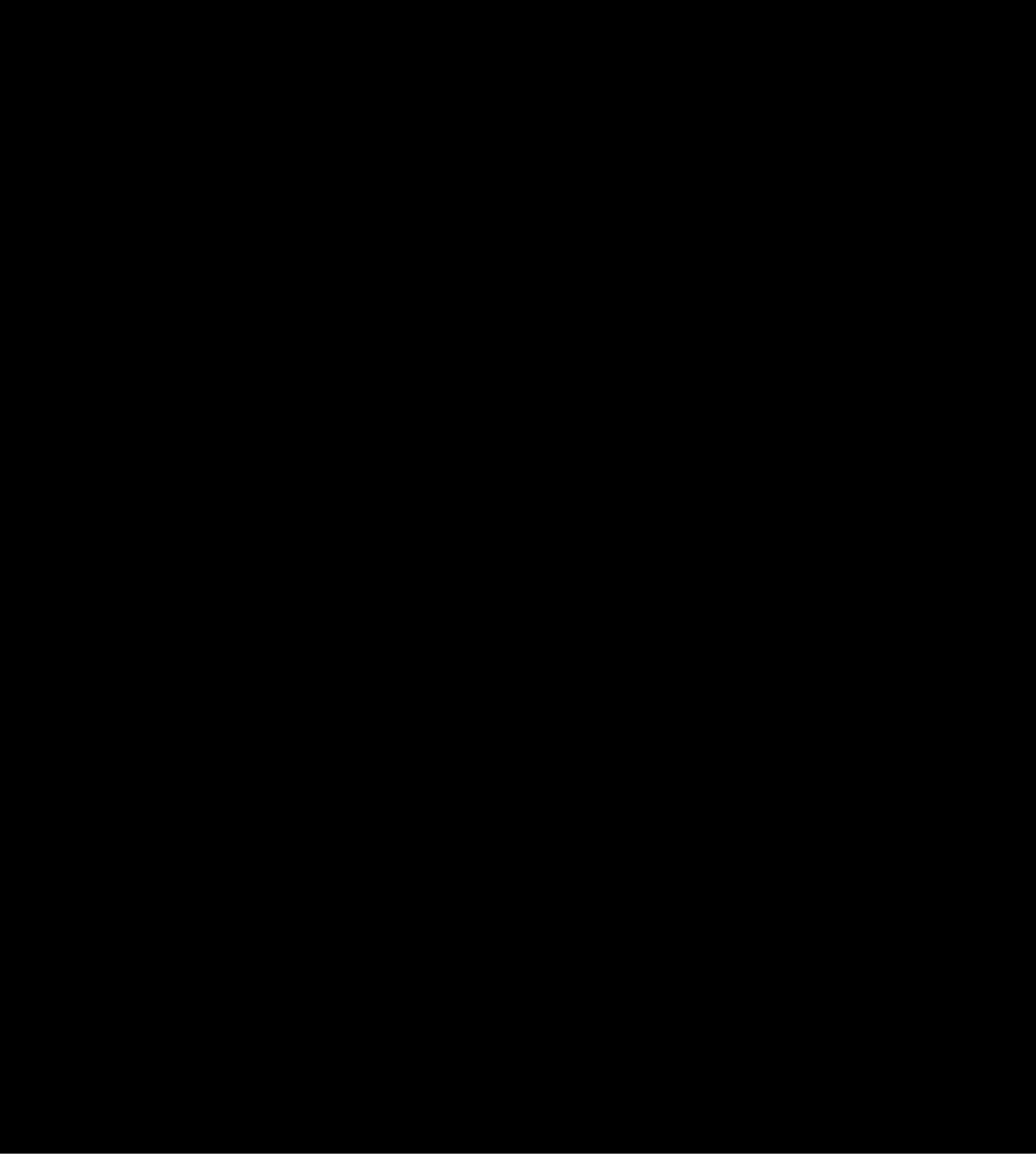




For Corporations

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C.

ANNUAL REPORT

For Fiscal Year Ended October 31, 1937The Glidden Company

(Name of Registrant)

Cleveland, Ohio

(Address of Principal Executive Offices)

Ohio - December 11, 1917(The State or Other Sovereign Power under which
Incorporated and Date of Incorporation)Perpetual

(Date of Termination of Charter)

Third Thursday in January at Cleveland, Ohio

(Date and Place of Annual Meetings)

SEP 23 1938
RECD BY MAIL

FEB 23 1938

DOCKET MAIL & FILES

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 regis- tration is effective	Amount to be registered upon notice of issuance	
Common Stock without par value	800,801 shares	179,946 shares	New York Stock Exchange
Convertible Preferred Stock, 4 $\frac{1}{2}$ % Cumula- tive, \$50.00 par value	199,940 shares	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, Secretary, Madison Avenue & Berea Road,
Cleveland, 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.

	<u>State of Incorporation</u>	<u>Stock Owned</u>
Afterthought Zinc Mining Company ¹	California	All
The California Zinc Company ¹	Ohio	All
Sacramento Valley & Eastern Railway ¹	California	All
The Ripolin Company ²	Ohio	All
Troco Company of Illinois ²	Illinois	All
Wisconsin Food Products Ohio Company ²	Ohio	All
The Glidden Company, Limited ³	Ontario, Canada	All

¹ Afterthought Zinc Mining Company, The California Zinc Company and Sacramento Valley & Eastern Railway are carried as investments because they have not been audited and aggregate investments are insignificant. Sales and operating revenues of such corporations are also unimportant, as they are inactive.

² Inactive subsidiaries included in all statements.

³ The Glidden Company, Limited, is a Canadian corporation and is therefore carried as an investment. It is active, however, and is included in consolidated statements.

(b) All parents of the registrant.

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 Trust Building Cleveland, Ohio	President and Director
R. H. Horsburgh	1396 Union Trust Building Cleveland, Ohio	Senior Vice President and Director
R. W. Levenhagen	1396 Union Trust Building Cleveland, Ohio	Vice President and Director
W. J. O'Brien	1396 Union Trust Building Cleveland, Ohio	Vice President and Director
Dwight P. Joyce	11001 Madison Avenue Cleveland, Ohio	Vice President and Director
P. E. Sprague	1396 Union Trust Building Cleveland, Ohio	Vice President and Director
Clifton M. Kolb	11001 Madison Avenue Cleveland, Ohio	Secretary and Director
J. A. Peters	11001 Madison Avenue Cleveland, Ohio	Treasurer
Howard Beatty	Elston Avenue & Logan Blvd. Chicago, Illinois	Director and Appointed Vice President
W. W. Conant	11001 Madison Avenue Cleveland, Ohio	Assistant Secretary

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

As of December 30, 1937 (Insert date within 93 days)

Name and address	Title of Issue	Amount Owned	Per cent of the class
------------------	----------------	-----------------	--------------------------

Of record, none.

Beneficially, none to the knowledge of the registrant.

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, 1937

Name	Office	Title of Issue	Securities Owned	
			Amount of Record	Amount Beneficially

None.

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;

There have been no material changes in contracts previously reported and no contracts made or in effect not previously reported.

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

There have been no material changes in contracts previously reported and no contracts made or in effect not previously reported.

(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 three fiscal years, or any security holder named in answer to Item 3;

There have been no material changes in contracts previously reported and no contracts made or in effect not previously reported.

(iv) material bonus and profit-sharing arrangements.

There have been no material changes in contracts previously reported and no contracts made or in effect not previously reported.

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 five per cent 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.

There were no options outstanding on October 31, 1937 to purchase securities of the registrant from the registrant.

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 ending October 31, 1937 in the general character of the business done by the registrant and its subsidiaries.

FINANCIAL STATEMENTS

8. Submit financial statements in accordance with the Instructions and the Rules and Regulations of the Commission supplementary thereto.

The following Financial Statements and Schedules:

THE GLIDDEN COMPANY

Balance Sheet - October 31, 1937
 Schedule I - Investments in securities of affiliates
 Schedule II - Property, plant and equipment
 Schedule IIA - Special reserves for revaluation
 Schedule III - Reserves for depreciation, depletion,
 and amortization
 Schedule IV - Intangible assets
 Schedule VII - Reserves
 Schedule VIII - Capital stock
 Schedule IX - Surplus

THE GLIDDEN COMPANY AND CONSOLIDATED SUBSIDIARY

Consolidated Balance Sheet - October 31, 1937
 Consolidated Profit and Loss Statement for the year ended
 October 31, 1937
 Schedule I - Investments in securities of affiliates
 Schedule II - Property, plant and equipment
 Schedule IIA - Special reserves for revaluation
 Schedule III - Reserves for depreciation, depletion
 and amortization of property, plant
 and equipment
 Schedule IV - Intangible assets
 Schedule VII - Reserves
 Schedule VIII - Capital stock
 Schedule IX - Surplus
 Schedule X - Supplementary profit and loss information
 Schedule XI - Income from dividends

Accountants' Certificate

The following financial statements and schedules have been omitted for the reasons stated:

THE GLIDDEN COMPANY

Profit and Loss Statement, Schedules X and XI

The conditions outlined under the instructions for item
8 (3) (a) are met.
Schedules IA, V and VI
The subject matter is not present.

THE GLIDDEN COMPANY AND CONSOLIDATED SUBSIDIARY

Schedules IA, V and VI
The subject matter is not present.

-6-
BALANCE SHEET

304

THE GLIDDEN COMPANY

October 31, 1937

<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash on hand	\$ 11,752.17	
Cash on deposit-demand	1,200,673.27	\$ 1,212,42
Trade notes and acceptances receivable	\$ 162,060.33	
Trade accounts receivable	4,159,546.18	
	<u>\$ 4,321,606.51</u>	
Less reserve - Schedule VII	121,953.00	4,199,65
Inventories-at lower of cost or market except as stated in Note A:		
Raw materials and supplies	\$ 4,737,680.52	
In-process and finished merchandise	6,777,479.46	11,515,09
Other current accounts receivable and advances on purchase commitments		<u>546,10</u>
<u>INVESTMENTS IN SUBSIDIARY AND AFFILIATED COMPANIES*</u>		
California mining companies-at less than cost:		
Capital stock-wholly owned - Schedule I	\$ 15,000.00	
Bonds-principal amount \$500,000.00 - Schedule I	187,500.00	
Advances	857,481.46	\$ 1,059,98
The Glidden Company, Ltd. - Schedule I:		
Capital stock-wholly owned		50,00
Affiliated company-at cost-Schedule I:		
Capital stock		<u>600,00</u>
<u>OTHER ASSETS AND INVESTMENTS</u>		
Cash surrender value of life insurance		\$ 399,62
Claims against closed banks	\$ 125,737.65	
Less reserve - Schedule VII	75,012.50	50,725
Sundry investments - Note B	\$ 175,354.40	
Less reserve - Schedule VII	9,802.76	165,551
Miscellaneous notes and accounts, advances to salesmen and sundry deposits		<u>59,813</u>
<u>PROPERTY, PLANT AND EQUIPMENT - Note C</u>		
Land, buildings, machinery, equipment, etc.-at cost or appraisal value - Schedule II	\$22,591,854.03	
Less reserve for revaluation as determined by Board of Directors - Schedule II-A	3,618,469.57	\$18,973,384
Less reserves for depreciation and depletion - Schedule III		<u>6,161,252</u>
<u>INTANGIBLES (at cost, less amortization) - Schedule IV</u>		
Patents and trade-marks		\$ 80,545
Rights to manufacture		<u>14,667</u>
<u>DEFERRED CHARGES</u>		
Inventory of advertising stock, stationery, unexpired insurance premiums and prepaid expenses		\$ 403,951
Special new products development		<u>115,916</u>

- * Investments in subsidiary and affiliated companies consist of the following
- (a) Investments in California mining companies, whose assets consist almost entirely of properties not being operated, are stated herein at less than carrying value, on the basis of unaudited balance sheets, was \$28,980.09 less than the book value of the net assets of those companies. Unaudited statements of those companies show accumulated losses of \$1,138,281.83 from date of acquisition to October 31, 1937, exclusive of depreciation on appreciation and unpaid interest on bonds held by the parent Company, which interest has not been taken into income by the latter. Against these accumulated losses, the parent Company has provided, in prior years, the sum of \$581,671.76 out of surplus and

posit-demand

and acceptances receivable

nts receivable

re - Schedule VII

-at lower of cost or market

stated in Note A:

erials and supplies

ess and finished merchandise

nt accounts receivable and

on purchase commitments

MINING SUBSIDIARY AND AFFILIATED COMPANIES*

mining companies-at less than cost:

tock-wholly owned - Schedule I

ncipal amount \$500,000.00 - Schedule I

Company, Ltd. - Schedule I:

tock-wholly owned

company-at cost-Schedule I:

tock

LAND INVESTMENTS

ler value of life insurance

st closed banks

- Schedule VII

tments - Note B

- Schedule VII

s notes and accounts, advances

n and sundry deposits

FIXED ASSETS AND EQUIPMENT - Note C

ngs, machinery, equipment, etc.-at

praisal value - Schedule II

for revaluation as determined by

irectors - Schedule II-A

s for depreciation and

- Schedule III

t cost, less amortization) - Schedule IV

trade-marks

nufacture

OTHER ASSETS

advertising stock, stationery,

insurance premiums and prepaid

products development

\$ 11,752.17

1,200,673.27 \$ 1,212,425.44

\$ 162,060.33

4,159,546.18

\$ 4,321,606.51

121,953.00

4,199,653.51

\$ 4,737,620.52

6,777,479.46

11,515,099.98

546,106.65 \$17,473,285.58

\$ 15,000.00

187,500.00

857,481.46

\$ 1,059,981.46

50,000.00

600,000.00

1,709,981.46

\$ 399,629.25

\$ 125,737.65

75,012.50

50,725.15

\$ 175,354.40

9,802.76

165,551.64

59,813.73

675,719.77

\$22,591,854.03

3,618,469.57

\$18,973,384.46

6,161,252.15

12,812,132.31

\$ 80,545.98

14,667.89

95,213.87

\$ 403,951.86

115,916.91

519,868.77

\$33,286,201.76

=====

CURRENT

Notes

Accour

Wages

Proces

Accrue

Prov

or

Taxes

Roya

Insu

ACCOUNT

The Gl

RESERVE

For co

CAPITAL

Capita

Conv

\$5

ni

be

sp

Comm

Au

Ou

Re

St

Surplu

Ca i

Earn

Less t:

1,100

in subsidiary and affiliated companies consist of the following:

Investments in California mining companies, whose assets consist almost entirely of properties not being operated, are stated herein at less than cost, which carrying value, on the basis of unaudited balance sheets, was \$8,980.09 less than the book value of the net assets of those companies. Audited statements of those companies show accumulated losses of \$138,281.83 from date of acquisition to October 31, 1937, exclusive of depreciation on appreciation and unpaid interest on bonds held by the parent Company, which interest has not been taken into income by the latter. Against these accumulated losses, the parent Company has provided, in prior years, the sum of \$581,671.76 out of surplus and contingency reserve and has a credit of \$312,500.00 arising from its reacquisition of \$450,000.00 face value of bonds of The California Zinc Company at a cost of \$137,500.00. The operation of the mining properties of the California mining companies was discontinued in 1927 and the value of the investments is indeterminable at this time.

(b) Invest
of
th
si
si
so.

(c) Inve
pre
\$60
for
una
of
Gli

See notes

THE GLIDDEN COMPANY

October 31, 1937

ASSETS

Current	\$ 11,752.17		
Deposit-demand	1,200,673.27	\$ 1,212,425.44	
and acceptances receivable	\$ 162,060.33		
its receivable	4,159,546.18		
	\$ 4,321,606.51		
- Schedule VII	121,953.00	4,199,653.51	
at lower of cost or market			
stated in Note A:			
Materials and supplies	\$ 4,737,620.52		
and finished merchandise	6,777,479.46	11,515,099.98	
at accounts receivable and			
on purchase commitments		546,106.65	\$17,473,285.53
<u>SUBSIDIARY AND AFFILIATED COMPANIES*</u>			
Mining companies-at less than cost:			
Stock-wholly owned - Schedule I	\$ 15,000.00		
Capital amount \$500,000.00 - Schedule I	187,500.00		
	857,481.46	\$ 1,059,981.46	
Company, Ltd. - Schedule I:			
Stock-wholly owned		50,000.00	
Company-at cost-Schedule I:			
Stock		600,000.00	1,709,981.46
<u>INVESTMENTS</u>			
Car value of life insurance		\$ 399,629.25	
at closed banks	\$ 125,737.65		
- Schedule VII	75,012.50	50,725.15	
Investments - Note B	\$ 175,354.40		
- Schedule VII	9,802.76	165,551.64	
Notes and accounts, advances			
and sundry deposits		59,813.73	675,719.77
<u>LAND AND EQUIPMENT - Note C</u>			
Machinery, equipment, etc.-at			
appraisal value - Schedule II	\$22,591,854.03		
for revaluation as determined by			
directors - Schedule II-A	3,618,469.57	\$18,973,384.46	
for depreciation and			
Schedule III		6,161,252.15	12,812,132.31
at cost, less amortization) - Schedule IV			
Trade-marks	\$ 80,545.98		
Manufacture	14,667.89	95,213.87	
<u>IN</u>			
Advertising stock, stationery,			
insurance premiums and prepaid			
	\$ 403,951.86		
Products development	115,916.91	519,868.77	
		\$33,286,201.76	
		=====	

CURRENT

Notes

Accounts

Wages

Process

Accrue

Prov

on

Taxes

Royal

Insu

ACCOUNT

The GL

RESERVE

For con

CAPITAL

Capital

Conve

\$50

ni

bel

spe

(

I

Comm

Aut

Out

Res

Sta

Surplus

Ca, it

Earne

Less tr

1,100

in subsidiary and affiliated companies consist of the following:

Investments in California mining companies, whose assets consist almost entirely of properties not being operated, are stated herein at less than cost, which carrying value, on the basis of unaudited balance sheets, was \$1,980.09 less than the book value of the net assets of those companies. Audited statements of those companies show accumulated losses of \$138,281.83 from date of acquisition to October 31, 1937, exclusive of depreciation on appreciation and unpaid interest on bonds held by the parent Company, which interest has not been taken into income by the latter. Against these accumulated losses, the parent Company has provided, in prior years, the sum of \$581,671.76 out of surplus and contingency reserve and has a credit of \$312,500.00 arising from its reacquisition of \$450,000.00 face value of bonds of The California Zinc Company at a cost of \$137,500.00. The operation of the mining properties

(b) Invest

of

the

sid

sid

sol

(c) Invest

pre

\$600

for

una

of

Glic

LIABILITIES, CAPITAL STOCK AND SURPLUS

CURRENT LIABILITIES

Notes payable to banks and through broker		\$ 3,750,000.00
Accounts payable-trade	\$1,000,023.11	
Wages and commissions	184,213.97	
Processing taxes-federal	171,537.01	1,355,774.09
Accrued liabilities:		
Provision for federal and state taxes on income-estimated	\$ 454,533.07	
Taxes-other	264,225.45	
Royalties, water rent, etc.	100,806.27	
Insurance	24,262.14	843,826.93
		\$ 5,246,601.02

ACCOUNT PAYABLE-SUBSIDIARY COMPANY

The Glidden Company, Ltd.

RESERVE - Schedule VII

For contingencies

CAPITAL STOCK AND SURPLUS

Capital stock - Schedule VIII:

Convertible preferred 4 1/2% cumulative-par value \$50.00 a share (each share convertible into nine-tenths share of common stock on or before March 1, 1939, and thereafter at rates specified in the articles):

Authorized	200,000 shares	
Converted	60 shares	
Issued and outstanding	199,940 shares	\$9,997,000.00

Common-without par value - Note D:

Authorized	1,200,000 shares	
Outstanding	800,801 shares	
Reserved for conversion	179,946 shares	

Stated capital 4,006,705.00 \$14,003,705.00

Surplus - Schedule IX - Note E:

Capital surplus	\$7,520,063.39	
Earned surplus	5,348,132.36	12,868,195.75
		\$26,871,900.75

Less treasury stock-at cost:

1,100 shares common	36,403.37	26,835,497.38
---------------------	-----------	---------------

- (b) Investment in The Glidden Company, Ltd., is carried at value recorded at of acquisition; the difference of \$971,336.85 between investment as shown on the parent Company's books and the equity in net assets as shown by the subsidiary's books represents undistributed accumulated net earnings of the subsidiary since date of acquisition and is reflected in earned surplus in consolidation of the accounts.
- (c) Investment in affiliated company represents one hundred per cent interest in preferred stock of the American Zirconium Corporation, having a par value of \$600,000.00, the dividends on which have been paid to October 1, 1937, and a forty-five per cent interest in the common stock of the same company; the unaudited statement of the company shows accumulated undistributed earnings of \$24,454.50 at October 31, 1937, of which \$12,928.77 is applicable to Glidden Company's investment therein.

NOTES TO BALANCE SHEET

Note A - Inventory of oleo resin (raw material from which neliio resin is produced by a patented process) is included on the basis of average cost, which cost aggregated approximately \$95,000.00 more than market value computed on the basis of quotations for small quantities at October 31, 1937. No adjustment has been made in respect of this raw material inventory as, in the judgment of the management, the cost represents a fair valuation of the quantity which is being carried and which is required for continuous operation.

The Company was committed to purchase certain raw materials at prices, which in the aggregate, exceeded quoted market prices at the date of this balance sheet by approximately \$101,000.00. No reserve was provided for the excess of such commitments over market.

Note B - Sundry investments are included at cost or less. Securities carried at a cost of \$42,000.00 had a quoted market value of \$35,246.88 at October 31, 1937. U. S. Government securities included therein, at a cost of \$15,000.00, were deposited with a bank in connection with workmen's compensation insurance requirements. The market value of the remaining securities is unknown.

Note C - Property, plant and equipment are stated on the basis of cost or appraisal value less reserves provided for revaluation, depreciation and depletion. The remaining portion of unrealized appreciation included in the gross value of these assets is offset by a portion of the revaluation reserve and that reserve was also provided to reduce the cost of certain assets to estimated basis of 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 partly for stock. The net book value is not intended to represent the present value of the properties.

Note D - Warrants evidencing the rights to subscribe for 64,004-4/5 shares of common stock at \$30.00 a share were issued to common shareholders of record October 4, 1937. As of October 31, 1937, holders of warrants for 741 shares had exercised such rights; the remainder of the warrants outstanding, entitling holders thereof to subscribe to 63,263-4/5 shares of common stock, expire December 15, 1937.

Note E - In prior years certain items of discount and expense, provision for contingencies and losses on dismantlement have been charged to capital surplus. If such items together with additional depreciation claimed for federal income tax purposes for the years 1932 to 1936, inclusive, had been charged against earned surplus instead of capital surplus, the respective amounts of such surplus accounts would be \$4,631,151.96 and \$8,237,043.75 as at October 31, 1937. The Company's federal income tax return for the year 1937 was not completed at the date of this statement but depreciation to be claimed therein will exceed provision charged to profit and loss for the year ended October 31, 1937.

NOTES TO BALANCE SHEET (CONTINUED)

Note F - Officers of the Companies have expressed the opinion that pending lawsuits are of minor importance and that no material losses will result therefrom.

Note G - The Company was reported as having letters of credit outstanding in the amount of \$990,996.82 and it was contingently liable in the maximum amount of \$11,799.20 as guarantor of trade notes issued by or for account of customers.

Note H - The Company has entered into an agreement, dated December 27, 1937, and effective as at the close of business October 31, 1937, with Southern Pine Chemical Company, an Ohio corporation, providing for the exchange of 34,697 shares of the Company's common stock without par value for all of the assets and property of the Southern Pine Chemical Company, including its entire good will and business as a going concern free and clear of all liabilities and encumbrances.

Note I - General reference is made to consolidated balance sheet submitted herewith.

SCHEDULE I-INVESTMENTS IN SECURITIES OF AFFILIATES

THE GLIDDEN COMPANY

For the fiscal year ended October 31, 1937

NAME OF ISSUER	TITLE OF ISSUE	BALANCE AT BEGINNING OF FISCAL YEAR		ADDITION	
		NUMBER OF SHARES. PRINCIPAL AMOUNT OF BONDS OR NOTES	AMOUNT IN DOLLARS	NUMBER OF SHARES. PRINCIPAL AMOUNT OF BONDS OR NOTES	AMOUNT IN
<u>AFFILIATE OR SUBSIDIARY</u>					
<u>CONSOLIDATED</u>					
Glidden Company, Ltd.	Common capital stock	500	\$ 50,000.00		
=====					
<u>AFFILIATES NOT CONSOLIDATED</u>					
Wholly owned:					
California Zinc Company	Common capital stock	1,000	\$ 5,000.00		
California Zinc Company	Bonds	\$500,000.00	187,500.00		
Afterthought Zinc Mining Company	Common capital stock	100	10,000.00		
Other:					
American Zirconium Corporation	Common capital stock	5,000	-0-		
American Zirconium Corporation	Preferred capital stock	6,000	600,000.00		
			\$802,500.00		\$
=====					

Note A - Interest on these bonds is in default.

BALANCE AT BEGINNING OF FISCAL YEAR		ADDITIONS		REDUCTION		BALANCE AT CLOSE OF FISCAL YEAR	
OF S. AL T DS ES	AMOUNT IN DOLLARS	NUMBER OF SHARES. PRINCIPAL AMOUNT OF BONDS OR NOTES	AMOUNT IN DOLLARS	NUMBER OF SHARES. PRINCIPAL AMOUNT OF BONDS OR NOTES	AMOUNT IN DOLLARS	NUMBER OF SHARES. PRINCIPAL AMOUNT OF BONDS OR NOTES	AMOUNT IN DOLLARS
)	\$ 50,000.00					500	\$ 50,000.00
.00	\$ 5,000.00					1,000	\$ 5,000.00
	187,500.00					\$500,000.00	187,500.00
	10,000.00					100	10,000.00
	-0-					5,000	-0-
	600,000.00					6,000	600,000.00
	\$802,500.00						\$802,500.00

SCHEDULE II-PROPERTY, PLANT AND EQUIPMENT

THE GLIDDEN COMPANY

For the fiscal year ended October 31, 1937

CLASSIFICATIONS	BALANCE AT BEGINNING OF THE FISCAL YEAR AS PER ACCOUNTS	ADDITIONS AT COST	RETI OR
Ore lands and leases	\$ 54,022.89	\$ 571.98	\$
Land and improvements	2,337,504.74	67,553.31	20
Railroad sidings	65,243.57	484.87	
Buildings	7,805,764.88	554,804.75	10
Machinery and equipment	9,125,807.04	1,065,678.47	89
Furniture and fixtures	597,871.76	75,854.89	23
Automotive equipment	68,568.51	28,478.74	6
Construction in process	1,098,833.01	204,048.11*	
	<u>\$21,153,616.40</u>	<u>\$1,589,378.90</u>	<u>\$ 151</u>

* Deduction

SCHEDULE II-PROPERTY, PLANT AND EQUIPMENT

THE GLIDDEN COMPANY

For the fiscal year ended October 31, 1937

308

BALANCE AT BEGINNING OF THE FISCAL YEAR AS PER ACCOUNTS	ADDITIONS AT COST	RETIREMENTS OR SALES	OTHER CHANGES DEBIT AND/OR CREDIT*- DESCRIBE	BALANCE AT CLOSE OF THE FISCAL YEAR
\$ 54,022.89	\$ 571.98	\$ -0-	\$ -0-	\$ 54,594.87
2,337,504.74	67,553.31	20,026.19	-0-	2,385,031.86
65,243.57	484.87	474.00	-0-	65,254.44
7,805,764.88	554,804.75	10,124.63	-0-	8,350,445.00
9,125,807.04	1,065,678.47	89,863.02	-0-	10,101,622.49
597,871.76	75,854.89	23,734.58	-0-	649,992.07
68,568.51	28,478.74	6,918.85	-0-	90,128.40
1,098,833.01	204,048.11*	-0-	-0-	894,784.90
\$21,153,616.40	\$1,589,378.90	\$ 151,141.27	\$ -0-	\$22,591,854.03

309

SCHEDULE IIA-SPECIAL RESERVES FOR REVALUATION

THE GLIDDEN COMPANY

For the fiscal year ended October 31, 1937

CLASSIFICATIONS	BALANCE AT BEGINNING OF THE FISCAL YEAR AS PER ACCOUNTS	ADDITIONS TO RESERVE	RETIRE- MENTS, RENEWALS AND MAJOR REPAIRS	BALANCE AT CLOSE OF THE FISCAL YEAR
Land	\$ 478,767.77	\$ -0-	\$ -0-	\$ 478,767.77
Buildings	1,655,195.04	-0-	-0-	1,655,195.04
Machinery and equipment	1,459,873.94	-0-	13,305.81	1,446,568.13
Furniture and fixtures	31,598.86	-0-	-0-	31,598.86
Railroad sidings	6,339.77	-0-	-0-	6,339.77
	<u>\$3,631,775.38</u>	<u>\$ -0-</u>	<u>\$13,305.81</u>	<u>\$3,618,469.57</u>

Note A - These reserves were provided by charges to capital surplus and reserve for depreciation to eliminate appreciation of fixed assets and to reduce fixed assets to estimated basis of values during 1932 as determined by Board of Directors.

SCHEDULE III-RESERVES FOR DEPRECIATION, DEPLETION
AND AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT

THE GLIDDEN COMPANY

For the fiscal year ended October 31, 1932

CLASSIFICATIONS	BALANCE AT BEGINNING OF THE FISCAL YEAR AS PER ACCOUNTS	ADDITIONS		TOTAL
		CHARGED TO PROFIT AND LOSS	CHARGED TO OTHER ACCOUNTS- DESCRIBE	
Ore lands and leases	\$ 16,972.56	\$ 6,238.27		\$ 23,210.83
Land improvements	-0-	1,777.54		1,777.54
Railroad siding	7,519.79	1,151.98		8,671.77
Buildings	1,476,676.88	124,155.74		1,600,832.62
Machinery and equipment	3,690,995.39	421,330.57		4,112,325.96
Furniture and fixtures	385,762.19	30,048.60		415,810.79
Automotive equipment	41,609.83	14,392.06		56,001.89
	<u>\$5,619,536.64</u>	<u>\$ 599,094.76</u>		<u>\$6,218,631.40</u>

Note A - The policy of the Company with respect to depreciation is to provide fair and reasonable to cover wear, tear and deterioration of the property on a basis which is not certain to what extent obsolescence is covered in these provisions as changes in the useful life of the property. The Company's federal income tax return for the year ended October 31, 1932, shows depreciation to be claimed therein will exceed provision in the statement, but depreciation to be claimed therein will exceed provision in the statement claimed on costs written off or credited to revaluation reserve during 1932.

310

SCHEDULE III-RESERVES FOR DEPRECIATION, DEPLETION
AND AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT

THE GLIDDEN COMPANY

For the fiscal year ended October 31, 1937

BALANCE AT BEGINNING OF FISCAL YEAR AS ACCOUNTS	ADDITIONS		TOTAL	CHARGES TO RESERVES		BALANCE AT THE CLOSE OF THE FISCAL YEAR
	CHARGED TO PROFIT AND LOSS	CHARGED TO OTHER ACCOUNTS- DESCRIBE		RETIREMENTS, RENEWALS AND REPLACEMENTS	OTHER- DESCRIBE	
16,972.56 \$	6,238.27		\$ 23,210.83	\$ -0-		\$ 23,210.83
-0-	1,777.54		1,777.54	-0-		1,777.54
7,519.79	1,151.98		8,671.77	-0-		8,671.77
76,676.88	124,155.74		1,600,832.62	540.47		1,600,292.15
90,995.39	421,330.57		4,112,325.96	40,918.89		4,071,407.07
85,762.19	30,048.60		415,810.79	11,038.10		404,772.69
41,609.83	14,392.06		56,001.89	4,881.79		51,120.10
19,536.64 \$	599,094.76		\$6,218,631.40	\$ 57,379.25		\$6,161,252.15

With respect to depreciation is to provide amounts considered by the management as to deterioration of the property on a basis of specific rates as determined. It is covered in these provisions as changes in the art may result in shortening any's federal income tax return for the year 1937 was not completed at the date claimed therein will exceed provision in this statement due to depreciation or revaluation reserve during 1932.

SCHEDULE IV-INTANGIBLE ASSETS

THE GLIDDEN COMPANY

For the fiscal year ended October 31, 1937

DESCRIPTION	BALANCE AT BEGINNING OF THE FISCAL YEAR AS PER ACCOUNTS	ADDITIONS AT COST	DEDUCTIONS		OTHER CHANGES- DEBIT AND/OR CREDIT*- DESCRIBE	BALANCE AT THE CLOSE OF THE FISCAL YEAR
			CHARGED TO PROFIT AND LOSS	OTHER ACCOUNTS- DESCRIBE		
and trade-marks to manufacture	\$ 87,708.48 \$	-0-	\$ 7,162.50 \$	-0-	-0-	\$ 80,545.98
	17,140.01	-0-	2,472.12	-0-	-0-	14,667.89
	\$ 104,848.49 \$	-0-	\$ 9,634.62 \$	-0-	-0-	\$ 95,213.87

te A - It is the policy of the Company to amortize intangibles
air remaining lives.

SCHEDULE IV - INTANGIBLE ASSETS

THE GLIDDEN COMPANY

For the fiscal year ended October 31, 1937

DESCRIPTION	BALANCE AT BEGINNING OF THE FISCAL YEAR AS PER ACCOUNTS	ADDITIONS AT COST	DEDUCTIONS		OTHER CHANGES - DEBIT AND/OR CREDIT*- DESCRIBE	BALANCE AT THE CLOS- ING OF THE FISCAL YE
			CHARGED TO PROFIT AND LOSS	OTHER ACCOUNTS- DESCRIBE		
Patents and trade-marks	\$ 87,708.48	-0-	\$ 7,162.50	-0-	-0-	\$ 80,545.98
Rights to manufacture	17,140.01	-0-	2,472.12	-0-	-0-	14,667.89
	\$ 104,848.49	-0-	\$ 9,634.62	-0-	-0-	\$ 95,213.87

Note A - It is the policy of the Company to amortize intangibles over their remaining lives.

SCHEDULE VII-RESERVES

THE GLIDDEN COMPANY

For the fiscal year ended October 31, 1937

DESCRIPTIVE NAMES OF RESERVES	BALANCE AT BEGINNING OF THE FISCAL YEAR AS PER ACCOUNTS	ADDITIONS		BALANCE AT CLOSE OF THE FISCAL YEAR
		CHARGED TO PROFIT AND LOSS	OTHER ACCOUNTS- DESCRIBE TO RESERVE	
For doubtful accounts, discounts, etc.	\$ 174,548.47	\$ 57,973.33	\$ 87,335.96 Accounts charged off \$ 121,953.00 23,232.84 Net charge to special discounts	67,885.56 75,012.50 9,802.76
For taxes, contingencies, etc.	67,885.56			
For claims against closed banks	75,012.50			
For investments	-0-	9,802.76		

313

SCHEDULE VIII-CAPITAL STOCK

THE GLIDDEN COMPANY

October 31, 1937

NAME OF ISSUER AND TITLE OF ISSUE INCLUDING PAR OR, IF NO PAR, STATED OR ASSIGNED VALUE, IF ANY	NUMBER OF SHARES AUTHORIZED BY CHARTER	NUMBER OF SHARES OUTSTANDING EXCLUSIVE OF NUMBER HELD IN TREASURY	AMOUNT IN DOLLARS
<u>THE GLIDDEN COMPANY</u>			
Convertible preferred stock 4 1/2% cumulative-par value \$50.00 a share	200,000	199,940	\$ 9,997,000.00
Common-without par value	1,200,000	799,701	<u>4,006,705.00</u>
			<u>\$14,003,705.00</u>

NUMBER OF SHARES OUTSTANDING EXCLUSIVE OF NUMBER HELD IN TREASURY	AMOUNT IN DOLLARS	NUMBER OF SHARES IN TREASURY	NUMBER OF SHARES HELD BY PERSONS WHOSE STATEMENTS ARE FILED HEREWITH	NUMBER OF SHARES HELD BY PARENTS	NUMBER OF SHARES RESERVED FOR OFFICERS AND EMPLOYEES	NUMBER OF SHARES RESERVED FOR OPTIONS, WARRANTS, CONVERSIONS AND OTHER RIGHTS
199,940	\$ 9,997,000.00	None	None	None	None	None
799,701	<u>4,006,705.00</u>	1,100	None	None	None	243,209-4/5
	<u>\$14,003,705.00</u>					

314

SCHEDULE IX-SURPLUS

THE GLIDDEN COMPANY

For the fiscal year ended October 31, 1937

CAPITAL SURPLUS

Balance October 31, 1936

\$7,524,343.82

DEDUCTION

Registration and other expenses
in connection with offer to
common shareholders for sub-
scriptions to common stock
Less excess of selling price
of \$30.00 a share over stated
value of 741 shares sold

\$ 22,805.43

18,525.00

4,280.43

BALANCE OCTOBER 31, 1937

\$7,520,063.39

EARNED SURPLUS

Balance October 31, 1936

\$5,403,974.98

DEDUCTION

Dividends paid:

Convertible preferred-\$2.25

a share

\$ 449,920.08

Common-\$2.60 a share

2,080,126.00

\$2,530,046.08

Less net profit for the fiscal

year ended October 31, 1937

2,469,203.46

60,842.62

BALANCE OCTOBER 31, 1937

\$5,348,132.36

Note A - In prior years certain items of discount and expense, provision for contingencies and losses on dismantlement have been charged to capital surplus. If such items together with additional depreciation claimed for federal income tax purposes for the years 1932 to 1936, inclusive, had been charged against earned surplus instead of capital surplus, the respective amounts of such surplus accounts would be \$4,631,151.96 and \$8,237,043.79 as at October 31, 1937. The Company's federal income tax return for the year 1937 was not completed at the date of this statement, but depreciation to be claimed therein will exceed provision charged to profit and loss for the year ended October 31, 1937.

Note B - General reference is made to statement of consolidated surplus (Schedule IX consolidated) submitted herewith.

CONSOLIDATED BALANCE SHEETTHE GLIDDEN COMPANY AND CONSOLIDATED SUBSIDIARY

October 31, 1937

ASSETSCURRENT ASSETS

Cash on hand	\$ 12,461.87	
Cash on deposit-demand	1,222,356.05	\$ 1,234,817.92
Trade notes and acceptances receivable	\$ 163,823.30	
Trade accounts receivable	4,339,060.66	
	<u>\$ 4,502,883.96</u>	
Less reserves - Schedule VII	127,340.56	4,375,543.40
Inventories-at lower of cost or market except as stated in Note A:		
Raw materials and supplies	\$ 4,855,186.58	
In-process and finished merchandise	6,923,476.85	11,778,663.43
Other current accounts receivable and advances on purchase commitments		<u>549,302.55</u>

\$17,938

INVESTMENTS IN SUBSIDIARY AND AFFILIATED COMPANIES

California mining companies-at less than cost:		
Capital stock-wholly owned - Schedule I	\$ 15,000.00	
Bonds-principal amount \$500,000.00 - Schedule I	187,500.00	
Advances	857,481.46	\$ 1,059,981.46
Affiliated company-at cost - Schedule I:		
Capital stock		<u>600,000.00</u>

1,659

OTHER ASSETS AND INVESTMENTS

Cash surrender value of life insurance		\$ 399,629.25
Claims against closed banks	\$ 125,737.65	
Less reserve - Schedule VII	75,012.50	50,725.15
Sundry investments - Note B	\$ 175,354.40	
Less reserve - Schedule VII	9,802.76	165,551.64
Miscellaneous notes and accounts, advances to salesmen and sundry deposits		<u>60,183.69</u>

676

PROPERTY, PLANT AND EQUIPMENT - Note C

Land, buildings, machinery, equipment, etc., at cost or appraisal value - Schedule II	\$22,939,113.79	
Less reserve for revaluation as determined by Board of Directors - Schedule II-A	<u>3,701,580.27</u>	\$19,237,533.52
Less reserves for depreciation and depletion - Schedule III		<u>6,293,458.33</u>

12,944

INTANGIBLES-at cost, less amortization (Schedule IV)

Patents and trade-marks	\$ 80,545.98	
Rights to manufacture	14,667.89	95

DEFERRED CHARGES

Inventory of advertising stock, stationery, unexpired insurance premiums and prepaid expenses	\$ 428,203.48	
Special new products development	<u>115,916.91</u>	<u>544</u>

\$33,857,

=====

This balance sheet includes the assets and liabilities of The Glidden Company and its wholly owned subsidiary, The Glidden Company, Ltd.

Principles of consolidation:

- (a) The inventories include no inter-company profits.
- (b) The assets and liabilities of the Canadian subsidiary are included herein on a dollar for dollar basis.
- (c) Investment in The Glidden Company, Ltd., is carried at value recorded at date of acquisition; the difference of \$971,336.85 between investment as shown by parent Company's books and the equity in net assets as shown by the subsidiary's books represents undistributed accumulated net earnings of the subsidiary since date of acquisition and is reflected in earned surplus.

CONSOLIDATED BALANCE SHEET

THE GLIDDEN COMPANY AND CONSOLIDATED SUBSIDIARY

October 31, 1937

<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
Cash on hand	\$ 12,461.87		
Cash on deposit-demand	1,222,356.05	\$ 1,234,817.92	
Trade notes and acceptances receivable	\$ 163,823.30		
Trade accounts receivable	4,339,060.66		
	\$ 4,502,883.96		
Less reserves - Schedule VII	127,340.56	4,375,543.40	
Inventories-at lower of cost or market except as stated in Note A:			
Raw materials and supplies	\$ 4,855,186.58		
In-process and finished merchandise	6,923,476.85	11,778,663.43	
Other current accounts receivable and advances on purchase commitments		549,302.55	\$17,938
<u>INVESTMENTS IN SUBSIDIARY AND AFFILIATED COMPANIES</u>			
California mining companies-at less than cost:			
Capital stock-wholly owned - Schedule I	\$ 15,000.00		
Bonds-principal amount \$500,000.00 - Schedule I	187,500.00		
Advances	857,481.46	\$ 1,059,981.46	
Affiliated company-at cost - Schedule I:			
Capital stock		600,000.00	1,659
<u>OTHER ASSETS AND INVESTMENTS</u>			
Cash surrender value of life insurance		\$ 399,629.25	
Claims against closed banks	\$ 125,737.65		
Less reserve - Schedule VII	75,012.50	50,725.15	
Sundry investments - Note B	\$ 175,354.40		
Less reserve - Schedule VII	9,802.76	165,551.64	
Miscellaneous notes and accounts, advances to salesmen and sundry deposits		60,183.69	676
<u>PROPERTY, PLANT AND EQUIPMENT - Note C</u>			
Land, buildings, machinery, equipment, etc., at cost or appraisal value - Schedule II	\$22,939,113.79		
Less reserve for revaluation as determined by Board of Directors - Schedule II-A	3,701,580.27	\$19,237,533.52	
Less reserves for depreciation and depletion - Schedule III		6,293,458.33	12,944
<u>INTANGIBLES-at cost, less amortization (Schedule IV)</u>			
Patents and trade-marks		\$ 60,545.98	
Rights to manufacture		14,667.89	95
<u>DEFERRED CHARGES</u>			
Inventory of advertising stock, stationery, unexpired insurance premiums and prepaid expenses		\$ 428,203.48	
Special new products development		115,916.91	544
			\$33,857
			=====

This balance sheet includes the assets and liabilities of The Glidden Company and its wholly owned subsidiary, The Glidden Company, Ltd.

Principles of consolidation:

- The inventories include no inter-company profits.
- The assets and liabilities of the Canadian subsidiary are included herein on a dollar for dollar basis.
- Investment in The Glidden Company, Ltd., is carried at value recorded at date of acquisition; the difference of \$971,336.85 between investment as shown by parent Company's books and the equity in net assets as shown by the subsidiary's books represents undistributed accumulated net earnings of the subsidiary since date of acquisition and is reflected in earned surplus in consolidation of the accounts.
- It has not been the practice to consolidate the California mining companies in annual reports to stockholders, and no separate statements are included herein for these companies as it is believed that the aggregate investments are not

<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
Cash on hand	\$ 12,461.87		
Cash on deposit-demand	1,222,356.05	\$ 1,234,817.92	
Trade notes and acceptances receivable	\$ 163,823.30		
Trade accounts receivable	4,339,060.66		
	\$ 4,502,883.96		
Less reserves - Schedule VII	127,340.56	4,375,543.40	
Inventories-at lower of cost or market except as stated in Note A:			
Raw materials and supplies	\$ 4,855,186.58		
In-process and finished merchandise	6,923,476.85	11,778,663.43	
Other current accounts receivable and advances on purchase commitments		549,302.55	\$17,93
<u>INVESTMENTS IN SUBSIDIARY AND AFFILIATED COMPANIES</u>			
California mining companies-at less than cost:			
Capital stock-wholly owned - Schedule I	\$ 15,000.00		
Bonds-principal amount \$500,000.00 - Schedule I	187,500.00		
Advances	857,481.46	\$ 1,059,981.46	
Affiliated company-at cost - Schedule I:			
Capital stock		600,000.00	1,65
<u>OTHER ASSETS AND INVESTMENTS</u>			
Cash surrender value of life insurance		\$ 399,629.25	
Claims against closed banks	\$ 125,737.65		
Less reserve - Schedule VII	75,012.50	50,725.15	
Sundry investments - Note B	\$ 175,354.40		
Less reserve - Schedule VII	9,802.76	135,551.64	
Miscellaneous notes and accounts, advances to salesmen and sundry deposits		60,183.69	67
<u>PROPERTY, PLANT AND EQUIPMENT - Note C</u>			
Land, buildings, machinery, equipment, etc., at cost or appraisal value - Schedule II	\$22,939,113.79		
Less reserve for revaluation as determined by Board of Directors - Schedule II-A	3,701,580.27	\$19,237,533.52	
Less reserves for depreciation and depletion - Schedule III		6,293,458.33	12,94
<u>TANGIBLES</u> -at cost, less amortization (Schedule IV)			
Patents and trade-marks		\$ 80,545.98	
Rights to manufacture		14,667.89	9
<u>DEFERRED CHARGES</u>			
Inventory of advertising stock, stationery, unexpired insurance premiums and prepaid expenses		\$ 428,203.48	
Special new products development		115,916.91	54
			\$33,85
			=====

This balance sheet includes the assets and liabilities of The Glidden Company and its wholly owned subsidiary, The Glidden Company, Ltd.

Principles of consolidation:

- The inventories include no inter-company profits.
- The assets and liabilities of the Canadian subsidiary are included herein on a dollar for dollar basis.
- Investment in The Glidden Company, Ltd., is carried at value recorded at date of acquisition; the difference of \$971,336.85 between investment as shown by parent Company's books and the equity in net assets as shown by the subsidiary's books represents undistributed accumulated net earnings of the subsidiary since date of acquisition and is reflected in earned surplus in consolidation of the accounts.
- It has not been the practice to consolidate the California mining companies in annual reports to stockholders, and no separate statements are included herefor those companies as it is believed that the aggregate investments are not significant in respect of (1) the assets they represent and (2) the sales or operating revenues of such companies. Investments in California mining companies, whose assets consist almost entirely of properties not being operated, are stated herein at less than cost, which carrying value, on the

ASSETSNET ASSETS

Cash on hand	\$ 12,461.87	
Cash on deposit-demand	1,222,356.05	\$ 1,234,817.92
Trade notes and acceptances receivable	\$ 163,823.30	
Trade accounts receivable	4,339,060.66	
	\$ 4,502,883.96	
Cash reserves - Schedule VII	127,340.56	4,375,543.40
Inventories-at lower of cost or market except as stated in Note A:		
Raw materials and supplies	\$ 4,855,186.58	
In-process and finished merchandise	6,923,476.85	11,778,663.43
Other current accounts receivable and advances on purchase commitments		549,302.55
		\$17,938,327.30
<u>INVESTMENTS IN SUBSIDIARY AND AFFILIATED COMPANIES</u>		
California mining companies-at less than cost:		
Capital stock-wholly owned - Schedule I	\$ 15,000.00	
Bonds-principal amount \$500,000.00 - Schedule I	187,500.00	
Advances	857,481.46	\$ 1,059,981.46
Affiliated company-at cost - Schedule I:		
Capital stock		600,000.00
		1,659,981.46
<u>OTHER ASSETS AND INVESTMENTS</u>		
Cash surrender value of life insurance		\$ 399,629.25
Claims against closed banks	\$ 125,737.65	
Cash reserve - Schedule VII	75,012.50	50,725.15
Sundry investments - Note B	\$ 175,354.40	
Cash reserve - Schedule VII	9,802.76	165,551.64
Miscellaneous notes and accounts, advances to salesmen and sundry deposits		60,183.69
		676,089.73
<u>PROPERTY, PLANT AND EQUIPMENT - Note C</u>		
Land, buildings, machinery, equipment, etc., at cost or appraisal value - Schedule II	\$22,939,113.79	
Cash reserve for revaluation as determined by Board of Directors - Schedule II-A	3,701,580.27	\$19,237,533.52
Cash reserves for depreciation and depletion - Schedule III		6,293,458.33
		12,944,075.19
<u>INTANGIBLES-at cost, less amortization (Schedule IV)</u>		
Patents and trade-marks		\$ 80,545.98
Rights to manufacture		14,667.89
		95,213.87
<u>DEFERRED CHARGES</u>		
Inventory of advertising stock, stationery, unexpired insurance premiums and prepaid expenses	\$ 428,203.48	
Special new products development	115,916.91	544,120.39
		\$33,857,807.94

This balance sheet includes the assets and liabilities of The Glidden Company and its wholly owned subsidiary, The Glidden Company, Ltd.

Principles of consolidation:

- a) The inventories include no inter-company profits.
- b) The assets and liabilities of the Canadian subsidiary are included herein on a dollar for dollar basis.
- c) Investment in The Glidden Company, Ltd., is carried at value recorded at date of acquisition; the difference of \$971,336.85 between investment as shown by parent Company's books and the equity in net assets as shown by the subsidiary's books represents undistributed accumulated net earnings of the subsidiary since date of acquisition and is reflected in earned surplus in consolidation of the accounts.
- d) It has not been the practice to consolidate the California mining companies in annual reports to stockholders, and no separate statements are included herein for those companies as it is believed that the aggregate investments are not significant in respect of (1) the assets they represent and (2) the sales or operating revenues of such companies. Investments in California mining companies, whose assets consist almost entirely of properties not being operated, are stated herein at less than cost, which carrying value, on the

LIABILITIES, CAPITAL STOCK AND SURPLUS

CURRENT LIABILITIES

Notes payable to banks and through broker		\$ 3,750,000.00
Accounts payable-trade	\$1,015,754.72	
Wages and commissions	186,612.71	
Processing taxes-federal	171,537.01	1,373,904.44
Accrued liabilities:		
Provision for federal, dominion and state taxes on income-estimated	\$ 467,533.07	
Taxes-other	266,582.23	
Royalties, water rent, etc.	100,806.27	
Insurance	24,262.14	859,183.71
		\$ 5,983,088.15

RESERVE - Schedule VII

For contingencies

67,885.56

CAPITAL STOCK AND SURPLUS

Capital stock - Schedule VIII:

Convertible preferred, 4½% cumulative-par value \$50.00 a share (each share convertible into nine-tenths share of common stock on or before March 1, 1939, and thereafter at rates specified in the articles):

 Authorized 200,000 shares

 Converted 60 shares

 Issued and outstanding 199,940 shares \$9,997,000.00

Common-without par value - Note D:

 Authorized 1,200,000 shares

 Outstanding 800,801 shares

 Reserved for conversion 179,946 shares

 Stated capital

4,006,705.00 \$14,003,705.00

Surplus - Schedule IX - Note E:

 Capital surplus

\$7,520,063.39

 Earned surplus

6,319,469.21 13,839,532.60

\$27,843,237.60

Less treasury stock-at cost:

 1,100 shares common

36,403.37 27,806,834.23

basis of unaudited balance sheets, was \$28,980.09 less than the book value of the net assets of those companies. Unaudited statements of those companies show accumulated losses of \$1,138,281.83 from date of acquisition to October 31, 1937, exclusive of depreciation on appreciation and unpaid interest on bonds held by the parent Company, which interest has not been taken into income by the latter.

\$33,857,807.94

Against these accumulated losses, the parent Company has provided, in prior years, the sum of \$581,671.76 out of surplus and contingency reserve and has a credit of \$312,500.00 arising from its reacquisition of \$450,000.00 face value of bonds of The California Zinc Company at a cost of \$137,500.00. The operation of the mining properties of the California mining companies was discontinued in 1927 and the value of the investments is indeterminable at this time.

- (e) Investment in affiliated company represents one hundred per cent interest in 7% preferred stock of the American Zirconium Corporation, having a par value of \$600,000.00, the dividends on which have been paid to October 1, 1937, and a forty-five per cent interest in the common stock of the same company, the unaudited statement of the Company shows accumulated undistributed earnings of \$24,454.50 at October 31, 1937, of which \$12,928.77 is applicable to The Glidden Company's investment therein.

See notes on following pages.

NOTES TO CONSOLIDATED BALANCE SHEET

Note A - Inventory of oleo resin (raw material from which nello resin is produced by a patented process) is included on the basis of average cost, which cost aggregated approximately \$95,000.00 more than market value computed on the basis of quotations for small quantities at October 31, 1937. No adjustment has been made in respect of this raw material inventory as, in the judgment of the management, the cost represents a fair valuation of the quantity which is being carried and which is required for continuous operation.

The Company was committed to purchase certain raw materials at prices, which in the aggregate, exceeded quoted market prices at the date of this balance sheet by approximately \$101,000.00. No reserve was provided for the excess of such commitments over market.

Note B - Sundry investments are included at cost or less. Securities carried at a cost of \$42,000.00 had a quoted market value of \$35,246.88 at October 31, 1937. U. S. Government securities included therein, at a cost of \$15,000.00, were deposited with a bank in connection with workmen's compensation insurance requirements. The market value of the remaining securities is unknown.

Note C - Property, plant and equipment are stated on the basis of cost or appraisal value less reserves provided for revaluation, depreciation and depletion. The remaining portion of unrealized appreciation included in the gross value of these assets is offset by a portion of the revaluation reserve and that reserve was also provided to reduce the cost of certain assets to estimated basis of 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 partly for stock. The net book value is not intended to represent the present value of the properties.

Note D - Warrants evidencing the rights to subscribe for 64,004-4/5 shares of common stock at \$30.00 a share were issued to common shareholders of record October 4, 1937. As of October 31, 1937, holders of warrants for 741 shares had exercised such rights; the remainder of the warrants outstanding, entitling holders thereof to subscribe to 63,263-4/5 shares of common stock, expire December 15, 1937.

Note E - In prior years certain items of discount and expense, provision for contingencies and losses on dismantlement have been charged to capital surplus. If such items together with additional depreciation claimed for federal income tax purposes for the years 1932 to 1936, inclusive, had been charged against earned surplus instead of capital surplus, the respective amounts of such surplus accounts would be \$5,602,488.81 and \$8,237,043.79 as at October 31, 1937. The Company's federal income tax return for the year 1937 was not completed at the date of this statement but depreciation to be claimed therein will exceed provision charged to profit and loss for the year ended October 31, 1937.

NOTES TO CONSOLIDATED BALANCE SHEET (CONTINUED)

Note F - Officers of the Companies have expressed the opinion that pending lawsuits are of minor importance and that no material losses will result therefrom.

Note G - The Company was reported as having letters of credit outstanding in the amount of \$990,996.82 and it was contingently liable in the maximum amount of \$11,799.20 as guarantor of trade notes issued by or for account of customers.

Note H - The Company has entered into an agreement, dated December 27, 1937, and effective as at the close of business October 31, 1937, with Southern Pine Chemical Company, an Ohio corporation, providing for the exchange of 34,697 shares of the Company's common stock without par value for all of the assets and property of the Southern Pine Chemical Company, including its entire good will and business as a going concern free and clear of all liabilities and encumbrances.

CONSOLIDATED PROFIT AND LOSS STATEMENT

THE GLIDDEN COMPANY AND CONSOLIDATED SUBSIDIARY

For the fiscal year ended October 31, 1937

<u>GROSS SALES-LESS DISCOUNTS, RETURNS AND ALLOWANCES, ETC.</u>		\$54,052,233.07
<u>COST OF GOODS SOLD</u> -Notes A and B		43,805,366.07
	MANUFACTURING PROFIT	\$10,246,867.00
<u>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</u>		7,673,176.27
	OPERATING PROFIT	\$ 2,573,690.73
<u>OTHER INCOME</u>		
Miscellaneous commissions and profits on merchandise purchased and sold	\$404,934.04	
Dividends received-Schedule XI	125,718.57	
Recovery on accounts previously charged off	29,892.67	
Rental income	10,162.20	
Interest earned	9,031.49	
Profit on disposal of capital assets-Note C	6,091.86	
Miscellaneous	23,800.75	\$609,631.58
<u>OTHER DEDUCTIONS</u>		
Provision for doubtful accounts	\$ 61,639.57	
Interest expense	48,971.29	
Idle plant expense	43,462.57	
Life insurance expense	20,138.67	
State franchise taxes	17,136.64	
Miscellaneous	19,976.54	211,325.28
		398,306.30
	PROFIT BEFORE PROVISION FOR FEDERAL, DOMINION AND STATE TAXES ON INCOME	\$ 2,971,997.03
<u>PROVISION FOR FEDERAL, DOMINION AND STATE TAXES ON INCOME-ESTIMATED</u>		
Federal normal income tax (no provision for surtax on undistributed profits considered necessary)	\$387,000.00	
Dominion tax on income	13,000.00	
State taxes on income	29,203.73	429,203.73
	NET PROFIT-NOTES D AND E	\$ 2,542,793.30

Principles of consolidation:

- (a) Inventories include no inter-company profit.
- (b) No inter-company sales are included.
- (c) The operating accounts of the Canadian Subsidiary are included herein on a dollar for dollar basis.

This consolidated profit and loss statement is subject to the notes on the following page.

NOTES TO CONSOLIDATED PROFIT AND LOSS STATEMENT

Note A - Inventories at the beginning and end of the fiscal year in the respective amounts of \$10,106,826.76 and \$11,778,663.43 were valued at the lower of cost or market except as stated in Note A to the consolidated balance sheet at October 31, 1937.

Note B - The Company's federal income tax return for the year 1937 was not completed at date of this statement but depreciation to be claimed therein will exceed provision in this statement due to depreciation claimed on costs written off or credited to revaluation reserve during 1932.

Note C - It is the practice of the Companies to reflect minor profits or losses on disposals of capital assets in the profit and loss statement rather than in surplus.

Note D - No provision has been made in the foregoing statement for loss of wholly owned non-operating California Mining Companies for the year, amounting to \$44,792.84 including provision for depreciation in the amount of \$27,908.64.

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

SCHEDULE I-INVESTMENTS IN SECURITIES OF AFFILIATESTHE GLIDDEN COMPANY AND CONSOLIDATED SUBSIDIARY

For the fiscal year ended October 31, 1937

NAME OF ISSUER	TITLE OF ISSUE	BALANCE AT BEGINNING OF FISCAL YEAR		ADDITION	
		NUMBER OF SHARES. PRINCIPAL AMOUNT OF BONDS OR NOTES	AMOUNT IN DOLLARS	NUMBER OF SHARES. PRINCIPAL AMOUNT OF BONDS OR NOTES	AMOUNT IN DOLLARS
<u>STOCKS AND BONDS OF AFFILIATES</u>					
<u>NOT CONSOLIDATED-WHOLLY OWNED</u>					
The California Zinc Company	Common stock	1,000	\$ 5,000.00		
The California Zinc Company	Bonds	\$500,000.00	187,500.00		
Afterthought Zinc Mining Company	Common stock	100	10,000.00		
<u>STOCKS OF OTHER AFFILIATE</u>					
American Zirconium Corporation	Common stock	5,000	-o-		
American Zirconium Corporation	Preferred stock	6,000	600,000.00		
			<u>\$802,500.00</u>		

Note A - Interest on these bonds is in default.

BEGINNING FISCAL YEAR	ADDITIONS		REDUCTIONS		BALANCE AT CLOSE OF FISCAL YEAR	
	NUMBER OF SHARES. PRINCIPAL AMOUNT OF BONDS OR NOTES	AMOUNT IN DOLLARS	NUMBER OF SHARES. PRINCIPAL AMOUNT OF BONDS OR NOTES	AMOUNT IN DOLLARS	NUMBER OF SHARES. PRINCIPAL AMOUNT OF BONDS OR NOTES	AMOUNT IN DOLLARS
5,000.00					1,000	\$ 5,000.00
87,500.00					\$500,000.00	187,500.00A
10,000.00					100	10,000.00
-0-					5,000	-0-
500,000.00					6,000	600,000.00
302,500.00		\$ -0-		\$ -0-		\$802,500.00

SCHEDULE II-PROPERTY, PLANT AND EQUIPMENT

THE GLIDDEN COMPANY AND CONSOLIDATED SUBSIDIARY

For the fiscal year ended October 31, 1937

CLASSIFICATIONS	BALANCE AT BEGINNING OF THE FISCAL YEAR AS PER ACCOUNTS	ADDITIONS AT COST	RETIREMEN OR SALE
Ore lands and leases	\$ 54,022.89	\$ 571.98	\$ -
Land	2,376,249.74	82,302.96	20,026.00
Land improvements	-0-	3,280.31	-
Railroad siding	65,243.57	484.87	474.00
Buildings	7,935,512.06	555,283.61	10,285.00
Machinery and equipment	9,262,863.33	1,073,481.05	90,061.00
Furniture and fixtures	610,083.97	78,351.62	23,933.00
Automotive equipment	69,704.51	28,478.74	6,918.00
Construction in process	1,099,175.57	204,277.27*A	-
	\$21,472,855.64	\$1,617,957.87	\$ 151,699.00

* Deduction

Note A - Net deductions

Note B - Transfer

SCHEDULE II-PROPERTY, PLANT AND EQUIPMENT

THE GLIDDEN COMPANY AND CONSOLIDATED SUBSIDIARY

For the fiscal year ended October 31, 1937

BALANCE AT BEGINNING OF THE FISCAL YEAR AS PER ACCOUNTS			ADDITIONS AT COST	RETIREMENTS OR SALES	OTHER CHANGES DEBIT AND/OR CREDIT*- DESCRIBE NOTE B	BALANCE AT CLOSE OF THE FISCAL YEAR		
\$	54,022.89	\$	571.98	\$	-0-	\$	54,594.87	
	2,376,249.74		82,302.96		20,026.19		35,548.26*	2,402,978.25
	-0-		3,280.31		-0-		35,548.26	38,828.57
	65,243.57		484.87		474.00		-0-	65,254.44
	7,935,512.06		555,283.61		10,285.40		-0-	8,480,510.27
	9,262,863.33	1,073,481.05	90,061.70		-0-		-0-	10,246,282.68
	610,083.97	78,351.62	23,933.58		-0-		-0-	664,502.01
	69,704.51	28,478.74	6,918.85		-0-		-0-	91,264.40
	1,099,175.57	204,277.27*A	-0-		-0-		-0-	894,898.30
\$21,472,855.64	\$1,617,957.87	\$	151,699.72	\$	-0-		-0-	\$22,939,113.79

SCHEDULE IIA-SPECIAL RESERVES FOR REVALUATION

THE GLIDDEN COMPANY AND CONSOLIDATED SUBSIDIARY

For the fiscal year ended October 31, 1937

CLASSIFICATIONS	BALANCE AT BEGINNING OF THE FISCAL YEAR AS PER ACCOUNTS	ADDITIONS TO RESERVES	RETIRE- MENTS, RENEWALS AND MAJOR REPAIRS	BALANCE AT CLOSE OF THE FISCAL YEAR
Land	\$ 500,937.77	\$ -o-	\$ -o-	\$ 500,937.77
Buildings	1,693,630.00	-o-	-o-	1,693,630.00
Machinery and equipment	1,484,945.86	-o-	13,305.81	1,471,640.05
Furniture and fixtures	29,032.68	-o-	-o-	29,032.68
Railroad sidings	6,339.77	-o-	-o-	6,339.77
	<u>\$3,714,886.08</u>	<u>\$ -o-</u>	<u>\$13,305.81</u>	<u>\$3,701,580.27</u>

Note A - These reserves were provided by charges to capital surplus and reserve for depreciation to eliminate appreciation of fixed assets and to reduce fixed assets to estimated basis of values during 1932 as determined by Board of Directors.

SEC & EXCH COMM
REC'D 1ST MAIL
FEB 23 1938
DOCKET MAIL & FILES

SCHEDULE III-RESERVES FOR DEPRECIATION, DEPLETION
AND AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT

THE GLIDDEN COMPANY AND CONSOLIDATED SUBSIDIARIES

For the fiscal year ended October 31, 1932

CLASSIFICATIONS	BALANCE AT BEGINNING OF THE FISCAL YEAR AS PER ACCOUNTS	ADDITIONS		TOTAL
		CHARGED TO PROFIT AND LOSS	CHARGED TO OTHER ACCOUNTS- DESCRIBE	
Ore lands and leases	\$ 16,972.56	\$ 6,238.27		\$ 23,210.83
Land improvements	-0-	1,777.54		1,777.54
Railroad siding	7,519.79	1,151.98		8,671.77
Buildings	1,511,137.09	125,980.10		1,637,117.19
Machinery and equipment	3,769,031.74	427,078.58		4,196,110.32
Furniture and fixtures	396,817.00	30,662.89		427,479.89
Automotive equipment	42,109.03	14,845.66		56,954.69
	<u>\$5,743,587.21</u>	<u>\$ 607,735.02</u>		<u>\$6,351,322.23</u>

Note A - The policy of the Companies with respect to depreciation is to provide as fair and reasonable to cover wear, tear and deterioration of the property on a basis of estimated useful life. It is not certain to what extent obsolescence is covered in these provisions as changes in the useful life of the property. The Company's federal income tax return for the year of this statement but depreciation to be claimed therein will exceed provision in total on costs written off or credited to revaluation reserve during 1932.

323

SCHEDULE III-RESERVES FOR DEPRECIATION, DEPLETION
AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT

THE GLIDDEN COMPANY AND CONSOLIDATED SUBSIDIARY

For the fiscal year ended October 31, 1937

BALANCE AT BEGINNING OF FISCAL YEAR AS ACCOUNTS	ADDITIONS		TOTAL	CHARGES TO RESERVES		BALANCE AT THE CLOSE OF THE FISCAL YEAR
	CHARGED TO PROFIT AND LOSS	CHARGED TO OTHER ACCOUNTS- DESCRIBE		RETIREMENTS, RENEWALS AND REPLACEMENTS	OTHER- DESCRIBE	
16,972.56 \$	6,238.27		\$ 23,210.83			\$ 23,210.83
-0-	1,777.54		1,777.54	-0-		1,777.54
7,519.79	1,151.98		8,671.77	-0-		8,671.77
11,137.09	125,980.10		1,637,117.19	701.24		1,636,415.95
69,031.74	427,078.58		4,196,110.32	41,060.77		4,155,049.55
96,817.00	30,662.89		427,479.89	11,220.10		416,259.79
42,109.03	14,845.66		56,954.69	4,881.79		52,072.90
43,587.21 \$	607,735.02		\$6,351,322.23	\$ 57,863.90		\$6,293,458.33

with respect to depreciation is to provide amounts considered by the management and deterioration of the property on a basis of specific rates as determined. Since is covered in these provisions as changes in the art may result in shortening any's federal income tax return for the year 1937 was not completed at the date claimed therein will exceed provision in this statement due to depreciation claimed ation reserve during 1932.

SCHEDULE IV-INTANGIBLE ASSETS

THE GLIDDEN COMPANY AND CONSOLIDATED SUBSIDIARY

For the fiscal year ended October 31, 1937

DESCRIPTION	BALANCE AT BEGINNING OF THE FISCAL YEAR AS PER ACCOUNTS		ADDITIONS AT COST	DEDUCT CHARGED TO PROFIT AND LOSS		OTI
Patents and trade-marks	\$	87,708.48	\$	-0-	\$	7,162.50
Rights to manufacture		17,140.01		-0-		2,472.12
	\$	104,848.49	\$	-0-	\$	9,634.62

Note A - It is the policy of the Companies to amortize intangibles over their remaining lives.

SCHEDULE IV-INTANGIBLE ASSETS

DDEN COMPANY AND CONSOLIDATED SUBSIDIARY

the fiscal year ended October 31, 1937

BALANCE AT BEGINNING OF THE FISCAL YEAR AS PER ACCOUNTS	ADDITIONS AT COST	DEDUCTIONS		OTHER CHANGES- DEBIT AND/OR CREDIT*- DESCRIBE	BALANCE AT THE CLOSE OF THE FISCAL YEAR
		CHARGED TO PROFIT AND LOSS	CHARGED TO OTHER ACCOUNTS- DESCRIBE		
\$ 87,708.48 \$	-0-	\$ 7,162.50 \$	-0-	\$ -0-	\$ 80,545.98
17,140.01	-0-	2,472.12	-0-	-0-	14,667.89
\$ 104,848.49 \$	-0-	\$ 9,634.62 \$	-0-	\$ -0-	\$ 95,213.87

Companies to amortize
:

SCHEDULE VII-RESERVES

THE GLIDDEN COMPANY AND CONSOLIDATED SUBSIDIARY

For the fiscal year ended October 31, 1937

DESCRIPTIVE NAMES OF RESERVES	BALANCE AT BEGINNING OF THE FISCAL YEAR AS PER ACCOUNTS	ADDITIONS		CHARGES TO RESERVE
		CHARGED TO PROFIT AND LOSS	CHARGED TO OTHER ACCOUNTS- DESCRIBE	
For doubtful accounts, discounts, etc.	\$ 177,472.08	\$ 61,639.57		\$ 90,338.25 Ac 21,432.84 Ne
For taxes, contingencies, etc.	67,885.56			
For claims against closed banks	75,012.50			
For investments	-0-	9,802.76		

SCHEDULE VII-RESERVES

325

THE GLIDDEN COMPANY AND CONSOLIDATED SUBSIDIARY

For the fiscal year ended October 31, 1937

BALANCE AT BEGINNING OF THE FISCAL YEAR AS PER ACCOUNTS	ADDITIONS		CHARGES TO RESERVE	DESCRIPTION	BALANCE AT CLOSE OF THE FISCAL YEAR
	CHARGED TO PROFIT AND LOSS	CHARGED TO OTHER ACCOUNTS- DESCRIBE			
\$ 177,472.08	\$ 61,639.57		\$ 90,338.25	Accounts charged off	\$ 127,340.56
			21,432.84	Net charge to special discounts	
67,885.56					67,885.56
75,012.50					75,012.50
-0-	9,802.76				9,802.76

326

SCHEDULE VIII-CAPITAL STOCK

THE GLIDDEN COMPANY AND CONSOLIDATED SUBSIDIARY

October 31, 1937

NAME OF ISSUER AND TITLE OF ISSUE, INCLUDING PAR OR, IF NO PAR, STATED OR ASSIGNED VALUE, IF ANY	NUMBER OF SHARES AUTHORIZED BY CHARTER	NUMBER OF SHARES OUTSTANDING EXCLUSIVE OF NUMBER HELD IN TREASURY	AMOUNT IN DOLLARS	IN
<u>THE GLIDDEN COMPANY</u>				
Convertible preferred stock, 4½% cumulative-par value \$50.00 a share	200,000	199,940	\$ 9,997,000.00	1
Common-without par value	1,200,000	799,701	4,006,705.00	1
			<u>\$14,003,705.00</u>	
<u>SUBSIDIARY CONSOLIDATED</u>				
The Glidden Company, Ltd.- common-par value \$100.00 a share	500	500	None	1

RESIDING VE OF HELD SURY	AMOUNT IN DOLLARS	NUMBER OF SHARES IN TREASURY	NUMBER OF SHARES HELD BY PERSONS WHOSE STATEMENTS ARE FILED HEREWITH	NUMBER SHARES HELD BY PARENTS	NUMBER OF SHARES RESERVED FOR OFFICERS AND EMPLOYEES	NUMBER OF SHARES RESERVED FOR OPTIONS, WARRANTS, CONVERSIONS AND OTHER RIGHTS
40	\$ 9,997,000.00	None	None	None	None	None
01	<u>4,006,705.00</u> \$14,003,705.00 =====	1,100	None	None	None	243,209-4/5
00	None	None	500	None	None	None

SCHEDULE IX-SURPLUS

THE GLIDDEN COMPANY AND CONSOLIDATED SUBSIDIARY

For the fiscal year ended October 31, 1937

CAPITAL SURPLUS

Balance October 31, 1936 \$7,524,343.82

DEDUCTION

Registration and other expenses in connection with offer to common shareholders for subscriptions to common stock	\$ 22,805.43	
Less excess of selling price of \$30.00 a share over stated value of 741 shares sold	18,525.00	4,280.43
BALANCE OCTOBER 31, 1937		\$7,520,063.39

EARNED SURPLUS

Balance October 31, 1936 \$6,306,721.99

ADDITION

Net profit for the fiscal year ended October 31, 1937	\$2,542,793.30	
Less dividends paid:		
Convertible preferred-\$2.25 a share	\$ 449,920.08	
Common-\$2.60 a share	2,080,126.00	2,530,046.08
		12,747.22
BALANCE OCTOBER 31, 1937		\$6,319,469.21

Note - In prior years certain items of discount and expense, provision for contingencies and losses on dismantlement have been charged to capital surplus. If such items together with additional depreciation claimed for federal income tax purposes for the years 1932 to 1936, inclusive, had been charged against earned surplus instead of capital surplus, the respective amounts of such surplus accounts would be \$5,602,488.81 and \$8,237,043.79 as at October 31, 1937. The Company's federal income tax return for the year 1937 was not completed at the date of this statement but depreciation to be claimed therein will exceed provision charged to profit and loss for the year ended October 31, 1937.

SCHEDULE X-SUPPLEMENTARY PROFIT AND LOSS INFORMATION

THE GLIDDEN COMPANY AND CONSOLIDATED SUBSIDIARY

For the fiscal year ended October 31, 1937

ITEM	CHARGED DIRECTLY TO PROFIT AND LOSS	
	COSTS	OTHER
Maintenance and repairs	\$ 509,512.05	\$ 34,208.73
Depreciation and depletion - Note A	607,735.02	-0-
Taxes (other than taxes on income)	266,800.77	234,053.70
Management and service contract fees	-0-	-0-
Rents-office and warehouse	-0-	142,178.08
Royalties	83,100.72	-0-
Amortisation of patents, trade-marks and rights to manufacture	9,634.62	-0-

Note A - The Company's federal income tax return for the year 1937 was not completed but depreciation to be claimed therein will exceed provision charged to profit and loss

SCHEDULE X-SUPPLEMENTARY PROFIT AND LOSS INFORMATION

THE GLIDDEN COMPANY AND CONSOLIDATED SUBSIDIARY

For the fiscal year ended October 31, 1937

323

CHARGED DIRECTLY TO PROFIT AND LOSS		CHARGED TO OTHER ACCOUNTS		TOTAL
COSTS	OTHER	ACCOUNT	AMOUNT	
\$ 509,512.05	\$ 34,208.73			\$ 543,720.78
607,735.02	-0-			607,735.02
266,800.77	234,053.70			500,854.47
-0-	-0-			-0-
-0-	142,178.08			142,178.08
83,100.72	-0-			83,100.72
9,634.62	-0-			9,634.62

come tax return for the year 1937 was not completed at the date of this statement
will exceed provision charged to profit and loss for the year ended October 31, 1937.

SCHEDULE XI-INCOME FROM DIVIDENDS

HE GLIDDEN COMPANY AND CONSOLIDATED SUBSIDIARY

For the fiscal year ended October 31, 1937

TOTAL OF ISSUE	AMOUNT OF DIVIDENDS		AMOUNT OF EQUITY IN NET PROFIT AND LOSS* FOR THE FISCAL YEAR
	CASH	TOTAL	
Common stock	\$ 61,968.67	\$ -0-	\$ 44,792.84*
Preferred stock	37,500.00	61,968.67)	
Common stock	26,249.90	37,500.00)	94,767.27
	<u>26,249.90</u>	<u>26,249.90</u>	
	\$125,718.57	\$125,718.57	
	=====	=====	

SCHEDULE XI-INCOME FROM DIVIDENDS

THE GLIDDEN COMPANY AND CONSOLIDATED SUBSIDIARY

For the fiscal year ended October 31, 1937

NAME OF ISSUER	TOTAL OF ISSUE	AMOUNT OF DIVIDENDS		AMOUNT OF EQUITY II NET PROFIT LOSS* FOR FISCAL YEAR
		CASH	TOTAL	
California mining companies	Common stock	\$ 61,968.67	\$ -0-	\$ 44,792
American Zirconium Corporation	Preferred stock	37,500.00	61,968.67	94,767
American Zirconium Corporation	Common stock	26,249.90	37,500.00	
Other security investments		\$125,718.57	26,249.90	
			\$125,718.57	

The Glidden Company,
Cleveland, Ohio.

We have made an examination of the balance sheet of THE GLIDDEN COMPANY as at October 31, 1937, and of the consolidated balance sheet of THE GLIDDEN COMPANY and its wholly owned subsidiary, THE GLIDDEN COMPANY, LTD., (California mining companies excluded) as at October 31, 1937, and of the consolidated profit and loss statement for the year ended at that date. In connection therewith we examined or tested accounting records of the Companies and other supporting evidence, and obtained information and explanations from officers and employees of the Companies; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions.

The balance sheets and profit and loss statement referred to, together with supporting schedules which have also been examined by us, have been prepared for inclusion in Form 10-K for annual reports of corporations pursuant to Section 13 of the Securities Exchange Act of 1934. The supporting schedules referred to are enumerated as follows:

The Glidden Company:

- Schedule I - Investments in securities of affiliates
- Schedule II - Property, plant and equipment
- Schedule IIA - Reserve for revaluation of property, plant and equipment
- Schedule III - Reserves for depreciation, depletion and amortization
- Schedule IV - Intangible assets
- Schedule VII - Reserves
- Schedule VIII - Capital stock
- Schedule IX - Surplus

The Glidden Company and Consolidated Subsidiary:

- Schedule I - Investments in securities of affiliates
- Schedule II - Property, plant and equipment
- Schedule IIA - Reserve for revaluation of property, plant and equipment
- Schedule III - Reserves for depreciation, depletion and amortization
- Schedule IV - Intangible assets
- Schedule VII - Reserves
- Schedule VIII - Capital stock
- Schedule IX - Surplus
- Schedule X - Supplementary profit and loss information
- Schedule XI - Income from dividends

In our opinion, based upon our examination, the accompanying balance sheets and profit and loss statement, together with the supporting schedules above referred to, and the related footnotes, fairly present the position of the Companies (The Glidden Company and The Glidden Company, Ltd.) at October 31, 1937, and the results of their operations for the year ended at that date. Further, it is our opinion that except for the inclusion of certain raw materials in inventories at cost which exceeded market prices at October 31, 1937, as stated in Note A to the balance sheets, the statements have been prepared in accordance with accepted principles of accounting consistently maintained by the Companies during the year.

Ernst & Ernst

ERNST & ERNST

Certified Public Accountants

Cleveland, Ohio
February 11, 1938

331

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.

Adrian D. Joyce	\$96,050.00
R. H. Horsburgh	30,050.00
W. J. O'Brien	28,196.66

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

7 Directors	\$226,759.95
-------------	--------------

(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.

1 Officer	\$ 8,750.00
-----------	-------------

(d) The aggregate remuneration of all employees of the registrant who, respectively, received remuneration from the registrant in excess of \$20,000.00 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
2	Salesmen	\$58,232.40

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.

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
Squire, Sanders & Dempsey Union Trust Building Cleveland, Ohio	General Counsel	\$21,999.95
N. Romberg, Inc. 10 South La Salle St. Chicago, Illinois	Engineering Fees	\$43,730.00

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

1. COMMON STOCK WITHOUT PAR VALUE

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

Common Stock Without Par Value; stated value \$5.00.

(b) Amount sold.

741 shares.

(c) Date of sale.

Common Shareholders of record October 4, 1937 were offered the right to subscribe to Common Stock between October 4, 1937 and the close of business December 15, 1937 at \$30.00 per share on the basis of one share for each 12 $\frac{1}{2}$ shares owned.

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

The 741 shares of Common Stock were sold for cash and the Company received therefor \$22,230. The registrant paid out for registration and other expenses in connection with the offering of said Common Stock to its shareholders up to October 31, 1937 the sum of \$22,805.43

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

No contract was made with underwriters relative to the sale of the 741 shares of Common Stock 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.

The Common Stock without par value was registered under the Securities Act of 1933 under registration No. 2-3322, which became effective October 5, 1937.

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.

Common Stock without par value.

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

257,605 shares.

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

179,946 shares of Common Stock reserved for the conversion of 199,940 shares of the Convertible Preferred Stock, 4 $\frac{1}{2}$ %

cumulative, \$50.00 par value, of the registrant. 77,659 shares of Common Stock unsubscribed as of October 31, 1937. Subscription rights extended to December 15, 1937. Of the total 78,400 shares registered prior to October 31, 1937, 741 shares were subscribed for before October 31, 1937.

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.

None.

(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.

The registrant does not have any class of capital stock which has not been previously described and which either as to dividends or on liquidation ranks equal or prior to any stock registered on a national securities exchange.

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.

None.

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

None.

This annual report comprises:

(1) Pages numbered 1 to 36 consecutively, and insert pages numbered none, including the following financial statements and schedules:

None.

(2) The following exhibits:

None.

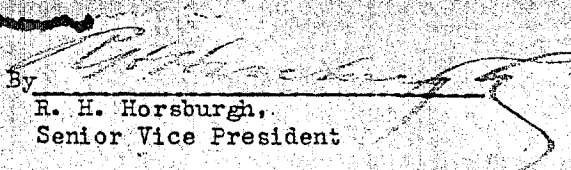
This annual report is filed subject to the instructions contained in the Instruction Book for Form 10-K for Corporations, and amendments numbered:

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 23rd day of February, 1938.

THE GLIDDEN COMPANY

By 

R. H. Horsburgh,
Senior Vice President

(SEAL)

Attest:


Clifton M. Kolb,
Secretary

SEC & EXCH COMM
REC'D 1ST MAIL

FEB 23 1938

DOCKET MAIL & FILES