35th

annual report

FISCAL YEAR ENDED OCTOBER 31, 1952



Glidden — The Glidden Company

GLD38441

Annual Report of The



BOARD OF DIRECTORS

ADRIAN D. JOYCE
WILLIAM J. O'BRIEN
DWIGHT P. JOYCE
PAUL E. SPRAGUE
CLIFTON M. KOLB
JOHN A. PETERS
JOHN P. RUTH
RALPH G. GOLSETH
ALEXANDER D. DUNCAN
B. W. MAXEY
JOHN H. WEEKS

OFFICERS

ADRIAN D. JOYCE, Chairman, Board of Directors
DWIGHT P. JOYCE, President
PAUL E. SPRAGUE, Vice-President
JOHN P. RUTH, Vice-President
ALEXANDER D. DUNCAN, Vice-President
RALPH G. GOLSETH, Vice-President
NEWELL BEATTY, Vice-President
JOHN A. PETERS, Vice-President and Treasurer
B. W. MAXEY, Controller
R. D. HORNER, Secretary
W. G. PHILLIPS, Assistant Treasurer
G. S. WARNER, Assistant Controller
R. E. DORFMEYER, Assistant Secretary

Transfer Agents

THE NEW YORK TRUST COMPANY
New York City

THE CLEVELAND TRUST COMPANY
Cleveland, Ohio

Registrars

THE CHASE NATIONAL BANK
New York City

CENTRAL NATIONAL BANK OF CLEVELAND
Cleveland, Ohio

GLD38442

Glidden Company for 1952

To the Stockholders

January 14, 1953

THE 35th Anniversary Year of your company was outstanding in many ways.

Physical volume of sales during the 1952 fiscal year reached the highest point in the company's history, although the dollar volume declined to $205,113,304. This decline in dollar volume was due to lowered selling prices per unit, particularly for products of the Durkee Famous Foods Division.

Net profit after taxes and all charges totaled $6,948,805, compared to $8,313,868 in 1951. The 1952 profit was equal to $3.04 per share on the 2,284,739 shares outstanding on October 31, 1952.

These earnings were substantial, but they would have been considerably higher if the government's unsound price ceiling on soybean and linseed meal, combined with steadily declining oil prices, had not made vegetable oil processing unprofitable for a large part of the year. Another basic factor in the lower earnings was federal and state income taxes, which in 1952 amounted to $3.18 per share on the stock outstanding at the fiscal year-end.

Earnings before taxes amounted to $14,203,805, and in each of the last

three quarters of the fiscal year exceeded the corresponding quarter of the previous year.



OUR excess profits tax base for 1953 is approximately $21,500,000, which will allow earnings of over $4.50 per share before the excess rates apply.

The net worth of your company increased $1,905,242 during the year, to $71,643,893. This is more than twice the net worth of the company in 1945. Total assets employed in the company for the first time exceeded $100,000,000.

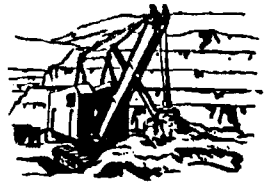
Working capital at the end of the year totaled $46,474,504, a record high. Current assets at the year-end were $68,288,532 and current liabilities were $21,814,028, a ratio of 3.13 to 1.

Our year-end inventories, after deduction of LIFO Reserve of $2,687,090, amounted to $43,457,154, which is higher than last year. The increase is primarily in soybeans, and resulted from an especially early harvest and marketing of soybeans. Satisfactory hedging operations on this increased soybean inventory have been completed either by regular sales of the meal and oil or sales on the futures market.

Short term bank loans of $4,000,000 were created entirely for the purpose of carrying inventory, and will be repaid early in 1953 as the soybean inventory stock is processed. The first installment of $1,500,000 on our long term loan, which was negotiated in 1951, will be due on July 1, 1953. Payment will present no problem.

All pending federal tax matters for the years 1948 and 1949

were settled satisfactorily during the year, with no major adjustments. Thus, our federal income tax returns have been approved by the government up to the end of 1949 and we do not anticipate any difficulty with the years that are still open.



DURING 1952 your company made gross plant additions of $3,042,934. Maintenance expenditures amounted to $2,701,388. Reserves set aside for depreciation, under the federal tax structure, fall short of being adequate for this purpose because of the constantly increasing cost of replacements. For this reason, a portion of our earnings must be considered as applying to this use.

All our properties are in the best condition in the company's history and expenditures for additional plants and facilities during the next year will probably not exceed the $3,042,934 spent for this purpose during the year just closed.

Retirement funds for employees deposited with bank trustees now total $5,108,095.

Sales and profits of the Paint and Varnish Division were at an all time high. The division's sales gain of 6.8% was materially better than the record of the paint industry as a whole. Our wholly-owned paint subsidiary in Canada also enjoyed a record sales and profit year. In order to keep pace with expanding business the Canadian company purchased additional facilities adjoining its plant. This has materially increased our manufacturing capacity.

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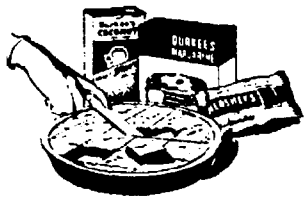


THE Durkee Famous Foods Division enjoyed an excellent year. Unit volume was up and operating profits were higher than for several years. A highly important factor in this success was the development of the Hershey-Durkee Wonder Fudge promotion in co-operation with the Hershey Chocolate Corporation.

During the year we disposed of our Portland, Oregon, copra crushing plant. Factors in this decision were a decline in the consumption of coconut oil, difficulties of American firms in competing with European copra purchasers and the lack of a satisfactory hedging market.

The Vegetable Oil Division has surmounted the difficulties which confronted it in profitably processing soybeans and flaxseed, and should make a considerably better showing in 1953.

Toward the close of the year your company entered into an agreement with a Japanese chemical company, Ishihara Sangyo Kaisha Ltd., for the production of titanium dioxide in a new $3,000,000 plant to be constructed by Ishihara in Japan. This production unit will be the largest of its kind in the Orient.

Under the terms of this agreement, your company obtained a substantial stock interest in the Ishihara concern, itself one of the largest and most important in Japan. We will also receive royalty payments based on Ishihara's production and marketing of this important product. Your board of directors expects this to be a profitable venture for The Glidden Company.

The company's titanium dioxide plant, operated by the Chemicals-Pigments-Metals Division at Baltimore, Maryland, continues to show a satisfactory profit.

GLD38446

THE Naval Stores Division did not make as large a profit in 1952 as it did last year, but improved results are expected in 1953 because of some important developments in producing synthetic materials which are greatly in demand.



We have pushed ahead with our exploratory diamond drilling on the company's zinc and copper property in California, and have had some excellent showings of ore. Investigation is now being carried on to work out plans for underground mining.

Our vegetable oil extraction unit at Buena Park, California is successfully producing crude chlorophyll.

Research and development activities continue at a rapid pace in our 28 modern research and quality control laboratories. Among the important new products resulting from this research is the first latex base enamel, Spred Gloss, which is a companion product to our highly successful Spred Satin. This new product will be put on the market early in 1953. It will be remembered that our company pioneered in developing latex base paints and is the leader in this field.

The caliber of our personnel is at an all time high. Training programs perfected since 1946 have resulted in bringing in a number of outstanding young people who will assure the company of continuous aggressive growth.

The loyalty and hearty cooperation of all the men and women of the company is sincerely appreciated.

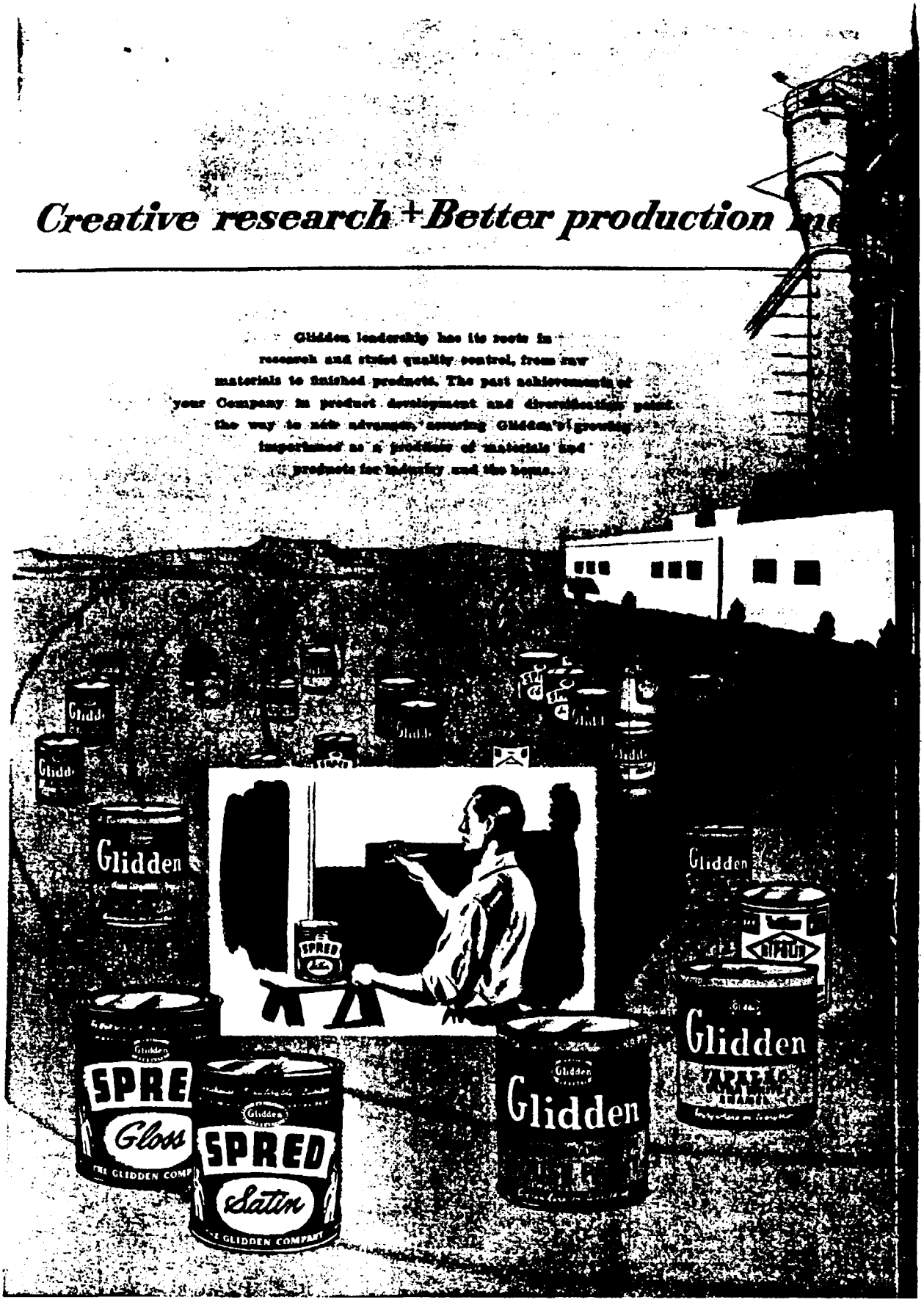
Dwight P. Joyce
President

Adrian D. Joyce
Chairman of the Board

GLD38447

Creative research + Better production

Glidden leadership has its roots in research and strict quality control, from raw materials to finished products. The past achievements of your Company in product development and diversification point the way to new advances, assuring Glidden's growing importance as a producer of materials and products for industry and the home.



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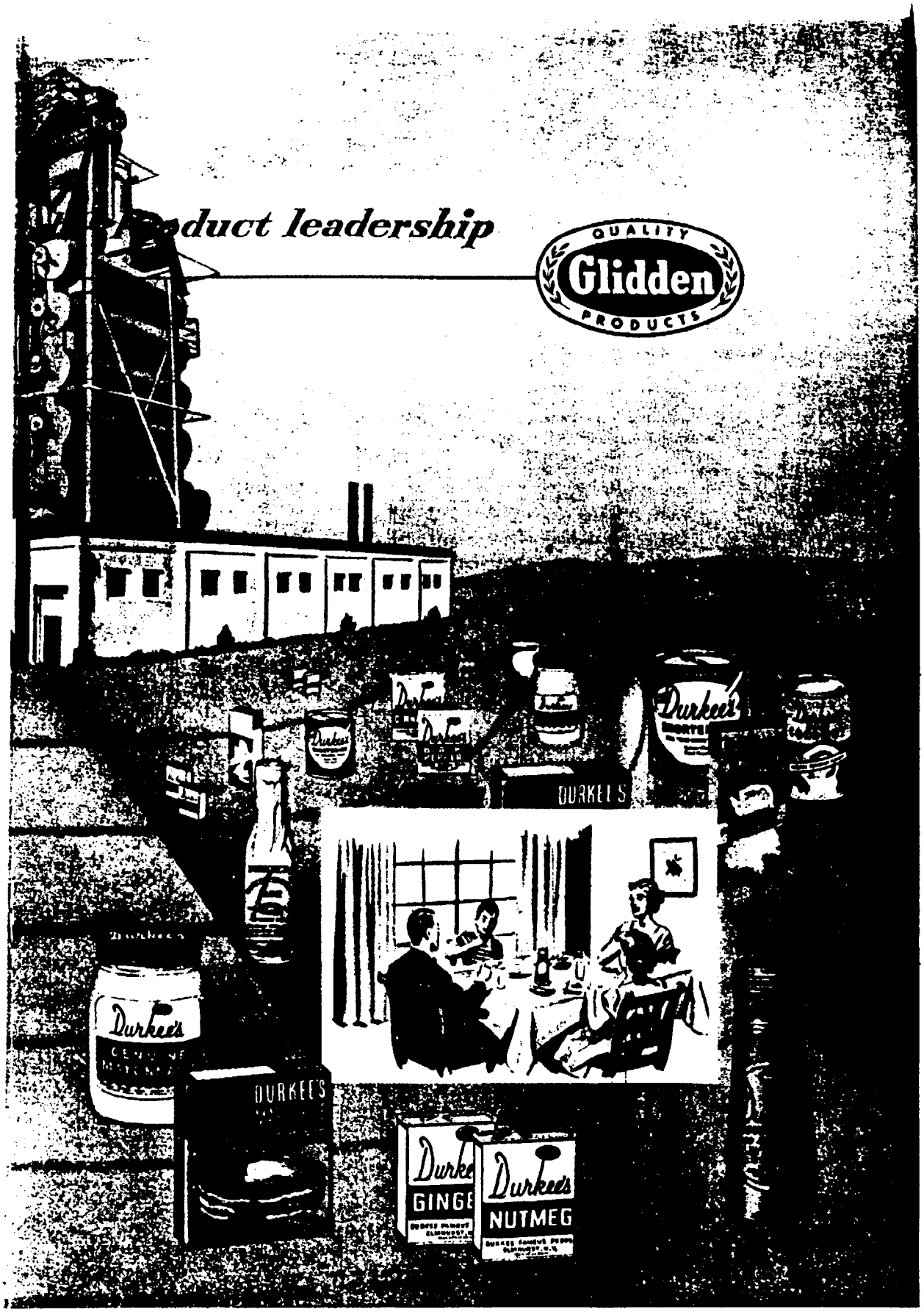
duct leadership
QUALITY
Glidden
PRODUCTS
Durkee's
DURKEE'S
Durkee's
DURKEE'S
Durkee's
NUTMEG

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Consolidated

ASSETS

CURRENT ASSETS		
Cash		$ 5,667,245
Trade accounts receivable, less allowances of $514,731 for doubtful accounts		17,260,776
Inventories—raw materials, in process, and finished goods		
Principal raw materials are stated at cost (last-in, first-out method) which did not exceed replacement market; other items are stated at the lower of cost (accumulated average) or replacement market		43,457,154
Other current notes and accounts receivable, advances and investments		1,903,357
TOTAL CURRENT ASSETS		$ 68,288,532
OTHER ASSETS		
Prepaid insurance and expenses	$ 896,514	
Cash surrender value of life insurance	816,194	
Miscellaneous notes and accounts receivable, advances and investments	562,827	2,275,535
PROPERTY, PLANT, AND EQUIPMENT		
Land—at cost	$ 2,896,180	
Buildings, machinery, and equipment—at cost	50,027,504	
	$52,923,684	
Less accumulated depreciation, depletion, and amortization	21,529,830	31,393,854
		$101,957,921

Balance Sheet

THE GLIDDEN COMPANY
AND SUBSIDIARIES
OCTOBER 31, 1952

LIABILITIES, CAPITAL STOCK, AND SURPLUS

CURRENT LIABILITIES

Notes payable to banks:			
Short-term loans		$ 4,000,000	
Serial notes maturing July 1, 1953		1,500,000	$ 5,500,000
Accounts payable			7,423,686
Accrued taxes, insurance, royalties, and interest			1,310,906
Federal, state, and dominion taxes on income —estimated			7,579,436
TOTAL CURRENT LIABILITIES			$ 21,814,028

LONG-TERM DEBT

Serial notes payable, maturing $1,500,000 annually 1954 to 1956, inclusive, and $4,000,000 in 1957, interest 3%			8,500,000

CAPITAL STOCK AND SURPLUS

Capital stock:			
Common without par value:			
Authorized 3,000,000 shares (100,000 shares reserved for sale to key employees)			
Outstanding including treasury shares, 2,291,330 shares			
Stated capital		$ 5,728,325	
Capital surplus		26,875,642	
		$32,603,967	
Earned surplus (includes $3,556,361 of surplus of Canadian subsidiary)	$39,202,349		
Less 6,591 treasury shares, at cost	162,423	39,039,926	71,643,893
			$101,957,921

GLD38451

Consolidated Income and Surplus

THE GLIDDEN COMPANY AND SUBSIDIARIES

Year ended October 31, 1952

INCOME

Net sales		$205,113,304
Cost of goods sold, selling, administrative and general expenses, including provision of $1,965,339 for depreciation, depletion, and amortization		191,128,106
		$ 13,985,198
Other income		556,697
		$ 14,541,895
Interest expense		338,090
INCOME BEFORE TAXES ON INCOME		$ 14,203,805
Taxes on income—estimated:		
Federal normal tax and surtax	$6,800,000	
Dominion and state taxes	455,000	7,255,000
CONSOLIDATED NET INCOME		$ 6,948,805

SURPLUS

CAPITAL SURPLUS	
Balance at November 1, 1951, and October 31, 1952	$ 26,875,642
EARNED SURPLUS	
Balance at November 1, 1951	$ 37,387,790
Add net income for the year	6,948,805
	$ 44,336,595
Deduct dividends paid on common stock—$2.25 per share	5,134,246
Balance at October 31, 1952	$ 39,202,349

GLIDDEN DIVISIONS

PAINT

The Glidden Company
Central Region,
Cleveland, Ohio

The Glidden Company
Eastern Region
The A. Wilhelm Company
Reading, Pennsylvania

The Glidden Company
Southern and Texas Region
The American Paint Works
New Orleans, Louisiana

The Glidden Company
Mississippi Region
The Campbell Paint &
Varnish Company
St. Louis, Missouri

The Glidden Company
Northwest Region
Minneapolis, Minnesota

The Glidden Company
Nubian Industrial Division
Chicago, Illinois

The Glidden Company, Ltd.
Toronto, Ontario, Canada

The Glidden Company
Pacific Region
San Francisco, California

The Glidden Company
Midwest Trade Sales Region
Chicago, Illinois

FOOD

Durkee Famous Foods
Elston Avenue, Chicago, Ill.

Durkee Famous Foods
Iron Street, Chicago, Illinois

Durkee Famous Foods
Norwalk, Ohio

Durkee Famous Foods
Louisville, Kentucky

Durkee-McCadam
Cambridge, Massachusetts

Durkee Famous Foods
Berkeley, California

Durkee Famous Foods
Elmhurst, Long Island, N.Y.

Durkee Famous Foods
Macon, Georgia

CHEMICALS, PIGMENTS AND METALS

The Glidden Company
Chemical - Pigment - Metals
Division
St. Helena (Baltimore),
Maryland

The Glidden Company
Chemical - Pigment - Metals
Division
Collinsville, Illinois

The Glidden Company
Chemical - Pigment - Metals
Division
Oakland, California

The Glidden Company
Chemical - Pigment - Metals
Division
Hammond, Indiana

The Glidden Company
Euston Lead Division
Scranton, Pennsylvania

SOYA PRODUCTS

The Glidden Company
Chicago, Illinois

The Glidden Company
Indianapolis, Indiana

The Glidden Company
Buena Park, California

NAVAL STORES

The Glidden Company
Jacksonville, Florida

The Glidden Company
Valdosta, Georgia

E. W. Colledge, General Sales
Agent, Inc.
Jacksonville, Florida

FEED MILL

The Glidden Company
Indianapolis, Indiana

VEGETABLE OILS

The Glidden Company
Buena Park, California

The Glidden Company
Chicago, Illinois

MINES

Glidden Consolidated Zinc
Mine
Shasta County, California

The Glidden Company
Barytes Mines
Battle Mountain, Nevada

The Glidden Company
Yadkin Mica & Ilmenite Mines
Lenoir, North Carolina

Accountants' Report

ERNST & ERNST
CLEVELAND
UNION COMMERCE BUILDING

Board of Directors,
The Glidden Company,
Cleveland, Ohio.

We have examined the consolidated balance sheet of The Glidden Company and subsidiaries as of October 31, 1952, and the related statements of consolidated income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of income and surplus present fairly the consolidated financial position of The Glidden Company and subsidiaries at October 31, 1952, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ERNST & ERNST
Certified Public Accountants

Cleveland, Ohio
December 15, 1952

GL D38454



DIVERSIFIED PRODUCTS BY GLIDDEN

FOODS
Durkee's Grade AA Margarine
Durkee's Stayfresh Coconut
Durkee's Dixie Cut Coconut
Durkee's Mayonnaise
Durkee's Whipped Salad Dressing
Durkee's Sandwich Spread
Durkee's French Dressing
Durkee's Famous Dressing
Durkee's Shortening
Durkee's Salad Oils
Durkee's Spices and Extracts
Durkee's Worcestershire Sauce
Durkee's Bakers Margarine
Special Ingredients for Bakers and Confectioners

SOYBEAN PRODUCTS
Alpha* Protein
Prosein*
Soya Meal—Flour—Flakes
Lecithin
Fine Chemicals—Steroids
Soya Sterols
Cortical and Sex Hormones
Edible Emulsifiers
Chlorophyll

LIVE STOCK AND POULTRY FEEDS
Glidden Cattle and Hog Feeds
Glidden Poultry Feeds
Glidden Feed Concentrates

PAINTS, VARNISHES AND LACQUERS
SPRED SATIN
SPRED GLOSS
Endurance* House Paint
Endurance* Imperial House Paint
Japalac*
Ripolin* Enamel
Spray-Day-Lite
Brush-Day-Lite
Speed-Wall*
Gliddenspar Varnish
Florenamel
Pli-namel
Glid-Tone Stains
Graphic Arts Finishes
Glidair Aviation Finishes
Nubelite*
Nubelac*
Nubelon*
Nubelyn*
Nubeloid*
Nu-Pon*
Spatterloid*
Spattertone*
Hammerloid*
Metalescent*
Vinyl-Cote*
Bombay Black*
Glidvar* Wire Coatings
Nuflex* Paper Coatings
Spedene* A. D. Synthetics
Stains, Fillers, Sealers, Varnishes and Lacquers for Wood Furniture

VEGETABLE OILS
Soybean Oils
Cottonseed Oils
Coconut Oils
Peanut Oils
Corn Oils
Palm Oils
Linseed Oils

CHEMICALS AND PIGMENTS
Zopaque* Titanium Dioxide
Sunolith* Lithopone
Cadmolith* Cadmium Colors
Euston* White Lead
Bleached Barytes
Copperas
Zinc Sulphate Crystals
Coal Tar Products

METALS AND MINERALS
Powdered Copper and Lead
Cuprous Oxide
Cupric Oxide
Cubond* Brazing Compound
Barite
Ilmenite

NAVAL STORES
Nelio* and NXD Gum Rosin
Sunny South* Turpentine
Pigmentar* (Pine Tar)
Alpha Pinene
Guai-a-phene*
Glidcol Anti-Skinning Agents
Terpene Chemicals
Nopol
Camphene
Myrcene
Rosin Oils
Gloss Oils
Terpex
Merez Metal Resinates
Pine Wood Charcoal
Rubber Compounding Agents

**Trade Mark Registered*

Much of The Glidden Company's business comes from the processing and production of raw materials for sale to other industries.

QUALITY Glidden PRODUCTS

GLD38455

An integrated yet diversified and decentralized industry



GLD38456