DIVIDEND LIMITATION—None.

VOTING RIGHTS—Four votes per share.

LIQUIDATION RIGHTS—In any liquidation has preference to par and accrued dividends.

PREEMPTIVE RIGHTS—None, except as exist under New Jersey laws.

CALLABLE—No provision.

LEGAL—For trust funds in New Jersey and Virginia.

LISTED—New York Stock Exchange.

TRANSFER AGENT—Central Hanover Bank & Trust Co., New York.

REGISTRAR—National City Bank, New York.

PRICE RANGE—	1940	1939	1938
Preferred....	185¾-169	180-152	176⅜-157

2. Liggett & Myers Tobacco Co. common; par $25:

AUTHORIZED—859,856 shares; issued 859,856 shares; outstanding 859,856 shares; par $25 (changed from par $100 Feb. 16, 1924, and 4 new shares issued for each par $100 share).

DIVIDEND RIGHTS—Subject to preferred, common has dividend rights equal to those of common B.

Dividend Record (in $)

($100 par shares)

1912...	3.00	1913-19	16.00	1920-23	12.00
[1]1924.	3.00				

($25 par shares—after 4 for 1 split)

1924...	2.25	[2]1925-27	4.00	1928-40	5.00
[3]1941.	2.00				

[1]Paid prior to capital change. [2]Plus 10% in class B stock in 1926 and 10% in class B stock in 1927. [3]Mar. 1, and June 2, $1.

Dividends payable quarterly Mar. 1, etc., to stock of record about Feb. 13, etc.

DIVIDEND LIMITATION—None.

VOTING RIGHTS—One vote per share.

PREEMPTIVE RIGHTS—None, except as exist under New Jersey laws.

LISTED—New York Stock Exchange.

TRANSFER AGENT—Central Hanover Bank & Trust Co., New York.

REGISTRAR—National City Bank, New York.

PRICE RANGE—	1940	1939	1938
Common..........	109-87	108½-95	102-81

3. Liggett & Myers Tobacco Co. common B; par $25:

AUTHORIZED—3,140,144 shares (increased from 214,496 shares to 443,636 shares on Jan. 8, 1923; to 1,774,552 shares in February 1924 and to present figure July 18, 1927); outstanding 2,277,088 shares; par $25 (changed from par $100 Feb. 16, 1924, and 4 new shares issued for each old share).

DIVIDEND RIGHTS—Subject to preferred, common B has dividend rights equal to those of common.

DIVIDEND RECORD—Since issuance in 1920, identical with common stock (No. 2) above.

DIVIDEND LIMITATION—None.

VOTING RIGHTS—None.

PREEMPTIVE RIGHTS—None, except as exist under New Jersey laws.

LISTED—New York Stock Exchange.

TRANSFER AGENT—Central Hanover Bank & Trust Co., New York.

REGISTRAR—National City Bank, New York.

PRICE RANGE—	1940	1939	1938
Common B.....	109½-87	109¾-95¼	103¾-81½

Subscription Rights: Common and common B stockholders of record Feb. 10, 1930, had the right to subscribe to $13,080,050 additional common class B stock at $25 a share on basis of one share for each five shares of either class held. Rights expired Mar. 12, 1930.

PITTSBURGH PLATE GLASS COMPANY

CAPITAL STRUCTURE

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	Earned per Sh. 1940	Earned per Sh. 1939	Divs. per Sh. 1940	Divs. per Sh. 1939	Call Price	Price Range 1940	Price Range 1932-40
1. Common	$25	2,188,040 shs.	$6.30	$4.94	$5.00	$4.00	...	104¼-65	147½-12½

HISTORY

Incorporated in Pennsylvania Aug. 24, 1883 and reincorporated in Pennsylvania Nov. 3, 1920 upon merger with the Patton-Pitcairn Co. and Columbia Chemical Co., both incorporated in Pennsylvania in Nov., 1920. For details of stock issued in 1920 see Capital Stock—Issued. The Patton-Pitcairn Co. was a holding company owning all of the outstanding stocks of (1) Patton Paint Co. of Milwaukee, in which Pittsburgh Plate Glass purchased a 49% stock interest in 1900 and subsequently acquired a majority (2) Rennous, Kleinle & Co., brush manufacturers of Baltimore, in which Pittsburgh Plate Glass acquired a 48% stock interest in 1900 and subsequently acquired a majority (3) Pitcairn Varnish Co., and (4) Corona Chemical Co. In the latter two concerns, Pittsburgh Plate Glass acquired a majority stock interest as a result of stock dividends received. These subsidiaries owned the entire capital stocks of Red Wing Linseed Oil Co. and several smaller sub-companies. At the time of merger, Pittsburgh Plate Glass owned 54% of the capital stock of Patton-Pitcairn Co. Columbia Chemical Co. was first organized in 1899 by John Pitcairn, then Chairman of the Board of Directors of Pittsburgh Plate Glass Co. Its alkali plant at Barberton, O. began production in 1900.

Upon formation of the company in 1883 the first commercial plate glass factory in the United States was constructed at Creighton, Pa.

In 1895 additional plate glass factories were acquired, including those of Diamond Plate Glass Co., with factories at Kokomo and Elwood, Ind.

Seven branch warehouses were inaugurated in 1896 and shortly thereafter the business was expanded to include the distribution of all kinds of sheet and window glass purchased from others.

In 1902 began the production of plate glass at Courcelles, Belgium. (Closed early in 1940, after German invasion of Belgium.)

In 1907 began operation of a plate glass factory at Ford City, Pa. and in 1909 at Crystal City, Mo.

Production of sheet and window glass began in 1907 at Mount Vernon, O., through acquisition of the plant of Chambers Window Glass Co. Additional sheet and window glass factories were built in 1914 at Clarksburg, W. Va.

In 1922 dissolved Red Wing Linseed Oil Co. and acquired its linseed oil and other properties.

At Creighton, Pa. late in 1924 completed the first unit of a new polished plate glass plant operating by a continuous process and in 1926 completed the second unit.

In May, 1924 completed construction of a Portland cement plant at Fultonham, O., with a daily capacity of 2,500 barrels. In May, 1927 plant capacity was increased to 5,000 barrels daily at a cost of about $1,500,000.

In early 1924 began the sale of nitrocellulose lacquers. In the same year increased the productive capacity of its Portland, Ore. paint factories and acquired the factories of Sunset Paint Co. of Los Angeles. In 1927 completed a four-year expansion program at the Milwaukee lacquer plant. In 1929 began operation of a lacquer plant at Newark, N. J.

In late 1927 the company and a subsidiary of E. I. du Pont de Nemours each acquired a 50% stock interest in Pittsburgh Safety Glass Co. (name subsequently changed to Duplate Corp.), which constructed a $1,000,000 plant at Creighton, Pa. for the manufacture of safety glass, using the company's plate glass and du Pont's plastic interlayer. In 1931 acquired full control of Duplate Corp.

In June, 1928 acquired Ditzler Color Co. of Detroit, manufacturers of automobile finishes.

In July, 1929 completed the rebuilding and modernization of its Ford City, Pa. plate glass plant at a cost of $5,500,000 and in Mar., 1930 completed a similar program at the Crystal City, Mo. plate glass plant. These plants replaced old ones at these locations. In June, 1931 completed a plant at Ford City to manufacture Carrara glass, heavy polished plate glass and spectacle and special glasses.

In 1928-29 began production of sheet and window glass under a new process at Clarksburg, W. Va., and Mt. Vernon, O. In 1929 began operation of a new sheet and window glass plant at Henryetta, Okla. In 1934 additions were made to all three window glass plants.

In 1929 began production of "Wallhide," a new interior paint.

In 1931, jointly with American Cyanamid Co., formed Southern Alkali Corp. (see appended statement) (in which the company owns a 51% stock interest and American Cyanamid 49%). This company completed a $7,000,000 soda ash and caustic soda plant at Corpus Christi, Tex. in Oct., 1934. In Mar., 1938 Southern Alkali completed construction of a liquid chlorine plant at this location.

In Aug., 1936 began operation of a new liquid chlorine plant at the Barberton, O., factory of the Columbia Chemical Division and in Nov., 1936 at this location began operation of a bicarbonate of soda factory. In Oct., 1937 capacity of the liquid chlorine plant at Barberton was doubled.

In 1936 began fabricating safety glass at Crystal City, Mo.

In 1937 constructed a resin plant at Milwaukee and acquired the factory and business of The Thresher Varnish Co. at Dayton, O.

In Mar., 1937, jointly with Corning Glass Works (see general index) formed Pittsburgh Corning Corp. to manufacture glass building blocks, glass tile, etc., at a newly-constructed plant at Port Allegany, Pa. Each company owns 50% of the $900,000 outstanding capital stock of this concern.

In 1938 exercised an option to purchase 93,000 shares of American Cyanamid Co. class B stock at $20 per share under an option issued in 1931.

On June 10, 1938 dissolved Duplate Corp., a wholly-owned subsidiary, manufacturing safety glass, and acquired its assets.

SUBSIDIARIES

Parent functions chiefly as an operating company, the principal subsidiaries being Columbia Development Corp., which holds securities (incl. those of Southern Alkali Corp.), non-current receivables, etc.; Ditzler Color Co., which operates the plant at Detroit; and the Belgian subsidiary, which operates the plate glass plant in that country. As of Dec. 31, 1940, owned 100% of the voting control of the following:

Allied Paint & Glass Co.
American Glass Corp.
Altoona Glass & Paint Co.
Charleroi & Belle Vernon R.R. Co.
Crystal City Milling Co.
Columbia Development Corp.
Southern Alkali Corp. (51%). See appended statement.
Southern Minerals Corp. (100%)
Southern Pipeline Corp. (100%)
Ditzler Color Co.
Ivoroid Mixed Paint Co.
H. W. Johns Paint Mfg. Co.
Kingston Paint & Glass Co., Inc.
Nevius Paints, Inc.
Patton Paint Corp.
Pittsburgh Plate Glass Co. of Michigan
Pittsburgh Plate Glass Co. (Tenn.)
Poughkeepsie Paint & Glass Co., Inc. (formerly Thomas V. Lackaye Paint & Glass Co.)
The Regal Mirror Co.
Sewickley Hardware & Paint Co.
Societe Anonyme des Glaces de Courcelles (Belgium)
Sunset Paint Corp.
The Thresher Varnish Co.
Triplex Corp.
Uniontown Paint & Glass Co.
Wesco Paint & Glass Co., Inc.

As of Dec. 31, 1940 owned less than 100% of the voting control of the following subsidiaries:

Geneva Paint & Glass Co. (94.76%)
Gurley-Comstock Corp. (53.125%)
Walter D. Henne Paint & Wallpaper Co. (99.35%)
Queen City Paint & Glass Co. (90%)
The Rainey Stores, Inc. (72%)
Southern Condensate Corp. (51%)
E. J. White Paint & Glass Co., Inc. (87.5%)

In addition, had voting control of Joseph J. Ball, Inc. by reason of holding all its preferred stock. This preferred assumed voting control upon dividend default.

Owns 50% of voting control of Pittsburgh Corning Corp. (see History).

Columbia Alkali Corp., formerly listed as a wholly-owned subsidiary, has ceased business and has no assets.

BUSINESS & PRODUCTS

Principal industries served are the automobile, which consumes the company's safety glass and finishes, and the building, which uses paints, varnishes, brushes, window glass, plate glass and mirrors.

Ranks as one of the two leading producers of plate glass (capacity 100,000,000 sq. ft. yearly), which is used principally by the automobile industry in the form of safety glass which comprises two sheets of plate glass pressed together with a plastic interlayer. Plate glass is also used for store fronts, mirrors, etc. Ranks as one of the leading producers of sheet or window glass, sold under the trade name Pennvernon. Chief raw materials of this division are soda ash, sand, limestone and vinyl plastic.

Ranks as one of the leading producers of paint, varnish, lacquer and brushes, which are sold in large quantities to automobile companies and other industrial consumers as well as for general trade purposes in painting of new houses and in home rehabilitation. Chief raw materials of this division are lin-

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seed oil and other solvents, colors, metallic pigments, etc.

Ranks as one of the leading producers of soda ash, which is used in the manufacture of glass, soap, oil, textiles, drugs, pulp and paper, and in water softening, purification processes and cleaning operations, and of caustic soda, which is used in the manufacture of soap, chemicals, rayon, lye, textiles, and in petroleum refining and rubber reclaiming. Other products of the chemical division include (1) liquid chlorine, used largely in the production of chemicals, textiles and pulp, and in water purification (2) modified sodas (3) special alkalis (4) calcium chloride (5) whiting (6) Hennig's purifier, used for desulphurizing pig and cast iron (7) salt for industrial uses (8) Col-Rec, used for coal treatment, and (9) Calcene, used for rubber compounding. Principal raw materials of this division are salt and limestone.

Relatively minor divisions of the business comprise the manufacture of Portland cement, dry colors, insecticides, fungicides and seed grain disinfectants. Products are distributed through 111 warehouses and stores located throughout the country.

PRINCIPAL PLANTS & PROPERTIES

For details on property acquisition, construction, etc., see History.

Plate glass manufacturing plants are located at Creighton and Ford City, Pa.; Crystal City, Mo., and Courcelles, Belgium (closed early in 1940, after German invasion of Belgium). Plate glass from the Creighton and Crystal City plants is used in the fabrication of the company's safety glass. Window glass factories are located at Henryetta, Okla.; Mount Vernon, O., and Clarksburg, W. Va.

Paints are manufactured at Milwaukee, Wis.; Detroit, Mich.; Newark, N. J.; Portland, Ore.; Dayton, O., and Los Angeles, Cal. Varnishes and lacquers are produced at Milwaukee, Dayton, Detroit, Newark and Los Angeles. Linseed oil mills are operated at Red Wing, Minn., and Newark, N. J. Paint and other brushes are produced at Baltimore, Md., and Keene, N. H. Paint and varnish also manufactured at Houston, Tex.

Alkalis and other chemicals are produced at Barberton, O. and through a subsidiary, Southern Alkali Corp., at Corpus Christi, Tex.

Other activities include a cement plant at Zanesville, O. (2,000,000 bbls. yearly capacity), the manufacture of dry colors, insecticides, fungicides and seed germ disinfectants at Milwaukee; coal mines at Creighton, Pa.; sand mines at Crystal City, Mo.; limestone quarries at Fultonham, O., and gas properties and gas lines at Ford City, Pa. In addition, 111 warehouses and stores are operated for the distribution of glass, paint, etc. Research laboratories are located as follows: Glass at Creighton, paints at Milwaukee, Newark and Detroit, chemicals at Barberton.

Pittsburgh Corning Corp., a 50% controlled company, has a glass block producing plant at Port Allegany, Pa.

Status of Belgian Property and Business: Concerning the condition of the Belgian subsidiary's property and curtailment of activities of said subsidiary, the following statement was made in the annual report for 1940:

"The company has been directly affected by the European war. Its foreign plate glass plant located at Courcelles, Belgium, fell into German hands early in May, 1940, and manufacturing operations were suspended. Reports indicate that war damage was of a minor nature and the principal activity has been the sale of manufactured glass stock.

"Late in 1940 plans were made to resume grinding and polishing of plate glass, but fragmentary reports indicate that after three weeks' operation, manufacturing again was abandoned because of the requisitioning of a large part of the factory by the invader.

"Much uncertainty exists as to the future value of assets in a country occupied by the Axis powers. Also, it is impossible to report actual earnings or deficits, as no rate of exchange exists that can be used to convert Belgian francs into dollars."

MANAGEMENT

Officers

[1]Clarence M. Brown, Chairman
[1]H. S. Wherrett, Vice-Chairman
[1]R. L. Clause, President
[1]E. T. Asplundh, Vice President
[1]H. B. Higgins, Vice President
J. H. Heroy, Vice-President
F. W. Judson, Vice-President
[1]E. D. Griffin, Vice-President
F. W. Currier, Treasurer
H. B. Brown, Secretary
M. C. Spahr, Comptroller
Leland Hazard, General Counsel

[1]Member of Executive Committee.

Directors

Clarence M. Brown, Chairman, Philadelphia
E. T. Asplundh, Barberton, O.
R. L. Clause, Pittsburgh
H. A. Galt, Barberton, O.
E. D. Griffin, Pittsburgh
J. H. Heroy, New York
H. B. Higgins, Pittsburgh
Richard K. Mellon, Pittsburgh
Harold F. Pitcairn, Philadelphia
Raymond Pitcairn, Philadelphia
H. S. Wherrett, Pittsburgh

General Counsel: Leland Hazard.

Annual Meeting: First Wednesday in April.

Number of Stockholders: Dec. 31, 1940, 7,032.

Number of Employees: Dec. 31, 1940, 18,253.

General Office: Grant Bldg., Pittsburgh.

INCOME ACCOUNTS

COMPARATIVE CONSOLIDATED INCOME ACCOUNT, YEARS ENDED DEC. 31
(Taken from reports to Securities and Exchange Commission)

	1940	1939	1938	1937	1936	1935	1934
[1]Net sales	$97,940,621	$83,189,621	$64,355,034	$93,313,307	$86,113,486	$68,626,174	$51,761,130
[2]Cost of goods sold	48,932,785	45,368,945	36,404,244	48,133,432	44,699,676	35,028,297	28,673,685
Other manufacturing costs	14,427,406	9,927,435	10,020,006	9,742,449	9,670,414	8,038,684	6,174,543
[2]Selling, general & admin. expenses	16,247,149	15,107,549	13,026,900	15,307,672	14,896,702	12,665,631	10,639,149
Operating profit	18,333,291	12,787,692	4,903,884	20,141,735	16,843,693	12,795,562	6,273,755
Interest and dividends received	1,037,223	822,293	770,923	856,204	650,011	586,955	580,923
Royalties received	118,535	146,701	326,460	776,381	604,258	544,233	284,633
Proceeds, sale of rights	--------	--------	1,582,500	--------	--------	--------	--------
[3]Other income	834,091	756,588	608,246	880,006	712,156	474,900	468,397
Gross income	20,323,140	14,513,274	8,192,015	22,644,327	18,810,116	14,401,670	7,607,728
[4]Income deductions	687,729	1,227,539	159,445	74,385	39,528	684,809	622,581
Balance	19,635,411	13,285,734	8,032,570	22,569,942	18,770,588	13,716,861	6,985,147
Federal and state capital stock tax	--------	--------	--------	--------	--------	--------	166,525
Federal excess profits tax	700,000	--------	--------	--------	--------	--------	--------
Income taxes, Federal and state	5,141,474	2,519,323	1,543,663	3,793,960	3,185,727	2,318,122	1,054,936
Surtax on undistributed profits	--------	--------	--------	488,013	263,027	--------	--------
Net income to surplus	13,793,937	10,766,412	6,488,907	18,287,969	15,321,834	11,398,739	5,763,684
[10]Earned surplus beginning of year	48,420,987	47,313,308	44,406,388	41,140,663	37,198,836	32,098,942	29,271,356
[5]Other surplus credits	--------	36,170	188,283	--------	435,238	177,191	324,117
Dividends	10,909,174	8,672,611	3,770,272	13,928,415	11,783,121	6,426,070	3,104,614
[6]Other surplus charges	249,092	669	--------	1,093,829	32,124	49,968	155,600
Earned surplus, end of year	$51,056,658	$49,442,609	$47,313,307	$44,406,388	$41,140,663	$37,198,836	$32,098,942
SUPPLEMENTARY P. & L. DATA							
[7]Depreciation, depletion & amort.	$4,840,643	$4,427,430	$4,192,317	$3,839,401	$3,592,502	$3,582,100	$3,494,658
[8]Maintenance and repairs	3,806,036	3,599,361	3,466,080	4,239,289	3,648,534	3,928,848	2,795,353
Taxes, other than income	2,431,767	2,368,451	2,343,674	2,412,060	1,403,789	682,237	820,499
Rents	510,290	475,149	457,657	403,383	368,510	322,163	461,777
Royalties	166,559	115,534	109,755	144,861	123,108	191,676	
Provision for bad debts (net)	329,015	264,610	192,359	165,120	88,946	197,150	270,516
Losses from retirement of property	Not stated	499,978	--------	513,952	842,282	530,710	281,643
Parent company's net sales	$88,637,378	$76,306,295	$58,498,638	$84,702,218	$77,886,003	$66,271,416	$50,560,814
Parent company's net income	13,063,369	10,054,832	6,030,247	17,511,665	14,776,696	11,226,576	5,533,696
Equity in earnings of subs. consol.	1,686,187	1,647,403	1,396,832	2,552,971	2,024,847	1,663,073	1,094,366
Dividends from subs. consolidated	1,012,732	744,452	860,824	2,191,984	1,474,365	1,691,544	--------
[9]Equity in carnings of subs. not cons.	585,933	502,614	395,103	686,351	267,681	d 46,489	d 116,622
Dividends from subs. not consolidated	158,050	87,325	--------	531,750	201,244	3,230	--------

[1]Gross sales less discounts, returns and allowances and includes following sales to unconsolidated subidiaries: 1934, $161,068; 1935, $220,073; 1936, $136,500; 1937, $242,256; 1938, 108,431; 1939, $81,704; 1940, $25,059.

[2]Includes related portions of items shown under "Supplementary P & L Data" below statement.

[3]Includes equity in aggregate net earnings of non-consolidated subsidiaries: 1936, $267,681; 1937, $686,351; 1938, $395,103; 1939, $502,614; 1940, $427,883 (1934 and 1935 proportion of losses of non-consolidated subsidiaries of $116,622 and $46,489, respectively, are included in "Income deductions."

[4]In 1940 included $500,000 and in 1939, $1,000,000 provision for pensions and relief; in 1934 and 1935 includes $500,000 provision for pensions and relief to be expended in future year. See also note [9], above.

[5]In 1936, 1938 and 1939 represents net adjustments of securities and investments.

[6]In 1939 comprised: Net adjustment of value of marketable securities and miscellaneous investments, $233,373; Wisconsin dividend privilege tax paid for stockholders, $15,720; total, $249,092.

In 1937, comprised: Adjustment of foreign subsidiary's property, $563,895; net adjustment of marketable securities and miscellaneous investments, $489,238; miscellaneous surplus charges, $40,696; total, $1,093,829.

[7]Including amortization but excluding depreciation charged to reserve for contingencies: 1934, $271,971; 1935, $236,015; 1936, $3,890; 1937, $7,556; 1938, $6,891; 1939, $4,081; 1940, none.

[8]Includes provisional charges for repairs and maintenance: 1935, $1,308,560; 1936, $1,234,851; 1937, $1,346,365; 1938, $1,154,092; 1939, $1,409,473; 1940, $1,638,517. Does not include amounts charged to reserve for contingencies as follows: 1935, $48,315; 1936, $38,270; 1937, $52,143; 1938, $29,390; 1939, $52,117; 1940, none.

[9]Reflected in above accounts in other income or income deductions.

[10]1940: After excluding $1,021,622 surplus of foreign subsidiary previously consolidated.

General Notes: (a) Foreign subsidiary (Belgian), previously consolidated, was not consolidated in 1940. In 1939 the operations of this subsidiary were included for only 11 months to Nov. 30 as company's fiscal year was changed. The results were converted at the average of semi-monthly rates of exchange prevailing during the twelve months ended Nov. 30, 1939. The difference arising through conversion of the accounts is shown in this statement under income deductions.

(b) Total taxes for 1940 amounted to $8,273,241, compared with $4,706,391 in 1939.

BALANCE SHEETS

COMPARATIVE CONSOLIDATED BALANCE SHEET, AS OF DEC. 31
(Taken from reports to Securities and Exchange Commission)

ASSETS	1940	1939	1938	1937	1936	1935	1934
Cash	$12,286,694	$10,476,680	$12,125,917	$6,256,410	$7,738,864	$10,773,608	$7,940,962
[3]U. S. Government securities	2,511,372	5,321,656	614,813	3,138,588	10,261,343	7,993,284	5,540,995
[5]Other marketable securities	11,356,991	8,673,209	6,912,852	4,940,737	4,881,427	2,673,981	2,433,573
[6]Notes & accts. receiv. accrued, etc.	9,689,079	8,609,286	7,274,797	6,965,104	7,747,706	7,175,557	3,682,418
[7]Inventories	21,539,920	20,385,039	19,742,728	23,890,164	16,328,772	16,397,569	13,790,036
Total current assets	$57,384,056	$53,465,871	$46,671,107	$45,191,000	$47,158,112	$45,013,998	$35,437,984
[8]Sec. & advances to unconsol. subs.	$7,743,511	$7,127,810	$6,242,823	$6,875,190	$4,896,272	$3,968,073	$3,921,717
[14]Invest. in foreign subs. not consol.	1	--------	--------	--------	--------	--------	--------
[9]Miscellaneous investments	948,131	1,114,251	1,375,126	1,081,457	677,438	672,340	2,896,140
Non-current notes & accounts (net)	1,051,062	742,380	501,978	539,779	576,857	662,179	524,633
[16]Property account	61,419,995	60,603,223	62,358,536	63,391,638	60,271,439	58,593,755	56,863,755
Patents	22	6,486	8,988	11,490	13,783	16,286	18,788
Deferred charges	1,095,934	1,090,529	988,577	1,033,442	845,073	723,857	662,393
Total	$129,642,713	$124,150,550	$118,147,136	$118,123,994	$114,438,975	$109,850,488	$100,125,409
LIABILITIES							
Accounts payable, trade	$3,051,028	$2,992,189	$2,387,441	$2,486,016	$3,518,699	$3,431,630	$1,754,268
Notes payable	204,600	121,113	146,360	183,606	221,717	93,500	60,000
Dividend payable	--------	--------	--------	--------	--------	1,071,176	856,766
Accrued taxes	7,169,334	3,853,089	2,731,004	5,348,255	4,386,830	2,680,573	1,327,867
Other payables and accruals	1,516,927	1,425,941	1,255,973	1,453,746	1,320,494	1,784,609	876,765
Total current liabilities	$11,941,888	$8,392,332	$6,520,778	$9,471,625	$9,447,740	$9,061,489	$4,875,865
[11]Collected on installment sales	$639,708	$909,113	$1,114,177	$1,407,218	$1,152,703	$685,947	$433,987
Deferred credits	174,710	173,155	122,132	145,508	48,810	51,840	36,822
Reserve for contingencies	4,931,365	4,931,365	5,003,107	4,611,442	4,687,613	4,746,495	5,638,629
Insurance reserve	1,983,316	1,796,324	1,674,211	1,998,895	1,855,143	1,705,885	1,549,840
Pension and relief reserve	2,042,188	2,000,000	1,000,000	1,000,000	1,000,000	1,000,000	500,000
Reserve for maint. & repairs, etc.	1,641,053	1,544,132	1,424,472	1,506,322	1,538,418	1,634,736	1,437,348
Minority interest	5,826	5,920	5,852	5,670	6,810	6,835	6,327
Capital stock (par $25)	54,701,000	54,430,600	53,969,100	53,570,825	53,561,075	53,558,825	53,547,850
[12]Surplus	51,581,658	49,967,609	47,313,307	44,406,388	41,140,663	37,198,898	32,098,942
Total	$129,642,713	$124,150,550	$118,147,136	$118,123,994	$114,438,975	$109,850,488	$100,125,409
Net current assets	$45,442,168	$45,073,539	$40,150,329	$35,719,375	$37,710,372	$35,952,509	$30,562,319
PROPERTY ACCT.—ANALYSIS							
Additions at cost	$7,648,180	$3,191,739	$3,633,490	$8,489,151	$6,554,145	$7,239,040	$2,182,629
Retirements or sales	1,990,764	518,043	469,874	889,735	1,282,571	1,797,749	397,164
[13]Depreciation and depletion	4,840,643	4,429,009	4,196,716	3,915,323	3,593,891	3,815,633	3,766,630
Other additions	--------	--------	--------	cr 563,895	--------	104,342	61,937

[3]Including $305,000 face amount deposited with State Insurance Commissions and $100,000 pledged as collateral to a note. Market value, Dec. 31, 1940, $2,544,270.

[5]Lower of cost or market. Market value Dec. 31, 1940, $13,677,908.

[6] After reserves: 1940, $1,039,607.

[7]At less than cost or market. At Dec. 31, 1940, consisted of: Finished goods, $10,632,245; work in process, $1,462,644; raw materials, $5,262,249; supplies (including repair parts), $4,182,784; total, $21,539,920.

[8]1940: Consists of: Securities of subsidiaries not consolidated, $4,826,461; due from subsidiaries not consolidated (after $10,000 reserve), $2,917,050; total, $7,743,511.

[9]In 1934 included, $1,960,000 collateral notes due in 1938 secured by equal face amount of Southern Alkali Corp. bonds.

[16]At depreciated cost. Annual provisions for depreciation and depletion credited to asset accounts (see changes shown below balance sheet). Net values of factories and facilities not in operation were: 1934, $1,462,342; 1935, $424,889; 1936, $310,517; 1937, $282,961; 1938, $595,983; 1939, $606,851; 1940, $243,089. Property account, Dec. 31, 1940, comprised: Company and domestic subsidiaries' land, including mineral deposits, $4,799,660; buildings, $18,263,643; machinery and equipment, $33,587,713; construction in progress, $2,423,090; property not used in operation, $243,089; other properties, $2,102,800; total, $61,419,995.

[11]Includes subscriptions under officers and employees' stock purchase plan (20,683 shares at Dec. 31, 1940, of which 10,400 were available in treasury): 1934, $237,511; 1935, $518,271; 1936, $982,182; 1937, $1,251,128; 1938, $974,192; 1939, $787,475; 1940, $517,075.

[12]Includes capital surplus: 1934, $3,894; 1935, $3,003; 1936, $2,862; 1937, written off; 1938, nil; 1939 (paid in), $525,000; 1940 (paid-in), $525,000. Amounts invested in treasury stock: 1934, $765,250; 1935, $754,275; 1936, $752,025; 1937, $742,275; 1938, $520,000; 1939, $390,000; 1940, $260,000.

[13]Credited to asset accounts. Includes amounts charged to contingency reserve (note [17]to consolidated income account).

[14]At net carrying value of investment in and advances to and from subsidiary [see General Note (b) below].

Depreciation Policy [see also General Note (e) below]: Provision for depreciation of depreciable assets was made at various annual rates, which are based on the estimated useful lives of the respective items. Provision for depletion of salt, limestone, clay and coal deposits for 1940 was equivalent to cost of such resources recovered during year, that cost being computed on basis of ratio of resources recovered to total recoverable resources estimated by company's engineers.

General Notes

(a) Accounts certified by Haskins & Sells.

(b) Above consolidated statements include all subsidiaries whose business policies and operations are directed by the parent through its organization (excludes Southern Alkali Corp. 51% owned). In 1937, 1938 and 1939 accounts of one foreign subsidiary included as of Nov. 30th. In 1939 net current assets of foreign subsidiary were converted at rate of exchange prevailing at Nov. 30, 1939. The fixed assets were converted generally on the basis of dollar cost.

Company's only foreign subsidiary (Belgian) was not consolidated in 1940. Earned surplus of this subsidiary was eliminated from consolidated earned surplus as of Dec. 31, 1939, and net carrying value of the investment and advances to and from this subsidiary is now stated at $1.

(c) It appears that reserve for contingencies is adequate to cover possible deficiencies in prior years' Federal and Pennsylvania income taxes and Federal excess profits taxes not otherwise provided for, as well as any other known contingencies.

(e) At Dec. 31, 1940, company and its subsidiaries were in the process of revising property accounts so as to restate property, based upon detail studies made, at cost, and to set up amounts of accrued depreciation in reserve accounts.

FINANCIAL & OPERATING DATA

Statistical Record	1940	1939	1938	1937	1936	1935	1934
Earned per share	$6.30	$4.94	$3.01	$8.53	$7.15	$5.32	$2.69
Dividends per share	$5.00	$4 00	$1.75	$6.50	$6.00	$2.90	$1.30
Price range	104¼-65	117-90	115½-55	147½-77	140-98¼	99⅞-46¾	57¼-39
Net assets per share	$48.57	$47.95	$46.92	$45.72	$44.20	$42.36	$39.99
Number of shares	2,188,040	2,177,224	2,153,764	2,142,833	2,142,443	2,142,353	2,141,914
Financial and Operating Ratios							
Current assets÷curr. liabilities	4.81	6.37	7.16	4.77	4.99	4.97	7.27
% cash & securities to curr. assets	45.58	45.77	42.11	31.72	48.52	47.63	45.11
% inventory to curr. assets	37.54	38.13	42.30	52.86	35.05	36.43	38.91
% net curr. assets to net worth	42.76	43.17	39.64	36.45	39.82	39.61	35.68
Capitalization:							
% common stock & surplus	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Sales÷inventory	4.55	4.08	3.26	3.91	5.21	4.18	3.75
Sales÷receivables	10.11	9.66	8.85	13.40	11.11	9.55	9.11
% sales to net property	159.46	137.27	103.20	147.21	142.87	116.95	91.03
% sales to total assets	75.55	67.01	54.47	79.00	75.25	62.50	51.70
% net income to total assets	10.64	8.67	5.49	15.48	13.39	10.40	5.76
% net income to net worth	12.98	10.31	6.41	18.66	16.18	12.56	6.73
Analysis of Operations	%	%	%	%	%	%	%
Net sales	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Costs, goods & mfg.	64.69	66.47	72.14	62.02	63.14	62.84	67.33
Sell., gen. & adm. exp.	16.59	18.16	20.24	16.40	17.30	18.48	20.55
Operating profit	18.72	15.37	7.62	21.57	19.56	18.67	12.12
Proceeds, sale of rights	----	----	2.46	----	----	----	----
Other income	2.03	2.08	2.65	2.69	2.28	2.34	2.58
Gross income	20.75	17.45	12.73	24.27	21.84	21.02	14.70
Income deductions	0.70	1.48	.25	.08	.05	1.00	1.20
Net income before income taxes, etc.	20.05	15.97	12.48	24.19	21.80	20.02	13.49
Cap. stock & income tax	5.96	3.03	2.40	4.59	4.00	3.38	2.36
Net income	14.09	12.94	10.08	19.60	17.79	16.63	11.14

CAPITAL STOCK

1. Pittsburgh Plate Glass Co. stock; par $25:

AUTHORIZED—2,000,000 shares; issued, 2,179,564 shares; outstanding, Dec. 31, 1940, 2,188,040 shares, excl. in treasury, 10,400 shares; par $25 (changed from $100 par Oct. 9, 1928, four $25 par shares issued in exchange for each $100 par share).

Dividend Record (in $)

($100 par shares)

1883-98	Nil	1899...	5.00	1900-06	6.00
[1]1907-17	7.00	1918...	10.00	1919...	7.25
[2]1920...	13.00	1921...	8.00	1922...	13.00
[3]1923-26	18.00	1927...	13.00	1928...	6.00

($25 par shares)

[4]1928.	0.50	1929...	3.00	1930...	2.00
1931...	1.75	1932...	0.75	1933...	0.70
1934...	1.30	1935...	2.90	1936...	6.00
1937...	6.50	1938...	1.75	1939...	4.00
1940...	5.00	[5]1941...	2.00		

[1]Plus 10% in stock Apr., 1917.
[2]Plus 20% in stock Dec., 1920.
[3]Plus 30% in stock Jan., 1923.
[4]Plus 10% in stock Dec. 1, 1928.
[5]To July 2.

Dividends payable quarterly Apr. 1, etc., to stock of record about Mar. 10, etc.

PREEMPTIVE RIGHTS—As provided by the statutes of the Commonwealth of Pennsylvania.

LISTED—Pittsburgh Stock Exchange; also traded in unlisted section of New York Curb Exchange.

TRANSFER AGENTS — Peoples - Pittsburgh Trust Co., Pittsburgh; City Bank Farmers Trust Co., New York.

REGISTRARS—Union Trust Co., Pittsburgh; Guaranty Trust Co., New York.

ISSUED—Upon reincorporation in 1920, 307,342 shares of new $100 par stock were issued as follows: 247,300 shares to holders of old $100 par common on a share for share basis; 1,540 shares to holders of old 12% preferred on the basis of two shares for each share held; 47,728 shares to stockholders of Columbia Chemical Co. on the basis of 8/10 of a share for each share held; 10,574 shares to minority stockholders (46%) of Patton-Pitcairn Co. on a share for share basis.

PRICE RANGE—	1940	1939	1938
Stock	104¼-65	117-90	115⅝-55

Stock Options: On May 17, 1933 directors allocated 67,120 shares to certain executive officers and key employees to be sold at $25 per share with payments of at least 50¢ per share quarterly on account of the purchase price. As of Dec. 31, 1940 there were 20,683 shares under this option of which 10,400 shares will be issued from treasury stock and 10,283 shares from unissued stock. Substantially one-half of each group will be issued on each Oct. 1, 1941 and 1942.

SOUTHERN ALKALI CORPORATION

[Controlled jointly by Pittsburgh Plate Glass Co. (51%) and American Cyanamid Co. (49%)]

History: Incorporated in Delaware on April 20, 1931.

Business: Manufactures heavy chemicals.

Property: Plants, located in Corpus Christi, Texas, are served by 3 railroad trunk lines. Plant for the production of soda ash, caustic soda and other alkalis went into operation in the fall of 1934, liquid chlorine plant and the refined salt plant opened in 1938. Salt brine for manufacture is piped from company's own wells and natural gas for power is provided from company's near-by field.

Control: Capital stock jointly owned (51% and 49% respectively) by Pittsburgh Plate Glass Co. (see preceding statement) (through Columbia Development Corp., wholly-owned subsidiary) and American Cyanamid Co. (see general index). Entire issue of bonds of Southern Alkali Corp. is also jointly owned by said companies.

Subsidiaries (wholly-owned): Southern Minerals Corp. and Southern Pipe Line Corp.

Officers: H. F. Pitcairn, Pres.; C. M. Brown, W. B. Bell, H. L. Derby, H. S. Wherrett, O. N. Stephens, Vice-Pres.; J. H. Heroy, Sec.; F. W. Currier, Treas.

Directors: C. M. Brown, Raymond Pitcairn, F. W. Cooper, J. H. Heroy, W. L. Landis, H. F. Pitcairn, E. W. Winkler, W. B. Bell, H. L. Derby, H. S. Wherrett, Frederick Pope.

Annual Meeting: Third Wed. in April.

No. of Employees: Dec. 31, 1939: Southern Alkali Corp., 387; Southern Minerals Corp., 103; Southern Pipe Line, 54.

Office: Corpus Christi, Texas.

Consolidated Income Account, years ended Dec. 31 (as reported to the SEC):

	1940	1939
Net sales	$7,509,119	$6,957,541
Cost of sales ...	3,604,319	3,632,815
Depreciation	851,737	825,860
Depletion	414,225	362,605
Sell., exp., etc. ..	428,173	377,643
Net oper. profit ..	2,210,666	1,758,618
Margin of profit ..	....	25.28%
Other income	75,313	24,380
Gross income	2,285,978	1,782,998
Bond interest ...	271,283	286,008
Other interest	232,590	195,007
Prop. retirement.	150,362	54,119
Other deduction.	24,497	10,288
Fed. income tax..	379,181	204,337
Excess prof. tax.	99,103	....
Net income	1,128,960	1,033,238
Dividends paid ..	300,000	150,000
Surplus for year.	828,960	883,238
Earn. surpl., 1-1..	1,707,972	884,690
Credit	....	22,513
Charges	....	82,468
Earn. surp., 12-31	2,536,932	1,707,972
Times chgs. earn.:		
Before inc. tax.	3.99	3.57
After inc. tax..	3.24	3.15
Earned per share	$11.29	$10.33
No. of shares....	100,000	100,000

Consolidated Balance Sheet, as of Dec. 31 (as reported to the SEC):

Assets:	1940	1939
Cash	$600,074	$318,904
Working funds ..	1,750	1,750
Receivables, net..	311,618	627,494
[1]Finished chem..	228,074	175,461
[1]Crude oil	875,429	343,813
[1]Mater. & suppl..	489,705	368,922
Total current.	$2,506,849	$1,836,345
Plant & equip....	18,667,068	16,411,754
Deprec. & deplet..	5,518,760	4,265,740
Net property ..	13,148,308	12,146,014
Investment	3,251	3,251
Notes receivable .	100,000	175,000
Deferred charges.	102,616	74,442
Total	$15,860,825	$14,235,052

Liabilities:	1940	1939
Notes payable ...	$2,006,550	$1,995,000
Due affil. co.	2,627,632	
Accts. payable ...	1,184,591	3,021,985
Accrued interest..	61,714	64,363
Accrued taxes....	515,349	232,733
Accr. sal. & wages	23,690	22,380
Bonds due	230,000	....
Total current.	$6,649,526	$5,336,463
1st mtge. 6s, 1948.	3,980,000	4,540,000
Extraord. maint. reserve	194,367	150,617
[2]Capital stock ..	2,125,000	2,125,000
Paid-in surplus...	375,000	375,000
Earned surplus...	2,536,932	1,707,972
Total	$15,860,825	$14,235,052
Net current assets	d $4,142,877	d $3,500,118

[1]Finished chemicals, at cost; crude oil, at market; materials and supplies at lower of cost or market.

[2]100,000 no par shares.

Bonded Debt: Southern Alkali Corp. first sinking fund 6s, due 1948:

AUTHORIZED—$7,000,000; outstanding, $4,210,000 (of which $2,147,000 owned by Pittsburgh Plate Glass Co. and the balance by American Cyanamid Co.).

No further details available.

Capital Stock: Southern Alkali Corp. stock; no par:

AUTHORIZED — And outstanding, 100,000 shares; no par.

51% of stock is owned by Pittsburgh Plate Glass Co. and 49% by American Cyanamid Co.

DIVIDENDS PAID—1936, $12.50; 1937, $46.25; 1938, Nil; 1939, $1.50; 1940, $3.

RADIO-KEITH-ORPHEUM CORPORATION

CAPITAL STRUCTURE

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	Earned per Sh. 1939	Earned per Sh. 1938	Divs. per Sh. 1940	Divs. per Sh. 1939	Call Price	Price Range 1940	Price Range 1932-40
1 6% cum conv. pfd	$100	128,170 shs.	----	----	----	----	[1]105	43⅛-34	[2]43⅛-34
2 Common	1	2,753,053 shs.	----	----	----	----	-----	3¾- 2⅛	[2]3¾- 2⅛

[1]Also for sinking fund at 100. [2]1940 range.

HISTORY

Incorporated in Delaware July 24, 1939 with perpetual charter, and acquired on Jan. 26, 1940 (effective as of Jan. 1, 1940), assets and business of Radio-Keith-Orpheum Corp. (in bankruptcy), incorporated in Maryland Oct. 25, 1928. Securities of the new company were exchanged for securities of predecessor company as follows (for complete details of reorganization, see Moody's 1940 Industrial Manual):

Debenture 6s, 1941. Each $100 principal amount of debentures received 1 share of new preferred and 5 shares of new common stock. In lieu of such 5 shares, debenture holders had right to elect (to May 1, 1939), to receive 42/100 share of new preferred.

Common Stock. Holders of old common stock received for each share 1/6 share of new common stock and 1 option warrant, entitling holder to purchase at his election, for a period of ten years after date of issuance, 1 share of common stock at $15 a share or, for a period of five years after date of issuance, ½ share of common at $10 a share.

Unified Debenture and Common Stock Certificates: Received such new securities as were issuable against the debentures and common stock for which Unified Certificates would be exchangeable. Holders of part-paid certificates were entitled to receive new securities in proportion to the extent of their payment. Holders of part-paid certificates had right to complete payment prior to May 1, 1939.

Predecessor at formation acquired control of Keith-Albee-Orpheum Corp. (statement appended), FBO Productions, Inc. (formed as R-C Pictures Corp. in Delaware June 7, 1921), and concluded certain contracts with Radio Corp. of America, its subsidiary RCA Photophone, Inc. and its then affiliate National Broadcasting Co. In 1929 changed name of FBO Productions, Inc. to RKO Productions, Inc., purchased Pantages vaudeville circuit, forming in this connection Radio-Keith-Orpheum Western Corp., and acquired F. F. Proctor chain of theatres in New York and environs, transferred to RKO Proctor Corp., a subsidiary.

In Apr., 1930 purchased 13 theatres of the Libson-Heidingsfeld-Herriss chain of Cincinnati. In May, 1930 arranged to acquire through RKO Southern Corp. 7 theatres of Interstate Amusement Co. On May 20, 1930 organized RKO Midwest Corp. to acquire various theatre properties. In Jan., 1931 purchased major part of production and distribution business of Pathe Exchange, Inc. for $4,620,000 ($500,000 cash and remainder deferred notes), comprising mainly three feature pictures; the Culver City studio; the Jersey City film laboratory; the home office; domestic and English branch equipment; the right to use the name Pathe in the motion picture field. The following new subsidiaries were formed: RKO Pathe Distributing Corp.; RKO Pathe Pictures, Inc.; RKO Pathe Export Corp.; RKO Studios, Ltd.; Pathe News, Inc.

On Dec. 31, 1936, merged into RKO Radio Pictures, Inc. the following domestic picture producing and distributing subsidiaries: RKO Pathe Pictures, Inc.; RKO Pathe Distributing Corp.; RKO Pathe Export Corp.; RKO Pathe Studios, Ltd.; RKO Distributing Corp.; RKO Studios, Inc.; RKO Export Corp.

On Nov. 30, 1937 formed subsidiary RKO Orpheum Corp. to purchase certain assets of Stadium Theatres Corp., which had previously purchased assets held by Trustee in Bankruptcy of Orpheum Circuit, Inc. In May, 1938 acquired remaining 50% interest in Van Beuren Corp., producer of short films.

Anti-Trust Suit: See Paramount Pictures (general index).

Agreement for Exchange of Patent Rights: For details see Moody's 1938 Industrial Manual.

Investment of Radio Corp. of America: For history of this investment, see Moody's 1939 Industrial Manual.

SUBSIDIARIES

A holding company. On May 1, 1940 held 100% voting power in the following subsidiaries:

Name, place of incorporation and business:

RKO Proctor Corp. (N. Y.)—Theatre operation

RKO Midwest Corp. (O.)—Statement appended

RKO-Rhode Island Corp.

Union Hill Corp.—Theatre operation

Stadium Theatres Corp.—Inactive. This company has no assets of value. All assets of any value were transferred to RKO Or-