

REPORT OF THE PRESIDENT
TO THE EXECUTIVE COMMITTEE

January 27, 1954

INTRODUCTION

In spite of predicted depression and recession during 1953, our industry had a record year. We adjusted our operations, met the challenge of competition for the consumers' dollar and proved once more the flexibility of the members of the Paint, Varnish and Lacquer Industry. We will continue our progress even under reduced government expenditures and 1954 will be another record year.

GENERAL

MEETINGS: Since the last Executive Committee meeting, I have met with government officials in Washington and in addition attended meetings of the following:

Retail Paint & Wallpaper Distributors, New York, N. Y.
Special Committee, Cincinnati Agreement, Washington, D. C.
National Association of Manufacturers, New York, N. Y.
Chemical Specialties Manufacturers Association, Washington, D. C.
Meeting with Industry Members, Cleveland, Ohio
Manufacturing Chemists Association, Washington, D. C.
New York Paint, Varnish and Lacquer Association, New York, N. Y.
Joint National Industry Coordinating Committee, Washington, D. C.

INDUSTRY SALES: November sales reported by the Bureau of the Census were \$98,514,000 an increase of 2.8 percent over November 1952. Trade Sales for November were \$57,799,000, 4.5 percent over November 1952 and an increase of 0.9 percent for the eleven month period over 1952. Industrial Sales were \$40,717,000, 0.4 percent over November 1952 and an increase of 11.4 percent for the eleven month period over 1952. Total dollar sales for the eleven month period were \$1,309,651,000, compared with \$1,249,709,000 for the same period in 1952, an increase of 4.8 percent.

Sales through November are within \$48 million of the full year record set in 1952, making it certain that a new record will be established for 1953. If December sales do no more than equal December last year, a new goal of \$1.4 billion will be reached. The final figure is expected to go slightly over that, an achievement to which the Paint, Varnish and Lacquer Industry can point with pride.

CONVENTION: Registrations for the Atlantic City convention totaled 1,249, the largest ever held in Atlantic City. Our 1954 convention will be at the Palmer House, Chicago, November 15, 16 and 17. The Federation will meet November 18, 19 and 20 at the same place. Members have been advised. Beginning in 1955 our convention and the Federation convention will be held separately. All members were notified of this change in policy by the Federation.

MEMBERSHIP: From October 1, 1953 to date, we show a net gain of twenty-two (22) members.

EDUCATIONAL BROCHURE: We continue to receive a wonderful response to our Educational Brochure, "Your Brightest Tomorrow". Education Committees have been set up in many local associations. More than 3600 copies of the brochure have been distributed.

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NAVY PAINT MANUFACTURE: Department of Defense has directed Navy to justify its paint manufacturing operations. I have written the Under Secretary of Defense Thomas urging prompt action on closing the two Navy paint factories. We have excellent support from the House Subcommittee on Intergovernmental Relations. Personal contacts have been made with the head of the Hoover Commission and we are assured of cooperation in eliminating government competition. I arranged for the House Subcommittee on Intergovernmental Relations to visit and inspect a paint plant while in New Orleans on other business. They received first-hand information on the ability of the industry to produce all paint requirements for the Navy. Response from members to my letter requesting factual information on paints currently being made by the Navy has supplied the Committee with important data to refute Navy officials claims on quality control.

GOVERNMENT PROCUREMENT: There has been a downward revision of spending for government accounts. Monthly procurement is now just over \$3 billion.

RAW MATERIALS

FLAXSEED AND LINSEED OIL: The Department of Agriculture estimated the 1953 flaxseed crop at 36,813,000 bushels, an increase of 6 1/2 million bushels over 1952 and well in excess of anticipated requirements. While foreign sales of linseed oil have reduced government stocks to about 400 million pounds, an increase of 100 million pounds is expected from the 1953 crop.

SOYBEANS: Drought damage to soybeans is expected to reduce the 1953 crop to 262 million bushels compared with 298 million bushels in 1952, in spite of an increase of 90,000 acres planted.

TUNG OIL: 1953 domestic crop is estimated at 144,900 tons, an increase of about 12,000 tons over 1952. The National Tung Oil Marketing Cooperative expects to market the major portion of this at an established ceiling of 28 cents per pound for the season ending October 31, 1954.

TECHNICAL

SCIENTIFIC SECTION: During 1954 work will continue on the "Water - The Hidden Menace to Homes" program and on dispersion. However, more emphasis will be placed upon developing new and better test methods necessitated by new raw materials and products made from them.

Dispersion - Continued evaluation of dispersion qualities of solvents, thinners, wetting agents and the contribution of typical pigments and the solid part of vehicles to dispersion. The "Miniature Paint Factory in a Test Tube" was used extensively in this work. A circular on its application will be published shortly.

A mill manufacturer has recently indicated interest in production of high speed Shurtz stone mill.

Water - The Hidden Menace to Homes Project - Continued development on laboratory method for evaluating accuracy of moisture meters.

Partial report received from Bucknell University on tests on GI houses where paint peeling was reported has been received.

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Continued work on development of better test method for determination of vapor barrier quality of interior paints and the water barrier quality of exterior paints.

Color - Continued study of evaluation of color development with use of the reflectometer. With the use of "Miniature Paint Factory in a Test Tube" manufacturers may quickly determine if full color is being developed in the plant grind.

The General Services Administration is changing its method of supplying color standards. We successfully obtained an agreement that every chip be within 3/10 Munsell units of the standard. Also, as a result of our efforts we expect GSA will give a standard color chip to every successful bidder to replace the Federal Color Book TT-C-595. GSA also contemplates using a color card type folder.

Miscellaneous - Continued work on circular relative to improved scrubability and washability tests for latex paints, results of which were used by GSA on the general revision of TT-P-29.

Continued collecting government specifications and keeping Circular 751 up to date.

Continued work on revision of Raw Materials Index.

Continued work on Abstract Review.

Continued development on instrument to determine adhesion of paint to wood.

Revised Roof Coating Manual about finished.

Continued work on determining the total iodine number of drying oils using the hydrogenation method.

Continued work with the American Oil Chemists Society on improved method of determining the hydroxyl value of drying oils.

STATISTICAL AND GOVERNMENT REPORTS DIVISION: Tabulation of the results of the National Survey of Consumer Habits is now half completed. Work on material for presentation to members has begun. Completed report is expected in February.

Trade Sales manufacturers received a report of the survey on "Color Card Distribution" for 1952 and 1953 in November. This report gave average number of color cards used per gallon of each product sold.

Report on the Survey of "Color Preference Trends for 1950, 1951 and 1952" covering exterior house paints, interior house paints, all purpose enamels and emulsion paints will be issued in February.

Study of paint requirements for new and existing homes in the United States will be completed in February.

Booklet prepared by Safety Committee, titled "Housekeeping in Paint, Varnish and Lacquer Manufacturing Plants", distributed to members in November.

The combined index for "Paint and Paint Materials" will be dropped by Bureau of Labor Statistics beginning with the January 1954 figures. This will eliminate any

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confusion with the separate indexes for "Prepared Paint" and "Paint Raw Materials".

LEGISLATION

Federal - The President's Legislative Program, submitted to the second session of the 83d Congress, contained no new measures specifically affecting our industry. Bills introduced in the first session pertaining to industrial safety, the use of chemicals in foods and cosmetics, parcel post weights and size limitations, and import controls on raw materials are being watched.

State - Twelve of sixteen State Legislatures meeting this year have already convened. All proposed legislation will be carefully watched and prompt action taken when needed. Air pollution and flammable liquid control bills already introduced in Massachusetts are being opposed. New York legislative bills meeting our opposition include (1) Assembly Bill 292 - Prohibits manufacture and sale of children's furniture having a coating containing harmful ingredients; (2) Assembly Bill 293 - Requires ingredient statement on paint or enamel containers; (3) Senate Bill 246 - Establishes a State Trade Commission similar to FTC; (4) Senate Bill 104 - Air pollution regulation; (5) Senate Bill 303 - Establishes a consumer department in state government.

Municipal - Effective November 25, 1953 the New York City Fire Department issued Regulations requiring warning labels on paint products sold in aerosol containers. Manufacturers of industry products sold in these containers and the New York Paint, Varnish and Lacquer Association were advised of the regulations.

The National Association and the New York Association retained Dr. A. J. Lanza, an eminent public health authority, who has presented our industry's position to the New York City Board of Health relative to lead poisoning and the proposed warning label regulation. This situation is now quiet.

The National and Chicago Associations are cooperating with officials of the Chicago Board of Health who are working on a regulation concerning lead poisoning. Latest reports indicate Board of Health may sponsor a regulation which will require removal of interior paints from premises where lead poisoning occurs and the replacement with lead-free paints. A complete ban on lead-base paints for interior home use is also being considered by the Chicago Health officials.

Labeling Laws - The first supplement to the Association's LABELING LAWS AND REGULATIONS has been issued containing changes in the Illinois law and the Virginia regulations and the new Hawaiian rules on labeling hazardous substances.

Product Liability Insurance - The Association investigated a report that mutual insurance companies had listed paint manufacturing operations, particularly when white lead is used, as an excluded item. No basis for the report with respect to product liability was found. Some underwriters, seeking to avoid unlimited liability, are inclined to exclude lead operation risks from workmen compensation insurance, particularly in states where workmen's compensation laws do not sufficiently specify the occupational hazards covered by the law.

Tariff - The U. S. Tariff Commission, after hearings ended in November, has not issued a decision on the proposal to increase duties on lead and zinc. We attended hearings and will follow future developments.

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DIVISION ACTIVITIES

INDUSTRIAL PRODUCT FINISHES DIVISION: Large attendance at regular semi-annual meetings, Cincinnati Agreement and Wood Finishes Manufacturers Group in Chicago, January 7.

Special committee appointed to study Cincinnati Agreement recommended no change, which was accepted unanimously.

INDUSTRY RELATIONS DIVISION: Moisture Campaign - The film "Water - The Hidden Menace to Homes" was shown 1,214 times to a cumulative audience of 76,000 during 1952. The Moisture Exhibit was shown at fourteen Home Shows, State Fairs, and Conventions during 1953. Requests already received for eight Home Shows for the first four months of 1954.

PUBLIC INFORMATION DIVISION: Publicity coverage in all media continues to expand. National, home, farm and trade magazine coverage has been very active during past three months. Four "How To" articles prepared for "Homecraft and the Home Owner"---two already published, one will appear in February and one in April issues. Special article on interior painting prepared for February issue of "The Farmer." Now working with "Mechanics Today", "Progressive Farmer", "Better Homes and Gardens" and "Pathfinder" on special articles and features for spring issues. A feature story and booklet on painting rooms for teenagers for "American Magazine" and a ten-page article for the March issue of "Better Living" now under way. Our booklet "Indoor Painting" has been listed in the "Best in Booklets" column of "Living for Young Homemakers" and the booklet "Outdoor Painting" will be listed in the same column in an early spring issue. "McCall's Magazine" features our women's club program in the January issue.

PAINT POWER book sales continue steady--26,319 books printed, 26,014 distributed.

CLEAN UP -- PAINT UP -- FIX UP BUREAU: A special illustrated article covering sanitation activities in CU-PU-FU Campaigns has been prepared for the publication "Modern Sanitation". Promotional campaign to more than 2,000 Junior Chambers of Commerce now under way. Official JC magazine "future" will carry an illustrated article on the program in February. National headquarters is distributing special mailings to all local chapters.

Plans for the 1954 Greater New York program now under way. Concerted effort to revive the Baltimore campaign, dropped in 1953, is being made. The Pittsburgh and Indianapolis campaigns also being worked on. State-wide campaigns now being planned for Maryland and Texas.

Analysis and evaluation of entries in 1953 National Cleanest Town Contest now being completed for final judging in February.

We have been delayed in the production of the color film, "The House in the Middle", due to lack of sufficient interesting footage available from the Atomic Energy Commission or Federal Civil Defense Administration. Actual scenes are being shot to tie in with the message of the film. Allowing for clearance of script by Atomic Energy officials, the film is scheduled for release March 1.

TRAFFIC DIVISION: At our request, the National Classification Board has lowered the classification of paint products in one gallon or smaller containers in less-than-truckload quantities.

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The Middle Atlantic, Southern and Central Motor Carriers Associations' proposed rate increases have been opposed. The ICC denied our petition in the Middle Atlantic case and a 50 cents per shipment temporary emergency charge became effective December 14. The other cases are still pending.

The Central and Southern Motor Freight Tariff Association has stricken from the agenda the proposed pickup and delivery charge which we protested.

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