FINANCIAL & OPERATING DATA

	1943	1942	1941	1940	1939	1938	1937
Earned per share—common	$2.32	$2.13	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dividends per share—common	$1.25	$1.25	$1.50	[1]$1.75	$1.75	$1.50	[illegible]
Price range—common	24¾–17½	23½–16¾	25–20	[2][illegible]	[illegible]	[illegible]	[illegible]
Net assets per share—common	$16.18	$15.18	$14.27	$13.20	[illegible]	[illegible]	[illegible]
Number of shares—common	490,948	490,948	490,948	490,948	245,474	245,474	245,474

[1] Includes $0.25 paid on no par shares. [2] New stock; range for old stock, 43–33½.

Financial & Operating Ratios	1943	1942	1941	1940	1939	1938	1937
Curr. assets ÷ curr. liab.	2.09	2.07	2.39	2.68	2.33	2.18	[illegible]
% cash and sec. to curr. assets	45.52	38.24	38.18	36.48	[illegible]	37.66	[illegible]
% inventory, etc. to curr. assets	54.35	58.49	60.62	60.12	[illegible]	[illegible]	[illegible]
% net curr. assets to net worth	57.86	52.41	51.49	53.13	50.87	51.48	[illegible]
% prop. depreciated, depl. & amort.	48.09	45.32	42.19	43.51	[illegible]	[illegible]	[illegible]
% ann. depr., depl. & amt. to gr. prop.	5.47	5.30	5.88	6.07	6.67	6.36	6.75
Capitalization:							
% preferred stock	----	----	----	----	----	12.33	14.14
% common stk. and surplus	100.00	100.00	100.00	100.00	100.00	87.67	85.86
Sales ÷ inventory, etc.	7.25	7.39	6.34	7.18	7.30	7.16	6.94
Sales ÷ receivables	185.25	181.62	182.03	126.13	168.19	160.74	176.30
% sales to net property	1,198.54	1,046.71	979.59	897.65	749.52	705.65	782.00
% sales to total assets	281.73	281.16	278.71	272.41	282.82	254.23	274.79
% net income to total assets	9.85	9.46	11.11	12.14	12.39	10.31	13.81
% net income to net worth	14.38	14.36	16.96	16.81	16.80	12.83	16.94
Preferred dividend times earned	----	----	----	----	----	12.60	17.32
Analysis of Operations	%	%	%	%	%	%	%
Net sales	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Cost of goods sold	66.84	66.77	65.10	67.71	67.66	68.11	65.27
Depreciation, depl. & amort.	0.85	1.08	1.18	1.22	1.23	1.37	1.48
General, adm. & other expenses	25.17	25.51	25.26	26.27	26.66	27.62	28.83
Net income from sales	7.09	6.89	8.47	4.61	4.11	3.28	4.31
Other income	2.22	1.67	1.59	1.78	1.73	1.77	1.73
Total	9.31	8.56	7.21	6.40	5.84	5.05	6.04
Income deduction	0.10	0.12	.35	.14	[illegible]	.33	.09
Net income before Federal taxes	9.21	8.44	7.05	6.26	5.40	4.72	5.94
Federal income taxes	5.83	6.15	2.65	1.79	1.01	.77	1.11
Net income	3.38	2.28	4.60	4.46	4.42	3.95	4.78

CAPITAL STOCK

1. Peoples Drug Stores, Inc. common; par $5:

AUTHORIZED—500,000 shares; issued and outstanding, 490,948 shares; par $5 (changed from no par to par $5 Mar. 26, 1940, two $5 shares issued for each no par share).

Dividend Record (in $)

(No par shares—predecessor company)

1920–26 ... nil 1927 ... 1.00 1928 ... 0.25

(No par shares—present company)

1928 ... 0.75 1929–33 1.00 [3]1934 ... 1.50

[3]1935 ... 1.75

(No par shares—after 100% stock dividend)

1935 ... 1.00 1936 ... 4.00 1937 ... 2.50

1938 ... 1.50 1939 ... 1.75 [4]1940 ... 0.25

($5 par shares)

1940 ... 1.50 1941 ... 1.50 1942–43 1.25

[4]1944 ... 0.25

[3]Plus 100% stock dividend Dec. 21, 1934.

[5]Paid Jan. 2, 1935 to holders of record Dec. 21, 1934 on stock as constituted prior to 100% stock dividend.

[6]Paid Apr. 1, 1940 to holders of record Mar. 5, 1940.

[4]To Apr. 2.

Dividends payable quarterly about Apr. 1, July 1, Oct. 1, and Dec. 30, to stock of record about 10 days prior thereto.

VOTING RIGHTS—Full.

PREEMPTIVE RIGHTS—None.

LISTED—New York and Washington (D. C.) Stock Exchanges.

TRANSFER AGENT—Chase National Bank, New York.

REGISTRAR—Bankers Trust Co., New York.

ISSUED—Apr. 3, 1928, 100,000 shares common (no par), together with 25,000 shares 8% preferred, in connection with acquisition of predecessor, for the extinguishment of liabilities of predecessor and for additional working capital; also 22,250 shares (no par) in acquisition of entire capital stocks of the Day Drug Co. and The Summit Drug Co.

May 21, 1928—Apr. 8, 1930: 5,866 shares (no par) to employees and officers for cash and 449 shares (no par) upon exercise of common stock purchase warrants for cash.

Dec., 1934: 122,737 shares (no par) as 100% stock dividend.

Mar. 26, 1940: (Date authorized by stockholders) 490,948 shares (par $5) in exchange for old no par common stock on 2 for 1 basis.

OFFERED—30,000 shares (no par) in Dec., 1928 at $25 per share by Merrill, Lynch & Co. and Shields & Co., New York.

PRICE RANGE—	1943	1942	1941
Common	24¾–17½	23½–16¾	25–20

PITTSBURGH PLATE GLASS COMPANY

CAPITAL STRUCTURE

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	Earned per Sh. 1943	Earned per Sh. 1942	Divs. per Sh. 1943	Divs. per Sh. 1942	Call Price	Price Range 1943	Price Range 1929–43
1. Common	$25	2,308,720 shs.	$5.06	$5.09	$4.00	$3.50	----	96–64¾	147½–13½

HISTORY

Incorporated in Pennsylvania Aug. 24, 1883 and reincorporated in Pennsylvania Nov. 2, 1920 upon merger with the Patton-Pitcairn Co. and Columbia Chemical Co., both incorporated in Pennsylvania in Nov., 1920. For details of stock issued in 1920 see Capital Stock—Issued. The Patton-Pitcairn Co. was a holding company owning all of the outstanding stocks of (1) Patton Paint Co. of Milwaukee, in which Pittsburgh Plate Glass purchased a 49% stock interest in 1900 and subsequently acquired a majority (2) Rennous, Kleinle & Co., brush manufacturers of Baltimore, in which Pittsburgh Plate Glass acquired a 48% stock interest in 1906 and subsequently acquired a majority (3) Pitcairn Varnish Co., and (4) Corona Chemical Co. In the latter two concerns, Pittsburgh Plate Glass acquired a majority stock interest as a result of stock dividends received. These subsidiaries owned the entire capital stocks of Red Wing Linseed Oil Co. and several smaller sub-companies. At the time of merger, Pittsburgh Plate Glass owned 84% of the capital stock of Patton-Pitcairn Co. Columbia Chemical Co. was first organized in 1899 by John Pitcairn, then Chairman of the Board of Directors of Pittsburgh Plate Glass Co. Its alkali plant at Barberton, O. began production in 1900.

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

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

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

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

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

Production of sheet and window glass began in 1907 at Mount Vernon, O. (closed July 31, 1943 for an indefinite period due to business conditions), through acquisition of the plant of Chambers Window Glass Co. Additional sheet and window glass factories were built in 1914 at Clarksburg, W. Va.

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

At Creighton, Pa. late in 1924 completed the first unit of a new polished plate glass plant operating by a continuous process and in 1928 completed the second unit.

In May, 1924 completed construction of a Portland cement plant at Fultonham, O., with a daily capacity of 2,500 barrels. In May, 1927 plant capacity was increased to 5,000 barrels daily at a cost of about $1,800,000.

In early 1924 began the sale of nitrocellulose lacquers. In the same year increased the productive capacity of its Portland, Ore. paint factories and acquired the factories of Sunset Paint Co. of Los Angeles. In 1927 completed a four-year expansion program at the Milwaukee lacquer plant. In 1930 began operation of a lacquer plant at Newark, N. J.

In late 1927 the company and a subsidiary of E. I. du Pont de Nemours each acquired a 50% stock interest in Pittsburgh Safety Glass Co. (name subsequently changed to Duplate Corp.), which constructed a $1,500,000 plant at Creighton, Pa. for the manufacture of safety glass, using the company's plate glass and du Pont's plastic interlayer. In 1931 acquired full control of Duplate Corp.

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

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

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

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

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

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

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

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

In Mar., 1937, jointly with Corning Glass Works (see general index) formed Pittsburgh Corning Corp. to manufacture glass building blocks, glass tile, etc., at a newly-constructed plant at Port Allegany, Pa. Each company owns 50% of the $800,000 outstanding capital stock of this concern.

In 1936 exercised an option to purchase 30,000 shares of American Cyanamid Co. class B stock at $20 per share under an option issued in 1931.

On June 10, 1939 dissolved Duplate Corp., a wholly-owned subsidiary, manufacturing safety glass, and acquired its assets.

In July, 1942, Pittsburgh Corning Glass Corp. announced development of "Foamglass," a new type of opaque glass that floats like cork and can be used as buoyant element in construction of lifeboats, life preservers and pontoon bridge supports. Federal agencies are investigating its use as a substitute for cord, balsa wood, cellular rubber and kapok. It is also a heat insulator and is produced by Armstrong Cork Co. since 1941.

In 1943, company's paint division developed several sealing types designed for use in the aircraft industry: "Fabseal," "Chromseal" and "Stratoseal."

SUBSIDIARIES

Parent functions chiefly as an operating company, the principal subsidiaries being Columbia Development Corp., which holds securities (incl. those of Southern Alkali Corp.), non-current receivables, etc.; and the Belgian subsidiary, which operates the plate glass plant in that country. As of Dec. 31, 1943, owned 100% of the voting control of the following:

Allied Paint & Glass Co.

Altoona Glass & Paint Co., Inc.

Canonsburg Paint & Glass Co.

Charleroi & Belle Vernon R.R. Co. (Inactive)

PLAINTIFF'S EXHIBIT

U-681

Crystal City Mining Co. (Inactive)
Columbia Development Corp.
Southern Alkali Corp. (51%)
Southern Minerals Corp. (26.32%)
Southern Pipeline Corp. (100%)
Southern Minerals Corp. (37.58%)
Geneva Paint & Glass Co.
Ivoroid Mixed Paint Co. (Inactive)
H. W. Johns Paint Mfg. Co. (Inactive)
Kingston Paint & Glass Co., Inc.
Nevius Paints, Inc.
Patton Paint Corp. (Inactive)
Pittsburgh Plate Glass Co. of Michigan
Pittsburgh Plate Glass Co. (Tenn.)
Poughkeepsie Paint & Glass Co., Inc. (formerly Thomas V. Lackaye Paint & Glass Co.)
Queen City Paint & Glass Co.
The Rainey Stores, Inc.
The Regal Mirror Co.
Sewickley Hardware & Paint Co.
Societe Anonyme des Glaces de Courcelles (Belgium)
Sunset Paint Corp. (Inactive)
The Thresher Varnish Co.
Triplex Corp.
Uniontown Paint & Glass Co.
Wesco Paint & Glass Co., Inc.

As of Dec. 31, 1943, owned less than 100% of the voting control of the following subsidiaries:
Gurley-Comstock Corp. (53.125%)
Southern Condensate Corp. (51%)
E. J. White Paint & Glass Co., Inc. (87.5%)

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

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

BUSINESS & PRODUCTS

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

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

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

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

Relatively minor divisions of the business comprise the manufacture of Portland cement, dry colors, insecticides, fungicides and seed grain disinfectants. Products are distributed through 155 warehouses and stores located throughout the country.

Although company is primarily a producer of civilian goods, the production of direct and indirect war materials has, since the outbreak of the war, become a substantial portion of its business.

PRINCIPAL PLANTS & PROPERTIES

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

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

Paints are manufactured at Milwaukee, Wis.; Detroit, Mich.; Newark, N. J.; Portland, Ore.; Dayton, O., Houston, Texas, and Los Angeles, Cal. Varnishes and lacquers are produced at Milwaukee, Dayton, Detroit, Newark, Houston and Los Angeles. Linseed oil mills are operated at Red Wing, Minn., and Newark, N. J. Paint and other brushes are produced at Baltimore, Md., and Keene, N. H. A store front metal factory is located at Kokomo, Ind.

Alkalis and other chemicals are produced at Barberton, O., and Defense Plant Corp. at New Martinsville, W. Va., and through a subsidiary, Southern Alkali Corp. at Corpus Christi, Tex.

Other activities include a cement plant at Zanesville, O. (2,000,000 bbls. yearly capacity), the manufacture of dry colors, insecticides, fungicides and seed germ disinfectants at Milwaukee; sand mines at Crystal City, Mo.; limestone quarries at Fultonham, O., and gas properties and gas lines at Ford City, Pa. In addition, 155 warehouses and stores are operated for the distribution of glass, paint, etc. Research laboratories are located as follows: Glass at Creighton, paints at Milwaukee, Newark and Detroit, chemicals at Barberton.

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

Status of Belgian Property and Business: Concerning the condition of the Belgian subsidiary's property, the following statement was made in the annual report for 1942:

"No information is available as to the condition of the plate glass plant at Courcelles, Belgium. The company continues to carry this property on its books at a nominal value of $1."

MANAGEMENT

Officers
N. S. Wherrett, Chairman
R. L. Clause, Vice-Chairman
H. B. Higgins, President
R. B. Tucker, Vice-President
E. T. Asplundh, Vice-President
J. H. Heroy, Vice-President
F. W. Judson, Vice-President
E. D. Griffin, Vice-President
J. A. Wilson, Mgr. Glass Mfg.
W. V. Simmons, Treasurer
H. B. Brown, Secretary
S. M. Campbell, Comptroller
Leland Hazard, General Counsel

Directors
[1]H. S. Wherrett, Pittsburgh, Chairman
[1]Clarence M. Brown, Philadelphia
[1]E. T. Asplundh, Pittsburgh
[1]R. L. Clause, Pittsburgh
[1]E. D. Griffin, Pittsburgh
J. H. Heroy, New York
[1]H. B. Higgins, Pittsburgh
Richard K. Mellon, Pittsburgh
[1]Harold F. Pitcairn, Philadelphia
Raymond Pitcairn, Philadelphia
[1]R. B. Tucker, Pittsburgh
[1]Member of Executive Committee.

General Counsel: Leland Hazard.
Annual Meeting: First Wednesday in April.
No. of Stockholders: Dec. 31, 1943, 7,950.
No. of Employees: 1943, average, 17,641.
General Office: Grant Bldg., Pittsburgh.

INCOME ACCOUNTS

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

	1943	1942	1941	1940	1939	1938	1937
[1]Net sales	$119,383,530	$106,836,345	$128,004,011	$97,940,631	$83,120,871	$84,358,034	$98,318,307
[2]Cost of goods sold	67,958,181	58,882,339	63,246,846	48,932,785	45,366,945	36,404,244	48,133,482
Other manufacturing costs	14,303,718	12,793,068	17,190,218	14,427,406	9,927,435	10,020,006	9,742,440
Gross profit from regular products	37,121,631	35,159,938	47,566,948	34,580,440	27,895,241	17,930,784	35,439,406
Gross profit from auxiliary oper.	574,289	-------	-------	-------	-------	-------	-------
Total profit	37,695,920	35,159,938	47,568,948	34,580,440	27,895,241	17,930,784	35,439,406
[2]Selling, general & admin. expenses	16,392,378	17,271,800	18,788,709	16,247,149	15,107,540	13,026,900	15,307,672
Operating profit	21,303,542	17,888,138	28,778,239	18,333,291	12,787,692	4,903,884	20,131,735
Interest and dividends received	1,117,450	1,169,911	1,298,334	1,037,223	822,293	770,923	854,294
Royalties received	46,977	59,317	98,263	118,535	146,701	324,400	770,281
Proceeds, sale of license rights	-------	-------	-------	-------	-------	1,582,300	-------
[3]Other income	1,336,044	140,880	305,017	834,091	756,088	608,248	[illegible]
Gross income	23,804,013	19,208,264	30,479,852	20,323,140	14,512,274	8,182,916	22,844,327
[4]Income deductions	249,825	468,132	307,674	687,729	1,227,510	159,446	74,385
Balance	23,554,188	18,740,132	30,172,178	19,635,411	13,285,734	8,022,570	22,569,942
Federal income taxes	7,100,000	7,800,000	6,750,000	4,963,034	2,337,940	$1,543,663	3,780,000
State income taxes	364,600	301,000	1,183,000	186,450	181,383		
Federal excess profits tax	3,000,000	152,800	7,250,000	700,000	-------	-------	-------
Post-war refund—excess profit tax	cr 300,000	cr 2,800	-------	-------	-------	-------	-------
Surtax on undistributed profits	-------	-------	-------	-------	-------	-------	488,013
Net income to surplus	13,389,588	11,237,132	14,989,178	13,793,937	10,766,412	6,488,907	18,287,969
[6]Earned surplus beginning of year	57,296,899	53,767,156	51,056,658	48,420,967	47,313,306	44,406,268	41,160,682
[9]Other surplus credits	-------	-------	-------	-------	36,170	188,232	-------
Dividends	8,834,892	7,707,389	10,961,175	10,909,174	8,672,611	2,770,272	3,928,415
[5]Other surplus charges	-------	-------	1,317,505	249,082	669	-------	1,092,820
Earned surplus, end of year	$61,851,595	$57,296,899	$53,767,156	$51,056,658	$48,442,809	$47,313,307	$44,406,268
SUPPLEMENTARY P. & L. DATA							
[7]Depreciation, depletion & amort.	$5,679,101	$5,544,677	$4,966,610	$4,240,643	$4,427,430	$4,192,317	$3,820,401
[8]Maintenance and repairs	5,809,885	4,887,842	4,621,771	3,806,038	3,599,361	3,466,000	4,237,280
Taxes, other than income	2,441,942	2,804,340	3,158,459	2,631,767	2,368,451	2,343,674	2,412,000
Rents	1,184,972	456,525	469,634	510,290	475,143	457,697	403,389
Royalties	227,416	178,944	194,881	164,559	115,524	109,758	144,881
Provision for bad debts (net)	948,862	223,837	275,486	268,903	294,810	182,358	165,129
Losses from retirement of property	Not stated	Not stated	Not stated	Not stated	499,978	-------	513,952
Parent company's net sales	$109,260,825	$98,984,541	$116,028,062	$88,637,378	$76,306,295	$58,498,638	$84,709,218
Parent company's net income	12,916,118	11,241,864	14,437,062	13,063,309	10,054,832	6,030,247	17,511,665
Equity in earnings of subs. consol.	1,263,841	758,018	1,816,351	1,686,187	1,647,469	1,396,832	2,552,971
Dividends from subs. consolidated	769,530	781,961	1,244,221	1,042,752	744,452	900,824	2,191,984
[3]Equity in earnings of subs. not cons.	1,140,483	628,514	675,720	585,933	502,614	396,103	486,351
Dividends from subs. not consolidated	323,556	267,190	287,335	158,050	87,325	-------	331,750

[1]Gross sales less discounts, returns and allowances and includes following sales to unconsolidated subsidiaries: 1937, $242,256; 1938, $108,431; 1939, $61,704; 1940, $25,059; 1941, $28,874; 1942, $201,071; 1943, $19,158.

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

[3]Includes equity in aggregate net earnings of non-consolidated subsidiaries: 1937, $686,351; 1938, $395,103; 1939, $502,614; 1940, $427,-583. As of Jan. 1, 1941, company adopted policy of taking up income from subsidiaries only when received as dividends, and eliminated previously recorded equity in undistributed surplus of such subsidiaries. Company's share of undistributed net profits of non-consolidated subsidiaries for 1943 was $750,120 (1942, $342,303; 1941, $388,385), which amount was not included in income account. Also see note [5].

[4]In 1940 included $500,000 and in 1939, $1,-000,000 provision for pensions and relief.

[9]In 1938 and 1939 represents net adjustments of securities and investments.

[5]In 1941, consisted of adjustment to eliminate equity in undistributed surplus of subsidiaries not consolidated. Also see note [3].

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

In 1937, comprised: Adjustment of foreign subsidiary's property, $885,886; net adjustment of marketable securities and miscellaneous investments, $459,238; miscellaneous surplus charges, $40,698; total, $1,068,328.

[l]Including amortization but excluding depreciation charged to reserve for contingencies: 1937, $7,556; 1938, $8,891; 1939, $4,081.

[m]Includes provisional charges for repairs and maintenance: 1937, $1,346,365; 1938, $1,154,092; 1939, $1,499,473; 1940, $1,638,517; 1941, $1,991,247; 1942, $1,569,324; 1943, $111,477. Does not include amounts charged to reserve for contingencies as follows: 1937, $62,145; 1938, $29,390; 1939, $52,117.

[n]1940 and prior years reflected in above accounts in other income or income deductions. See note [l].

[o]1940: After excluding $1,921,632 surplus of foreign subsidiary previously consolidated.

General Notes: (a) Foreign subsidiary (Belgian), previously consolidated, was not consolidated in 1940-43, incl. In 1939 the operations of this subsidiary were included for only eleven months to Nov. 30, as company's fiscal year was changed. The results were converted at the average of semi-monthly rates of exchange prevailing during the twelve months ended Nov. 30, 1939. The difference arising through conversion of the accounts is shown in this statement under income deductions.

(b) Renegotiation of war contracts for 1942 established that no excessive profits had been realized during that year and it is the company's belief that renegotiation for the year 1943 should not affect earnings materially.

BALANCE SHEETS

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

ASSETS	1943	1942	1941	1940	1939	1938	1937
Cash	$18,212,532	$12,871,430	$11,289,770	$12,296,694	$10,476,680	$12,125,917	$8,254,410
[d]U. S. Government securities	13,132,678	8,982,820	8,836,730	2,811,372	5,321,656	614,213	2,138,586
[f]Other marketable securities	5,706,773	2,115,646	7,807,460	11,356,991	8,673,209	6,312,652	4,940,737
[c]Notes & accts. receiv. accrued, etc.	9,911,285	8,396,963	11,808,083	9,689,679	8,680,236	7,274,797	6,965,104
[i]Inventories	24,866,539	26,656,115	25,455,006	21,539,920	20,383,029	19,742,729	22,880,164
Total current assets	71,829,798	$58,025,962	$61,797,173	$57,384,038	$53,465,871	$46,671,107	$45,191,008
[g]Sec. & advances to unconsol. subs.	6,937,810	$7,321,210	$7,809,792	$7,743,511	$7,127,210	$8,242,823	$8,575,190
[k]Invest. in foreign subs. not consol.	1	1	1	1	--------	--------	--------
Miscellaneous investments	4,383,454	4,087,430	3,805,967	948,131	1,114,251	1,375,126	1,081,487
Non-current notes & accounts (net)	1,064,675	863,629	1,170,886	1,051,062	742,380	581,378	539,779
[e]Property, plant & equip.	125,970,568	124,837,675	121,174,109	--------	--------	--------	--------
[h]Less: Deprec., depl. & amort. res.	64,328,188	59,444,116	54,720,350	--------	--------	--------	--------
Less: Extraord. obsol. res.	1,351,936	1,353,949	1,353,949	--------	--------	--------	--------
Net property	60,290,444	64,039,610	65,099,801	61,419,895	60,800,223	62,358,536	63,391,886
Patents	1	1	1	22	6,486	8,880	11,490
Deferred charges	1,701,977	1,288,381	1,798,065	1,095,934	1,090,529	988,577	1,033,448
Total	$146,208,162	$136,548,026	$141,388,710	$129,642,713	$124,150,556	$118,147,136	$118,121,994
LIABILITIES							
Accounts payable, trade	$4,572,908	$2,720,216	$3,383,172	$3,051,028	$2,992,189	$2,387,441	$2,486,016
Notes payable	18,315	18,315	18,500	204,600	121,113	146,260	183,800
Accrued taxes	13,227,767	10,302,788	17,685,013	7,169,334	3,853,089	2,731,004	5,348,255
Other payables and accruals	1,408,402	1,274,240	1,418,353	1,516,927	1,425,941	1,255,973	1,453,746
Total current liabilities	$19,227,386	$14,325,540	$22,505,037	$11,941,888	$8,392,332	$6,520,778	$9,471,825
[j]Collected on installment sales	79,207	896,886	$369,092	$639,705	$909,113	$1,114,177	$1,407,218
Deferred credits	172,878	167,547	188,043	174,710	173,155	122,132	145,508
Reserve for contingencies	4,931,365	4,931,365	4,931,365	4,921,365	4,931,365	5,003,107	4,611,442
Insurance reserve	2,462,118	2,348,905	2,206,691	1,983,316	1,796,324	1,674,211	1,996,996
Pension and relief reserve	--------	--------	--------	2,042,188	2,000,000	1,000,000	1,000,000
Reserve for maint. & repairs, etc.	1,738,130	1,633,174	1,930,079	1,641,053	1,544,132	1,424,472	1,506,322
Minority interest	2,407	2,836	3,297	5,328	5,889	5,262	5,670
Capital stock (par $25)	55,218,075	55,218,075	54,960,850	54,701,000	54,430,900	53,969,100	53,570,825
[o]Surplus	62,376,595	57,821,890	54,292,166	51,581,658	48,967,809	47,313,207	44,406,288
Total	$146,208,162	$136,548,026	$141,388,710	$129,642,713	$124,150,588	$118,147,136	$118,121,994
Net current assets	$52,602,412	$44,700,323	$39,292,136	$45,442,168	$45,073,339	$40,150,329	$35,719,375
PROPERTY ACCT.—ANALYSIS							
Additions at cost	$2,375,489	$4,726,489	$8,931,543	$7,648,180	$3,191,739	$3,833,490	$6,480,181
Retirements or sales	1,281,497	1,867,126	1,876,934	1,990,784	518,063	489,874	889,736
[p]Depreciation and depletion	--------	--------	52,705,620	4,840,643	4,429,009	4,196,718	3,915,323
Other additions	48,922	4,341	cr 6,123	--------	--------	--------	cr 542,805
DEPR., DEPL. & AMORT. RES.—ANALYSIS:							
Charged to profit & loss	$5,662,527	$5,510,330	$4,966,610	--------	--------	--------	--------
[q]Charged to other accounts	54,135	4,341	51,351,671	--------	--------	--------	--------
Retirements, renewals & replace.	833,204	825,152	1,598,170	--------	--------	--------	--------
Other changes	cr 1,399	dr 34,138	dr 239	--------	--------	--------	--------

[d]Lower of cost or market. Market value, Dec. 31, 1943, $13,142,398.

[f]Lower of cost or market. Market value, Dec. 31, 1943, $6,028,350.

[c]After reserves (1943, $948,882).

[i]At less than cost or market. At Dec. 31, 1943, consisted of: Finished goods, $10,524,203; work in process, $2,404,748; raw materials, $6,425,186; supplies (including repair parts), $5,512,402; total, $24,866,539.

[g]1943: Consists of: Securities of subsidiaries not consolidated, $5,570,500; due from subsidiaries not consolidated, $1,367,310; total, $6,937,810.

[e]1943:

Used in business:	Property	Reserves
Land	$6,724,606	$1,635,924
Buildings	36,388,771	16,543,761
Mach. & equip.	78,357,637	43,889,120
Construction	715,874	--------
Unused facilities	788,585	504,486
Other property	2,994,095	1,752,883
Total	$12,969,568	$64,328,175

1940 and prior years property carried at depreciated cost. Annual provisions for depreciation and depletion were credited to asset accounts (see changes shown below balance sheet). See note (c) below.

[j]Includes subscriptions under officers and employees' stock purchase plan: 1937, $1,251,128; 1938, $974,192; 1939, $787,475; 1940, $517,075; 1941, $257,125; 1942, $96,886; 1943, $79,207.

[o]Includes capital surplus: 1937, written off; 1938, nil; 1939-43 (paid-in), $525,000. Amounts invested in treasury stock: 1937, $742,275; 1938, $520,000; 1939, $390,000; 1940, $260,000; 1941, $130,000; 1942-43, nil.

[p]1941: Represents adjustments to restate property accounts at appraised value at Dec. 31, 1936, plus subsequent additions at cost; credits to depreciation reserve, $51,351,671; net credit to reserve for extraordinary obsolescence reserve, $1,353,949.

1940 and prior years: Credited to asset accounts. Includes amounts charged to contingency reserve (note [l] to consolidated income account).

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

Depreciation Policy: Provision for depreciation of depreciable assets was made at various annual rates, which are based on the estimated useful lives of the respective items. Computed composite annual depreciation rates for 1943, based on provisions for year and balances in adjusted property accounts at beginning of year, plus one-half of net additions for year, follow: Used in business: land improvements, 4.76%; buildings, 3.11%; machinery and equipment, 5.56%; not in operation: buildings, 10.96%; machinery and equipment, 4.67%; other real estate land and dwellings for employees (including land and dwellings under contract of sale), and investment property: land improvements, 3.40%; buildings and building equipment, 1.85%; machinery and equipment, 0.02%.

Provision for depletion of salt, limestone, clay and coal deposits for 1943 was equivalent to cost of such resources recovered during year, that cost being computed on basis of ratio of resources recovered to total recoverable resources estimated by company's engineers.

General Notes.

(a) Accounts certified by Haskins & Sells.

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

Company's only foreign subsidiary (Belgian) was not consolidated in 1940-43, incl. Earned surplus of this subsidiary was eliminated from consolidated earned surplus as of Dec. 31, 1939, and net carrying value of the investment and advances to and from this subsidiary is now stated at $1.

(c) Prior to 1941, it was general policy of company and subsidiaries to credit provision for depreciation, provided for on basis of cost of the property direct to related property accounts. In 1941, company and subsidiaries completed major portion of analyses of their accounts so as to restate property at cost, and to segregate amounts of accrued depreciation.

FINANCIAL & OPERATING DATA

Statistical Record	1943	1942	1941	1940	1939	1938	1937
Earned per share	$6.06	$5.00	$6.82	$6.20	$4.94	$3.01	$8.53
Dividends per share	$4.00	$3.90	$5.00	$5.00	$4.00	$1.75	$6.50
Price range	93-84¾	88¼-65½	96¼-65	104¼-65	117-90	115½-55	147¾-77
Net assets per share	$53.24	$51.18	$49.70	$48.57	$47.95	$46.92	$45.72
Number of shares	2,208,723	2,208,723	2,198,432	2,188,040	2,177,224	2,158,764	2,142,833
Financial and Operating Ratios							
Current assets÷curr. liabilities	3.74	4.12	2.75	4.81	6.37	7.16	4.77
% cash & securities to curr. assets	51.58	42.32	40.02	45.68	45.77	42.11	31.72
% inventory to curr. assets	34.62	43.48	41.19	37.54	38.13	42.30	52.86
% net curr. assets to net worth	44.73	39.54	35.96	42.76	43.17	39.64	36.45
Capitalization:							
% common stock & surplus	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Sales÷inventory	4.80	4.16	5.03	4.55	4.08	3.26	3.91
Sales÷receivables	12.05	12.72	11.03	10.11	9.66	8.85	13.40
% sales to net property	198.01	166.85	196.63	159.46	137.27	103.20	147.21
% sales to total assets	81.65	73.34	90.53	75.55	67.01	54.47	79.09
% net income to total assets	9.16	8.20	10.60	10.64	8.67	5.49	15.48
% net income to net worth	11.39	9.94	13.72	12.98	10.31	6.41	18.66

Analysis of Operations	1943 %	1942 %	1941 %	1940 %	1939 %	1938 %	1937 %
Net sales	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Costs, goods & manufacturing	68.91	67.09	62.84	64.79	66.47	72.14	62.02
Gross profit from products	31.09	32.91	37.16	35.21	33.53	27.86	37.98
Gross profit from aux. operations	0.48						
Total profit	31.57	32.91	37.16	35.31	33.53	27.86	37.98
Sell., gen. & adm. expenses	13.73	14.17	14.68	16.59	18.16	20.24	16.40
Operating profit	17.84	18.74	22.48	18.72	15.37	7.62	21.57
Proceeds, sale of license rights	----	----	----	----	----	2.46	----
Other income	2.09	1.23	1.33	2.03	2.08	2.65	2.69
Gross income	19.93	17.97	23.81	20.75	17.45	12.72	24.27
Income deductions	0.21	0.43	0.24	0.70	1.48	.25	.08
Net income before income taxes, etc.	19.72	17.54	23.57	20.05	15.97	12.48	24.19
Provision for taxes on income	8.51	7.03	11.86	5.96	3.02	2.40	4.59
Net income	11.21	10.51	11.71	14.09	12.94	10.08	19.60

CAPITAL STOCK

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

AUTHORIZED—2,600,000 shares; issued, 2,208,723 shares; outstanding, Dec. 31, 1943, 2,208,723 shares; par $25 (changed from $100 par Oct. 9, 1928, four $25 par shares issued in exchange for each $100 par share).

Dividend Record (in $)

($100 par shares)

1889-98	Nil	1899	5.00	1900-06	6.00
[1]1907-17	7.00	1918	10.00	1919	7.25
[2]1920	13.00	1921	8.00	1922	12.00
[3]1923-26	18.00	1927	13.00	1928	6.00

($25 par shares)

[4]1928	0.50	1929	3.00	1930	2.00
1931	1.75	1932	0.75	1933	0.70
1934	1.20	1935	2.00	1936	6.00
1937	6.50	1938	1.75	1939	4.00
1940-41	5.00	1942	3.50	1943	4.00
[5]1944	1.50				

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

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

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

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

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

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

ISSUED—Upon reincorporation in 1920, 307,342 shares of new $100 par stock were issued as follows: 247,500 shares to holders of old $100 par common on a share for share basis; 1,540 shares to holders of old 12% preferred on the basis of two shares for each share held; 47,728 shares to stockholders of Columbia Chemical Co. on the basis of 8/10 of a share for each share held; 10,574 shares to minority stockholders (46%) of Patton-Pitcairn Co. on a share for share basis.

PRICE RANGE—	1943	1942	1941
Stock	90-84⅝	86½-55¼	96½-55

THE RICHMAN BROTHERS COMPANY

CAPITAL STRUCTURE

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	Earned per Sh. 1943	Earned per Sh. 1942	Divs. per Sh. 1943	Divs. per Sh. 1942	Call Price	Price Range 1943	Price Range 1922-43
1. Common	No par	626,673 shs.	$2.50	$2.61	$2.00	$2.50	—	34⅛-23⅝	68-14

HISTORY

Incorporated in Ohio, Dec. 18, 1919 to acquire company of same name formed in 1894. Business was originally established in 1879.

SUBSIDIARIES

Functions as an operating company but as of Dec. 31, 1943 owned 100% of the voting control of the following:

Name and place of incorporation
Buildings & Leases, Inc., Ohio.

BUSINESS & PRODUCTS

Manufactures and sells men's clothing, such as suits, topcoats, overcoats and trousers at retail through 62 of its own stores located in 55 cities. Mail orders solicited by traveling salesmen were discontinued in Jan., 1942. Until 1939, suits, topcoats and overcoats were sold on a cash and one price basis, the price being reduced from $28.50 in 1920 to $22.50, at which level it remained unchanged to Nov., 1931 when it was reduced to $20.00 and in June, 1932 to $18.50, from which it was increased to $22.50 in Sept., 1933 and to $24.50 in March, 1937, from which it was reduced to $22.50 in Dec., 1937.

At 35 of its stores, company has added men's furnishing departments selling apparel made by others. In Jan., 1942, increased prices to $24.50 for Standard Line and to $29.50 for Super Quality Line.

PRINCIPAL PLANTS & PROPERTIES

The manufacturing plant is located at Cleveland, O., on leased premises and has approximately 634,000 sq. ft. of floor space where departments are operated for cutting, sewing, pressing and sponging cloth in the manufacture of men's clothing. Operates 60 retail stores in 55 cities (the same number as at the end of 1931 and comparing with 57 at the end of 1930; 40 in 1929 and 14 in 1922), all of which are under long term leases except a part of the Pittsburgh store. The four largest stores are located at Cleveland, Chicago, Detroit and Pittsburgh. The 60 retail units are located as follows:

Ohio (17)
Akron
Canton
Cincinnati
Cleveland (3)
Columbus
Dayton
Lima
Lorain
Mansfield
Portsmouth
Steubenville
Springfield
Toledo
Youngstown
Zanesville

Pennsylvania (9)
Altoona
Erie
Harrisburg
Johnstown
Newcastle
Philadelphia
Pittsburgh
Washington
Wilkes-Barre

New York (4)
Buffalo
Elmira
Jamestown
Schenectady

Michigan (7)
Detroit (2)
Grand Rapids
Hamtramck
Jackson
Kalamazoo
Lansing

Illinois (6)
Chicago (4)
Decatur
Oak Park

Indiana (5)
Fort Wayne
Gary
Indianapolis
Richmond
South Bend

Wisconsin (4)
Fond du Lac
Milwaukee
Oshkosh
Sheboygan

Missouri (2)
Kansas City
St. Louis

Minnesota (2)
Minneapolis
St. Paul

Boston, Mass.
Louisville, Ky.
Omaha, Neb.
Wheeling, W. Va.

MANAGEMENT

Officers

F. C. Lewman, President
G. H. Richman, Vice-Pres., Sec. & Gen. Mgr.
R. H. Kohn, Vice-President
H. L. Brown, Vice-President
A. Benson, Vice-President
A. C. Hoffman, Vice-President
W. P. Jungius, Vice-President
C. S. Felder, Vice-President
H. A. Bondell, Vice-President
A. M. Breen, Treasurer

Directors

T. H. Jones, Cleveland
I. F. Freiberger, Cleve. Heights, O.
R. H. Kohn, Cleveland
F. C. Lewman, Cleveland, O.
G. H. Richman, Shaker Heights, O.
John Sherwin, Willoughby, O.

Annual Meeting: First Tuesday in March, but if a legal holiday then on next Tuesday not a legal holiday.

No. of Stockholders: Dec. 31, 1943, 6,369.

No. of Employees: Dec. 31, 1943, 2,850.

General Office: 1600 East 55th St., Cleveland, Ohio.

INCOME ACCOUNTS

(Taken from reports to stockholders; for prior years (taken from reports to the SEC, see below).

Consolidated Income Account, years ended Dec. 31:

	1943	1942
Net sales	[1]Not stated	[1]$22,559,109
Operating profit	$4,063,048	4,374,383
Deprec. & amort.	187,330	189,617
Net oper. profit	3,875,718	4,184,766
Other income	205,072	156,260
Total income	4,080,790	4,341,026
Deductions	40,614	24,374
Fed. income tax	750,000	747,000
Excess prof. tax	1,900,000	2,150,000
Post-war tax cred.	cr 190,000	cr 215,000
Pr. yrs. tax adj.	12,708	cr 2,225

	1943	1942
Net income	1,567,467	1,636,277
Dividends	1,253,304	1,409,967
Surplus for year	314,163	226,310
Earn. surpl., 1-1	12,165,686	11,938,776
Earn. surpl., 12-31	12,479,849	12,165,686
Earned per share	$2.50	$2.61
No. of shares	626,673	626,873

[1]From SEC report.
[2]Approximately $350,000 above sales of 1942.

Note: No excessive profits found for year 1942; company believes it had no excessive profit on renegotiable business for year 1943.

BALANCE SHEETS

(Taken from reports to stockholders; for prior years, taken from reports to the SEC, see below).

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1943	1942
Cash	$3,754,782	$3,159,433
[1]Mkt. securities	5,417,553	5,422,500
Accts. receivable	190,275	555,348
[2]Finish. garmts.	1,314,341	1,944,971
[3]Raw mater., etc.	2,531,452	2,540,017
Total current	$13,218,403	$13,622,074
Land, bldgs., etc.	2,359,188	2,243,224
Depreciation	779,357	722,015
Net property	1,580,830	1,521,209
Store prop., net	2,107,919	2,217,[illegible]
Other assets	63,452	72,809
Post-war tax refd.	405,442	215,000
Deferred charges	146,332	150,[illegible]
Total	$17,522,965	$17,929,386
Liabilities:		
Accts. pay., etc.	$992,183	$583,487
Accrued taxes	224,089	221,874
[4]Income tax res.	644,720	1,785,[illegible]
Total current	$1,860,991	$2,581,[illegible]
[5]Com. stock	3,557,192	3,557,192
Earned surplus	12,479,849	12,165,686
Total	16,037,041	15,722,878
[6]Reacq. stock	375,068	375,068
Net stk. & surp.	15,661,973	15,347,810
Total	$17,522,965	$17,929,386
Net current assets	$11,357,412	$11,040,[illegible]

[1]At cost. Market value: 1943, $5,802,178; 1942, $5,559,554.
[2]633,821 no par shares.
[3]7,148 shares at cost.
[4]After deducting U. S. tax notes: 1943, $2,065,280; 1942, $1,101,065.
[5]In-process and finished garments are priced at material and labor costs only, with allowances for slow-moving garments.
[6]At lower of cost or replacement market.

Accounts certified by Ernst & Ernst.

INCOME ACCOUNTS

COMPARATIVE CONSOLIDATED INCOME ACCOUNT, YEARS ENDED DEC. 31
(Taken from reports filed with Securities and Exchange Commission)
(For 1943 from report to stockholders, see above)

	1942	1941	1940	1939	1938	1937	1936
Sales, less discounts, returns & allow.	$22,559,108	$22,451,646	$17,395,470	$16,425,589	$14,183,018	$15,949,632	$16,927,133
[1]Cost of sales	13,510,235	13,753,391	10,518,645	9,863,512	8,702,882	9,905,989	10,170,985
[1]Selling, general & admin. expenses	4,845,765	5,090,789	4,566,723	4,443,418	4,353,343	4,463,770	4,386,658
Operating profit	4,203,108	3,607,466	2,310,102	2,118,658	1,126,794	1,579,873	2,369,497
Interest earned	102,209	97,013	113,925	127,880	163,971	199,665	201,109
Other income	54,051	69,492	84,325	147,967	35,037	98,107	53,926
Total	4,359,368	3,773,971	2,508,352	2,394,505	1,325,803	1,878,645	2,624,532
Miscellaneous other deductions	24,374	7,382	72,506	50,587	50,734	22,581	33,888
Balance	4,344,994	3,766,589	2,435,846	2,343,918	1,275,069	1,856,064	2,590,648