

The RUBEROID Co.

ANNUAL REPORT 1941

**TO STOCKHOLDERS
AND EMPLOYEES**

fifty-fifth year

PRESIDENT'S LETTER

*To the Stockholders and Employees
of The Ruberoid Co.*

For every person affiliated with the building materials industry, 1942 can have but one objective — the swiftest possible fabrication of all products required for construction projects which will assist and hasten our victory in the war.

For that reason, and in the spirit of unity which today binds all Americans together in a common cause, it seems fitting that your company's 1941 annual report, submitted herewith, be addressed jointly to the two groups most directly concerned — to our stockholders whose capital investment has provided our working facilities, and to our employees who are engaged in producing and marketing Ruberoid products.

How the Company Fared*

Due to increased sales, extensive plant improvements, substantial manufacturing economies, and the intense effort of the organization, 1941 proved to be a highly satisfactory year.

Net profit of The Ruberoid Co. and its wholly owned subsidiaries in 1941 amounted to \$1,563,099, or \$3.93 per share, compared with \$802,100, or \$2.02 per share, in 1940.

Net sales in 1941 totaled \$25,778,660, an increase of 48 per cent over 1940 sales.

The break-down of the net "Sales Dollar" is illustrated graphically in *Figure 1* on page 2 and in the tabulation on page 11. If you will regard our "Sales Dollar" as equivalent to an eight-hour working shift, you will note that each employee worked 4 hours and 25 minutes before enough

* The certified annual financial statements will be found on pages 28 to 32.

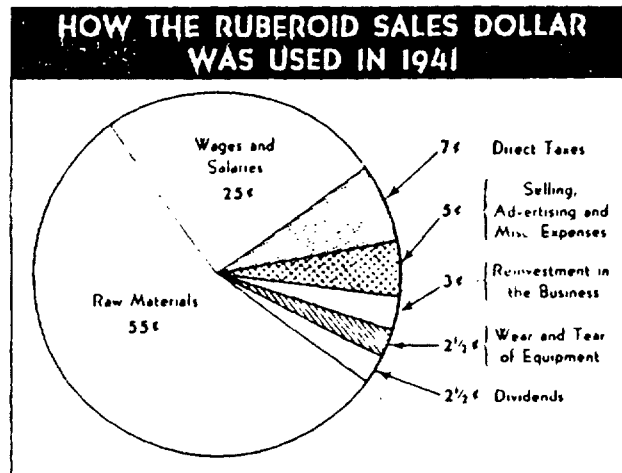
[1]

GAF 12562

money was accumulated to purchase the "Raw Materials" that went into the finished products. Then during the next 1 hour and 57 minutes we provided for the "Wages and Salaries" of our factories, offices and executives. The ensuing 31 minutes were required to meet "Direct Taxes" (Federal, State and Foreign). After that we worked 22 minutes to earn funds needed for "Selling, Advertising and Miscellaneous Expenses," 16 minutes to accumulate funds for "Reinvestment in the Business" as a protection against future contingencies, then 15 minutes to take care of "Wear and Tear of Equipment." During only the last 15 minutes of the shift did we work to provide the "Dividends" for our stockholders, who supplied the facilities that make our business possible.

A Simplified Balance Sheet as of December 31, 1941 appears on page 15.

Figure 1



[2]

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How the Stockholders Shared

Dividends paid in 1941 amounted to \$1.75 per share (compared with dividends of \$1.30 per share paid in 1940) which is a return of 1.4 per cent on the equity of \$15,838,419 our shareholders have in the company. The number of stockholders increased during the year from 1551 to 1683, or 8.3 per cent.

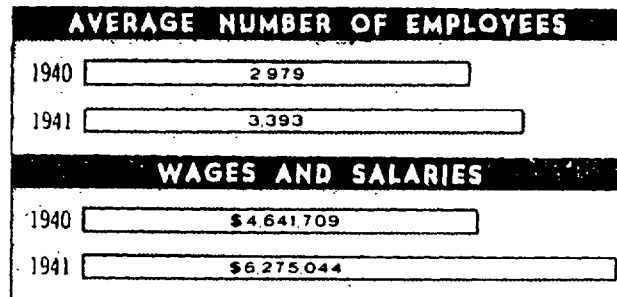
How the Employees Shared

Wages and salaries paid in 1941 amounted to \$6,275,044, an increase of \$1,633,335, or 35 per cent over 1940. This was due to wage and salary increases and to more factory hours worked. The extent to which the company has provided increased employment is shown in *Figure 2* on this page and in the following figures, representing the average number of employees on our payroll during each of the past five years:

1937 — 2978	1939 — 2818
1938 — 2500	1940 — 2979
1941 — 3393	

The average number of employees in 1941 increased 11

Figure 2



per cent over 1940. Wage increases during 1941 totaled approximately \$680,000 on an annual basis, representing approximately 15 per cent of the factory payrolls, and 13 per cent of the net profits. The average income per factory employee in 1941 (including the aforesaid wage increases plus overtime work) increased 25.6 per cent over 1940.

How the Government Shared

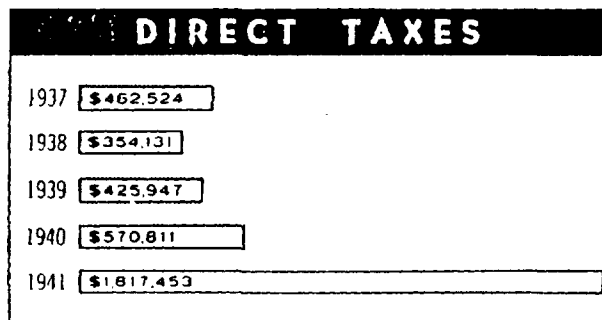
Direct taxes¹ in 1941 (Federal, State and Foreign) totaled \$1,817,453, compared with \$570,811 in 1940, an increase of 218 per cent. Our 1941 tax bill amounted to 116 per cent of the net profits, \$1.57 per share of stock, was equivalent to \$535 for each employee, and \$35 for each \$100 of wages and salaries paid. Increases in direct taxes over the past five years are shown in *Figure 3* on this page.

How the Customers Fared

Figure 4 on page 5 indicates the shipments in tonnage to customers during the past five years. All records were broken in 1941, in which 557,650 tons of goods were shipped, an in-

¹Details regarding the various kinds of direct taxes will be found at the bottom of the calculation on page 6.

Figure 3



[4]

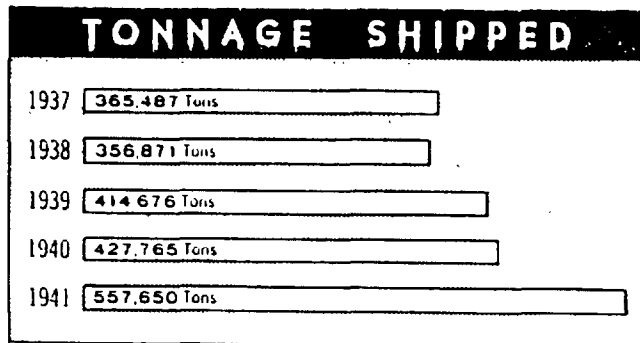
crease of 50 per cent over 1940 (the second largest year). In 1941 the net sales price per ton amounted to \$16.23, representing an increase of 14 per cent over 1940. The net profit realized on sales amounted to 64 per cent.

During the past year a number of improvements were made in the line of products involving the introduction of more economical types of shingles and sidings as well as more attractive colors and textures. In addition, steps were taken in cooperation with the National Bureau of Standards to bring about a general simplification of the line. This simplification has been well received by the trade, as it will serve to reduce inventory burdens.

Factory Operations

Pursuant to President Roosevelt's proclamation of a national emergency on September 8, 1939, and to speed production of asphalt and asbestos products required for defense construction projects, the management carried on an extensive program of plant improvements and extensions. During 1941 total appropriations of \$1,298,112 were made for this purpose. This amount exceeds that of any previous year in

Figure 1



5 (12/2/49)
424,779

[5]

COMPARISON OF THE COMPANY'S BUSINESS FOR 1941 AND 1940

	1941	1940
Net Sales:		
Dollars (net)	\$25,778,660.98	\$17,369,901.59
Tonnage	557,650 tons	427,765 tons
Price realized per ton	\$46.23	\$40.61
Net Profits:		
Total	\$1,865,099.29	\$802,099.97
Percentage of sales	6.4 per cent	4.6 per cent
Per share of stock	\$3.94	\$2.02
Dividends:		
Total	\$626,460.50	\$517,447.80
Percentage of net profits	33.5 per cent	64 per cent
Per share of stock	\$1.75	\$1.30
Wages and Salaries:		
Total	\$6,275,044.32	\$4,611,709.28
Percentage of sales	24.3 per cent	26.7 per cent
Average number of employees	3,393	2,979
Direct Taxes:		
Total	\$1,817,153.27	\$570,811.36
Per share of stock	\$4.57	\$1.13
Percentage of dividends	26.1 per cent	110 per cent
Percentage of net profits	116 per cent	71 per cent
Per employee	\$535.65	\$194.61
Break-down of Direct Taxes:		
Federal Normal and Surtax	\$788,156.22	\$234,805.37
Federal Excess Profits Tax	577,300.00	
Foreign Taxes	21,800.56	18,556.00
Social Security Taxes	224,688.93	159,940.87
Property Taxes	11,054.70	104,144.89
License Taxes	20,283.81	16,252.16
Other Miscellaneous Direct Taxes	68,189.02	57,102.07
Total	\$1,817,153.27	\$570,811.36

The Rubicon Co. does not enter into future commitments for the sale or purchase of commodities to an extent that might at any time become material item in the company's financial position.

the company's 55 year existence and compares with a total depreciation charge in 1944 of \$680,474

Employee Relations

Along with the growth in size and diversity of our company's business, the management has continually recognized the paramount importance of fair dealing with employees. Briefly, our policy has five main objectives:

1. To pay employees adequately for services rendered
2. To provide continuous employment consistent with business conditions
3. To maintain safe, comfortable and efficient working places
4. To place employees in the kind of work best suited to their abilities and help them progress in the company's service
5. To carry on the daily work in a spirit of friendliness and co-operation

All union agreements involving increases in wages for hourly paid workers were amicably reached in conferences between management, union, and employee representatives without any interruption of work. In consideration, among other things, of the rise in the cost of living, all salaried employees (other than salesmen operating on a bonus plan) received in December additional compensation generally equivalent to one full month's pay.

Employee Health, Safety and Comfort

Recognizing that health is essential both to good work and to good organization morale, the company has been providing physical examinations for new employees and periodic health check-ups for workers in certain departments. This system is being extended to provide examinations for all employees at regular intervals, depending upon the age of the employee and the nature of his work.

The vacation plan introduced in 1936 was broadened in

[7]

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WITH THE COLORS

The following employees, representing every department of the company, had been inducted into military or naval service up to December 31, 1941.

Christian F. Allegro	Robert C. Holmes	Frank A. Poy, Jr.
Conradson Y. Allen	Harry Huggel	William C. Pluck
John R. Atwell	Joseph R. Heller	A. Polaski
James Aubuchon	Joseph E. Isenik	Stephen J. Probow
Joseph V. Babich	Paul Janus	Raymond W. A. Protko
Stephen D. Baker	Frank J. Jozef, Jr.	Albert P. Poz
Raymond W. Behar	William H. Johnson	Andrew D. Rafan
Frederick M. Bender	John T. Jones	Joseph D. Rafan
Harold W. Bensen	Marion E. Jones	Lawrence Rankenmeyer
Andrew Berdis	Henry Kasper	John W. Roberts
Anton Brzakovich	Stanley Katz	Joseph C. Robinson
Amos Bloss	Martin J. Karslesky, Jr.	J. Rukowski
Theodore Boss	William M. Kostelec	Frank Rygalski, Jr.
Arnold F. Brink	Aloysius T. Kemerich	Herb R. Sanders
Charles H. Brigham	J. Kress	Myron C. Scott
John Brodowski	Michael Krzyz	S. Sharpinski
Ralph Brown, Jr.	Clusia S. Kucharski	Antonio T. Sylvester
William Carman	Sigmund J. Kulski	T. Suminski
Conrad J. Czulis	Willis S. Lees, III	Frank J. Skulka
Arthur A. Compton, Jr.	Alfred Lox	Louis J. Skulka
Edgar E. Cook	Jack Lumsdell	Leon J. Smith
Thomas C. Crokover	George W. Locke	Ronald J. Smick
Richard E. Cullen	Andrew B. Marndes	Edward M. Smickar
William Cumberland	Oswald Maki	Cyle Stahl
Peter J. Cusker	Joseph J. Malacko	John S. Stansann
Edward Cyporski	A. Marsh	Raymond T. Stevenson
J. Daniel	John Maslak	William Stockman
John A. Damski	Carndius M. Mortue	Burton W. Story
Charles De Angelis	Martin E. Messinger	Clark Thomas
Stanley J. Deonin	Ulad Michalczuk	Charles Thompson
Ellis E. Delmar	Donald W. Miller	Wilson L. Thompson
Dayton E. Douglass	Edward J. Montsky	Myron L. Tomlin
Philip Drack, Jr.	Michael C. Montagna	Otis Tuli
Joseph E. Dunovich	Raymond Morcy	Nelson T. Ury
Charles H. Echer	Henry E. Mullen, Jr.	Joseph W. Valik
Joseph Edlback	Anthony A. Murcin	Raymond Van Benthuyssen
Frank Fischer	Clarence Myers	John S. Van Deyceer
Raymond Fockowski	John R. Myers	Louis J. Vralak
Kenneth F. Forzer	Edward J. Nowack	Charles J. Vozjak
F. J. Gaudace	Bernard O'Brien	H. Wagner
Carl Gaudin	Harland E. O'Hara	Herbert Warren
Elmer Galt	John A. Olegien	Earl W. Warren
William W. Galkapic	F. O'Leary	El Wicksak
William A. Gaudin	George J. Eder	Flay J. Wilson
Louis Gaudovich	Marshall E. Parker	Logan H. Wing
Marion E. Hall	T. Patton	Steven Wolarski
Robert Hansell	Method R. Paymer	Frank R. Zupcz
Hartwell Harris	Marion A. Pencsokka	Henry J. Zupcz, Jr.
William L. Haslam	Alvin Philipschack	Les. B. Zurawski
Christian Hertzak		

1941 to the extent that 70 per cent of all employees either received vacations with pay or, at their option, extra vacation wages.

The safety program was intensified in 1941 -- by training more men for supervisory safety work, through foremanship training courses; by posting safety records designed to stimulate competition in carefulness among employees, and through various educational services of the National Safety Council. Despite the increased effort put into safety work during the year, we regret that the record of accidents and lost time was less favorable than in 1940, due in part to the inexperience of new employees and in part to increased hazards imposed by a greatly increased production effort.

Sixty-eight per cent of all employees participated in 1941 in the company's group disability and life insurance plan. Twenty-seven employees are at present retired with pensions, 6 having been added during the past year.

In carrying out this program, the company expended in 1941 a total of \$644,317, comprising the following items:

Company's Voluntary Plans:

Vacations with pay	\$157,600
Physical examinations of employees, together with provisions for first aid, and company's contribution to employees' group disability and life insurance	13,770
Pensions	27,750
Extra compensation of men inducted into military service	11,001
Extra compensation paid salaried employees (other than sales men) in December	29,187

Federal and State Statutes:

Provision under the Workmen's Compensation Laws for accident compensation and disability benefits	77,059
Social security taxes (unemployment insurance and old age benefits)	223,689
Total	\$644,317

In addition to the foregoing, various substantial physical improvements were provided solely for the comfort and convenience of employees. Modern locker, washroom and toilet facilities were constructed at Gloucester City, Baltimore, Millis and Erie (Lake) factories. Office arrangements were modernized and improved lighting was provided at Baltimore, Bound Brook, Erie Lake, Erie 16th Street, Millis and Mobile; improved first-aid facilities were installed at Gloucester City and Erie (Lake) plants.

Executive Personnel

It is with deep regret that we record the death on November 1, 1941, of Walter B. Harris, Vice President, Treasurer and a Director of our company. A man of wide experience in the building products field, sound business judgment and rare personal qualities, his passing was mourned throughout our organization.

We also regretfully record the death on October 20, 1941, of Hugh C. Foster, Sales Manager of our Baltimore Division, who had been associated with the company for 15 years.

Walter G. Cowan, Sales Manager of the Eastern Division; Louis Herscovitz, Sales Manager of the Western Division, and George F. Kerr, Manager of the New England Division, were elected to the Board of Directors during the year to fill existing vacancies. Samuel P. Moffit, Vice President and Director, was made a member of the Executive Committee, and George F. Bahis, formerly Assistant Treasurer, was elected Treasurer.

The Supreme Test for 1942

At a time such as this, it is the increased output of finished products—not dollars, that counts—tons and more tons of

(10)

GAF 12571

every kind of material needed to maintain and strengthen our supreme victory effort.

For stockholders and employees alike, this means that everything else must be sacrificed to the need for swift and economical production. Stockholders must expect curtailed profits because of the increased taxes that will be needed to finance our most stupendous military effort of all time; employees must be willing to assume whatever extra burden the war effort may require.

Under the new, all-out war conditions, and until the nature and extent of the Government's needs and necessary restrictions can be more clearly seen, essential facts are lacking for reasoned estimates of the probable demand in 1942. Fortunately, our most important raw materials include such items as non-critical mineral products (asbestos, granules, talc, portland cement, etc.), industrial by-products (asphalt and coal tar), or else fall in the category of "waste materials" (rags, waste paper, wood chips, etc.), all of which are largely derived from domestic sources.

The market for building materials continues to be principally in the following four fields. First, and of greatest importance, is Governmental construction of cantonments, airports and plants for the manufacture and storage of munitions. Second is defense housing, limited to new homes costing not in excess of \$6,000, in more than 300 localities which have been designated as "defense areas." Third is the farm market where new construction and modernization are urgently required to meet the demand for increased farm production. Fourth, the repair and maintenance of all types of existing buildings in both defense and non-defense areas to

[11]

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insure public health and safety, which under peace time conditions consume not less than half of our output.

Ruberoid products are being extensively used in these four fields. Increased manufacturing facilities, an expanded working force and our loyal, time-tried organization place the company in a position to fulfill its part in meeting whatever demands may be made.

Another fact of interest is that Ruberoid's export trade in 1941 amounted to only one per cent of the total sales, and was confined to countries outside the war zone - largely in Central and South America. Furthermore, Ruberoid's only foreign investment is in The Ruberoid Co., Ltd. (England), reflected in our balance sheet at a purely nominal value of \$1.

In conclusion, I wish to express to our stockholders my sincere thanks for their continued cooperation, and to all Ruberoid employees my appreciation of their splendid performance.

Respectfully submitted,


President

January 25, 1942

SIMPLIFIED BALANCE SHEET

The RUBEROID Co. and Wholly Owned Subsidiaries
as of December 31, 1944

WHAT WE OWNED OR HAD DUE US

(ASSETS)

Cash	\$ 2,089,208.51
Due us from customers and others	5,249,408.87
Inventory (raw materials on hand, semi-finished and finished products in stock that have not yet been sold)	5,724,225.49
Stocks, bonds, investments and advances	17,759.13
Land on which our plants are located, mineral properties, etc.	\$4,516,557.68
Factories, warehouses and other buildings	5,427,352.05
Machinery, tools and other equipment	1,763,717.02
Total capital assets	29,807,560.75
Deferred charges (namely, payments made for goods or services we haven't yet used, such as prepaid insurance, advertising, supplies, etc.)	155,838.51
Total	\$18,868,517.39

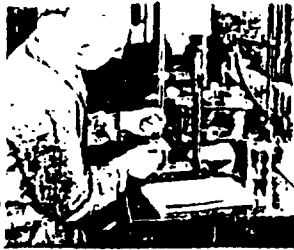
WHAT WE OWED OR WERE LIABLE FOR

(LIABILITIES)

Unpaid bills for purchases of raw materials, supplies and other services	\$ 839,786.00
Wages and salaries due for payment	208,521.70
Tax and taxes to be paid	1,000,000.00
Reserves (for compensation insurance and unexpected expense that might arise)	600,000.00
Total Liabilities and Reserves	\$ 2,648,307.70
The difference between what we own and what we owe (this represents the equity of our stockholders, which is required to produce and distribute Ruberoid products)	\$4,516,557.68
Total	\$18,868,517.39

HOW THE RUBBEROID SALES DOLLAR
WAS USED IN 1944

		Per Sales Dollar
We paid out for Raw Materials	\$11,352,017.17	55
We paid out for Wages and Salaries	6,275,011.52	25
We set aside for Direct Taxes	1,817,453.37	9
We paid out for Selling, Advertising, and Miscellaneous Expenses (less other income)	6,188,612.73	30
We set aside for Reserve for the Business (for protection for future contingencies)	\$1,000,000.00	5
We set aside for Wear and Tear of Equipment	680,174.10	3
We paid out in Dividends to stockholders	696,160.50	3
Total received from sales of our products	\$25,778,660.98	100



RESEARCH *and* PRODUCT CONTROL

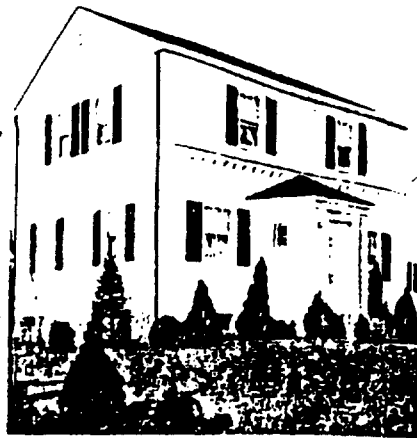
The manufacture of Ruberoid building products has always been accompanied by a carefully formulated program of scientific research and continuous product control. Research activities in 1944 were centered on projects designed to increase production and effect economies in manufacturing.

The purpose of product control is to insure uniformly high standards of manufacture by requiring that every product be subjected to a series of rigid laboratory tests and factory inspections—beginning with the raw materials and continuing through the various stages of processing.

Some of Ruberoid's more important products with indications of their uses, are pictured on the following pages.



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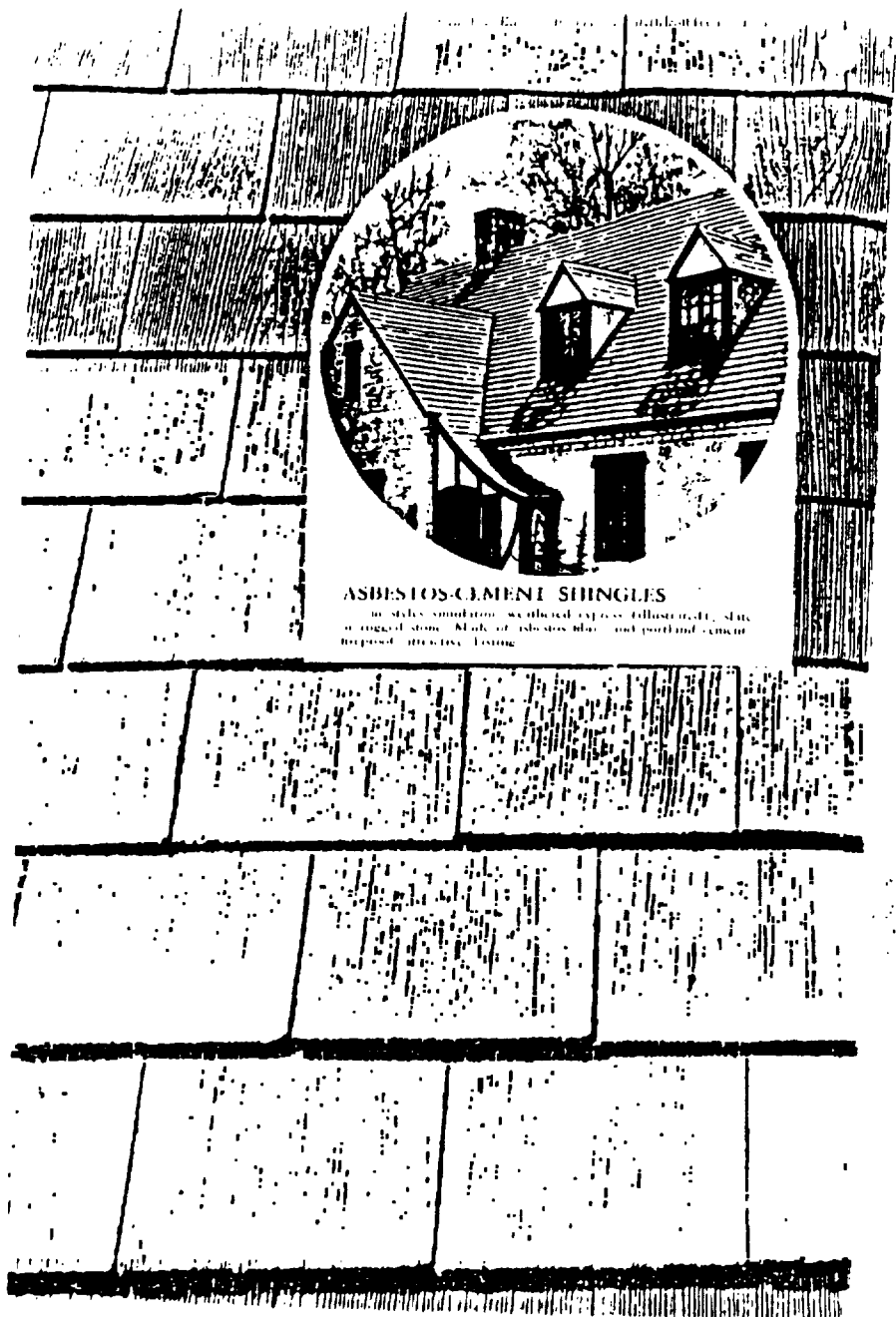
VITRAMIC Asbestos-Cement Siding

Hard, non-porous, ceramic-like surface offers no hiding
hold for dirt and dirt. Fireproof, rot proof, termite proof.

GAF 12577



GAF 12578



ASBESTOS-CEMENT SHINGLES

in styles simulating weathered spruce, redstart, slate or rugged stone. Made of asbestos, glass and portland cement. Impervious, fireproof, long-lasting.

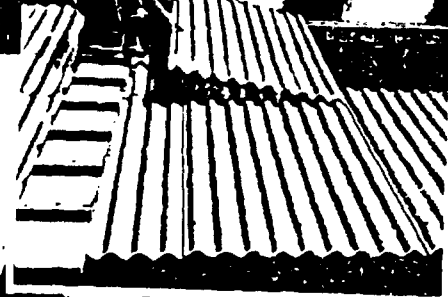


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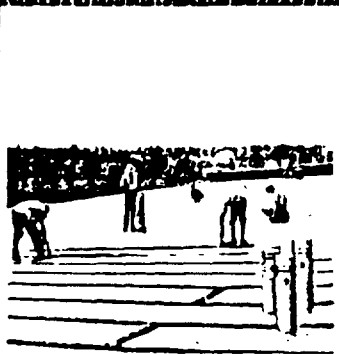
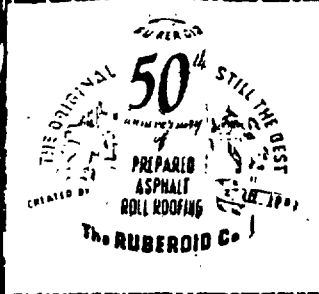


**ASBESTOS-CEMENT
CORRUGATED
SHEETS**

For roofing and siding on
durable buildings widely used
in the construction of defense
projects.



GAF 12580



ASPHALT ROLL ROOFING

Asphalt roll roofing is a fast, easy method of waterproofing roofs. It is available in many thicknesses and is suitable for use on all types of roofs.

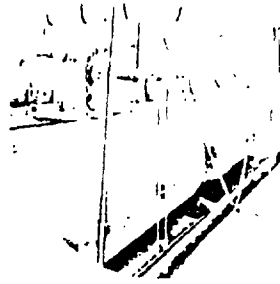


BUILT-UP ROOFING

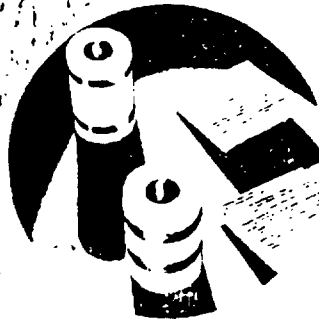
Built-up roofing is a fast, easy method of waterproofing roofs. It is available in many thicknesses and is suitable for use on all types of roofs.

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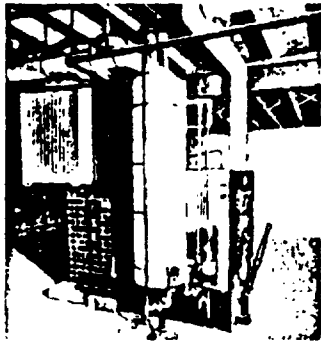
INSULATING PRODUCTS



PIPE AND TANK INSULATION



ASBESTOS PIPE COVERINGS
AND INSULATING BLOCKS



RANGE BOILER JACKETS



ASBESTOS PAPER

GAF 12582



GIANT SHEATHING



ASPHALT SLATERS FELT



DEADENING FELT



SAFE N DRY SHEATHING
PAPER



7 PLY BUILDING PAPER



DOUBLE KRAFT
WATERPROOF PAPER





INDUSTRIAL ENGINEERING

Course of study (room at South
Hull Brook, N. J. Harbor I.
Richardson studying engines in
log and Allen Thompson

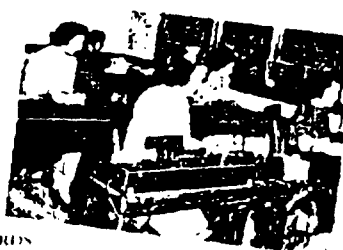


PRESTON C. HARRIS

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SALTS

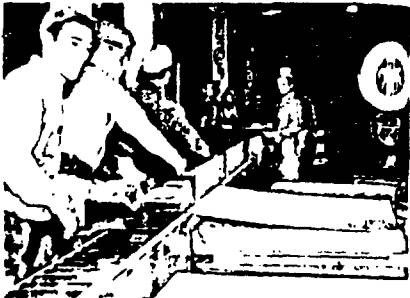
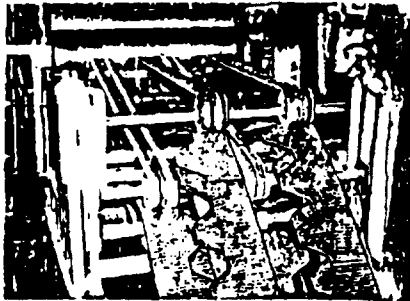
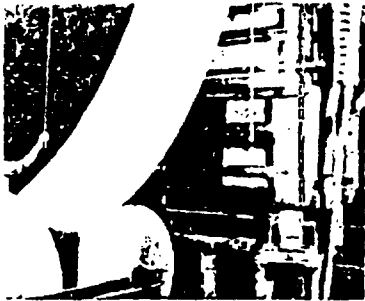
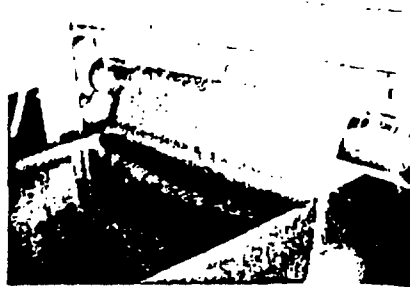
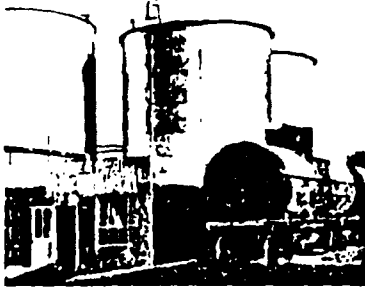
SALES The responsibilities of salesmen is in respect to the trade of a certain distributing problem was stressed at December conference of division sales managers. At small table, Herbert Abraham, President S & P Mount, Vice President At Large tables, Jackson, G. F. Kern, New England, Walter C. Gorman, Eastern Division, J. M. High, Insulation Department, J. J. O'Leary, Middle, J. M. Dineen,

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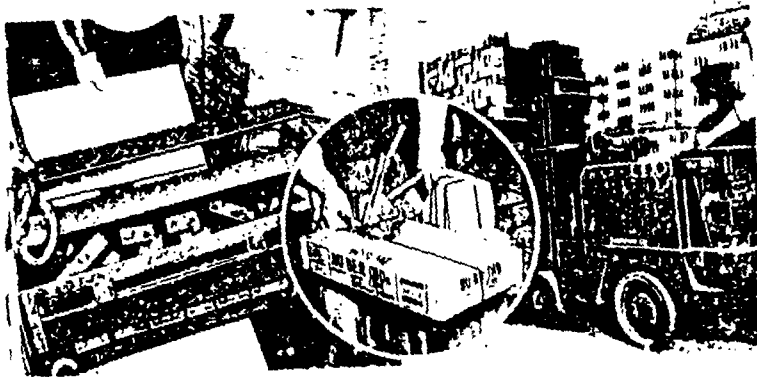
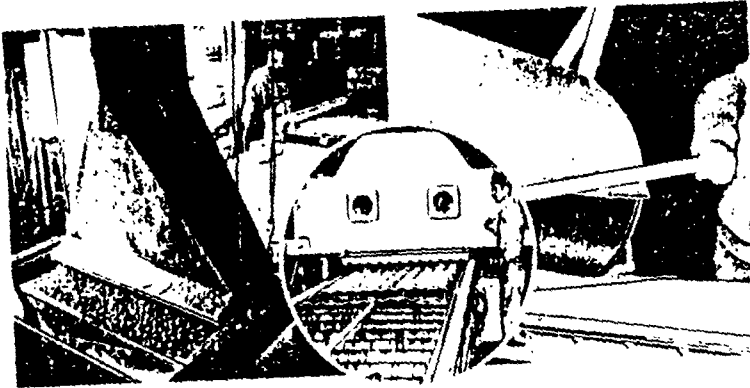
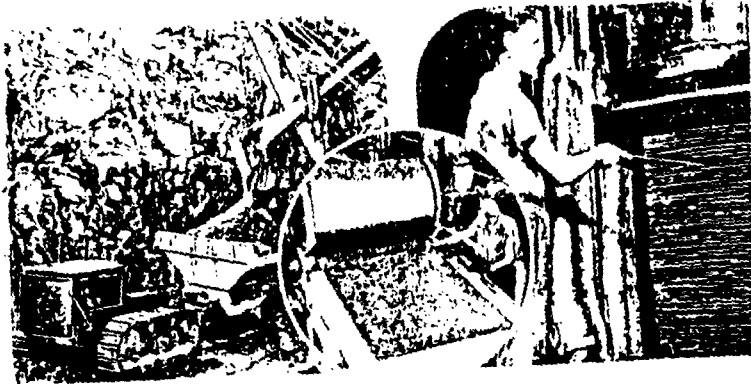
REFERENCES

*Rubicon's computer operations are fully automated and
available at the Capital Connection site.*

FRAMEWORK *An Asphalt Products*



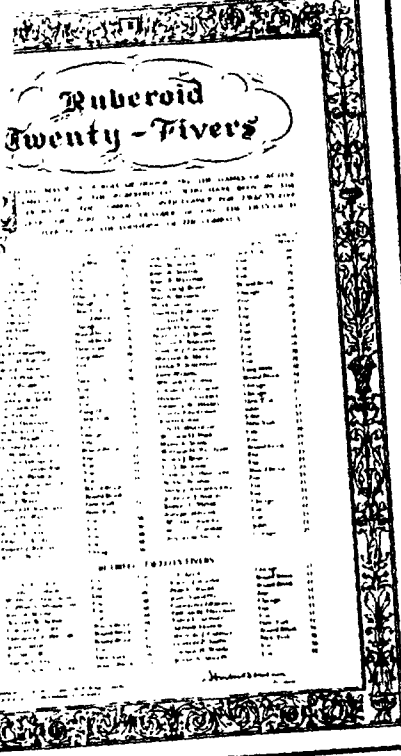
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GAF 12586

55th Anniversary

October 20, 1941, marked the 75th

NEW THIRTY-THREE
IN 1911

1811. 41

IRIL, PA
I lived in a Twenty Four room apart-
ment house at a post hospital in Richmond,
Virginia at 1800. The next to
me, Harold Blake, Jay Walker,
Steve Allen, A Earl Mann, Orlan
Walter, George, Manning, Adam
Wheeler and Joseph L. L. L. L. L.
I lived



SUPREMACY IN THE
THEATRE

SOUTH INDIAN BRICK
 Thomas Kennedy, eight, manager of
 the Central A. meeting Office at 200
 Broad Street, presented "Twenty five
 membership cards to two members of
 the department Charles S. Heston
 and William H. Van Nod

CONCLUSION

JOHN I. DIVISION
 Is the John I. Division. The total number
 of men in the John I. Division is 100.
 The John I. Division is divided into
 three parts. The first part is the
 John I. Division. The second part is the
 John I. Division. The third part is the
 John I. Division.



BOOK VALUE OF CAPITAL STOCK
Apportionment of Balance Sheet Items per Share of
Capital Stock, of Which 397,806 Shares Were Outstanding
December 31, 1911

		Book value per share of capital stock
CURRENT ASSETS		
Cash	\$ 2,489,206.57	\$ 6.257
Accounts and notes receivable (less reserves)	\$ 2,09,408.87	8.17
Inventories	3,721,225.49	9.36
Total current assets	\$ 9,462,841.93	\$23.78
CURRENT LIABILITIES (deduct)	2,128,907.77	6.40
Net current assets	\$ 7,333,934.16	\$17.68
RESERVES	601,400.00	1.51
EXCESS OF CURRENT ASSETS OVER LIABILITIES AND RESERVES	\$ 6,732,534.16	\$16.67
PERMANENT ASSETS, ETC.		
Properties (less reserves)	\$ 9,207,506.75	\$23.14
Investments and advances	12,259.19	.11
Deferred charges	153,858.54	.39
Total permanent assets, etc.	\$ 9,405,624.48	\$23.64
Net Book Value	\$15,838,159.62	\$39.81

THE REUBEN CO. AND WHOLES
COMPARATIVE CONSOLIDATED BALANCE SHEET

ASSETS	December 31, 1944	December 31, 1943
Cash	\$ 1,489,483	\$ 1,987,846
Trade accounts and notes receivable (less reserves 1944 1943, 1942, 1941, 1940, 1939, 1938, 1937, 1936)	1,966,417.44	1,860,389.44
Inventory, work in process, and notes receivable (less reserves 1944 1943, 1942, 1941, 1940, 1939, 1938, 1937, 1936)	69,341.96	22,859.66
Prepaid expenses	3,649.77	3,545.48
Inventory of raw materials, finished products, factory sup- plies, and work in process of manufacturing in the lower of cost or market (FIFO basis)	3,212,254.49	2,729,697.16
	\$ 9,162,882.93	\$ 7,606,337.80
Investment in subsidiary company		
The Reuben Co. - The Reuben Co. subsidiary company not consolidated		
Investment in subsidiary shares at nominal value	\$ 1.00	\$ 1.00
Minority interest in subsidiary company (less re- serves 1944, 1943, 1942, 1941, 1940, 1939, 1938, 1937, 1936)	25,279.40	31,907.19
Advance for construction of cultural building	16,958.79	30,901.08
	\$ 42,239.19	\$ 62,809.27
Investment in subsidiary company - Equipment		
Motor and other tools, fixtures, and equipment		
At reproductive value as appraised by The American Appraisal Company in 1937, 1938, and 1940; subsequent appraisals	\$11,369,710.49	\$13,127,904.47
At value on liquidation (costal value) as determined by The American Appraisal Company December 31, 1943	998,276.49	1,009,511.84
	\$12,367,986.98	\$14,137,416.31
Reserve to reduce reproductive values to sound values as appraised together with subsequent provision for depreciation and depletion	6,160,449.95	5,675,815.40
	\$ 9,207,536.93	\$ 8,461,600.91
Deferred income		
Deferred income, prepaid advertising, and deferred ex- penses on contracts of construction	\$ 355,858.53	\$ 320,551.46
	\$18,868,517.49	\$16,557,454.44

OWNED SUBSIDIARY COMPANIES

DECEMBER 31, 1941 AND DECEMBER 31, 1940

LIABILITIES

	December 31, 1941	December 31, 1940
Current Liabilities		
Trade accounts payable	638,444.88	81,000.00
Accrued salaries, wages, commissions, etc.	208,521.00	—
Sundry accrued liabilities	224,874.69	100.00
Reserve for Federal income and excess profits taxes	1,000,000.00	—
	\$ 2,128,900.57	\$ 167,100.00
Reserves		
For need, insurance, compensation, insurance, and other contingencies	\$ 600,000.00	\$ 50,000.00
CAPITAL STOCK		
Authorized	1,000,000 shares of no par value	
Issued	108,912 shares of no par value	\$18,025,938.48
Less	41,430 shares reacquired and held in treasury at cost	159,494.58
Outstanding	927,806 shares of no par value	\$18,025,938.48
PAID-IN SURPLUS, per statement attached	\$ 1,904,786.03	\$ 1,907,341.00

\$18,025,938.48

THE RUBENBOLD CO.
 A WHOLLY OWNED SUBSIDIARY COMPANY
 COMPARATIVE CONSOLIDATED STATEMENT OF
 PROFIT AND LOSS
 For the Years ended December 31, 1941
 and December 31, 1940

	December 31, 1941	December 31, 1940
Sales, less returns, discounts and allowances	\$25,778,660.98	\$17,369,901.59
Cost of goods sold (exclusive of depreciation)	19,577,307.15	13,660,385.30
Gross profit	\$ 6,201,353.83	\$ 3,709,516.29
Selling, advertising, administrative, and general expenses	3,231,549.26	2,659,290.28
Trading profit	\$ 2,969,804.57	\$ 1,050,226.01
Other income:		
Cash dividends received from The Rubenbold Co. Ltd.		
(United Fruit Company, a subsidiary company not consolidated)	\$ 31,029.37	\$ 31,750.84
Interest earned	2,091.52	1,355.35
Miscellaneous other income	20,305.94	22,607.96
Total other income	\$ 53,426.83	\$ 55,704.15
Trading profit and other income	\$ 3,023,231.40	\$ 1,105,930.16
Other charges:		
Loss on sale of marketable securities	\$	\$ 35,962.84
Loss on disposal of capital assets	89,080.48	13,015.99
Interest paid	1,158.93	
Provision in 1941 for loss on consumer's notes sold to The United Fruit Corporation, exercised in 1940 as no longer required		30,000.00
Telephone expense	54,383.48	52,963.97
Total other charges	\$ 145,622.89	\$ 91,972.80
Profit before provision for federal income and excess profit taxes	\$ 2,877,608.51	\$ 1,013,957.36
Provision for federal income and excess profit taxes (29.90%)	861,346.22	304,815.52
Income for the year ending December 31, 1941	\$ 2,016,262.29	\$ 709,141.84

(1) The consolidated profit for 1941 was computed from the losses on securities sold and adjusted at the year end to reflect the effect of the provisions.

(2) The profit of the Rubenbold Co. on the profit of The Rubenbold Co. Ltd., a subsidiary company, exceeded the dividends received from that company for the year 1941 by approximately \$43,600. (1940 by approximately \$4,000.)

(3) The provision for excess profit tax for 1941, amounting to \$861,346.22, was made on the basis of the consolidated profit of the company.

(4) The provision for federal income tax for 1941, amounting to \$861,346.22, was made on the basis of the consolidated profit of the company.

The RUMFORD CO.
AND WHOLLY OWNED SUBSIDIARY COMPANIES

COMPARATIVE CONSOLIDATED STATEMENT OF EARNED SURPLUS FOR
THE YEARS ENDED DECEMBER 31, 1941 AND DECEMBER 31, 1940

	December 31, 1941	December 31, 1940
Earned surplus at beginning of year	\$ 1,000,000.00	\$ 1,000,000.00
Less: Profit for the year	1,500,000.00	800,000.00
	\$ 2,500,000.00	\$ 1,800,000.00
Deduct: Dividends paid in cash: 1941 - \$1.75 per share, 1940 - \$1.30 per share	(500,000.00)	(500,000.00)
Earned surplus, at end of year, per balance sheet	\$ 2,000,000.00	\$ 1,300,000.00

PRICE WATERHOUSE & CO.

50 FINE STREET
NEW YORK

February 11, 1941

The Board of Directors of
The RUBENSON Co.

We have examined the consolidated balance sheet of The Rubensn Co. and its wholly owned subsidiary companies as at December 31, 1940, and the consolidated statements of profit and loss and earned surplus for the year then ended. In connection with our examination we reviewed the system of internal control and the accounting procedures of the companies and, without making a detailed audit of the transactions, have examined or tested accounting records of the companies and other supporting evidence by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary.

In our opinion, the accompanying consolidated balance sheet and related consolidated statements of profit and loss and surplus present fairly the position of the consolidated companies as at December 31, 1940, and the 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.

PRICE WATERHOUSE & CO.

Summary of Capital Structure and Dividend Record of The RUBEROID Co. and Predecessor Companies

Year	Shares Outstanding	Dividend Per Share	Total Dividend	Year	Shares Outstanding	Dividend Per Share	Total Dividend
1889	10,000	\$3.00	\$30,000	1916	17,758	\$5.75	\$101,739
1890	10,000	3.00	30,000	1917	19,111	6.00	114,666
1891	10,000	3.00	30,000	1918	19,893	8.00	159,164
1892	10,000	3.00	30,000	1919	19,962	2.00	39,924
1893	10,000	1.50	15,000	1920	19,962	1.00	19,962
1894	10,000	1.50	15,000	1921	19,962	1.00	19,962
1895	10,000	2.00	20,000	1922	33,112	1.00	33,112
1896	10,000	2.00	20,000	1923	33,112	1.00	33,112
1897	10,608	2.00	21,216	1924	33,112	1.00	33,112
1898	11,817	2.50	29,542	1925	33,112	1.00	33,112
1899	11,821	3.75	44,328	1926	33,112	1.00	33,112
1900	{ 11,826 } { 11,826 }	10.00	118,260	1927	{ 33,112 } { 33,112 }	{ 2.00 } { 2.00 }	{ 66,224 } { 66,224 }
1901	11,826	12.00	141,912	1928	118,732	1.00	118,732
1902	11,828	15.00	177,420	1929	111,511	1.00	111,511
1903	11,833	20.00	236,660	1930	113,251	1.00	113,251
1904	11,980	18.00	215,640	1931	119,817	1.00	119,817
1905	23,995	10.00	239,950	1932	132,602	2.00	265,204
1906	11,397	9.00	102,573	1933	132,602	1.00	132,602
1907	11,397	9.00	102,573	1934	132,602	1.25	165,752
1908	11,397	7.00	79,779	1935	132,602	2.50	331,505
1909	11,397	9.00	102,573	1936	132,602	1.00	132,602
1910	11,397	9.00	102,573	1937	{ 132,602 } { 132,602 }	{ .75 } { 1.85 }	{ 99,451 } { 245,314 }
1911	11,360	9.00	102,240	1938	132,806	.60	79,683
1912	11,150	8.00	89,200	1939	132,806	1.10	146,086
1913	10,810	7.00	75,670	1940	132,806	1.30	172,648
1914	17,758	3.00	53,274	1941	132,806	1.75	232,410
1915	17,758	1.25	22,197				\$1,621,731

* Assets of The Standard Pencil Company of West Virginia were purchased by The Standard Pencil Company of New York, and became the assets of the latter company.

The RUBEROID Co. of New York.

\$100 Value \$58.00

\$100 Value \$100.00

\$250 Per Value

Dividend paid in 1911 and the first of the 1920's, based on the 1910 value of the stock, were \$2.00 per share, which include 1 \$1.00 in 1911 and 1 \$1.00 in 1920.

K E I B E R O I D B U I L D I N G P R O D U C T S

Vulcanizing and vulcanizates for

Auto tires
Bicycle tires
Cable tires
Cable Tires, etc.
Flat
M.B.S. and
M.B.C. products
Pneum
Pneum
Sheet
Sheet for vulcanizing

Automotive Products

Automotive
Automotive
Automotive
Automotive

Boards

Cement and asbestos cement sheets
Flat sheets of asbestos cement
Wallboard
Fiber boards of insulation

Building Papers

Blue building
Blue building
Waterproof building
Waterproof building

Building Roofing Products

Asbestos felt
Asbestos felt
Asbestos felt
Asbestos felt
Asbestos felt
Asbestos felt
Asbestos felt
Asbestos felt
Asbestos felt
Asbestos felt

Asbestos felt
Asbestos felt
Asbestos felt
Asbestos felt

Chemicals

Chemicals
Chemicals
Chemicals
Chemicals

Felts

Asbestos felt
Automotive felt
Carpet felts
Decorative felt
Fiberglass felt
Rug felts for felt base floorings
Rug felts for roofing products
Slabs felt
Strong felt

Floor Coverings

Carpet felts
Felt base flooring felt
Fiberglass felt

Insulating Materials - Building

House felt
Insulated felt
Rock wool products

Insulating Materials - Industrial

Asbestos, cellular pipe coverings and
blanks
Asbestos cement
Asbestos laminated pipe coverings
Asbestos millboard
Asbestos paper (plain and corrugated)

RUBBER OIL BUILDING PRODUCTS

Insulating Materials—Industrial (Continued)

Asbestos roll board
Fire proof insulating board
High temperature pipe coverings and blocks
Magnesia (85%) pipe coverings and blocks
Range hood insulating jackets
Rock wool products
Spring felt pipe coverings
Wood felt pipe coverings

Insulating Materials—Electrical

Asbestos boards—plain and fabricated
Asbestos molded boards
Formulas
Prints
Taps

Packing Papers

Laminated papers
Reinforced papers
Waterproof kraft papers

Paints, etc.

Boiler and stack coatings
Concrete primer
Electrical lacquers
Liquid fiber coatings
Non-corrosive paints for metals
Pipe primer
Plastic roof cement
Roof coatings

Pipe Line Products

Formulas
Primer
Waterproof felts (rugs and asbestos felts)

Road Materials

Felch
Road tar

Rock wool Products

Bats
Blankets
Crushed wood
Loose wool

Roofings in Roll Form

Asbestos felt lins.
Asphalt roll roofings
Cap sheets
Flashing strips
Mineral surfaced
Mineral surfaced
Rag felt base
Scratched edge rolls
Smooth surfaced
Sealing strips

Shingles

Asbestos cement
Asphalt (mineral surfaced)

Sidings

Asbestos cement
Asphalt (mineral surfaced)
Inorganic asphalt brick

Waterproofing Products

Cotton fabric impregnated with asphalt
on roof for patch
Integral compounds for port and
cement
Monobone waterproofings
See also: Built-up Roofing Products
Subway Fibers

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ALBERT E. RIGGS	E. C. RIGGS
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