

MINUTES
Regular Meeting
BOARD OF DIRECTORS
National Paint, Varnish and Lacquer Association, Inc.
The Greenbrier - White Sulphur Springs, W. Va. - April 24, 1959

Call to Order

The meeting was called to order at 9:38 A.M. by Chairman Thompson, with the following in attendance:

Members

J. V. Thompson, Chairman	C. E. Lambert
Joseph F. Battley	R. W. Lindsay
R. S. Bennett	W. F. H. Mattlage
A. F. Brown	D. H. Moran
Paul B. Cefalu	E. F. Musterman
R. J. Eckart	W. E. Reich
Edward A. Foy	G. R. Seidnitz
J. A. Hager	T. Spencer Shore
D. J. Nealy	F. L. Sulzberger
William E. Hood	Vai Wurtele

The following members were absent

R. W. Blair, Jr.	H. C. McClellan
O. J. S. deBrun	W. K. Maroney
A. D. Duncan	J. A. Martino
Morace S. Felton	M. J. Merkin
S. U. Greenberg	A. W. Steudel
N. W. Kelley	W. C. Stolk
R. G. Kenly	

Guests

Ted Deglin	Morris R. Wingfield
G. M. Halsey	Miles Zoller

Staff

Allan W. Gates	G. D. Hall	Laurence Kiefer
----------------	------------	-----------------

Minutes of Last Meeting

Chairman Thompson reported the minutes of the last Board of Directors Meeting were mailed to all members. The minutes were approved without reading.

Report of the Treasurer

Mr. Hood reported that dues classifications this year showed Class A dues increased 1.79%; Class B, .29%; Canadian dues, no change -- an overall increase of 1.47%. The financial statement was reviewed in detail and a

Motion was made and unanimously passed to recommend approval to the Executive Committee.

The Association surplus was discussed and it was pointed out that at the current rate of spending, the Association surplus will soon be depleted. For this reason, the Budget and Finance Committee presented the following resolution to the Executive Committee:

"INASMUCH as the anticipated income of the Association for 1959 is \$629,000, and inasmuch as the budgeted items amount to \$754,000, leaving a deficit of \$125,000, and

"FURTHER, that inasmuch as the Association surplus has been depleted by \$118,000 since last March 31, 1958; it is evident that the Association is budgeting expenditures beyond its income.

"THEREFORE, be it resolved that either its budget expenditures be reduced to be within present income; or income be increased to cover the present budget and to provide replacement of funds taken from surplus. Also, that to rebuild surplus equivalent to one year's operating expenses, the present provision for the abatement of dues be rescinded, and further,

"INASMUCH as the Budget and Finance Committee is convinced that the activities presently engaged in by the Association are not only desirable, but necessary, and are of such importance to the industry as to warrant expansion; it is therefore recommended to the Executive Committee that a sufficient increase in dues be ordered to provide a one-third increase in income."

On motion made and duly seconded, the financial statement for the six-months period ended March 31, 1959, was unanimously approved.

A motion made and duly seconded to discontinue the Trade Sales Motivation Study and return any unexpended funds to surplus and to give official commendation of appreciation for the excellent job done on the pilot study to Mr. R. O. Fernald and the members of the Market Research and Statistics Committee was unanimously approved.

A motion made and duly seconded to accept the report of the Treasurer was unanimously approved.

Report of the Executive Committee

Chairman Thompson made the following report of the actions taken at the Executive Committee meeting the previous day:

1. Approved the financial statement for the six-month period ending March 31, 1959.
2. Approved recommendations of the Public Relations and Publicity Committee that the Trade Sales Motivation Survey be carried no further and that any unexpended funds previously appropriated for this be returned to surplus.

3. Approved the action of the Scientific Committee recommending support of the Paint Research Institute projects for 1958-59. However, for any future years the projects must be submitted sufficiently in advance to permit prior study and approval by the Scientific Committee before Association support is given.

4. The Budget and Finance Committee recommended an increase in dues to continue and expand present important projects, such as Publicity and Promotion, etc. The Executive Committee referred the recommendation back to the Budget and Finance Committee to review the present dues structure and present a report with facts to substantiate any recommended increase in dues.

5. In response to a letter received from a member objecting to the Association's action of protesting the manufacture of traffic paints by an Indiana State Reformatory, the President was directed to inform this member that the Executive Committee refused to change its long-standing policy of opposing government competition with private industry.

6. Decided, after hearing reports on Mary Carter activities, that any further action be postponed until the President has a chance to talk to the new Washington attorney who has been engaged by Mary Carter to check future advertising before being used. The Association has been advised that Mary Carter has adopted a firm policy of not placing any advertising which has not received prior approval of counsel.

7. President Battley recommended that Laurence Kiefer be appointed Executive Vice President and that the By-Laws be amended to provide for an Executive Vice President of the Association and to detail his duties. A motion was made and passed to direct the By-Laws Committee to take such action at the annual meeting. It was unanimously passed that he be appointed and that he act in the capacity of Executive Vice President in the interim.

8. Approved Wood Finishes Educational Program as an Association activity at no cost to the Association and provided legally for the receipt and disbursement of funds by authorizing the Treasurer to open a bank account in the name of the Wood Finishes Educational Program for the receipt and disbursement of all funds under the direction of the Furniture Finishes Educational Committee.

9. Approved the action of the Chemical Coatings Steering Committee discontinuing the proposed comprehensive market research study.

10. Approved recommendation of Chemical Coatings Steering Committee that the Association collect statistics on chemical coatings from a selected group of chemical coating manufacturers.

11. Approved changes in By-Laws of the Los Angeles and Golden Gate Associations.

A motion made and duly seconded to approve the actions of the Executive Committee was unanimously approved.

NCA 0 03408

Association Activities

Highlights of the President's Quarterly Report were presented and a copy of the full report is attached.

Legislation

Mr. Eckart reported on a meeting with Mr. Trichter of the New York City Department of Health in connection with the Baltimore meeting arranged by President Battley with Dr. Williams and a group from the industry on March 26.

Mr. Trichter has proposed the educational plan suggested at the Baltimore meeting but has not yet received Dr. Williams' official reaction.

Mr. Trichter did not ask Mr. Eckart to review the plan before it was submitted to Dr. Williams as he thought it more diplomatic to secure Dr. Williams' reaction first.

The program consists of:

1. Better ways of spotting danger areas in low cost housing by a study of locations and age of housing where lead carbonate paints were used.
2. Easier and safer and more economical ways of removing old paint.
3. Education of the public and health departments.

Mr. Trichter said he believes the industry recommendation for the labeling of paints containing over 1% lead is okay but feels our goal will be more quickly reached by letting Dr. Williams lead the educational campaign. Dr. Williams was pleased with the Baltimore meeting and now feels he has a broader viewpoint of the industry problems.

Mr. Eckart also stated that Frank Stamer and he had a conversation with Dr. Barbuto, New York City Fire Department. Apparently the file has been collecting dust since Chief Massett was promoted and Chief Hartnett took his place. Now it seems that the Fire Department agrees a meeting should take place to bring all parties up to date and it is quite possible the industry can obtain what it wanted originally -- namely, the acceptance by the Fire Department of the present paint labeling regulations, if the manufacturers list with the Fire Department in New York City the trade names of the products sold in the city. This would eliminate the requirement that labels display the words "paint, varnish, shellac, enamel" or "this is a paint product", for sealers, primers or finishes sold under a trade name.

Dr. Barbuto suggested a letter from the Association to Chief Hartnett, asking about progress regarding New York City changes in Fire Department regulations on paint labeling.

It was reported that under a new regulation, Baltimore has approved a label for the top of containers. This will save manufacturers and dealers the necessity of removing cans from the cartons in order to put a sticker on them.

NCA 0 03409

Chairman Thompson asked whether Dr. Williams had a quick spot test he used to determine whether lead was present in the coatings of the premises he inspected.

Mr. Eckart reported he did not have a spot test but must make a quantitative analysis.

Mr. Brown stated that most leads are not poisonous and wondered how many autopsies have been performed on alleged lead poison cases. He feels that chewing wood will kill as fast or faster than lead.

Mr. Sulzberger is concerned about the tenor of the reports of conferences with Dr. Williams. He feels that if we pay less attention to the problem of lead poisoning, it will soon be forgotten by the public. At present, he believes it has been blown up out of all proportion and the industry may soon find itself in a very embarrassing position. The whole problem is loaded and we should not call attention to it or recognize or publicize Dr. Williams and his crusade.

Mr. Sulzberger is satisfied to put the label on the top of cans for sale in Baltimore and not carry the educational program any further.

American Hotel Association

It was reported that a few weeks ago the American Hotel Association mailed out a Certified Products List which recommends use by the Hotel Association members of the products listed therein, including paints. The list of paint products includes products manufactured by some of the major producers. In fact, some of the Board members have products listed. This is exactly what the Southern Pine Association tried to do and the question has been raised as to whether our policy should be changed from that taken last year when the Southern Pine Association listing was discussed.

Mr. Hood stated this is not the first time this products list has been published. He feels that if this one is allowed to continue, many Associations will issue lists of this type. He wrote to the American Hotel Association, requesting information on how to get on the list. They charge \$85 per test and if a manufacturer submitted four or five samples it would cost about \$400 a year to stay on the list. There is no control on any samples submitted and a manufacturer could submit another manufacturer's product under his label just to get on the list and then sell the hotels something else.

If this type of program is not opposed, the door will be opened to a situation which could cost the industry a tremendous amount of money.

President Battley stated he contacted the Washington office of the American Hotel Association when he heard of the list but they did not know anything about it. The listing was issued by the New York office of the American Hotel Association. He said the Association is unable to stop such projects unless it is advised of them by members. In this case, none of the manufacturers on the list notified the Association of the project and the list was published before the Association heard about it.

NCA 0 03410

After further discussion, it was the consensus of the Board that the Association should re-affirm its policy opposing this type of program and again broadcast the information to the membership. The following motion was unanimously approved:

"That the existing programs and practices of various Associations and groups of users of paint products by which the products of the Paint, Varnish and Lacquer Industry are evaluated and then listed or recommended by name of manufacturers or brand names for purchase and use by the members of such Associations or groups are, according to the consensus of this Committee, improper, and that it is the policy of this Association to oppose any such paint product evaluation program and all other similar programs.

"It was further resolved that the President shall advise any such Association or group of this policy."

Public Relations and Publicity

Mr. Ted Deglin reviewed the activities of the public relations and publicity program for the past quarter. Detailed copy of his report is attached.

Report of Regional Vice Presidents

Mr. Hood stated that many suggestions have been received as a result of his meeting with the Regional Vice Presidents in New York in January. Some suggestions are:

1. Impress on a new zone Vice President nominee the duties and requirements of his job prior to his election and a meeting with him after his election to explain his duties and the facilities available at Association Headquarters.
2. Study the possibility of either increasing the number of Regional Vice Presidents or realigning the areas. As an example: The central zone has ten active clubs; the eastern zone, one; the southwestern zone, two.
3. Improve communications between the National Association and the locals and between the locals themselves. This includes having all local club officers put on other local club mailing lists and getting the local club program committees to send their activities into the National.
4. Explore the possibility of employing a National Association "traveling secretary" to visit the various clubs regularly and to call on member companies while in the area, with the idea that he is to be both a liaison between the various groups and to act as a traveling salesman for the Association.
5. The inclusion of local activities in "Coatings" (this is already being done). NCA 0 03411
6. Publish and furnish to officers of local clubs a list of films, pamphlets and other sales aids available at National Headquarters. This

is to be done once a year as the officers change and frequently do not transmit information to the new officers.

7. Institute an indoctrination course to familiarize local association officers with the aims and materials available at National Headquarters, and to explore the local past achievements and to make future plans. This would be a half-day planned meeting to be held the Sunday, prior to the annual meeting and would be an annual affair.

8. It has been suggested by the Chemical Coatings Division that a similar program be undertaken with a specially appointed Chemical Coatings Subcommittee, to use this group in achieving the ends mentioned above.

Chairman Thompson recommended adoption of the above suggestions by the Board of Directors and on motion made and duly seconded, they were approved unanimously.

Membership

Secretary Gates reported the Budget and Finance Committee recommends to the Board of Directors that the following companies be dropped from Association membership for non-payment of dues:

Class A

Custom Paint and Chemical Co., Inc., Merchantville, N. J.
Hawley Paint Co., El Monte, Calif.
O'Brien Corp. of Los Angeles, Huntington Park, Calif.
Peninsular Chemical Products Co., Van Dyke, Mich.

Class B

S. K. Laboratories, Inc., Baltimore, Md.

A motion made and duly seconded, dropping the above companies for non-payment of dues, was unanimously approved.

The Secretary reported that, for the record, since the last meeting applications for membership from the following concerns were approved unanimously by mail vote by the Board of Directors:

Class A

American Oil & Paint Co., Cleveland, Ohio
Hydrozo Products Co., Myrtle Beach, S. C.
Jourgensen Paint Mfg. Co., Casper, Wyoming
Permiteco, Inc., Dayton, Ohio
H. D. Smith Co., Gardena, Calif.
The Upson Company, Lockport, N. Y.
Lyle Van Patten Co., Gardena, Calif.

Class B

A & P Corrugated Box Co., Newton, Mass.
Bunker Hill Co., Chemical Products Div., Oakland, Calif.
Dewey & Almy Chemical Div., W. R. Grace & Co., Cambridge, Mass.

NCA 0 03412

Grace Chemical Div., W. R. Grace & Co., Memphis, Tenn.
Scientific Oil Compounding Co., Chicago, Ill.
A. E. Staley Mfg. Co., Decatur, Ill.
E. T. Vanderbilt Co., Inc., East Norwalk, Conn.

Miscellaneous

Mr. Reich asked if the Association had taken a position on the O'Malley Bill.

It was pointed out that the Association legal staff is familiar with this and that the Association is on record with members of Congress in opposition to such legislation and that we will continue our opposition.

After discussion, it was the consensus of the Board that the President appoint a committee to study the possibility of establishing a marine paint division if it is believed such a division is warranted.

Adjournment

On motion made and duly seconded, the meeting was adjourned at 12:20 P. M.

Respectfully submitted,



ALLAN W. GATES
Secretary