor has not been removed pending final settlement of the Company's income taxes.

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.

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SCHEDULE V—PROPERTY, PLANT, AND EQUIPMENT

THE GLIDDEN COMPANY AND CANADIAN SUBSIDIARY

Fiscal year ended October 31, 1949

COL. A	COL. B	COL. C
CLASSIFICATION	Balance at Beginning of Period	Additions at Cost
Ore lands and leases	$ 240,034.84	-0-
Land	2,655,407.23	34,570.45
Land improvements	270,062.01	47,832.30
Railroad sidings	126,905.06	10,357.56
Buildings	12,289,807.41	2,784,816.78
Machinery and equipment	20,038,240.94	3,477,231.91
Furniture and fixtures	1,092,997.36	173,869.26
Automotive equipment	190,502.94	52,376.29
Construction in process	3,236,463.52	349,699.05*
TOTAL	$40,136,421.33	$6,212,165.30

* Indicates red figure.

Note A — Capitalizing items charged to expense in prior years.

EDULE V—PROPERTY, PLANT, AND EQUIPMENT

[illegible]

Fiscal year ended October 31, 1949

	COL. B	COL. C	COL. D	COL. E	COL. F
	Balance at Beginning of Period	Additions at Cost	Retirements or Sales	Other Changes—Debit and/or Credit*—Describe	Balance at Close of Period
				(Note A)	
	$ 240,034.84	$ -o-	$ -o-	$ -o-	$ 240,034.84
	2,655,407.23	34,570.45	12.00	-o-	2,689,965.68
	270,062.01	47,832.30	-o-	38,801.24	356,695.55
	126,905.08	10,357.56	-o-	8,547.02	145,809.66
	12,285,807.41	2,764,816.78	115,273.26	140,496.07	15,075,847.00
	20,038,240.94	3,477,531.51	457,980.54	153,168.34	23,210,960.25
	1,092,997.36	173,869.26	25,572.49	11,797.93	1,253,092.06
	190,502.94	52,886.29	17,140.05	-o-	226,249.18
	3,236,463.52	349,699.05*	-o-	-o-	2,886,764.47
	$40,236,421.33	$6,212,165.10	$ 615,978.34	$ 352,810.60	$46,085,418.69

to expense in prior years.

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ERNST & ERNST

SCHEDULE V-A—RESERVES FOR REVALUATION

THE GLIDDEN COMPANY AND CANADIAN SUBSIDIARY

Fiscal year ended October 31, 1949

COL. A	COL. B	COL. C	COL. D	COL. E
CLASSIFICATION	BALANCE AT BEGINNING OF THE FISCAL YEAR AS PER ACCOUNTS	ADDITIONS TO RESERVES	RETIREMENTS RENEWALS AND MAJOR REPAIRS	BALANCE AT CLOSE OF THE FISCAL YEAR
Land	$ 454,718.99	$ -0-	$ -0-	$ 454,718.99
Buildings	1,594,353.04	-0-	46,973.87	1,547,379.17
Machinery and equipment	1,133,303.73	-0-	6,748.72	1,126,555.01
Furniture and fixtures	28,935.39	-0-	-0-	28,935.39
Railroad sidings	6,339.77	-0-	-0-	6,339.77
TOTAL	$3,217,650.92	$ -0-	$ 53,722.59	$3,163,928.33

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

SERVES FOR DEPRECIATION, DEPLETION, AND AMORTIZATION
OF PROPERTY, PLANT, AND EQUIPMENT

GLIDDEN COMPANY AND CANADIAN SUBSIDIARY

Fiscal year ended October 31, 1949

	COL. C		COL. D		COL. E
	ADDITIONS		DEDUCTIONS FROM RESERVES		
inning	(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
5.47	$ 18,485.66	$ -0-	$ -0-	$ -0-	$ 121,701.13
5.56	35,023.48	-0-	672.00	-0-	182,017.04
4.81	3,605.11	-0-	-0-	-0-	34,959.92
0.42	334,040.28	-0-	62,321.25	-0-	4,358,849.45
8.39	1,125,724.36	-0-	416,826.74	-0-	11,937,026.01
9.41	60,986.27	-0-	21,175.05	-0-	691,000.63
5.72	40,360.95	-0-	12,464.49	-0-	147,712.18
9.78	$1,618,226.11	$ -0-	$ 513,459.53	$ -0-	$17,473,266.36

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

THE GLIDDEN COMPANY AND CANADIAN SUBSIDIARY

Fiscal year ended October 31, 1949

COL. A	COL. B	COL. C		
		ADDITIONS		
DESCRIPTION	Balance at Beginning of Period	(1) Charged to Profit and Loss or Income	(2) Charged to Other Accounts—Describe	
Ore lands and leases	$ 103,215.47	$ 18,485.66	$ -0-	$
Land improvements	147,665.56	35,023.48	-0-	
Railroad sidings	31,354.81	3,605.11	-0-	
Buildings	4,087,130.42	334,040.28	-0-	
Machinery and equipment	11,228,128.39	1,125,724.36	-0-	
Furniture and fixtures	651,189.41	60,986.27	-0-	
Automotive equipment	119,815.72	40,360.95	-0-	
TOTAL	$16,368,499.78	$1,618,226.11	$ -0-	$

ERNST & ERNST

SCHEDULE XII—RESERVES

THE GLIDDEN COMPANY AND CANADIAN SUBS

Fiscal year ended October 31, 194

COL. A	COL. B	C
		ADI
DESCRIPTION	Balance at Beginning of Period	(1) Charged to Profit an Loss or Income
RESERVES DEDUCTED FROM ASSETS		
For doubtful accounts, discounts, etc.	$ 350,457.79	$ 314,158.
To reduce certain raw material inventory items to replacement market	-0-	445,000.
For other current accounts receivable and advances	9,133.02	-0
For claims against closed banks	9,892.62	-0
For miscellaneous notes, etc.	1,500.00	-0
TOTAL	$ 370,983.43	$ 759,158.
GENERAL RESERVE—see Note [illegible] to financial statements		
For contingencies	$2,525,000.00	$ -0

Note A - Provision for discounts in excess of amounts allowed.

Note B - Adjustment for Canadian exchange.

Note C - Accounts charged off.

Note D - Settlement of patent infringement suit.

SCHEDULE XII—RESERVES

e GLIDDEN COMPANY AND CANADIAN SUBSIDIARY

Fiscal year ended October 31, 1949

	COL. B	COL. C		COL. D	COL. E
		ADDITIONS			
	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
.	$ 350,457.79	$ 314,158.92	$ 17,677.06A	$ 801.27B 316,753.69C	$ 364,738.81
tory	-0-	445,000.00	-0-	-0-	445,000.00
o	9,133.02	-0-	-0-	400.00C	8,733.02
	9,892.62	-0-	-0-	-0-	9,892.62
	1,500.00	-0-	-0-	25.00C	1,475.00
TAL	$ 370,983.43	$ 759,158.92	$ 17,677.06	$ 317,979.96	$ 829,839.45
1					
	$2,525,000.00	$ -0-	$ -0-	$ 25,000.00C	$2,500,000.00

in excess of amounts allowed.

exchange.

ringement suit.

ERNST & ERNST

SCHEDULE XVI—SUPPLEMENTARY PROFIT AND LOSS INFO

[illegible]

Fiscal year ended October 31, 1949

COL. A	COL. B	
	CHARGED DIRECTLY TO PROFIT AND LOSS	
ITEM	(1) To Costs or Operating Expenses	(2) Other
Maintenance and repairs	$1,651,737.71	$ 54,205.64
Depreciation and depletion	1,618,226.11	-0-
Taxes:		
Pay roll taxes	$ 170,101.80	$ 94,948.38
Real and personal and miscellaneous taxes	453,217.51	232,752.32
TOTAL TAXES	$ 623,319.31	$ 327,700.70
Rents-Note A	47,348.88	289,481.68
Royalties	122,373.30	-0-
Management and service contract fees	-0-	-0-

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

XVI—SUPPLEMENTARY PROFIT AND LOSS INFORMATION

[illegible] COMPANY AND CANADIAN SUBSIDIARY

Fiscal year ended October 31, 194[illegible]

	COL. B		COL. C		COL. D
	CHARGED DIRECTLY TO PROFIT AND LOSS		CHARGED TO OTHER ACCOUNTS		Total
	(1) To Costs or Operating Expenses	(2) Other	(1) Account	(2) Amount	
	$1,651,787.71	$ 84,205.64		$ -0-	$1,735,993.35
	1,618,226.11	-0-		-0-	1,618,226.11
	$ 170,101.80	$ 94,948.38		$ -0-	$ 265,050.18
	453,217.51	232,752.32		-0-	685,969.83
TAXES	623,319.31	$ 327,700.70		$ -0-	$ 951,020.01
[illegible]	47,348.88	289,481.68		-0-	336,830.56
	122,373.30	-0-		-0-	122,373.30
	-0-	-0-		-0-	-0-

[illegible]unt of rentals upon real
[illegible] its subsidiary for terms
[illegible]e date of filing is not