3. Issued, $1,800,000; outstanding, Dec. 31, 1946, $1,800,000. Due $112,500 each J&D 1 to Dec. 1, 1954, incl. Interest at 2¼%, payable J&D 1. Prepayable at a premium (amount not stated). Unsecured.

Issued in Dec., 1946; proceeds, together with proceeds from sale of additional common stock, used to provide additional working capital and for property rehabilitation and improvement.

Real Estate Obligations: There were also outstanding at Dec. 31, 1946, $294,953 real estate obligations of Rexall Drug Co., secured by properties carried at depreciated amount of $438,000.

CAPITAL STOCK

1. Rexall Drug, Inc., stock; par $2.50:
AUTHORIZED — 5,000,000 shares (increased from 1,400,560 shares, May 14, 1946); issued, 3,501,120 shares; acquired and held by Rexall Drug Co. (a subsidiary) 41,956 shares; outstanding, 3,459,164 shares; par $2.50 (changed from $5 May 14, 1946, two $2.50 shares issued for each $5 share).

Dividend Record
(On $5 par shares)

1933-35	Nil	1936	$0.75	1937	$0.50
1938-46	Nil				

(On $2.50 par shares)

1946	Nil	[1]1947	0.25

[1]To April 3.

Note: For record of dividends paid on stock of United Drug Co. (Mass.) from 1917 to 1928, see Moody's 1939 Industrial Manual.

VOTING RIGHTS—One vote per share.

DIVIDEND LIMITATION— See funded debt above.

PREEMPTIVE RIGHTS—None.

LISTED—On New York, Boston and Los Angeles Stock Exchanges.

TRANSFER AGENTS—Guaranty Trust Co. of New York, New York, State Street Trust Company, Boston, and Bank of America N. T. & S. A., Los Angeles.

REGISTRARS—Chase National Bank, New York, National Shawmut Bank of Boston, Boston, and California Trust Co., Los Angeles.

DIVIDEND DISBURSING AGENT—Guaranty Trust Co., New York.

PURPOSE—Proceeds from sale of 700,000 shares issued in June, 1946, used for expansion, modernization of facilities and additional working capital.

ISSUED—To holders of Drug, Inc. stock on the basis of 4 shares of this issue together with stock of other subsidiaries segregated from Drug, Inc. for each 10 shares of Drug Inc. (see "History").

OFFERED—(700,000 shares) at $16.875 per share June 18, 1946, by a syndicate headed by Dillon, Read & Co., New York; proceeds to company, $16.125 per share.

PRICE RANGE—

	[1]1946	1945	1944
Stock	18⅞-9½	29⅜-15⅞	17½-12½

[1]After stock split; before, 38¾-25½.

Stock Options: On Feb. 16, 1944, United Drug Co. (now Rexall Drug Co.) granted options to purchase common stock of United Drug, Inc. (now Rexall Drug, Inc.) at $12.75 per share to officers and directors as follows: A. C. Bond, 4,000 shares; J. W. Dart, 15,000 shares; W. F. Davis, 5,000 shares; E. J. Griffing, 1,000 shares; F. T. Lane, 5,000 shares; I. W. Smead, 5,000 shares; N. L. Vermilya, 1,000 shares and on Apr. 19, 1944, 5,000 shares to G. S. Culver.

The options run in instalments to Mar. 1, 1953. On Dec. 26, 1944, J. W. Dart exercised options to the extent of 500 shares.

In Dec. 1945 options were exercised to extent of 17,300 shares as follows: J. W. Dart, 5,500 shares; W. F. Davis, Jr., S. J. Dow, Jr., F. T. Lane and I. W. Smead, 2,000 shares each; I. C. Bond, 1,600 shares; G. S. Culver, 1,000 shares and E. J. Griffing, H. L. Hagan and N. L. Vermilya, 400 shares each being all the shares for which options could be exercised prior to Mar. 1, 1946.

In Mar. and May, 1946 options to the extent of 10,200 shares were exercised as follows: J. W. Dart, 3,000 shares; G. S. Culver, 2,000 shares; W. F. Davis, Jr., S. J. Dow, Jr., F. T. Lane and I. W. Smead, 1,000 shares each; A. C. Bond, 800 shares and E. J. Griffing and H. L. Hagan, 200 shares each.

On Mar. 1, 1947, options to purchase 8,400 shares were exercised, leaving options to purchase 28,400 $2.50 par shares at $6.375 per share.

UNITED STATES GYPSUM COMPANY

CAPITAL STRUCTURE

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	Earned per Sh. 1946	Earned per Sh. 1945	Divs. per Sh. 1946	Divs. per Sh. 1945	Call Price	Price Range 1946	Price Range 1932-46
1. 7% cumulative preferred	$100	78,222 shs.	$158.70	$55.64	$7.00	$7.00	N.C.	205-187½	205-84⅞
2. Common	20	1,198,431 shs.	9.90	3.18	3.00	2.00	---	132- 93	137-10½

HISTORY

Incorporated in Illinois Aug. 12, 1920, under the name U. S. G. Co., which was changed to the present title on Aug. 26. Company was originally formed in New Jersey as United States Gypsum Co. on Dec. 27, 1901, merging a number of gypsum companies. In Jan., 1924, acquired the plant of J. B. King & Co., Staten Island, N. Y. In Dec., 1929, acquired the plant and business of Niagara Gypsum Co., Oakfield, N. Y.

In 1930 acquired the metal lath and sash division of the Youngstown Pressed Steel Co., Warren, Ohio; the plant and quarries of Farnam Cheshire Lime Co., Farnams, Mass.; the business of Farnam Cheshire Lime Sales Co., Inc., N. Y.; the metal lath business of Northwestern Expanded Metal Co., with plant at Chicago, Ill.; a plant of American Welding & Manufacturing Co., at Warren, Ohio; the properties of Greenville Insulating Board Corp., at Greenville, Miss.; and through the Canadian subsidiary acquired Albert Manufacturing Co., Hillsborough, N. B.

In Apr., 1931, acquired Standard White Lime Co. of Guelph, Ont. On June 12, 1933 company acquired the roofing plant of the McHenry-Millhouse Manufacturing Co., at South Bend, Ind., and on Aug. 21, 1933, the roofing plant of the SiFo Products Co. at St. Paul, Minnesota. In Feb., 1934, purchased the SiFo roofing plant at North Tonawanda, N. Y.

In Aug., 1934, purchased the roofing plant of the Star Roof Corp. at Los Angeles, Calif.; in Oct., 1934, the lime properties at New Braunfels, Tex., formerly owned by Dittlinger Lime Co., and in Nov., 1934, the insulation board plant formerly owned by the Arborite Co., Inc., at Lisbon Falls, Me.

In July, 1935, company's subsidiary, Canadian Gypsum Co., Ltd., acquired Toronto Asphalt Roofing Manufacturing Co., Ltd., with a plant at Toronto, Ontario, Can.

In Feb., 1936, company purchased the lime properties of the Idaho Lime Co. at Bossburg, Wash., and the Jersey City properties of National Asbestos Manufacturing Co. In Mar., 1936, purchased the paper mill of Valve Bag Co. at Oakmont, Pa. In Dec., 1936, acquired property of the Jumbo Plaster & Cement Co. at Sigurd, Utah.

In Nov., 1937, plant property at Weston, Ontario, Can., was acquired by Canadian Gypsum Co., Ltd., company's subsidiary.

In Sept., 1938, plant site at Jacksonville, Fla., was purchased, and in Dec., 1938, company acquired property and business of Nephi Plaster & Manufacturing Co. at Nephi, Utah.

In July, 1945, purchased plant of Pacific Portland Cement Co. at Plaster City, Calif.

SUBSIDIARIES

This is principally an operating company. At Dec. 31, 1946, 100% of the voting power was owned in the following subsidiaries:

Name, place of incorporation and business:
Canadian Gypsum Co., Ltd., Can.
Toronto Asphalt Roofing Manufacturing Co., Ltd., Ont., Can.
Gypsum Packet Co., Ltd., Nova Scotia, Can.
Panama Gypsum Co., Inc., Panama.
McHenry-Millhouse Manufacturing Co., Inc., Ind. (inactive).
Gypsum Transportation Co., Del.
Samson Plaster Board Co., Inc., N. Y. (inactive).
Sweetwater Suburban Water Co., Texas.
United States Gypsum Co., Del.

BUSINESS & PRODUCTS

This is the largest producer of gypsum and allied products in the United States. Gypsum is a mineral rock which is extracted by mining or quarrying, and which is subsequently processed by crushing, grinding and heating. The resultant product is very extensively used in the manufacture of building materials.

Gypsum products of the company include:
Crushed gypsum, agricultural gypsum and terra alba;
Gypsum stucco for industrial and mixing plant uses;
Gypsum plasters and finishing plasters of many kinds, including colored finishes and Keene's cement;
Gypsum boards, including fireproof wallboard, tile board, gypsum lath, and gypsum sheathing;
Gypsum partition tile, gypsum roof and floor tile, and gypsum insulation fill;
Plasters and tile for correction of acoustics, and a system of sound insulation for walls and floors;
Company is large producer of finishing and mason's lime, also of industrial limes;
All types of expanded metal and metal lath are manufactured, also metal specialties;
Paint products include texture paints of various types, glazes, sizes and accessories, cold water paint, stucco paint and light-proof colors;
Asphalt shingles and roll roofing; asphalt and tar saturated felts, and asphalt roof coatings and cements;
Asbestos cement shingles;
Other products include exterior stucco base and colored finish coats, wallboard joint systems and joint fillers;

Products also include insulation lath, wallboard and sheathing, and hardboard.

The company owns a number of patents on its products.

The company operates 38 district sales offices throughout the United States and eastern Canada and maintains a large personnel of salesmen and sales engineers who contact dealers, architects, contractors and builders. The widely located plants give the company a good geographical distribution which, with three warehouses, permits an economical distributing system. The products are sold, so far as possible, through dealer distributors.

PRINCIPAL PLANTS & PROPERTIES

The principal gypsum properties and plants are located at:

Alabaster, Mich.	New Brighton, S. I., N. Y.
Boston, Mass.	Oakfield, N. Y.
Detroit, Mich.	Philadelphia, Pa.
East Chicago, Ind.	Plaster City, Calif.
Fort Dodge, Iowa	Plasterco, Va.
[1]Grand Rapids, Mich.	Southard, Okla.
Gypsum, Ohio	Sweetwater, Tex.
Heath, Mont.	Hagersville, Ontario
Jacksonville, Fla.	Hillsborough, New Brunswick
Midland, Cal.	Windsor, Nova Scotia

[1]On leased land.

The plants at Boston, New Brighton, Philadelphia and Jacksonville obtain their supply of crude gypsum rock from the quarries of a subsidiary at Windsor, N. S. The plants at Detroit and East Chicago receive their supply of rock by water from the Alabaster, Mich., quarries. All of the other principal plants have quarries or mines operated in connection therewith. The foregoing plants and mineral deposits are owned in fee except for minor holdings under lease at Oakfield and Hillsborough which supplement substantial deposits owned in fee.

The paper mill plants, all owned in fee, are located at:

Gypsum, Ohio	Oakmont, Pa.
No. Kansas City, Mo.	South Gate, Calif.
Oakfield, N. Y.	[1]Jersey City, N. J.

[1]On leased land.

These plants manufacture the paper used for gypsum board and bags for plaster and lime, and felt for asphalt roofing.

The principal lime properties and plants, all owned in fee, are located at:

Farnams, Mass.	Evans, Wash.
Genoa, Ohio	Guelph, Ontario
New Braunfels, Tex.	

The expanded metal and allied metal products plants, owned in fee, are located at:

Chicago, Ill.	Warren, Ohio

The asphalt roofing products plants are located at:

[1]Jersey City, N. J.	St. Paul, Minn.
No. Tonawanda, N. Y.	Mount Dennis, Ont., Canada
South Bend, Ind.	
South Gate, Cal.	

[1]On leased land.

A few small buildings at South Bend are leased, plants otherwise being owned in fee.

The insulating board plants, owned in fee, are located at:
Greenville, Miss.
Lisbon Falls, Me.

The paint plants, owned in fee are located at Gypsum, Ohio; New Brighton, N. Y.; and South Gate, Calif.

An insulating wool plant, owned in fee, is located at Weston, Ontario.

An asbestos-cement shingle plant, owned in fee, is located at East Chicago, Ind.

At Dec. 31, 1946, company had under construction paper and felt plants at South Gate, Cal., and in Clark Township, N. J., gypsum plants at Plaster City, Cal., Norfolk, Va., and Sigurd, Utah, and two ships.

MANAGEMENT

Officers
Sewell L. Avery, Chairman
O. M. Knode, Chairman, Exec. Comm.
W. L. Keady, President
J. H. Nold, Vice President
E. Rembert, Vice-President
T. R. Parrish, Vice-President
J. P. Sanger, Vice-President
A. F. King, Vice-President
H. F. Sadler, Vice-President
Otis Wack, Vice-President
C. H. Shaver, Secretary and Treasurer

Directors
Sewell L. Avery, Chicago
Waldo A. Avery, Detroit
Champ Carry, Chicago
A. E. English, Beverly Hills, Cal.
C. A. English, Arcadia, Cal.
W. L. Keady, Chicago
A. F. King, New York
Oliver M. Knode, Chicago
John E. MacLeish, Chicago
W. B. McMillan, St. Louis
W. P. Paepcke, Chicago
H. F. Sadler, Chicago
C. H. Shaver, Chicago
Solomon A. Smith, Chicago
Louis Ware, Chicago

General Counsel: Scott, MacLeish & Falk.

Annual Meeting: First Wednesday in March.

No. of Stockholders, Dec. 31, 1946: Preferred, 1,154; common, 7,420.

No. of Employees: Dec. 31, 1946, 8,400.

General Office: 300 W. Adams Street, Chicago 6, Ill.