

MINUTES
EXECUTIVE COMMITTEE MEETING
NATIONAL PAINT, VARNISH AND LACQUER ASSOCIATION, INC.
Association Headquarters, Washington, D. C.
April 16, 1937

A regular meeting of the Executive Committee of the National Paint, Varnish and Lacquer Association, Inc. convened at 10:30 A. M. Friday, April 16th, 1937, in Association Headquarters, Washington, D. C., with Chairman Frank L. Sulzberger presiding. The following were in attendance:

F. H. Carter	E. D. Griffin	H. W. Rice
W. C. Dehney	M. L. Havey	C. J. Roh
O. J. S. de Brun	D. A. Kohr	F. L. Sulzberger
S. C. Dunning	deLancey Kountze	Ernest T. Trigg
D. W. Figgis	S. R. Matlack	W. M. Zintl
	H. A. Molum	

Guests

J. E. Ingram	William J. Pitt	Harold E. Webster
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Association Staff

Reuel W. Elton	H. A. Gardner	M. Q. Macdonald
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Absent

E. J. Cornish	Wells Martin	C. N. Seidlitz
(represented by F. M. Carter)	R. A. Plumb	J. Heath Wood
J. B. Lord		

CALL TO ORDER

The meeting was called to order by the Chairman with a word of welcome to the guests. The Secretary presented letters of regret from Messrs. J. B. Lord, Wells Martin, and J. Heath Wood, and read the following communication from Dr. R. A. Plumb regarding the labor situation in the Detroit area:

"It appears from the evidence of today that I must unfortunately experience the great disappointment in not being able to attend meeting of the Executive Committee in Washington on Friday of this week. I looked forward to this meeting for some time as I felt our experiences with labor here in Detroit might be interesting information to the members of the Committee.

"Our plant is located almost midway between the Chrysler Highland Park Plant and the Dodge Hamtramck Plant. Since the start of the Chrysler sit-down our workmen have been exceedingly restless. Notwithstanding the fact that we made substantial advances in wages the first of March. In fact the basis of wages which we paid to our employees during the month of March amounted to an average of \$144 per workman.

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"The situation of our company, as well as Boydell's, Berry Brothers and practically all other paint manufacturers in Detroit, is made difficult by the fact that the Finshed Mason Company recognized the union some weeks ago, and establish wages on a basis of a minimum of 75¢ per hour, with an average of around 82¢ to 83¢ per hour. The Ditzler Color Company, although not recognizing the union, adopted the same wage schedule as Finshed Mason.

"About ten days ago Boydell Brothers effected a lockout, and in the compromise to enable the men to come back to work, they settled on a minimum hourly wage of 70¢.

"The majority of our workmen in our Paint, Varnish and Lacquer Departments are members of the union, and we have recognized the union to the extent of their membership. Substantially the same situation exists with Berry Brothers, although up to this afternoon they have signed no recognition agreement with the union.

"We received our demands, which run as high as 96¢ an hour, from the so-called bargaining or negotiating committee of the union last week. We had our first meeting with them yesterday afternoon and it was a very unsatisfactory conference.

"Demands were presented to Berry Brothers on Monday of this week, and I believe they have their first meeting with the bargaining committee scheduled for Saturday of this week.

"We have a further meeting with the bargaining committee and representatives of the union headquarters tomorrow afternoon, Thursday, and on account of the wide difference in our viewpoints will doubtless be compelled to meet again on Friday, and possibly again on Saturday. At least the situation with me is unfortunately so acute and pressing at the present moment that it is just humanly impossible for me to leave Detroit.

"I am greatly disappointed in not only missing the Executive Committee, but had contemplated spending at least a solid day with Mr. Emerson. Just as soon as our situation can be settled, either for the better or worse, I plan to come to Washington, which I hope will be some time next week, as I have several subjects I am quite anxious to review with Mr. Emerson.

"I sincerely hope with your understanding of the unavoidable condition impelling me to remain in Detroit, that I may have your indulgence in excusing me from the meeting on Friday of this week."

(Signed) R. A. Plumb

MINUTES OF LAST MEETING

The Secretary stated there was no unfinished business left over from the last meeting not cared for in the agenda of the present meeting. The chairman stated that inasmuch as a copy of the minutes of the last meeting had been mailed to each member of the committee the minutes would be approved without reading if there were no objections. There being no objections, the minutes of the meeting of the Executive Committee of January 27, 1937 were approved without reading. ✓

REPORT OF BUDGET AND FINANCE COMMITTEE
AND OF TREASURER

Mr. C. J. Roh, Chairman of the Budget and Finance Committee, reported that the Committee held a meeting at breakfast this date (April 16, 1937) at which time the financial statement of the Association was carefully reviewed.

As Treasurer, Mr. Roh presented a statement of income and expense for the period from October 1, 1936 to March 31, 1937 and a balance sheet showing assets, liabilities and surplus as of March 31, 1937. (Copy attached). It was moved by Mr. Matlack, seconded by Mr. Carter, that the report of the Treasurer be approved. Motion carried.

REPORT OF SCIENTIFIC SECTION

Dr. Gardner reported that since the first of the year the following Scientific Section Circulars have been issued:

Circular No. 524 Perilla Planting Experiments of 1936
 525 Physical Specifications for Wall Paints
 526 Mildew Prevention (Fifth Report)
 527 Painting Galvanized Iron
 528 Painting Brick
 529 Abstract of Discussion of Federation Papers
 530 Iodine Values of Linseed Oil
 531 Review of Patents on Synthetic Drying Oils
 532 Traffic Paints
 Abstract Reviews Nos. 47 and 48

He reported on the work which the Association has done with the Lumber Products-Better Paint Campaign in revising literature which is being distributed by various lumber associations throughout the United States. He reported on the various meetings he had attended and the results which have now been accomplished in getting this literature on a fair basis that will be acceptable to manufacturers of prepared paints.

President Trigg stated that for approximately two years Association representatives have been discussing with the lumber interests the apparent conflict between white lead and mixed paint as developed by the Better Paint Campaign; he stated that the subject had taken much time and much discussion but that he believed the matter was in good shape now. Mr. Trigg stated that the Lead Institute under the guidance of Mr. Carter had taken a splendid attitude on this entire subject and that Mr. Wormser had taken a constructive view of the subject and had worked with representatives of the paint industry. He stated that Mr. Critchfield, Director of the "Better Paint Campaign", had changed his type of presentation so that now it was devoted entirely to the subject of "better paint". President Trigg stated that Mr. Wormser had asked Dr. Gardner to review a new traveling exhibit to be sent out by the "Better Paint Campaign" and to make such suggestions for changes as he deemed advisable; he reported that Dr. Gardner's suggestions for changes had all been accepted.

Dr. Gardner then reported upon the situation which has developed with the Forest Products Laboratory at Madison, Wisconsin in connection with recommendations which have been proposed by Dr. Browne for a system of type identification and grading for house paints. Copies of Dr. Browne's report "A System of Type Identification and Grading for House Paints" were distributed. A meeting to discuss this matter with Dr. Browne has been arranged by President Trigg for

April 26-27 at Madison, and will be attended by a number of prominent paint technologists. Dr. Gardner expressed the belief that Dr. Browne's method of grading is faulty and would do great damage to our industry if adopted.

In reply to a question by Mr. Sulzberger as to the objection to the use of the label suggested by Dr. Browne, Dr. Gardner stated that our industry has always opposed grading of paint and that the use of this label would indicate to the public that all paints carrying the label would be the same whereas in actual practice there would be little similarity in the products. Mr. Sulzberger expressed the opinion that the proposed label might be an effective offset to more objectionable grading plans. President Trigg stated that Dr. Browne was of the opinion that there were too many formulae in use in the paint industry and that approximately 25 formulae should cover the needs of the industry.

Mr. Rice asked if this label was supposed to be in the interest of the consumers and Dr. Gardner replied in the affirmative. Mr. Rice stated that it seemed to him that the label would be more confusing to the consumer. He expressed the belief that Dr. Browne's paper is more interesting than important and was probably not of enough importance to the industry to oppose the plan.

President Trigg stated that Dr. Browne's paper was just a beginning for his "incompatibility idea" and expressed the belief that this "idea" would get nowhere. He stated that the theory of "incompatibility" is that in order to get satisfactory service from paint it is necessary to use the same kind of coatings for each re-paint job and he stated that the idea of the meeting of paint technicians in Madison is to thoroughly discuss this question.

Dr. Kohr expressed the belief that Dr. Browne's premise that there are so many paint failures that something must be done about it, is wrong.

President Trigg asked members of the Committee to take home with them the copy of Dr. Browne's paper, study it and send to Dr. Gardner or to himself any suggestions which they might care to make. He expressed agreement with Dr. Kohr in the belief that Dr. Browne is being misled as to the seriousness of the situation; he stated that Dr. Browne has lived in an atmosphere of paint failures because he has been inviting reports of paint failures for the past two or two and a half years and he has stated that in no one instance does he believe failure due to the quality of the paint used.

Mr. Sulzberger expressed the opinion that Dr. Browne's paper is worthless unless his "compatibility theory" is correct. He suggested a thorough study of the subject jointly by Dr. Browne and his associates and the paint technicians who will be in attendance at the meeting in Madison and then if there is acceptance that the theory is correct the paint industry will find it necessary to do something about it.

Mr. Rice reported that 25 years ago he had purchased an old house on which the paint had scaled about as badly as any he had ever seen; he stated that the coats of paint which were all of the hard type were scraped and that a soft type paint was used for the repaint job and that there has been no trouble with the paint job since that time.

Dr. Gardner then reported upon his proposed circular on labelling rules; he stated that when this was originally presented at the November meeting, it was suggested that it be held up for further work, with the idea of developing

a glossary of all terms used in formula labelling. This having been accomplished, the circular is now submitted again (copy attached) to the members of the Executive Committee for their further consideration. He expressed the belief that definitions of this character, with proper terminology, will, if used, avoid much misrepresentation and may in the long run accomplish other desirable purposes. ✓

In answer to a question by Dr. Kohr as to whether or not this circular might be considered a further step towards standardization, Mr. Sulzberger expressed the opinion that that is a possibility. Mr. Hovey expressed the opinion that it probably would be considered no more so than what has already been done. Dr. Kohr expressed the opinion that it might be better for the industry to approve a national labelling law. Mr. Hovey stated that he did not believe that would cover the situation.

President Trigg suggested that this matter be referred back to the Scientific Section Committee for further study and reference to the next meeting of this committee. This suggestion was approved. ✓

Dr. Gardner then reported upon miscellaneous oils. He indicated that at the present time there are over three and a half million acres of land planted with soybeans. He indicated that the production of tung oil now being pressed in America from the 1936 crop of seed might be in the neighborhood of two million pounds. He suggested that many of the plantings had been seriously injured by frost this year, but nevertheless some of the more prominent planters are substantially increasing their acreage. He referred to the results obtained in the experimental plantings of perilla in 1936, and outlined the campaign for additional planting tests during 1937. He then pointed out the work he has done in connection with chia, a quantity of very fine seed having been received from Mexico. This seed had a germination of 98%, and was distributed to more than 100 different planters throughout America, and the results that may be obtained during the summer will be watched with great interest. He suggested that it was his belief that chia would probably prove of even greater value than perilla, because the seed is probably easier to harvest and the oil is of even higher iodine number. He suggested that it might be to the benefit of this Association if we were to establish a bureau that would work exclusively upon the introduction of new oil seeds in America, and constantly stimulate the production of such crops in order to make our industry more independent of foreign sources for drying oils. He suggested this bureau might work under the Scientific Section and have a personnel of trained agriculturists who could travel throughout the country, stimulating this work. Graduates of agricultural colleges, who have had four or five years training in the field, might be employed for this purpose. Oils such as soybean, tung, perilla, chia, linseed and others should be given the consideration of such a bureau.

President Trigg stated that we have a new convert to oil plantings in Past President Herbert Hoover whose son Alan will make some Perilla plantings of considerable size this year.

Dr. Gardner then pointed out the work he had done in Georgia in assisting to prevent the passage of the Georgia paint bill.

He also stated that he had purchased some land in Washington, consisting of about 18,000 square feet. The land is in a desirable location overlooking the river. He suggested that he had made the purchase as a personal investment, with the thought in mind that if it was found necessary to move the present headquarters he would make this land available to the Association at the price he paid for it provided the Association cared to acquire it.

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Mr. Sulzberger said that Dr. Gardner's action in this matter was just typical of his rare unselfish spirit and that it was worthy of much consideration.

President Trigg stated there was nothing new in the situation involving the moving of national headquarters insofar as he knew. He stated that the attitude of the President now seems to be one of reduction in activity in the building program and that probably that is the attitude government should take; when business is low -- increase government activity; when business is good -- decrease government activity.

Dr. Gardner reported upon recent meetings of the American Chemical Society and of committees of the American Society for Testing Materials, in which he took an active part.

AMENDMENT TO NEW YORK ASSOCIATION BY-LAWS

The Secretary reported that the New York Paint, Varnish and Lacquer Association had presented for approval a recommendation that their Constitution and By-laws be amended by the elimination, in Section 1, Article VI of the Constitution and in Section 1, Article VI of the By-laws, of the provision which requires that amendments to the Constitution or By-laws "shall only be made with the approval of the Executive Committee of the National Paint, Varnish and Lacquer Association, Inc." Mr. Dunning explained the situation which brought about this proposed amendment to the New York Association regulations and suggested that the proposed amendment be not approved. It was moved by Mr. Rice, seconded by Mr. Figgis, that the proposed amendment to the New York Paint, Varnish and Lacquer Association Constitution and By-laws, eliminating the requirement that amendments to the Constitution and By-laws be approved by the Executive Committee of the National Association, be disapproved. Motion carried.

CONFERENCE WITH PAINTERS ON REGISTRATION LEGISLATION

President Trigg referred to the painter's licensing bills which have been presented in numerous states, explained the set-up of the Board provided by the proposed laws to have control over painting activities and stated that the Association has vigorously opposed this type of legislation. He reported that thanks to the good work of the Legislative Committee under the direction of Mr. Herbert W. Rice as Chairman and to the very effective work of Mr. William J. Pitt as Vice Chairman of the Committee every measure of this type so far presented had been defeated with the exception of the bill in the state of Wisconsin where amendments to the bill had removed most of its objectionable features.

President Trigg stated that more measures of this type had been presented this year than in any previous year, that the painters' attitude has become belligerent, that the Illinois painters' group had advised the manufacturers that they "had better lay off or else" and that at the annual meeting of the International Society of Master Painters and Decorators held in San Antonio, Texas, in February a resolution had been passed directing that a letter be addressed to the National Paint, Varnish and Lacquer Association, requesting this organization to cease its activities in opposing master painters' license bills and that this Association do not oppose any legislation proposed by representatives of the master painters organization.

President Trigg stated that on his recent trip to the West Coast he met Mr. Afman, President of the master painters' organization, and discussed the entire situation with him. Mr. Afman stated that he was not in accord with many of the bills as proposed and suggested that a small group representing the manufacturers' association meet with a small group representing the painters' association for the purpose of endeavoring to reach a compromise. Mr. Trigg reported that subsequently Mr. Afman, President of the painters' association, Mr. Marshall of Boston, Past President of the painters' association, Mr. Fairhead of Bridgeport, Mr. O'Donnell of Providence, and Mr. George Street Business Director of the painters' organization, met in New York with Mr. Herbert W. Rice, Chairman of the Legislative Committee of our organization, Mr. Pitt, Vice-Chairman of the Committee, Mr. Charles J. Roh, Treasurer of the Association, Mr. J. E. Ingham of Pittsburgh, Mr. M. Q. Macdonald, General Counsel of the Association, and himself.

President Trigg reported that the group was in session all day and that while the representatives of our Association felt that nothing much could be accomplished, the group became impressed with the thought that in view of changes taking place in legislation throughout the country possibly some change might be desirable in the manufacturers' position regarding painters' licensing measures; he stated that the group felt toward the end of the conference that if some reasonable uniform registration measure could be agreed upon that it might be best for all parties concerned.

President Trigg reported that this year an amendment has been presented to the Wisconsin bill which will put teeth back into the measure and that the painters have the backing of union labor in the state. In Illinois a really vicious bill has been presented and organized labor interests are cooperating with the painters in an effort to have the measure enacted into law and it is difficult to determine at this time what the outcome might be. Mr. Trigg stated that the situation offers the possibility that bills may be passed in some states in spite of the excellent work being done by Mr. Pitt and our Legislative Committee and that rather than take a chance with radical measures like the proposed Illinois bill the group representing our Association believed that some alteration of our plans might be advisable. He stated that, with the explanation to the painters that the group representing the manufacturers' association had no power to speak for this industry he suggested giving favorable consideration to a measure embracing the following basic thoughts.

- (a) Provide for compulsory registration of contracting painters for a nominal fee.
- (b) Omit any provision for an Examining Board.
- (c) Make painters license available to any applicant.
- (d) Omit any provision for the permanent revocation of any license.
- (e) Include the ordinary fair trade provisions enforced through power to suspend licenses but not revoke them, with suspension subject to court review (power to hear and suspend being lodged in some appropriate state agency rather than in a painters' board).
- (f) Exempt from its provisions industrial and institutional maintenance painting and painting by home owners.

- (g) Omit from unfair trade practice provisions reference to the use of "inferior materials", but prohibit substitution of materials without the consent of the owner or his agent.

These provisions were all unanimously approved of by the representatives of the painters' organization present at the meeting as representing their idea of uniform, standard licensing legislation.

President Trigg stated that he asked the painters' representatives what power their Association might have to get uniform regulations substituted for other bills presented by state councils. The painters replied that they had no authority but believed they would have sufficient influence to get favorable action. They agreed not to discuss the conference in New York until this Executive Committee had had an opportunity to consider the proposal. Mr. Trigg reported that the committee representing our Association were unanimous in believing that this method of handling the question of painters' licensing bills would be for the best interests of all parties concerned. He suggested that if the Executive Committee approved the program the entire matter should be referred to a committee to meet with representatives of the painters' organization to work out details. ✓

Mr. Rice stated that Mr. Pitt had borne the burden of the Legislative Committee work for several years very successfully but that the battle was getting increasingly difficult. He expressed the opinion that manufacturers are not opposed to painters' regulatory measures unless they restrict the use of paint but that in the opinion of the Legislative Committee measures presented to date by painters' interests would restrict the use of the products of our industry.

Mr. Rice stated that he had received first hand information on the method of operation in connection with painters' licensing bills when the painters presented their measure in Rhode Island. He stated that the painters called upon the dealers and asked them to back the measure. Mr. Pitt organized another group of interests not directly connected with the paint industry to oppose the measure. The measure got into committee in the House and was lost.

Mr. Rice stated that Mr. O'Donnell of Providence said that the painters were as much opposed to any restriction to the use of paint as the manufacturers are and claim that their interest in the matter was to build up some protection against cheap paint and gyp painters. Mr. Rice stated that if painters are successful in getting one of their drastic bills adopted in some state it may spread rapidly throughout other states and that the manufacturers should have some constructive plan of their own to present. Mr. Rice stated that when he learned about the resolution passed at the annual meeting of the master painters in Texas he felt that an informal meeting such as the one held by the two sub-committees would be of no value, but that he was pleasantly surprised to find that the painters' attitude on that occasion was really constructive and that they were willing to accept the proposal as presented by the committee representing our Association. He expressed the belief that there is nothing whatsoever in the proposal which would restrict in any way the use of paint products.

STATUS OF STATE BILLS

Mr. Pitt presented the following report on the status of bills presented in the various states during 1937:

"Licensing bills - N.D. - Dead; Iowa - Dead; Minn. House and Senate - in Committee; Montana - Dead; Wisc. - Passed House, in Senate Amended; Mich. - in Committee, not likely to pass; Neb. - Dead; Mo. - Dead; Colo. - in Rules Committee, no chance; Ind. - in Committee, no chance; Pa. - out of House Committee; Ill. - in House Committee; N. H. - Dead; R. I. - Master Painter Bill - in Committee; R. I. - Scaffold Erectors or riggers, in Committee.

"Spray Painting - Washington - Dead; Ohio - Blocked.

"Taxes & Classified Standardization of Products - Georgia - Dead.

"Formula Labeling - Texas - Dead; Wisc. - Prepared Pts. In Committee; New York House and Senate - Toxic Removers - Dead."

Mr. Pitt stated that he was only concerned about the Licensing bill in Illinois and the Labeling bill in Wisconsin; he said the Formula Labeling bill in Wisconsin dealt only with "prepared paint" and that the industry in Wisconsin did not seem to have a desire to oppose the bill. Mr. Sulzberger stated that in his opinion "prepared paint" would be interpreted to include all paint products and that the measure would be in fact a general labeling law and that as such it was a matter of national importance. President Trigg stated that there had been no change in the Association's attitude toward this type of measure and that without different instructions from this committee the Association would continue to fight the passage of the bill. ✓

Mr. Ingram stated that he felt there was little he could add to what had already been said. He said that he had been advised that the question of painters' licensing bills had brought out the most bitter debate at the annual meeting of the International Society of Master Painters and Decorators and he felt that instead of relying on a deep seated prejudice of years standing of opposition to all licensing measures it might be well for manufacturers to try to develop, from the position that licensing legislation might be of some benefit, some suggestions to bring their ideas on the subject really up to date. Mr. Ingram stated that he was well impressed by the character of the members of the painters' representatives and by the fact that these representatives recognized that a great number of members of the International Society were of a different caliber than themselves; he expressed the belief that they had come frankly to get a meeting of minds between painters and manufacturers and he felt that the meeting had been well worthwhile even if it did nothing else than to bring these two groups closer together. Mr. Ingram stated that he believed the interest of the manufacturers really lies in support of some measure providing a code of fair competition for master painters rather than in opposition to all painter registration measures; he stated that he believed this committee should foster and support legislation such as proposed by President Trigg.

Mr. Reh stated that the outcome of the meeting was one of compromise on both sides; he stated that the painters claimed that they did not really want the radical provisions of some of the bills.

In answer to a question by Mr. Sulzberger, Mr. Pitt explained that the proposition to have a model bill now under consideration would not affect the work of the so-called "handy-man".

It was moved by Mr. Kountze, seconded by Mr. Rice, that subject to the Sub-Committee which met with representatives of the painters' organization being strongly of the opinion that the recommendations now made should be adopted and subject further to such uniform painters licensing bill being drafted in such a way that it will not reduce the sale of paint, that said Sub-Committee is hereby authorized to work out the details of such a licensing bill in cooperation with the representatives of the painters' organization. Motion carried.

Mr. Melum stated that the bill as presented in Illinois is the most inclusive and prohibitive bill introduced in any state, that it includes industrial maintenance and all who paint for wage or compensation and that it provides that a journeyman painter could not secure a license without three years of apprenticeship; he pointed out that since there is no apprenticeship at the present time and frequently no master painters available this measure would materially decrease the number of master painters. Mr. Sulzberger stated that he believed the bill was so severe it could not be passed. Mr. Pitt stated that the Illinois bill is different from bills presented in other states and that it would seriously penalize property owners.

UNFAIR COMPETITION BUREAU

Mr. Webster, Chairman of the Unfair Competition Committee, stated that the committee held a meeting in New York recently and discussed thoroughly plans for making the work of the Unfair Competition Bureau more effective; he stated that the committee felt it would be advisable to engage a man to devote his entire time to the work of the Unfair Competition Bureau under the direction of Mr. Macdonald and he said that plans were under way to engage such a person.

President Trigg pointed out that the budget provides for a reward to be paid to any one furnishing information leading to an order by the Federal Trade Commission or to a conviction under anti-trust legislation. He stated that he hoped arrangements would be completed in the very near future for the engagement of an individual who would devote his entire time to the purposes of the Unfair Competition Bureau.

Mr. Sulzberger expressed the belief that many people think that the association's check on unfair competition is dormant and the committee proposes to start action promptly; he called attention to the fact that headquarters of the association is charged with keeping the work of the Unfair Competition Bureau before the members of the industry.

Mr. Roh referred to the fact that formerly when Mr. Macdonald visited various cities he called on manufacturers to check on situations affecting unfair competition and to invite reports as to suspicions of violations; he expressed the belief that this type of follow-up is very advantageous, that it heads off unfair competition, that it is often of as much value to the industry as direct leads on violations, and that this kind of contact should be continued.

Mr. Sulzberger stated that this has really been merely in the nature of a report of progress to the members of this committee for the purpose of advising the committee that the Unfair Competition Committee is really going to go into action.

REPORT ON PROPOSED OIL LEGISLATION

Mr. Macdonald presented the following report on proposed legislation pending in Congress:

"There has been no change in the status of pending oil legislation.

"The Knutson Bill (H.R.1955) is before the House Committee on Ways and Means. It proposes a processing tax of 6¢ per pound on Perilla, Hempseed, Rapeseed, Sesame, Palm, Palm Kernel, Kapokseed Oils, and imported Cottonseed and Sunflower Oils.

"It also proposes an excise tax of 6¢ per pound on imported Soybean Oil, in addition to the tariff of 3½¢.

"The processing tax of 6¢ on perilla and the other oils listed for a processing tax would be in addition to the 4½¢ excise tax imposed last year. ✓

"No attempt has been made so far to push this bill to a hearing and therefore nothing has been done to oppose it actively. It seemed prudent not to make it an issue and develop an active interest on the part of members of the committee not yet interested. On the other hand, in cooperation with the Linoleum Industry and the Bureau of Raw Materials for American Vegetable Oils and Fats Industries, material for briefs and other forms of opposition has been gathered, and can be prepared on short notice.

"In addition to the Knutson bill there have been a number of reports to the effect that the sugar-growing interests wish to put flaxseed importations on a quota basis. These proposals have not yet taken the form of bills. There is a possibility that an attempt will be made to avoid the necessity of introducing a bill and having a hearing, by offering an amendment to the sugar quota legislation, and this legislation is therefore being watched very carefully.

"Because of the fact that a restriction on the importation of flaxseed by means of a quota would bear heavily on Argentina and probably destroy any chance of negotiating a trade agreement with that country, memoranda on domestic production and necessary imports, and the effect of higher prices of oil were filed with the State Department by our industry and by the Linoleum manufacturers whose interests are similar.

"When the excise tax of 6¢ was imposed last year on perilla and other drying oils, a tax of 2¢ per pound was placed on the various seeds regardless of their oil content. This results in higher cost of these oils when the seeds are crushed here than when the oil itself is imported. 7-1-62 41 2 Sec. 91.100

"Although it appears unlikely that Congress will take up these excise taxes this session, representations are being made to the Committee pointing out the effect of these unequal rates, and particularly their effect on domestic labor.

"Senator Russell of Georgia and Congressman Colmer of Mississippi have both proposed the establishment of an experiment station for the development of varieties of tung trees of dependable productivity.

"It is believed that the cost of this project would be small as there is a small experiment station of the Department of Agriculture already located in the Pearl River district of Mississippi, and some 80,000 acres of tung trees in Mississippi and Louisiana available for observation.

"Senator Bilbo of Mississippi has introduced a bill which provides, among

other things, for the development of new uses for tung nuts and tung hulls. This is less likely to receive consideration than the Russell-Colmer proposal.

"Mr. Fulmer of South Carolina has introduced H. R. 5813 authorizing the Director of the Census to collect and publish monthly statistics concerning the quantities of soybeans, flaxseed, sesame, hempseed, and other oil seeds received at the oil mills, the quantities shipped, held at the mills, etc. This has been referred to the Committee on the Census. No action has been taken.

"Departing from the subject of drying oils, there is pending a bill (H. R. 5862 - Hill) to authorize the Secretary of War to sell, loan, or give to contractors and private firms supplies of supplies to be manufactured for the Army. This may be of considerable assistance to those who wish to bid on such Government contracts."

President Trigg referred to a report prepared by Mr. Macdonald as a backfire in the State Department to any attempt to place flax on a quota basis. See copy attached "Memorandum For State Department Regarding Flaxseed and Linseed Oil Submitted by National Paint, Varnish and Lacquer Association."

Mr. Hovey requested Mr. Macdonald's opinion on the second part of the Federal Trade Commission's complaint against the Birmingham Iron Pipe Association. Mr. Macdonald stated that the second section of the complaint referred to seemed to lay the complaint under the Robinson-Patman Act on the theory that the plaintiffs had used basic point system of distribution. He stated that it probably would be some time before the complaint is reached and testimony is taken and it is difficult to see what the outcome might be; he expressed the belief that basic point legislation will attract very wide interest.

Mr. Figgis expressed the belief that some definite legislation on the subject of "basic point system of distribution" will be enacted before very long.

Mr. Hovey stated that measures of this type really aim at delivered prices and have a tendency to limit manufacturers to distribution in that area which they can best service.

In answer to a question Mr. Macdonald stated that there was nothing new at the present time on the proposed Patman bills on "reciprocity" and "distribution by manufacturers in competition with their customers".

INDUSTRIAL DIVISION

In answer to a question by Chairman Salzberger Mr. deBrun, member of the Industrial Division Advisory Board, stated that he believed industrial manufacturers in the industry were well pleased with the type of activities being carried on by the national association.

FOREST PRODUCTS BETTER PAINT CAMPAIGN

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Referring back to the contacts which have been developed in the lumber interests and the paint interests, President Trigg stated that conditions surrounding the "Better Paint Campaign" had now been developed to the point where he considered it might be desirable to have the National Paint, Varnish and Lacquer Association join with other interests in sponsoring the campaign, and suggested approval, subject to the officers being satisfied with ~~current~~ developments. On motion duly seconded the officers of the association were authorized.

SEMI-ANNUAL REPORT OF FACTORY EMPLOYEES

President Trigg referred to a "Zone Summary of Semi-Annual Report on Factory Employees" presenting minimum wage figures only, a copy of which was placed in the hands of each member of the committee, and stated that in this consolidated report only minimum wage figures were used so that the tendency would be to lift minimums rather than to pull down maximums; he expressed the opinion that while every factory should have a minimum wage for every job, maximum wages should relate themselves to the skill and real value of the workman affected. He explained the make-up of this consolidated report and expressed the hope that each member of the committee would send in the information requested in the questionnaire on "Semi-Annual Report on Factory Employees" if they had not already done so. In answer to a question by Mr. Panning, President Trigg advised that it would not be feasible to use weighted averages in reporting minimum wages.

Mr. Roh pointed out that in at least one case a reported minimum rate was the rate paid to a watchman who was in fact a pensioner.

In answer to a question by Mr. Melum, President Trigg stated that this report could be confined to local interests and he expressed the belief that in future reports it might be advisable to omit the consolidated report. Mr. Kounze expressed the belief that the report was good in local situations but should not be used for national distribution. Dr. Khr expressed the belief that the report had served its purpose and stated he did not see a need for its repetition. Mr. Sulzberger stated that it appeared to be the opinion of the majority of the committee that "zone reports on factory employees" be continued but that the national distribution of a consolidated report be discontinued.

NEW YORK WORLD'S FAIR

Mr. Ingram reported that the Bureau in charge of the New York World's Fair Exhibits is inviting industry groups to enter industry exhibits as a whole; he stated that if the paint industry planned to enter a paint exhibit in the New York World's Fair it would have a definite bearing on the extent to which individual manufacturers would care to exhibit. Mr. Sulzberger reported that the matter has not been previously presented to the Executive Committee for consideration in connection with the New York World's Fair, but that it was last considered in connection with the Chicago World's Fair and was turned down on account of the cost involved. Following an informal discussion of the subject it was the sense of the committee that the matter be left in the hands of the President.

RATIFICATION OF ARRANGEMENTS -- 1937 CONVENTION

Mr. Sulzberger reported that in accordance with instructions given by the Executive Committee a subcommittee consisting of Messrs. Rice, Trigg and Sulzberger had considered all invitations in connection with the site of the 1937 convention and had finally selected the city of Cincinnati. He stated that the committee did not feel that they were establishing any precedent in selecting Cincinnati and that they felt that it would be inadvisable to have the convention "knocked around geographically". He stated that the committee felt that the routine of holding conventions in Chicago, Washington, and possibly New York should be maintained with only an occasional exception.

It was moved by Mr. Havy, seconded by Mr. Melum, that the action of the committee in selecting the city of Cincinnati as the site for the 1937 convention and in designating the Netherland Plaza Hotel as convention headquarters be approved. Motion carried.

MEMBERSHIP

The Secretary presented the following list of firms from whom applications for membership had been received:

Class "A" Member

BENJAMIN MOSS PAINT COMPANY
1131 Ninth Street, N. W.
Washington, D. C.
Mr. Paul Stein

Class "B" Member

THE DICALITE COMPANY
120 Wall Street
New York, N. Y.
Mr. C. A. Frankenhoff

MASON CAN COMPANY
Dexter Road
East Providence, R. I.
Mr. W. Gumpertz

SEAR BRUSH MANUFACTURING CO., Inc.
42-08 30th Place
Long Island City, N. Y.
Mr. R. K. Throckmorton

It was moved by Mr. Matlack, seconded by Mr. Figgis, that the four firms referred to be elected to membership in the classification as indicated. Motion carried.

The Secretary presented the following list of firms, the cancellation of whose membership is recommended by the Membership Committee:

Andrew Brown Company	Los Angeles, Calif.
Cum Laquer Company	Alhambra, Calif.
John P. Cochran Company	Cleveland, Ohio
(B) Detroit Pex Products Co.	Detroit, Mich.
Federal Composition & Paint Co.	New York, N. Y.
Forbes Varnish Company	Cleveland, Ohio
The Hale & Holmes Company	Cleveland, Ohio
Lincoln Cals mine Co., Inc.	Brooklyn, N. Y.
(E) E. U. Logan Glass & Paint Co.	Billings, Mont.
Thomas C. Mee Company	Woonsocket, R. I.
August Miller & Son	Baltimore, Md.
G. J. Nikolas & Company	Chicago, Ill.
Parker, Preston & Co., Inc.	Norwich, Conn.
Quaker Paint Products Co.	Philadelphia, Pa.
R. S. Randall & Co.	San Francisco, Calif.
Red Circle Paint Products	Brooklyn, N. Y.
Red Hand Compositions	New York, N. Y.
Reliable Paint Company	Louisville, Ky.
Rising Sun Color Works	Philadelphia, Pa.
(B) Smith & Dunn, Inc.	Newark, N. J.
Frank A. Strosen-Reuter, Inc.	Chicago, Ill.
Superior Paint & Lacquer Works	Los Angeles, Calif.
Texas Silica Co.	Chicago, Ill.
Technical Color & Chemical Works	Chicago, Ill.
Western States Lacquer Company	Maywood, Calif.

It was moved by Mr. Melum, seconded by Dr. Kohr, that the cancellation of the memberships referred to be approved. Motion carried.

The Secretary reported that the Budget and Finance Committee at its meeting this morning authorized the write-off of the accounts charged against the following concerns:

Cam Lacquer Company	Alhambra, Calif.	✓
Quaker Paint Products Co.	Philadelphia, Pa.	
Fising Sun Color Works	Philadelphia, Pa.	
Smith & Tunn, Inc.	Newark, N. J.	
Technical Color & Chemical Works	Brooklyn, N. Y.	
Western States Lacquer Co.	Maywood, Calif.	

NEXT MEETING

By general consent the selection of time and place for the next meeting of the Executive Committee was referred to the Chairman of the Committee and the President. ✓

The meeting adjourned at 3:15 P. M.

Gene W. Elton

Secretary

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