1954

SECURITIES AND EXCHANGE COMMISSION
Washington 25, D.C.

3/1/55

FORM 10-K

ANNUAL REPORT

Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

For the Fiscal Year Ended October 31, 1954

THE GLIDDEN COMPANY

1396 Union Commerce Building, Cleveland, Ohio

(1) Title of Class	(2) Name of each exchange on which registered
Common Stock, without par value	New York Stock Exchange

Item 2. Number of Holders of Equity Securities

Title of Class	Number of holders
Common Stock, without par value	19,119

Item 3. Parents and Subsidiaries of Registrant

No changes since previous report.

Items 4 - 9 Inclusive

The registrant has filed with the Commission, pursuant to Regulation X-14 and Rule X-14A-3, definitive copies of the proxy statement and annual report submitted to stockholders covering the same period as that of this report.

Item 10. Financial Statements and Exhibits

The following financial statements of the registrant and subsidiaries contained in the annual report of the registrant to its stockholders for the year ended October 31, 1954, furnished to the Securities and Exchange Commission pursuant to the Commission's Rule X-14A-3, are incorporated herein by reference:

Consolidated balance sheet - October 31, 1954
Statement of consolidated income and earnings retained for use in the business - Year ended October 31, 1954

Notes to the financial statements and certain financial schedules, as listed on page F-1 hereinafter, are submitted in the following section of this report.

Individual financial statements of the registrant have been omitted herefrom, as permitted by the Instructions, as the registrant is primarily an operating company and the consolidated subsidiaries are totally held.

SIGNATURES

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

THE GLIDDEN COMPANY

By W. P. Stetzelberger
W.P. Stetzelberger
Assistant Secretary

February 25, 1955

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FINANCIAL DATA
FOR
ANNUAL REPORT ON FORM 10-K

THE GLIDDEN COMPANY

Year ended October 31, 1954

Consolidated financial statements have been incorporated herein by reference, as set forth in response to Item 10 of this report.

The following consolidated financial data is submitted herewith:

Accountants' report
Notes to financial statements
Schedule V - Property, plant, and equipment
Schedule VI - Reserves for depreciation, depletion, and amortization of property, plant, and equipment
Schedule XII - Reserves
Schedule XVI - Supplementary profit and loss information

The following financial statements and schedules for which provision is made in the applicable regulation of the Securities and Exchange Commission have been omitted for the reasons given:

Schedules I, II, III, IX, XIII, and XVII are not required under the related instructions.
Schedules IV, VII, VIII, X, XI, XIV, and XV pertain to subject matter which is not present in the financial statements.

NOTES TO FINANCIAL STATEMENTS

THE GLIDDEN COMPANY AND SUBSIDIARIES

Year ended October 31, 1954

Note A - Principles of consolidation:

The accounts of the Company and its two subsidiaries have been consolidated in the financial statements as in the preceding year. Upon consolidation, all inter-company accounts and transactions have been eliminated. Inter-company profit in the inventories is insignificant in amount and has not been eliminated. Accounts of the Canadian subsidiary have been consolidated at par of exchange.

The equity of the Company in the net assets of the subsidiaries at October 31, 1954, was $4,550,863 greater than the Company's investment in the subsidiaries, which difference has been included upon consolidation in earnings retained for use in the business.

Note B - Inventories:

Inventories at December 31, 1954, were classified as follows:

Raw materials		$13,826,570
Supplies		1,187,611
In-process and finished goods		17,439,976
	TOTAL	$32,454,157

Inventories used in computing cost of goods sold for the year amounted to $33,307,058 and $32,454,157 at the beginning and end of the year, respectively.

Note C - Depreciation and related policies:

The policy of the companies is to provide for depreciation by regular charges to income in amounts considered to be fair and reasonable to amortize the cost of the depreciable properties over their estimated useful lives. Useful lives have been estimated on the basis of the expected wear, tear, obsolescence and deteriation of the properties. In general, lives have been determined for specific assets or groups of assets in many specific locations, and therefore it is considered to be impracticable to set forth a summary of them, or of the depreciation rates. Rates have been applied by the straight-line method to properties acquired prior to January 1, 1954, and by the sum-of-the-years digits method to properties acquired on or after that date. Adoption of the new method for 1954 additions had no material affect on the financial statements.

NOTES TO FINANCIAL STATEMENTS-CONTINUED

Note C - Depreciation and related policies-continued:

Expenditures for maintenance and repairs are charged to income. Expenditures for betterments and renewals are added to the property accounts.

The costs of properties retired or sold (less proceeds) are charged against amounts accumulated for depreciation if such retirements or disposals were contemplated in the determination of depreciation rates. If such retirements or disposals were not so contemplated, the costs of the assets and the related accumulations for depreciation are eliminated from the accounts and the resulting gains or losses are credited or charged to income.

Note D - Retirement plans:

The companies maintain, and absorb all the costs of, employee-retirement plans that provide benefits to eligible employees in proportion to the employee's basic earnings during stipulated periods of service and subject to certain maximums. At October 31, 1954, the unfunded liability for past-service cost under the plans was estimated to be $1,710,000 and the annual current-service cost (which does not include funding of the past-service cost) was estimated to be $360,000.

Note E - Stock options:

On June 24, 1952, the Company granted options to certain officers and employees to purchase unissued Common Stock of the Company at $35 a share within ten years. The market price of the shares at that date was $36.75. At October 31, 1954, options were outstanding to purchase 30,125 shares. During the year ended October 31, 1954, options for 2,125 shares were exercised at the option prices aggregating $74,375. Market price of the 2,125 shares aggregated $83,344 at the date the options were exercised. There have been no charges or credits to income in connection with option transactions.

In addition to the outstanding options for 30,125 shares, 67,750 shares of unissued Common Stock were reserved at October 31, 1954, for options that may be granted.

SCHEDULE V—PROPERTY, PLANT, AND EQUIP

THE GLIDDEN COMPANY AND SUBSIDIARIE

Year ended October 31, 1954

COL. A	COL. B	COL. C
CLASSIFICATION	Balance at Beginning of Period	Additions at Cost
Ore lands and leases		
Other land		
Land improvements		
Railroad sidings		
Buildings		
Machinery and equipment		
Furniture and fixtures		
Automotive equipment		
Construction in progress		

Note - The additions for the year amounted to $4,020,936 and the reti to $2,341,409, neither of which amounts is more than 10% of the closing bal information for Columns B, C, D, and E has therefore been omitted.

SCHEDULE V—PROPERTY, PLANT, AND EQUIPMENT

THE GLIDDEN COMPANY AND SUBSIDIARIES

Year ended October 31, 1954

	COL. B	COL. C	COL. D	COL. E	COL. F
	Balance at Beginning of Period	Additions at Cost	Retirements or Sales	Other Changes—Debit and/or Credit*—Describe	Balance at Close of Period
					$ 229,535
					2,307,429
					630,971
					200,666
					19,504,967
					31,373,253
					2,133,104
					231,352
					595,823
				TOTAL	$57,207,100

r amounted to $4,020,936 and the retirements and sales
ts is more than 10% of the closing balance. The
E has therefore been omitted.

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

THE GLIDDEN COMPANY AND SUBSIDIARIES

Year ended October 31, 1954

COL. B	COL. C		COL. D		COL. E
	ADDITIONS		DEDUCTIONS FROM RESERVES		
e at Beginning f Period	(1) Charged to Profit and Loss or Income	(2) Charged to Other Accounts—Describe	(1) Retirements, Renewals, and Replacements	(2) Other—Describe	Balance at Close of Period
174,010	$ -o-		$ 6,100		$ 167,910
299,607	39,635		3,005		336,237
50,318	5,297		1,278		54,337
6,236,019	578,787		113,865		6,700,941
4,528,135	1,553,540		1,764,370		14,317,305
812,444	135,388	$ 793	-o-		948,625
192,797	20,038		24,236		188,599
2,293,330	$2,332,685	$ 793	$1,912,854		$22,713,954

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

THE GLIDDEN COMPANY AND SUBSIDIARIE

Year ended October 31, 1954

COL. A	COL. B	COL. C	
		ADDITIONS	
DESCRIPTION	Balance at Beginning of Period	(1) Charged to Profit and Loss or Income	(2) Charged to Other Accounts—Describe
Ore lands and leases	$ 174,010	$ -0-	
Land improvements	299,607	39,635	
Railroad sidings	50,318	5,297	
Buildings	6,236,019	578,787	
Machinery and equipment	14,528,135	1,553,540	
Furniture and fixtures	812,444	135,388	$ 793
Automotive equipment	192,797	20,038	
TOTALS	$22,293,330	$2,332,685	$ 793

ERNST & ERNST

SCHEDULE XII—RESERVES

THE GLIDDEN COMPANY AND SUBSIDIARIES

Year ended October 31, 1954

COL. A	COL. B	COL.
		ADDITI
DESCRIPTION	Balance at Beginning of Period	(1) Charged to Profit and Loss or Income
For doubtful accounts, discounts, etc.	$ 459,010	$ 315,894

Note A - Accounts charged off.

Note B - Discounts allowed in excess of amount charged directly to income.

SCHEDULE XII—RESERVES

DEN COMPANY AND SUBSIDIARIES

ended October 31, 1954

COL. B	COL. C		COL. D	COL. E
	ADDITIONS			
Balance at Beginning of Period	(1) Charged to Profit and Loss or Income	(2) Charged to Other Accounts—Describe	Deductions from Reserves—Describe	Balance at Close of Period
459,010	$ 315,894		$ 302,427A 30,688B	$ 441,789

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PPLEMENTARY PROFIT AND LOSS INFORMATION

[illegible] COMPANY AND SUBSIDIARIES

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SCHEDULE XVI—SUPPLEMENTARY PROFIT AND LOSS INFOR

THE GLIDDEN COMPANY AND SUBSIDIARIES

Year ended October 31, 1954

COL. A	COL. B		C
	CHARGED DIRECTLY TO PROFIT AND LOSS		
ITEM	(1) To Cost of Goods Sold or Operating Expenses	(2) Other	
Maintenance and repairs	$2,381,203	$ 119,854	
Depreciation and amortization	2,332,685	-o-	
Taxes:			
Payroll	$ 253,343	$ 184,295	
Real and personal property and miscellaneous	678,794	292,528	
	$ 932,137	$ 476,823	
Management and service contract fees	-o-	-o-	
Rents	104,676	451,782	
Royalties	132,639	-o-	

PLEMENTARY PROFIT AND LOSS INFORMATION

DDEN COMPANY AND SUBSIDIARIES

ar. ended October 31, 1954

COL. B		COL. C		COL. D
CHARGED DIRECTLY TO PROFIT AND LOSS		CHARGED TO OTHER ACCOUNTS		Total
(1) To Cost of Goods Sold or Operating Expenses	(2) Other	(1) Account	(2) Amount	
$2,381,203	$ 119,854		$ -o-	$2,501,057
2,332,685	-o-		-o-	2,332,685
$ 253,343	$ 184,295		$ -o-	$ 437,638
678,794	292,528		-o-	971,322
$ 932,137	$ 476,823		$ -o-	$1,408,960
-o-	-o-		-o-	-o-
104,676	451,782		-o-	556,458
132,639	-o-		-o-	132,639