

Proceedings of the National Paint, Oil and Varnish Association Forty-fourth Annual Convention Atlantic City, N.J., October 5 to 8, 1930

Monday, October 5
Opening Session Monday Forenoon

(The opening session of the forty-fourth annual convention of the National Paint, Oil and Varnish Association was convened in the Hotel Ambassador, Atlantic City, N. J., at 10 a. m., October 5, President P. C. Frayser presiding.)

President Frayser: It is needless to say to you that we welcome you all here this morning. Your presence is a manifestation of your interest, and we are particularly gratified to see some of the ladies with us this morning—you are always an inspiration, and we hope that you will find our program throughout the convention (and we believe that you will) of sufficient interest to attract you to our meetings from time to time.

We will now proceed with our regular order of business, the first of which is the reading of the code of ethics. We have asked William C. Dabney, president of the American Paint and Varnish Manufacturers Association, as well as a member of our organization, to present the code of ethics to our convention.

Code of Ethics Read

William C. Dabney: It is particularly important during times of stress, such as we are now passing through, for all of us to be familiar with and to apply the broad general principles of business conduct embodied in the code of ethics.

We, members of the National Paint, Oil and Varnish Association, Inc., recognize our responsibilities and obligations

rogatory reference, written, oral or printed, to competitors or their products, and from the circulation of harmful rumors regarding such competitors' products or their personal or financial reputation; to strive, by sincere and intelligent co-operation with our competitors, in all lawful ways to increase the efficiency and service to the public of the industry as a whole; to base our advertising exclusively on the merit of our own products and the value of our own service, without false, derogatory reference to the products of competitors or misleading comparisons therewith.

2. To be guided by a spirit of justice, honor and fairness, in all our relations with members of the allied trades, realizing that the standard of ethics maintained in our industry must vitally affect the standard observed in associated industries; to encourage the adoption by the allied trades of similar codes as guides to govern their practices; and to discourage unfair trade practices in those trades, even though such practices might, at times, be to our own immediate advantage.

3. To represent our products truthfully in advertising, labeling and branding; avoiding therein all false or misleading statements or descriptions.

4. To avoid and actively strive to prevent all forms of commercial bribery or corruption by members of this association and by the industry in general; and to this end we pledge our support to the Federal Trade Commission in locating and prosecuting individuals guilty of such practices.

5. To recognize the right of employees to use all honorable and reasonable efforts to better their conditions, but to refrain from directly or indirectly soliciting or bidding for the services of the employees of other members.

varnishes, or other kindred products of another manufacturer, distributor or dealer.

6. To adhere faithfully to the rules of conduct herein set forth and to inspire our fellow members to do likewise, believing that the Golden Rule is the only safe guide of conduct in the relations among men.

7. Any violation of this code shall be referred by the president of the National Paint, Oil and Varnish Association to the executive committee for consideration and action.

President Frayser: Thank you very much, Mr. Dabney. I hope our members will all take seriously the principles set forth in our code of ethics. It is my hope also that each of you will take back home a determination to inform and interest your employees in what this Golden Rule of business means. I think it is one of the most important things in our organization work and can be enlarged upon very materially.

Our next order of business will be the reception of delegates from other associations, the first in order being delegates from the National Association of Paint Distributors.

Reception of Delegates Paint Distributors

W. E. Elang: The National Association of Paint Distributors appreciates the courtesy of this reception. We feel that we are an integral part of your organization. Our two associations are very closely linked together. Our interests are mutual, our problems similar, and we are ever striving for the upbuilding of this great industry.

At the 1930 convention in Toronto, your committee on paint distributors made a

read a letter from the president of that association, received this morning—

I deeply regret that I cannot keep my promise and go with you to Atlantic City to the National Paint, Oil and Varnish Association Convention.

Will you kindly convey, to the association the heartiest greeting from our society, and express to the convention the thought that there never was a time when a closer tie and a better mutual understanding was necessary than now. The manufacturers that supply the paint must have the same applied with such skill that the careful preparations of their learned chemists will reflect full credit for the efforts that they have put behind it. This makes us both in the service of the public, and in broadcasting the marvelous products of the manufacturer, I would say, "Consult a painter to secure the best results."

I would also ask you to cordially invite the members to attend our convention in Los Angeles. We are grateful for the many representatives who will be with us this year, owing to the wonderful aid and exchange of the executives and the officers of the association to attend, as the vast territory and many stout efforts of extending acquaintances more than it has in former years. We will especially feel honored to have you, our general manager, George Horgan, as one of the delegates.

I personally wish to express, through you, the wish that the convention this week will be the best of the many that have preceded it, and that times will mend so that we will all again prosper and thrive through our closer industry.—C. H. DABELSTEIN.

Mr. Fowler (Philadelphia): I have been delegated to come here this morning to say a few words to you from Mr. Dabelstein. I received a letter from Mr. Dabelstein yesterday. I just want to say that it is an honor and it is a great thing for us to get together—the manufacturer and the user—for the benefit of our industry. One of the things we want to establish is confidence. We want that all over the country. Everybody wants confidence today which we haven't got in one another. The banks are going to pieces. As I told a bank president the other day, there was a time when we put money in a bank to save it—now we put it there to lose it.

I was in Philadelphia, one Saturday morning and I said to the president of a bank, "How do you feel about the 'Fime'?" I said, "I am awfully glad you feel that way." Before I left the bank had a couple of thousand dollars worth of work to do, and I thought maybe he was right.

I want to say, Mr. President, I want to extend to you people the invitation to attend our next convention in California, in February. That is the "flower of the world" so everybody says—I haven't been there but I think we will be awfully glad to have you with us.

President Frayser: Mr. Fowler, we enjoyed your talk very much, and I am exceedingly sorry that we didn't know the time when you were here.

representative. I want to say that we are quite interested in the interest that your organization as well as the distributors' organization takes in our conventions. We are always glad to have you with us.

Our next order of business will be roll call by clubs.

(The roll was answered by thirteen local clubs with a total representation of sixty-one.)

President Frayser: Our next order of business is your president's address.

And I would like to ask Vice President Maston to occupy the chair.

(Mr. Maston assumed the chair.)

Address of the President

President Frayser: We are assembled today to add another chapter to the history of the National Paint, Oil and Varnish Association. It is indeed a happy occasion, and we are all moved just a little closer to the accomplishment of such high ideals that prompted the founding of this great organization. It is a fine testimonial to the vision of that small group who lighted the torch nearly fifty years ago and who continue to inspire us with the same vision and make us proud to be members of this association.

Those big-visioned men and all worthy successors who have carried high the torch, are to us a source of inspiration, their energy, their faith and their steadfastness of purpose. We who have received from their hands the torch, are proud to hope that the association's achievements may be seen in future years to have justified the same measure of their confidence.

In greeting you for the first time as president, I do so with a deep sense of humility, with full recognition of my limitations. You bestowed upon me a great honor, and a much greater responsibility. The former was not merited, and the latter was assumed because of the whole-hearted co-operation and loyalty you accorded me.

As a representative of this body I extend a hearty welcome to all assembled, greet those who have preceded me in this office, and pay special tribute to your able leadership and remarkable accomplishments.

Has Met the Test of Time

The association is assembled in its forty-fourth annual congress. Has it met the test of time and the challenge of difficulty? Within its lifetime the nation it serves has been rocked by the seismic shock of wars and has been through the economic disturbance. It is sharing with the rest of the world the strains and pains incident to the economic struggle in this transitional period.

Merely to have survived might have been proof of its practicality. Especially so since, in this case, survival has been due to such normal factors as the unselfish devotion, the ability, the men-

bers, and the enlargement of fellowship. The record of this association's achievements spells more than a mere survival. It has been a "going concern." It has worked—it still works.

The long list of its earlier accomplishments has been told at this family council. Today we speak of the advances of the past year only, and hopes for its future development.

The value of trade organizations is in no sense problematical, as they definitely serve an essential purpose in the channels of commerce. As a medium of organized and co-operative effort they are invaluable and well-nigh indispensable. For promoting friendly relation and fellowship in business they are without an equal. That, with proper motives and competent leadership they form a real service-station for those whom they serve, cannot be challenged. It is a proven fact that mass planning and concerted action can attain greater achievement than through any other medium. These accomplishments are made possible through co-operative and unselfish membership. Such are the aims and purposes of the National Paint, Oil and Varnish Association.

We have ample cause for feeling proud of the place this organization has earned

able us to better plan and more adequately carry on our work in the future, believing that such modifications will be made as are wise and necessary.

Finance Plan Acceptance

The acceptance by the membership of the new plan of financing, is encouraging, but not entirely satisfactory. There are yet members who are enjoying the benefits, but they have not accepted and subscribed to this fair and equitable plan. I urge those who have not accepted the plan, to do so at the earliest possible date, that you may be counted among those who are wholeheartedly supporting the organization that is serving you.

During my contact with the members of local clubs I have made observations and have come to conclusions which I submit for your consideration. The knowledge and inspiration I gained through my personal experience convinces me that the contact of national officers with local clubs is necessary. I find the members are seeking information pertaining to the work of the national organization. They are anxious to be enlightened and are enthusiastic in their requests for reports of the plans when they know what the association is undertaking. Moreover, it is to many the only opportunity of contact with the national organization. Through these friendly contacts interest is stimulated, which is both desirable and necessary. Zone conventions are likewise important, as they afford an opportunity for interchange of ideas, which I believe develop into constructive work.

It is gratifying to note a desire on the part of local club members, especially those who have some knowledge of the great purpose of the national association, to cooperate in the fullest measure with such matters as legislation, unfair trade practices, statistical data, promotional activities, etc. This attitude should be encouraged and developed to the fullest measure that the local club and national bodies should be closely coordinated, because the future leaders of the national organization must come from the ranks of local clubs.

It is my opinion that the constant development of younger members, by training them in their local clubs, is definitely essential to the future progress and sustenance of the association. Without such a development, the future leadership of this great trade organization which has been developed by our members, will be a task of no small magnitude.

The past year has made unusual demands and required extraordinary action from our members, but in new forms and accepted and disposed of in a manner that is most gratifying.

Unemployment

The matter of unemployment has demanded much time and concern, both locally and nationally. That our members have responded to their duty in a comparable and accepted manner, and that our national officers and members have worked closely with our government in this work, is a source of great satisfaction.

Likewise, our local club officers and members have contributed generously with their time and means in helping to relieve local conditions. There is yet much to be done in this work before the job is completed, and it is my hope that the generous assistance which has been given in the past will be continued until the all-absorbing situation has been mastered and disposed of in such way as to reestablish self-support and happiness throughout the nation.

The policy of rigid economy adopted and practiced by the National Paint, Oil and Varnish Association, and which was commensurate with the times, and deserves full endorsement and generous contribution. A life something to be remembered for its inherent values. Vacancies thus created must be filled by men of steadfastness of purpose and courageous leadership.

During the Washington Paint, Oil and Varnish Club has been added to our roster. For this, much credit is due the southern zone vice-president, Frank J. Sampson, and the Baltimore club.

The decline in membership during the year has been relatively slight, due to the untiring efforts of the chairman, John Henry Coon, and his committee. The unselfish effective work of officers, committees and members, locally and nationally, is responsible, in no small measure, for our strength and advancement.

May I acknowledge a recognized debt of gratitude to those members of the trade press who have been so generous in their support and cooperation?

Tribute to Deceased Members

Death has taken a heavy toll of faithful men from our ranks. During the past year our most notable loss was that of one of our most prominent members in the industry, who crossed the bar.

His frequent presence at our meetings impressed their personalities upon this association and upon their respective communities, and made life something to be remembered for its inherent values. Vacancies thus created must be filled by men of steadfastness of purpose and courageous leadership.

Recommendations

For your consideration and decision I submit the following recommendations:

A continuation of a conservative and constructive program of economy. The universal acceptance of such support of the financial plan.

Provision for greater expansion in the program of clearing headquarters, and save the surface activities.

Provision for greater contact with local clubs through visits of national officers.

Continuation and further development of club programs.

General acceptance and closer application of code of ethics. Encouragement of more clean-up, paint-up campaigns for the purpose of relieving unemployment.

The coordination of the various groups of the paint, varnish and allied industries into one national organization.

I wish it were possible, in this brief moment, to award individually, where it belongs, full credit to all those who are entitled to it.

May I express my sincere thanks to the zone vice-presidents and members of the executive committee? I desire to pay tribute to the splendid services performed by them.

May I express my appreciation to General Manager George V. Horgan, who has contributed time and labor and sound judgment, which stand today as substantial monuments to the future welfare of the association.

May I assure all who have assisted in this past strenuous year, that your interest and efforts are appreciated and prized, and I shall continue to appreciate and hold in memory your friendship and wise counsel and cooperation and loyalty as long as I live.

It is difficult to find words to express my feelings; feeling of affection and admiration for you and your faithfulness.

It has been a great year together. It has passed with plenty of work and much satisfaction. The work has grown, and gives great promise for the future.

I look back upon the accomplishments, with thankfulness, and upon the growth and development, with pride. I believe the past year has achieved results, and the wisdom of your plans has been abundantly justified by its achievements.

The work has steadily gone forward. Increased interest and progress have developed along all lines, and a spirit of cooperation has existed.

May we all reflect our great appreciation in a personal growth, that will broaden our vision, ripen our judgment, mellow our selfishness, and draw us closer together as one big family working together for the good of all.

Someone has said that the river has a different interest for each of us. That man yonder thinks of it as a place to fish. The boys down there think of it as a swimming pool. The saw-mill man thinks of it as part of his work-shop.

The farmer finds that it enriches his fields. You will observe that every man thinks of it from his own viewpoint. Some are leaders along the banks waiting for Chance to bring them what they want; some row aimlessly up stream and some float down; some find refreshment, others only pleasure, and some look back at the past. But you and I find it a great object lesson—a school where all the activities of men become lessons and where progress in wisdom and goodness is the chief motive in all that we do.

The desires for progress in wisdom and in service have been the two great factors in our development. We may as we watch the vision and learn how to further enhance service to humanity.

Let us consider seriously whether the hour does not demand that we attain to a new "partnership in action" and find new methods of service and perfect an effective organization.

Development is evident on every hand, and now we must be the institution to point and lead the way. If we are to keep abreast of the crowd it's up to us to keep ever on the alert, to learn new things, to keep everlastingly drinking at the "spring of knowledge," for it is a rapidly changing world in which we live.

(The audience arose and applauded at the conclusion of President Frayser's address.)

Vice-President Maston: I will ask the general manager what action the executive committee has taken on the president's report.

General Manager Horgan: I take pleasure in stating that the executive committee approved of the president's report in its entirety, including all of the recommendations, and sent it to the convention for such action as they wish to take.

J. Sibley Felton: This very able address of President Frayser is one of the best and most inspiring that I recall in the history of this organization. I move you, sir, that we accept it, with our hearty thanks and appreciation.

Vice President Maston: The motion has been made and seconded. Let us make that unanimous by standing.

(The audience arose and applauded.) (President Frayser resumed the chair.)

President Frayser: We will proceed with our next order of business, which is our general manager's report. Mr. Horgan!

(General Manager Horgan presented his report as follows):—

Report of the General Manager

A review of the year's activities from the viewpoint of your executive office affords opportunity to comment on certain features of our work which would seem to be of more than passing interest.

The reorganization plan unanimously adopted at the Toronto convention one year ago, and which became effective on January 1st of this year, has now been functioning a sufficient length of time to report that it appears to have justified the good judgment of the men comprising the reorganization committee.

The move to Washington was made in May with a minimum amount of inconvenience and comparatively little interruption in our work.

Shortly after establishing headquarters in Washington, it was my pleasure to make personal contacts with various government agencies' Department of Commerce, Bureau of Census, Federal Trade

Commission, Bureau of Standards, the officials and staff of the Chamber of Commerce of the U. S. and the Washington trade association executives.

Your president and general manager have through personal visits maintained contact with many of the clubs in the association although it has not been possible to do as much field work as we would like in view of the limitations of our travel budget.

The Western zone convention at Victoria, B. C., which was held in July, was fairly well attended considering existing conditions—approximately 125 being present. Your president and general manager participated in all of the sessions and exerted every effort to stimulate interest on the part of our Pacific Coast members. Our western zone vice-president, J. C. Hendry, did women sessions in making the arrangements for and presiding at all of the sessions. Fourteen members of the Canadian association were also present.

A resolution was presented to the meeting recommending biennial conventions on the Pacific Coast in future and by action of the convention a referendum vote of western zone clubs is being taken on this question.

Since I have prepared this report, I have received word from the president of the western zone, that the decision was to continue the annual meetings, rather than the biennial conventions as suggested in the resolution. It was felt that the more efforts of the association could contact with each other, the better it would be for conditions.

New Procedure

Out of the reorganization plan has come a new procedure in connection with the election of personnel on the educational bureau of the industry through which membership is now made up of representatives from the National Paint, Oil and Varnish Association and the American Paint and Varnish Manufacturers Association (nine from each). The budget and finance committee, which allocates the funds for conducting the various departmental activities of the associations, is likewise made up of equal representation from each association.

The activities of the educational bureau will be presented to this convention as a special feature of the Tuesday afternoon program—Ernest T. Trigg, chairman, presiding.

Shortly after the appointment of President Hoover's committee on unemployment relief, the services of our associations were offered to the committee and a number of conferences have been held with Fred C. Croxton, who is Mr. Gifford's assistant.

A questionnaire was sent out from association headquarters to manufacturing concerns in the painting and lacquer industry in order to obtain a survey of employment and pay roll status. Your general manager has received the results of this questionnaire with Mr. Croxton.

A brief resume of this compilation I believe will be of interest.

Our survey indicates that on August 1, 1931, the total number of persons employed in the industry was approximately 15 percent of the number employed in 1929. Industries in which the decline was comparable purposes—that being the period during which the depression had made itself seriously felt in the industry. On August 1, 1931, was 79 percent of the 1929 period.

Our clean-up and paint-up committee is stressing the opportunity for hiring men during the progress of these campaigns and has suggested the slogan, "An Hour of Work Beats a Dollar of Dole."

We have on file a letter from Mr. Croxton under date of September 1 expressing appreciation of our association's efforts to stimulate employment through clean-up campaigns.

The activities of our save the surface department are being handled by a limited staff—comprising Miss Kent, in charge of magazine work, publishing, traffic, Shannon—handling the promotion and (such as window displays, guide books, etc.)—under the supervision of Mr. Tolton—and the general manager—national magazine advertising having been discontinued.

Activities of Committees

Our committees have been called upon to contribute even more intense effort and service during the past year than in previous periods. The abnormal conditions, the reports of these committees which have been conscientiously prepared have been distributed in printed form and merit your careful reading. A few of the more active committees have been assigned places on the program: traffic, traffic, simplification, legislation, credits and collections are amongst the subjects which will be presented in better informed recommendations require consideration and action.

The club programs have been favorably received and while it is felt that all of the clubs have not utilized these programs to full advantage, your committee believes an excellent start has been made and that the plan will gather momentum as its purposes are better understood. Your executive committee strongly believes this is one of the most constructive features ever undertaken by the association to assist local clubs in maintaining membership interest and to enjoy a better understanding of the activities and services of the parent association. Charles J. Casper, who has fostered this idea, will speak on the subject at the third business session.

It is a tribute to the solidarity and value of our association that we have only suffered a net loss of seventy-three members during the year, our total membership at the present time being 1,245. Our membership committee has done a real job during a most trying period.

The usefulness of our trade mark bureau becomes more apparent as time goes on, 165 new names being registered during the year. Your committee believes a new supplemental list in 1932, approximately 1,500 new marks being added to the records since the last supplemental was published. One matter to which your trade mark committee is giving attention is to con-

stantly discourage the promiscuous selection of trade marks.

Our special thanks are due to the men who have taken the time from their own affairs to carry on these activities in your interest.

The monthly bulletin now being issued in condensed form—due to the necessity of curtailing expenses—is apparently meeting the needs of members in keeping them informed on important happenings. Robert K. Shannon, of the headquarters staff, took over the editorship on June 1 and has had splendid co-operation from George C. Heekel and department heads in the preparation of material of paramount interest.

To Treasurer Roh, and to members of the association's staff, has fallen the task of carrying on a tremendous amount of detail correspondence with our members.



George V. Horgan
General Manager

ship to fully put them on the new financial plan, the collection of outstanding dues, from clubs and individuals, etc. The report of our treasurer merits your careful study although it cannot visualize the time and effort devoted to this important and arduous duty.

Function of Trade Associations

Trade associations represent the American form of business co-operation. The path of the trade association, like all business today, has been hard; during the trying conditions through which we are passing, the time and effort devoted to this important and arduous duty.

Trade associations have the unity of purpose and thought and continuity of effort and organization to place a firm hand on the rudder of our economic life, to change helpless drifting into a well-charted course. They should, can, and I believe, are taking over the all-important work of steering our economic ship out of troubled waters into steadier and safer currents where a normal economic life for this country can be renewed.

Tribute to Trade Press

No report of your general manager would be complete without an appreciation of the unflinching support of the trade press, in publishing and editorially supporting our efforts for the common good of the industry and the public. Therefore, I wish to renew with emphasis the deep sense of gratitude we all feel for this sort of co-operation.

To the officers, directors, and many members who have so willingly and continuously assisted the general manager in his efforts, we also tender profound thanks.

My associates at headquarters have been most helpful in making it possible for me to submit an account of stewardship, which it is my hope will meet with your approval.

It has often—and wisely—been said that the effectiveness of any trade association can only be as great as the co-operation and co-ordination of the membership. On the other hand, while the National Paint, Oil and Varnish Association lays claim to being an organization of real service, we must not falter at any time when conditions demand the best thought and effort of everyone charged with conducting the association's affairs. Your headquarters staff accepts this challenge and responsibility. May our efforts merit your confidence and approbation.

President Frayser: You have our general manager's report. What disposition shall we make of it?

Mr. Chessman: I move that it be accepted and spread on the minutes, with thanks.

(The motion was seconded.)

E. J. Cornish: I would like to add just a little bit to the report of the general manager by saying that the committee that found it necessary to reduce the expenses of this organization made a very great and radical reduction in salary which was made possible by the voluntary request that the salaries of our high-st officials

should be reduced, made by them, and with that as a leader, every one feels in line and we have reduced the expenses of our joint organization from five hundred thousand dollars a year to an estimated two hundred thousand a year, and all expenses proportionately for which Mr. Horgan, in great part, should be given credit. (The audience applauded.)

President Frayser: Thank you, Mr. Cornish. I am sure that those present are glad to have that information. Are you ready for the question as to acceptance of our general manager's report?

(The question was put to a vote and carried.)

President Frayser: Our next order of business will be the report of our treasurer, Charles J. Roh.

Treasurer's Report

Charles J. Roh: I am very happy to report, notwithstanding that we have received nearly \$1,500 less from club and individual memberships because of resignations due to conditions, and that our total income for the fiscal year 1930-31 was approximately \$400 less than last year, our expenses this year were \$2,351.68 under our income, which increased our surplus from \$46,746.20 in 1929-1930 to \$48,076.86 for the fiscal year 1930-1931.

Our investments remain the same as reported last year and are in United States government bonds. As the detailed statements of income and expenditures is read, you will note that the detailed expenses cover only three months—from October 1, 1930, to December 31, 1930—and that we have made three payments to the educational bureau of \$8,250.00 each as our part toward their expenses. You will remember we approved the recommendation that the plan be effective January 1, 1931.

National Paint, Oil and Varnish Association

Our statements of income and expenditures for 1930-1931 are as follows:—

	1930-1931.	1929-1930.
Income		
Club memberships.....	\$20,426.20	\$27,556.00
1929-1930 memberships.....	180.00	180.00
Individual memberships.....	1,068.00	1,480.00
Sustaining memberships.....	1,480.00	1,480.00
Trade Mart Bureau.....	183.65	183.65
Interest earned.....	1,483.12	1,630.16
Entertainment Com. fund.....	1,732.21	.....
Totals.....	\$31,043.39	\$35,748.16
Expenses		
Three Months, Oct. 1, 1930, to Dec. 31, 1930		\$31,043.39
Forward.....	\$4,891.92	.....
Traveling.....	41.41	.....
Rent.....	676.00	.....
Salaries.....	82.50	.....
Office expense.....	1,856.22	.....
Depreciation.....	260.00	.....
Interest on investments.....	750.00	.....
Carver's expenses.....	649.69	.....
Miscellaneous expenses.....	453.00	.....
Trade Committee.....	887.65	.....
Appropriation to Educational Bureau, three quarters, Jan. 1, 1931, to Sept. 30, 1931.....	18,750.00	26,000.78
Excess income over expenses.....	\$2,351.68	.....

The Educational Bureau

The educational bureau commenced operating under the reorganization plan on January 1, 1931.

I am happy to report that the predictions made as to income and expenses

standing certain unusual non-recurring expenses.

Nine Months' Operating Expenses

Income from 149 subscribers to the new financial plan for nine months—Jan. 1 to Oct. 1.....	\$108,822.89
American P. & V. M. A. nine months' appropriation.....	26,250.00
National P. O. & V. A. nine months' appropriation.....	18,750.00
Miscellaneous receipts.....	680.00
Total receipts.....	\$154,403.46

Expenditures for Nine Months

General and administrative.....	\$83,862.14
Educational Bureau.....	26,250.00
Scientific Section.....	7,972.83
Save the Surface Campaign.....	14,207.26
Clean Up and Paint Up Campaign.....	14,207.26
Unpaid Competition Bureau.....	18,592.21
Traffic Bureau.....	2,259.50
Balance.....	\$6,628.00

Increase in Subscriptions

It will be interesting for you to know that there are seven times as many members who are subscribing under the new financial plan as have ever supported all the activities of the industry under our previous plans of separate subscriptions to the various activities.

This success, and the plan is a success, has been accomplished through the wholehearted cooperation of the membership, the officers and the staff, and in the face of some difficulties which were overcome through the wholehearted cooperation of all.

The National Paint, Oil and Varnish Association Clean Up and Paint Up Campaign has a surplus fund from last year, after deducting the three months' expenses, amounting to \$25,208.09.

Our accounts have been certified as heretofore by Everett W. Newcomb and their annual audit and certification is here for your inspection.

I just want to add a word—that a good many people like detail, and it is in any question that has occurred to you in reference to detail, I have both the audits here of the National Paint, Oil and Varnish Association and the educational bureau. This report covers an audit of every department. You can see how impossible it would be to read the figures of all the bureaus. It gives a list of all delinquent accounts, without assets, and gives a separate accounting of every activity, and this report just covers a summary. If anyone would like to go over it, and if any question occurs to you that either I or the staff can answer, we will be very glad to do it.

The New Financial Plan

You know about this financial plan—you have received a list of all of those who have approved the plan—we were discussing yesterday at the executive meeting as to how we could increase the number of subscribers to this plan, and the only way that I know of to do it is, of course, there has to be one best way—is, if we believe in it, to subscribe ourselves. As I remember, the way this was approved, it was just this way: A committee of 15 got together and formed themselves into a reorganization committee. That committee couldn't devise a plan. It was delegated to a smaller committee to devise a plan, but before that committee approved the plan to submit to the larger committee, they themselves subscribed to it. When they took it to the committee, the committee subscribed to it. They subscribed to it individually. When it was taken to the educational bureau, they subscribed to it individually.

One of the very satisfactory outcomes of the discussions that we had last year is that I notice that almost all of the opposition—if there was any opposition—subscribed to it, and that shows real association accomplishment. But yesterday the question came up as to how many subscribers we should have on this list, and how can we get them if we know how many there are? We figured that out of the 1,200 membership, there are probably 400 firms that should be on this list. I know everybody's job is no one's and that was the thing that we tried to determine, as to how to get this over to the 400. The only way that I know of to get it over is by taking a personal interest. We have tried to build up this organization so that the members themselves will become enthusiastic about it through its accomplishment.

I would like to urge you to take this list, and if your name is not on that list, that you ask more information, if it is more information that is needed, before you put your name down, because the officers of this association and the staff will be able to give you that information. That shows how these accomplishments made a great impact with us, and that the organization as we possibly could make with that kind of a reduction.

Mr. Roh: If you are a member on this list, if you will just pick one or two people who are not on there and convey to them your thoughts on the situation. You yourself don't know enough about it or feel that you are not able to approach anyone or less people than you know if you will get next to one of the committee or one of the educational bureau or one of the staff and ask them to give you more information that is needed, before you put your name down, because the officers of this association and the staff will be able to give you that information. That shows how these accomplishments made a great impact with us, and that the organization as we possibly could make with that kind of a reduction.

Thank you very much.

President Frayser: Thank you, Mr. Roh.

Suggests Concerted Drive

Mr. Piggis: I know the amount of work that Mr. Roh has done in connection with this particular work, and I know how outspoken he is. I am going to be just as outspoken about the suggestions he has made. I don't think this idea of letting each of us look it up and find out and talk



Charles J. Roh
Re-elected Treasurer

covering our revised activities were found to be correct. We have had a little more income from certain sources than we anticipated and a little less from others. Our expenditures have in all cases come within the budget requirements, notwithstanding

to one of the staff and get some information here and there will result in our getting very far. As a result, probably there aren't more than one or two in this room who would go after Mr. McGaig. I am among those who would, perhaps. Mr. Roh has done a very substantial part in securing the names that are on that list. It seems to me that the way to get organized effort for this end is to utilize the existing organization that we have, namely, the club units, and appoint a committee, if necessary, which will be referred to as the club unit, definitely go out after the particular memberships that are available in that club or locality, and in that way have a purposeful drive.

I presume the idea has occurred to you and you may have discarded it, but even if it has been discarded, I think it has enough merit to give it further consideration. For that reason, I would suggest that the matter be considered either now or later and be referred to the Executive Committee, or whatever procedure you may desire to take, but at least it should have some consideration for the securing of future contributors on that list.

President Frayser: Thank you, Mr. McGaig. I think your remarks are timely. Has anyone else wanted to say regarding this matter at this time? I can assure you of this—Your suggestions will have due consideration and be taken up at the proper time and place.

Mr. Roh: I should like to have referred to the budget and finance committee any plan that hasn't been tried. I am quite sure we are willing to try it. I think the budget and finance committee who are considering all ways for increasing the number of subscribers would certainly like to give that a whirl.

President Frayser: Mr. Flagg, does Mr. Roh's suggestion meet with your approval?

Mr. Flagg: It does.

President Frayser: Has anyone else anything to say on this subject at this time?

R. B. Robinette: I would like to move the approval of that report and say a word for the budget and finance committee. I think the members of that committee are in better position to know than the rank and file of organizations the great amount of work and effort that has been put into perfecting of this new financial plan. It has required not days, but weeks and months of careful study on the part of Mr. McGaig and the committee. A tremendous amount of credit for the accomplishment that we have had up to date on this plan. It is the first time in the history of the industry that all of the larger units of industry have been supporting the industry's activities on an absolutely equal basis, and I think it is time that we give compliments that the industry as a whole has done in the entire history of the organization.

I want the action also to carry the thanks of this organization to Mr. Roh for his untiring efforts in bringing that about.

Formal Opening Monday Evening

(The meeting for the formal opening of the convention convened at 10 o'clock, Monday evening, President Frayser presiding.)

President Frayser: It is indeed a happy event that we are gathered together this evening for the purpose of convening the forty-fourth annual conference of our organization. May we all stand and sing two verses of "America."

(Singing of "America.")

President Frayser: Recognizing the need of the assistance and guidance of Divine Providence, may we all again stand while Dr. Durrell, of the Church of the Ascension, delivers the invocation.

Rev. H. E. A. Durrell: Our devotions tonight will consist of the invocation, the Lord's Prayer, in which I will ask you to join, please, and the collects for guidance.

President Frayser: It is my privilege and pleasure to present to you at this time Edgar S. McKaig, president of the Philadelphia Paint, Oil and Varnish Club, to deliver the address of welcome.

Welcome by Mr. McKaig

Edgar S. McKaig: The Philadelphia Paint Club for whom I am privileged to act as host at this forty-fourth annual meeting. We had hoped to welcome you to Philadelphia, but when the world's war broke and the world's playground complete, the honor, it is not surprising that the angels were free to go and come as they pleased but he noticed a group of angels who were bound to the earth. The angels were free to go and come as they pleased but he noticed a group of angels who were bound to the earth. The angels were free to go and come as they pleased but he noticed a group of angels who were bound to the earth.

To those of you who do not know how attractive a place Atlantic City is I cannot illustrate it by even a dream, a gentleman died and had gone to Heaven. He found Heaven everything that he expected. The angels were free to go and come as they pleased but he noticed a group of angels who were bound to the earth. The angels were free to go and come as they pleased but he noticed a group of angels who were bound to the earth.

(The audience applauded.)

(The motion was seconded.)

President Frayser: I hope, gentlemen, that you all listened attentively to Mr. Roh's report. I think we have just cause for gratification of our past year's performance and those who know best about Mr. Roh's efforts concur in what has been said by the two gentlemen speaking earlier. He deserves great credit for it.

Mr. Morgan, what action was taken by the executive committee on Mr. Roh's report?

General Manager Morgan: The action of the executive committee on this report yesterday was almost word for word the same as Mr. Robinette's resolution. They approved the report with enthusiasm and earnest commendation of the magnificent work the treasurer had done. There were several suggestions made for furthering this work. Mr. Flagg's idea will be not included, and all of these suggestions are to be passed on to the budget and finance committee, and are also to be discussed at the meeting of the board of directors of the national association this afternoon.

(Mr. Robinette's motion was put to a vote and carried.)

President Frayser: Our next order of business is the preliminary report of the committee on constitution and by-laws—Mr. Cheesman!

(Mr. Cheesman said that he would not read the report, but would present it by publication.)

President Frayser: Our next order of business is any announcements that we may have.

(Announcements by Mr. Morgan.)

Convention Committees

General Manager Morgan: I am asked by the president to read the names of the personnel of the nominating committee—R. B. Robinette, E. J. Cornish, C. J. Caspar, chairman, R. B. Robinette, E. J. Cornish, C. J. Caspar, chairman, R. B. Robinette, E. J. Cornish, C. J. Caspar, chairman.

I am also asked by the president to announce the personnel of the nominating committee—R. B. Robinette, E. J. Cornish, C. J. Caspar, chairman, R. B. Robinette, E. J. Cornish, C. J. Caspar, chairman.

Sergeants-at-arms—All members of the Philadelphia Club—Harry R. Dowdy, A. P. Wetherill, C. P. Morris, William Zini, William H. Jarden, Jr., C. P. Jarden, J. Sibley Felton, chairman.

The following members of the headquarters staff will serve on the press committee—Miss Kent, Mr. Elton, Mr. Emerson, chairman.

Mr. McGaig read a telegram which just came in:

Greetings to the National Paint, Oil and Varnish Association. Hope you will have a very successful, comfortable and enjoyable convention.

—LUDINGTON PATTON.

President Frayser: This just about concludes our business session for this morning.

(The meeting was adjourned at 11:30 a. m.)

was told, "Ah! those angels come from Atlantic City. If we didn't keep them they would go right back there."

It is the hope of the committee on arrangements and entertainment that this meeting will be an outstanding one. Mr. French Reeves, the chairman who will later give you the details of the program, has thrown himself wholeheartedly into the work with his customary vigor. He has done everything to assure a successful meeting, and he remains only for you to take advantage of what he has done.

On the business side, we will not be hurried. Our friends, the American Paint and Varnish Manufacturers Association, are not meeting with us this year in joint session at heretofore. Some think this a mistake. Undoubtedly, it will be the subject of discussion on the floor. Be sure it may have sufficient to engross our attention.

I shall not dwell on the troubled times through which we are passing nor shall I say that we have turned the corner and can now see returning prosperity. I will say that everyone knows and that in that false economy on the part of nearly everyone, from the smallest householder to the largest corporation, has neglected painting, so that there are more surfaces to paint than ever before.

We esteem it a privilege to welcome so many charming ladies. For those of you who don't know precisely what constitutes a lady, I will give you a definition which I heard. If a woman has a face, she doesn't need anything else; if she hasn't it, it doesn't matter what else she has.

From a long experience attending paint conventions, I know that this story was told me by an old one. The story runs thusly: Two men meeting at a convention had this conversation. One said to the other, "Did you bring that homey wife with you?" Said the other, "Better to have brought her than to have kissed her goodbye."

Finally, may I suggest good fellowship on the part of all. Let us back to meet someone you don't know, make yourself known. I am sure in this modern age, no man is a stranger to another. If you can't recall the name of someone or can't read his badge because he is wearing a just a few feet apart, mind, and not to remember is not a thing to be ashamed of.

There are a number of the man who said, "There are three things I can't remember. I can't remember names, I can't remember

faces, and what the third thing is I can't recall."

We are more than glad to welcome you here, and we shall be disappointed if your sorrow leaving does not equal, if it shall not exceed, our joy in having had you with us.

President Frayser: It is now my pleasure to turn the meeting over to S. French Reeves, of the Philadelphia Paint, Oil and Varnish Club who is in charge of arrangements and entertainment and who will conduct the meeting from this time on.

(Mr. Reeves then made announcements with reference to the entertainment, and particularly the musical program of the evening and the reception to President and Mrs. Frayser which followed.)

Tuesday, October 6 Second Business Session, Tuesday Forenoon

(The meeting was convened at 10 a. m., Tuesday, President Frayser presiding.)

President Frayser: The first order of our business is roll call, but we will defer that until a little bit later in the meeting.

Our next feature is "Solving the Credit Problem," by Mr. J. Kenny. Is Mr. Kenny in the room?

Solving Credit Problems

J. T. Kenny: Frequency of bad debt losses during the past year emphasized the need of a thorough survey of our industry to determine the trend.

Through the painstaking cooperation of the National Association of Credit Men, this survey was made possible and it very definitely established the fact that bad debt losses have steadily increased since 1926, to the point that losses during 1930 (after deducting the figures of manufacturers enjoying a sales volume in excess of \$5,000,000), reached 1-1/10 percent of net sales. In some classes of sales volume it reached as high as 1-9/10 percent of net sales.

The survey also indicated that while bad debt losses in dollars were increasing, net sales were decreasing, particularly during the last two years.

So to crystallize the viewpoint of the members, a second questionnaire was mailed to collect information as to the trend of gross profit and to develop the opinion of what they believe should be a reasonable bad debt loss percentage to sales in normal times.

Sixty-six and two-thirds of the members replying reported reductions in gross profit (compared with the year 1928), ranging from 1 percent to 30 percent with a general average of 12 percent.

Fifty percent of the members replying reported 1/2 percent or less as a reasonable bad debt loss percentage; fourteen percent reported 1/4 percent to 3/4 percent; seventeen percent reported 1 percent; and nineteen percent reported over 1 percent of net sales.

It is estimated from the data collected by means of the questionnaire that the total bad debt loss for the year 1930 in the neighborhood of \$3,000,000. It is anticipated that the bad debt loss for the year 1931 will substantially exceed \$4,000,000. If a bad debt loss percentage of 1/2 percent could be attained, it would result in a saving to the members of the industry of from \$1,000,000 to \$1,500,000 through reduction in bad debt losses and there would be additional savings brought about through reduction of accounts receivables investment and smaller collection department expense.

Your committee believes such savings can be realized, but it will require the wholehearted co-operation of a majority of the members in the industry to the credit plan that will be outlined in detail.

This plan has received careful study by the officials of the National Association of Credit Men, and by prominent members of our industry, and it represents the good that can be accomplished through such a group. A striking example is the "Paint and Allied Industries Group" in New York City. This group started with thirty-two members, January, 1931. It has a membership today of sixty-two. Its records contain over 50,000 names of paint purchasers in the metropolitan area, serviced by one or more member firms. It has its own secretary, who is constantly at the call of the members. One feature added by this group (known as a series of "moral suasion letters") is used to collect accounts that might otherwise be placed in attorneys' hands and returns to the members, more than the total of the annual dues for the entire group. The members of this group have learned through contact to believe in each other and that confidence has demonstrated itself by not only improving the frankness in the interchange of credit information, but has developed many instances where one member voluntarily informed another of a dangerous credit situation.

There are similar paint credit clubs in existence in Chicago, Detroit, Pittsburgh, Louisville, Indianapolis, Cincinnati, St. Louis, Boston, Minneapolis, St. Paul, Milwaukee, Salt Lake City, and many other cities. All of the above groups are affiliated with the local credit men's association.

The local paint credit club serves to collect the composite payment performance of the members' customers, but unquestionably it is equally as important to know the same customers pay their obligations to paint firms in other markets as well as firms in other industries. It frequently happens that the members of a group may control their credit granting to a certain customer and feel they are reasonably safe, only to learn, perhaps too late, that the same customer is heavily indebted to several suppliers in other markets.

Intermarket Information

This is the first of the second step in the plan, the method by which inter-market credit information and credit information furnished by other industries can be made available to a member of any paint credit group.

In this connection, the National Association of Credit Men have offered to conduct paint credit groups in all cities where we have paint clubs. Each member of a credit group will be privileged to list his accounts with the inter-change

Paint, Oil and Varnish Club who is in charge of arrangements and entertainment and who will conduct the meeting from this time on.

(Mr. Reeves then made announcements with reference to the entertainment, and particularly the musical program of the evening and the reception to President and Mrs. Frayser which followed.)

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bureau, and will receive a reciprocal report on every account where he has been asked to furnish payment information. Credit will enable a group member to secure local interchange credit information in many instances the same day that he receives his invoice and interchange credit information from other paint markets and other industries a few days later.

Hereafter the interchange bureau contracted with subscribers for a minimum of one hundred reports, costing between \$75 and \$150 plus a membership fee to the local credit men's association of \$15 to \$50, which varied according to the size of cities and costs of operating local credit units. So as to make this plan attractive to firms in the paint industry located in smaller cities, they have agreed to perform the desired service of operating paint credit clubs and furnish national clearance for membership fees plus contracts for interchange bureau services with a minimum cost of \$35 for 25 reports. Their offer to our industry is the first exception that they have made in their national program—no firm in our industry can afford to overlook this opportunity to fortify their credit department with a source of credit information badly needed, particularly at this time.

It is only fair to mention that the National Association of Credit Men and their local units are operated entirely for the benefit of their members—there is no requirement to make a contribution to the value of their helpfulness depends entirely upon the active participation of their members. Other credit clubs receive greater national benefit from the facilities offered by the National Association of Credit Men than they could possibly obtain, simply because they have recognized its usefulness. Today, less than one third of the membership of the National Paint, Oil & Varnish Association subscribe to the credit interchange bureau service. It is our aim to make this credit information available within our own industry.

To Circulate Educational Data.

It is the purpose of your committee to disseminate educational data, through the paint credit groups, furnished by well organized credit departments within the industry. Such aids are the basis for establishing credit limits, the efficient method of operating a credit department, the constructive assistance that a credit department can render customers to enable them to earn a better profit from their operations, and other educational data will be circulated.

In closing, your committee wishes to stress the following points:

1. Regardless of whether the bad debt loss in our industry is better or worse than the average industry, there is no reason why steps should not be taken to reduce losses.
2. As bad debt losses decline, there are many associated expenses that also decrease—such as savings by reduction in account receivable investment, reduction in legal and collection fees, reduction in traveling expenses, and what is most important, a larger dividend to the credit department.
3. As the credit department becomes better equipped to determine the responsibility of its customers, it should enable a sales organization to more intelligently direct its efforts.
4. The absence of one bad debt loss might easily more than cover the cost of this service for a year.

The minimum costs for the various cities are shown on the following schedule:

Minimum Costs for Group Service and National Clearance
L.C.M.—Indicates affiliated with local credit association.
Ind.—Indicates not affiliated with local credit association.

	Credit	Class.	Cost	Credit	Class.	Cost
New York	A	25.00	L.C.M.	25.00	Ind.	25.00
Chicago	A	25.00	L.C.M.	25.00	Ind.	25.00
Detroit	A	25.00	L.C.M.	25.00	Ind.	25.00
Pittsburgh	A	25.00	L.C.M.	25.00	Ind.	25.00
Leavenworth	A	25.00	L.C.M.	25.00	Ind.	25.00
Indianapolis	A	25.00	L.C.M.	25.00	Ind.	25.00
Cincinnati	A	25.00	L.C.M.	25.00	Ind.	25.00
St. Louis	A	25.00	L.C.M.	25.00	Ind.	25.00
Cleveland	A	25.00	L.C.M.	25.00	Ind.	25.00
Atlanta	A	25.00	L.C.M.	25.00	Ind.	25.00
Boston	A	25.00	L.C.M.	25.00	Ind.	25.00
Minneapolis and St. Paul	A	25.00	L.C.M.	25.00	Ind.	25.00
St. Paul	A	25.00	L.C.M.	25.00	Ind.	25.00
St. Louis	A	25.00	L.C.M.	25.00	Ind.	25.00
St. Paul	A	25.00	L.C.M.	25.00	Ind.	25.00
St. Louis	A	25.00	L.C.M.	25.00	Ind.	25.00
St. Paul	A	25.00	L.C.M.	25.00	Ind.	25.00
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along for many years and it entirely depended on the secretary employed at the time, while the group was working. The minutes we were able to secure an efficient plan that handled the credit system properly, one of the two established credit information organizations took him away from us. The result was that there weren't enough capable men around to be had every time it was really necessary to follow up the other man's footsteps. It reverted back to the committees that were composed of manufacturers or business men in the industry, or the credit men, and they having sufficient work of their own, did the best they could to help the matter along, and after about nine years of tireless effort, and at great expense to some of us, particularly the ones who were interested in carrying through successfully, we footed the bill ourselves a great many times while not having the co-operation of the entire industry in that particular town where I happened to be located. The result was that after careful study, and hard struggle we decided that the only way that we could efficiently bring about a successful credit interchange would be through the New York Credit Men or the National Credit Men's Association. It met with great opposition from the beginning as we have tried it once before, and the independent group was lost, but now the plans have been laid perfect, and I am only sorry that a few of the reports that we are able to secure in New York through the New York Credit Men's Association, through the special group, through the special paint group, aren't presented to a great many of you gentlemen, who don't know how this thing is working.

You may find anywhere from twenty to twenty-five responses to that report telling you how much the man owes past due, how he pays and whether he pays by notes or lets the notes go to protest. No names are mentioned. It is all sent to you by number, and I urgently ask the gentleman here at this convention please to approve the plan as outlined to you by Mr. Kenny.

It is the most comprehensive proposition that was ever put before a convention, and I believe that if we would be called upon to increase today our profits anywhere from \$1,000,000 to \$2,000,000, a great many men would get together and sit up hours and nights to study how to bring about that situation. There is put before us ready to accept, and I sincerely hope that we will unanimously accept the plan as outlined by Mr. Kenny!

President Frayser: I again urge you to be brief in our discussions. This plan is quite comprehensive and will be presented to all of you for your information.

Is there anyone else who has anything to say to this subject, briefly? Mr. Kenny and his committee, as well as the various bodies and committees of our organization, are very anxious to have this convention pass on this matter in a very constructive way, not only to accept it in a perfunctory sort of manner, but to take the message in such way to your own organization and to your local clubs, that we may receive the benefit which Mr. Kenny's committee has made available to our organization.

If there is no one else who has anything further to say on this question? Horace Felton: I don't find Mr. Kenny's report in the printed reports. Will we receive a copy of the report or must we wait for publication in the year book?

Mr. Kenny: The reason it was not included in the bulletin was because it had not been completed at the time it was printed. It was necessary for us to contact with every local credit men's association in order to develop a particular deal for each city, but Mr. Horgan, I imagine, we could arrange to have copies of the report prepared and sent to the members.

General Manager Horgan: Yes. Mr. Felton: It seems to me it is of much importance that we ought to get it into the hands of our membership as promptly as possible, and a year book not arriving until two or three months after the convention, doesn't accomplish the purpose.

Mr. Kenny: Mr. Horgan says that that will be taken care of.

(Mr. Masten's motion to adopt Mr. Kenny's report was put to a vote and carried.)

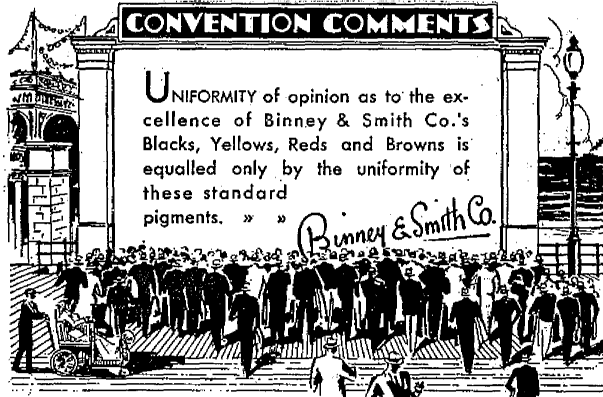
President Frayser: We will divert from our program just a little this morning and our next feature will be roll call.

(The roll was answered by twenty clubs with a total representation of ninety.)

(Announcements were made by General Manager Horgan.)

President Frayser: Our next program feature will be a guest whose time is limited, and we shall have to divert from our program to put him on next.

This speaker is a very intimate friend of one of our very good members, and I should like very much if Mr. Trigg will introduce our next speaker. Is Mr. Trigg in the room? Ernest T. Trigg: We are very for-



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===== A PIGMENT FOR EVERY SPECIFIC PURPOSE =====

lunate indeed today to have a man here from Washington to speak to us on general business conditions. Not only are we fortunate in having someone from our seat of government, but we are especially favored in having a man who is connected with that department of the government which, after all, is our department—one department of our national setup to which we have the right to look and do look for constructive leadership in business affairs.

Our speaker this morning has had a vast amount of experience in trade and commerce, not only nation-wide, but world-wide. I shall not take up your time, nor bore him by telling you about his college degrees and the universities he has attended and things of that kind, because I think you all know that, but I do want to tell you that for over twenty years he has been a close student of business, commercial and industrial affairs throughout the world. During most of those twenty years, he has been connected with the Bureau of Finance and Commerce, as a part of the Department of Commerce of the Government. I think many of us have had occasion to come in contact with Dr. Klein in his work as the head of that bureau. I want to say from my own experience that we never went to Dr. Klein and to his bureau without getting prompt and accurate information and the help of the co-operation which we desired, and now, as Assistant Secretary of the department itself, co-operating with Mr. Lamont as the head of that department, he is in a position to take even a broader view and a bigger responsibility in the business affairs of this country and of the world.

Dr. Klein comes to us, ladies and gentlemen, this morning, at a good deal of sacrifice to himself. The demands upon his time, both as far as his department work is concerned and as appear at various places in a speaking way, are such that he finds it impossible to much more than to be here and set aside other things and come down here this morning to talk to us for a little while on the subject of "What Price Prosperity?" and it is with very great pleasure at this time that I do not introduce Dr. Klein to you, but Dr. Klein. I want to present the paint industry to you!

Address by Dr. Julius Klein

Dr. Julius Klein: You know, in spite of those all too generous remarks from my good friend, Mr. Trigg, we bureaucrats in Washington are very much inclined as to what the taxpayer really does think of us, especially in these trying times. When we are called upon to go forth from the seclusion of our red tape jungles down on the banks of the Potomac, he is usually not very much pleased. The one about the government employee who consulted his physician about an operation. When finally they came to the question of the effect of the anesthetic, the young man said, "How long after I take this anesthetic will I be able to think rationally?" The medico eyed the poor little bureaucrat rather pityingly and said, "Young man, you are expecting a awful lot of an anesthetic."

Be that as it may, we really are very keenly conscious of the seat of the government of the difficulties which business is having these trying times. We have been following and sympathetically the ups and downs, mostly down, unfortunately, of the business curve. We have seen, perhaps, the proximity of it rather abruptly within the last few days. We have seen the Congress make the proposition that government salaries, including those of Congressmen, would be cut ten percent. Some of the politicians proposed to cut their own salaries, that isn't depression, that is the millennium.

But we watched the horizon closely to see whether we could discover some signs of improvement here and there. Once in awhile we have heard actually of some paint companies that were going on. On closer scrutiny, however, we found that they were going but they didn't know where they were going. The situation is frankly befuddled. Difficulties seem to pile up with monotonous regularity. Only yesterday, the public life of this nation suffered an irreparable blow, one that was felt and will be felt more and more keenly by the entire community of the country, because Senator Morrow's mind was peculiarly fitted to the sort of calm, inclusive thinking which he has been able to give and his frequent visits to Washington in the last few weeks have been of immeasurable help to the President and to many others who were favored with his presence. I can well appreciate, and I am sure you can, why many of the politicians down there didn't quite understand a man who can sit in the Senate a whole year and not talk. He was devoted to more serious efforts.

When It Will End

He said one of the wisest things I think that has been said on the depression and its general prospect for alleviation. Someone asked him, not long ago, when it would end, and he said, "About two months before I hear of it."

Well, now, that requires a little explanation. What he had in mind was a very serious, sober thought which should be much more widely appreciated than it has been. He meant simply this, that because of the enormous complexity of American industry, it is impossible for anyone to know the prospect, the actual course of industry at this moment, this day or even this week. In other words,

although you may know the position of your own firm, perhaps many have some rather accurate impressions of the status of your immediate competitors or others, so far as being able to answer the question on how business is in this country today, we won't know what it is for at least three, four, five or six weeks.

The statistics on the position of industry this week will not be available in sufficient numbers for weeks and even months to come, and for that reason when one hears at the moment expressions of the most pessimistic variety, I ask directly on what is that gloom based? Is it something historical, is it something that happened several weeks ago? Statistics are being released as to the number of bank failures, as to the reports of companies, as to the foreign trade and many of them lie far back, as far back as last spring or even last year.

Let me give you one illustration of the misleading character of that assumption that we know now what business is now. I am going to our statistics. (and I don't want to stress their findings too much, because they are very appropriately marked by statisticians and analysts and business prognosticators and laid end to end, it would be a good thing for business) and according to the



Dr. Julius Klein

best calculations the downward trend of the depression ended last January. That doesn't mean the depression is over by any means, it means that the downward curve stopped very abruptly last January. Since then, we have been in a state of fluctuation, a rather broad valley, not a very pleasant process, but nevertheless, one that at least has the appearance of a valley. The fact that we are in the second stage of this cycle of experience, the third thing, of course, the upward swing, and according to the

We didn't know that we had touched bottom last January, until March. It was in the early part of March that it became quite clear that that first terrific downward trend had ended, and correspondingly, we probably will not know (and this is what the Senator had in mind when he said he wouldn't know any depression would end until two months after it was over) when that upward trend begins, that is the business of the nation is concerned, until six weeks or even more after it has already gotten under way.

And so, with these various prognostications as to the downward trend or the upswing, it is something that Washington, just bear in mind that fact, that the completeness of the picture cannot be definitely established until some weeks after any given date.

Need for Individual Effort

That brings me to what seems to me really the nub of this whole question as to the situation of the nation. We hear much of great schemes and plans, and programs, world-comprehensive in many cases, vast movements almost cosmic in their proportions. But in the last analysis, this business situation is going to improve only when, as and if we have individual effort, effort on the part of individual companies, of individual industries, to put their own houses in order.

We have had, I am afraid, in the last few months too much of the "Let George do it" manner of thinking, too much of the "Let the government do it" attitude. We should worry about, or "Let us pass the buck for some super commission or some great group of all-wise mind." Business improvement, like charity, begins at home.

It is quite ready to grant that larger planning is valuable; it does help. We have got to have it. We must not for a moment cease of absorbing our public servants, our great leaders of industry in the mass, from their responsibilities as well. But, unless and until we can be sure that each individual industry and each plant is doing its best, put its own house in order, we are going to have a delay, a costly delay, in recovery.

The depression is not going to end at times. We are gradually getting more and more of it. It is rather gratifying to me that the listening of the Department of Commerce, to hear from one industry after another, of the things that are being done, to make sure that all possible preventable wastes are being eliminated, that definite measures are being taken by companies and by industries to put their houses in order.

Work of the Paint Industry

You have just cause to be proud of the effort which your industry is making in that connection, particularly through your trade association, the American Paint Manufacturers Association. In this valuable direction there, and we are very

happy to have him down in Washington to collaborate closely with us. You are making a number of definite contributions.

It has been the habit on the part of a lot of cynics, foreigners and a number of souls who describe themselves as Americans but who are quite un-American in that category in this country, to lament the gregariousness of the American businessman. He loves to get together and parade himself in Rotary clubs and Kiwanis and conventions and what not, to bedeck himself with badges and to listen to dreary speeches and go to endless banquets and so on. In the eyes of these unhappy cynics, that is just too bad; it is one of the things that show the inadequacy of American civilization and social life. As a matter of fact, cold, hard fact, it is gradually dawning on a lot of people that that instinct toward organization, that gregariousness, that zeal of the American businessman to get together, has been one of the invaluable saving factors that kept us from a far worse plight in the last two years than we would otherwise have had.

One of the very reasons I am firmly convinced, why we have been able to weather this storm with much less disaster than in 1917, and far more of it than we have at the time which has been of such great help to us, has been the business organizations, over a lot of trade associations, chambers of commerce, service clubs of one sort or another, the better business bureaus, and down the line—where business men have been able to get together and plan for the future, to do it together, to take up that set-up in any of the preceding crises to which I have referred. That is one of the very reasons why we have been able to hold together as we have this time, with far fewer casualties, and one of the reasons why, in my firm conviction, that we are going to come out of this one quicker and more solidly than we have out of any of the previous ones.

John Burns, the great British labor leader, some years ago visited an insane asylum and was much interested in the fact that there were very few keepers around, and he asked the superintendent about it. He said, "Well, that is the idea. Here you have two thousand of these unhappy persons here, and only about twenty keepers. What would happen if all those lunatics got together?" And the headman said, "Well, just count on one thing—lunatics don't collaborate, but business men ought to, at least, some of them ought to. Let us hope we aren't all headed for the asylum. The fact that really is of fundamental importance, as you have observed in your own industry. The assistance rendered to the nation, the large part that is played in the later stages of every depression, is the cooperation and duration, in keeping up spirit. One of the things that caused the whole of the depression in the latter part of 1929 and 1930, and even more in 1931 and 1932, was the disintegration entirely of the morale of the business community. They disintegrated them all, and the reason, I think, largely, was that there were no vehicles for the cooperation and the maintenance of morale, to be discovered that, after all, there were some things to be thankful for. "What is the idea? We don't fall apart and pass off one by one."

Expansion in Paint Industry

Your experience in the last six or eight years is thoroughly typical of that of all industry in passing through and getting out of such a situation. You had in the pre-depression boom years an extraordinary expansion of your industry. More than that, of course, to the widespread growth of industrial plants all over through the boom period of 1927, and 1928, and 1929, to the general sale for the improvement of appearances. We had gotten away, apparently, from the pessimism of the paint industry, and we were beginning to think about beautifying our homes and bringing in the very helpful, soothing stimulus of color.

But during that whole period there was, we must admit, an orgy of intemperate selling, an orgy of intemperate buying, as well as, of course, and consequently of production. You had frantic attempts to keep up with the mad demand for paint, and you had a variation and expansion of the chromatic scales which were so bulging with varieties as to make the well-known aurora borealis almost fade out with shame. Our kitchens were rainbow and our B.D.'s as well.

You had, as a result, a hopeless increase in sizes and varieties of containers, variations of color, which made for just one more thing to add to an appalling accumulation of overstocking.

We have learned at least one lesson out of this unhappy experience, and that is, the imperative necessity of ruthless vigilance on the inventory, strict maintenance of that even balance as between stock and production on the one hand and outlet and market on the other. Because, after all, profits in business have no necessary relation to the volume of business. The purpose of business, as I am afraid I have said all too many times, isn't busy-ness—it isn't just being busy; it is keeping the cash register busy. That is the intention of it. It is not just motion. So that the maintenance of that equilibrium between production and distribution is the real essence of the paint industry. It isn't the volume necessarily of production; it isn't the volume necessarily of sales; it is the maintenance of that invaluable equilibrium and that can only be possible with constant, tireless vigilance on this factor of inventory.

Watching the Inventory

We have been making some analyses of that element in the retail field where, as you will appreciate, the more the education is even more acute, perhaps, than in the larger, better organized elements of the business. In fact, we have found in all too many cases, in analyzing the affairs of unhappy retailers, had they

been grocers or hardware dealers, or even paint dealers, an unfortunate failure to appreciate the necessity of watching the inventory.

Our investigators went down into the basement of a grocery store out in the hills in the course of our survey of that trade, and that thriving city and were amazed to discover the place was just packed solid with cases of all sorts. The man really had, as a matter of fact, a museum. He didn't have an inventory down there of salable groceries but antique specimens of all varieties, and that was, of course, one of the chief troubles in his unhappy plight. We asked him what about it. He said, "They are perfectly safe down there, a nice dry cellar that doesn't affect me in the least bit."

He was very much like that mountaineer effort to bring it out. You have been horrified to discover that he had a lot of pigs down in the cellar and he asked him if he didn't think that was unhealthy. The mountaineer said, "Unhealthy? No, I haven't lost a pig in five years." The inventory can be very unhealthy to the inhabitant of the establishment without his realizing it.

You have been fortunate, as I have said, in the broad, general advance of your industry, bringing in the longer view of it. The expansion of these past fifteen years indicates clearly what a well-organized effort you have been making. You have increased the per capita consumption of your products from \$1.37 for every man, woman and child in 1914 to \$4.68 in 1929, and even with all sorts of allowances for advance in prices, it is still very evident that you have made a great advance in the volume of your products during that time have increased in gross value 228 percent. That is almost a record for any of the other industries of the country. In the meanwhile, the wages that you have paid have increased in gross volume 115 percent, and the number of your wage earners has increased only 31 percent. Eighty-one percent is an increase in total wages of 115 percent. In other words, the net compensation per worker has evidently increased substantially, undoubtedly due to the fact that you have improved your machinery equipment generally, and you have better factory management.

Example of Paint Association

Your association has set an example which I think the country as a whole has good reason to be proud of. Right in this present emergency, you have gone right ahead in collaborating with the President's emergency employment establishment. You have been working out various schemes to keep the maximum number of your workers on payrolls, at least part time, and I was very glad to notice in the reports issued just a few days ago by Mr. Gifford's organization, that two-thirds of your employment indicated that there would probably be no further substantial layoff of personnel. The fine collaboration which you are now entering with our building and housing work—we are delighted indeed that Mr. Trigg of your group is able to go down there in laying plans for that recovery of that key industry—the meetings that are being held almost every day there will culminate in the building and housing conference the first week of December, and that, I think, is one of the most substantial contributions that can be made to the recovery not simply of our own industry but of the country throughout the country, because of the vital importance of building for industries everywhere.

It was pointed out to me just the other day by Clarence Woolley of the American Building Industry Association that the building industry has a rather unusual significance when placed with that of business as a whole. The building industry began to be depressed several months before the stock market crash in October of 1929. Shortage of labor, which was taking these high, wide and fancy jumps in the stock market drew it away from the building industry, the industries, notably building, and consequently building went into its slump almost a year before the stock market broke. Conversely, Mr. Woolley and many others who have been following the industry closely tell me that the sooner we get that building curve turning up, the quicker we will see the general upward trend in business.

Hence, the efforts which we are concentrating on that industry and in particular on the side of finance. The President's recent efforts are focusing more and more in that field in the arrangement of more sensible financing. Therein lies the key spot, one might almost say, of the rehabilitation of that widespread and vital field in our whole business organization.

Betterment of Trade Statistics

You have been making another contribution. Two years ago, when I had the pleasure of speaking to you in Washington, that was just about ten days before the stock market broke. I don't know whether there is any necessary relationship between what I say in the middle of October and what I said the last week in October—but at that time I ventured to suggest the necessity of an even more intensive effort to lower the barometer of your trade statistics, and I am very happy to say that we have now a very valuable indicator on the part of your industry in that regard, because in many respects the consumption of paint is a very valuable indicator not simply as to the welfare of your own establishments but as a key to the rehabilitation of business as a whole. It is an excellent index of the trend of things. That was one reason why we were most anxious to have you improve your statistical facilities, so that we might know more accurately just what was going on.

Of course, as I said before, I don't want to overstate the value of figures. They are utterly useless unless they are studied and carefully applied in each individual case. Figures don't lie, but there can figure, and we mustn't assume that the mere collection of statistics solves the problem, not a bit of it. It is just like building up a lot of tools; they are useless unless they are put to very good purpose. Only yesterday afternoon, I had a very

Comments on the Industry

We have a research laboratory in the publication of this picture from industry, most trade associations, including notably the National Association of Manufacturers, insist on permission to tell you pretty exactly where your markets lie. We have, for instance, a list of the countries to which 90 percent of your total output is sold to industry, about 23 percent to wholesalers, and the rest in various miscellaneous ways. We have furthermore, concentrating on that 41 percent of your output which is sold to the industrial market of this nation, the important markets in the whole country, and the important markets in each of our states, and the important markets in each of our counties. And how many manufacturers and how many retailers. We know for instance, that 3,673 of our manufacturers are concentrated in this country, counting as a factory arbitrarily anything that has an output of more than \$100,000 a year, and are concentrated in just 53 of the 3,673 counties. And how many manufacturers and how many retailers. We know that 3,673 when they might just as well pick up a rifle and shoot at 53 and

That doesn't mean that national selling is a futile, not by any means. But it does mean that there should be a much more rational approach to national selling, one that takes advantage, of course, of the possibilities of concentration on specific markets. Definitely your own field is a quarter of all the countries in the world, and the U.S. industry goes into exactly eight countries in this country. That fact again is a very important one. It means that a part of any manufacturer or wholesaler should be dependent upon the industrial market, and that is a very important fact. It is pretty clear because as to what the problem is, where the markets are likely to be, and how to approach them, the answer is very simple. You must be better organized, so that you can start operating as soon as you have made your application of these figures to your own

So far as the outlook of the business picture as a whole is concerned—and I wasn't say but a few words there so as to spare you from further misery—there is no reason to be pessimistic. It is better to prognosticate, having seen the appalling casualties among the prognosticators and analysts and the rest of them, than to be pessimistic. There are three things to suggest two or three things. In the first place, to beware of that bulge to which I have already referred, not to concentrate on the "high" side of the market, but rather on what is happening and what should happen in the near future. We still have far too much in the way of "old" or "new" stock, and the aftermaths of 1929. We don't want to any more mountain climbing, at least for a little while until we can get our noses up to 30,000.

As Walter Gifford very aptly expressed it, there are altogether too many woodwinds in this country. It is an extraordinary creature that flies backwards to keep the wind out of its eyes. It is interested only in seeing where it has been. It doesn't care where it is going. There are too many of those rather weird zoological specimens operating in the disguise of businessmen, and the fewer we have of them, the better, right now.

Furthermore, let us remember that the turn in the business picture, when it does come, when we come to that upward turn in the elevator. In fact, we would rather have a steady climb than a series of up and down periods having an uncomfortable habit, sometimes of coming down, and we would rather have a steady climb than a series of avoid it. Rather let us have a more moderate, steady turn which does not require a complete turn of the business cycle. In other words, it may be just a variation. Statistics show that the average business enterprise to fifteen percent of an improvement before there was any appreciable loss. More recently, however, they have discovered that a two percent turn can give the right drift, just a small variation. It is very much like the eggs that you have seen between a fresh egg and an approximately fresh egg, and that difference can

And so it is in business, just a small difference in shade between red ink and black ink, just a few molecules and if you keep them in the black long enough you are on the way to prosperity.

A Dime a Day

President Gadsden of the Philadelphia Chamber of Commerce calculated some months ago that if only 15 cents were sent each day by each wage-earner in this country, we would roll up, in one year, two billion two hundred million dollars of new business. That in terms of wages, would mean one million occupied men at \$25 a week. There is nothing like a dime a day will keep the depression away, a small turn of that will afford exactly the right trend.

Just when it will come, as I say, I am not in a position to prophesy, for obvious reasons. There are those who are firmly convinced that the turn will come soon because the width of this valley is now settling monotonously insistent, but that it will come there can be no doubt whatever, in view particularly of the assets that we already have accumulated in this country.

Remember that we have come through depression in better shape than any predecessor of equal magnitude. Remember specifically that the first time we were in a depression, we had no reserve assets, in our savings. They have increased in the last fifteen years from about eight and one-half percent to twenty and one-half percent. That is an increase of well over 22 percent that has never been the case in any of the previous periods of equal proportions. With that reserve in hand, we are ready to meet any emergency. We are prepared to act just as soon as the first unfavorable trend takes place.

If you will recall the general trend in the last four downward curves in the stock market, you will observe that the last one came down very abruptly. In

each instance in the past, because of the violence of that descent, the business uncontrolled, the whole mechanism of industry was hopelessly disorganized. This time the descent curve moved down very, very gradually. It took us not two months as in the previous depression, to come from the maximum to the minimum—this time it has taken us eighteen or nineteen months to make the full descent. What does that mean? That has meant that the time we have had four-wheel brakes on the machine.

The descent had to be, because of the terrific inflation. But it was not an explosion, this deflationary process. It was a gradual, controlled, letting-loose of the money supply, and consequently, business has come through with its organization far more intact, with its resources and reserves in much better shape than it would have been had it just one thing—that when the recovery does come, we will be in better shape to capitalize than we ever have been before. There is a certain amount of doubt that final upward curve spread out gradually over several years. In most instances, the time I think we have reason to expect is about a year and a half. But for us to arrive on the level of substantial normalcy, because we are in better shape than have been a any time in the past, is a real possibility.

And an epidemic for many time before, what I have been trying to do here is just to suggest a few rambling thoughts on your own writings. I am glad to see a little something I think about much like that historic rooster that all of you have heard of. You remember, out in Los Angeles, he wandered out and came across one of them. There he saw his first ostrich egg. He never had seen one before. He was just a little bit confused. He knew they came that big, but he satisfied himself from his professional experience that he was not going to eat it. He pulled his comb out and rolled it back and shoved it through the fence of his own farmyard. Then he summoned his hangers-on and said to them, "I have had a few aspersions on your previous efforts; I just want to give you something to think

Mr. Trigg: President Frayser has asked me to say just a word of appreciation to Dr. Klein for coming here and for the splendid talk he has given us. I am sure every one of us wants to have another opportunity of evidencing how we feel about that by giving him a rising vote of thanks, (The audience arose and applauded.)

President Frayser: The next feature on our program is "Flax Development." This is of vital importance to our industry, and we should be glad to have Mr. Nermek handle this subject.

(L. P. Nemzek, chairman of the flax development committee, read from the report prepared by the committee a number of sections which he considered of special interest. The full report of the committee follows:)

The annual flax conference, which has been one of the features of the flax development committee's work for many years, was held at the Hotel Astor, Chicago, on May 16. A very interesting meeting was held, attended by fifty representing agriculturists from the flax-growing states, representatives of large flax implement manufacturers, bankers, linseed crushers and agronomists and men representing the flax trade abroad, operating in the flax-growing area. Representatives of the Greater North Dakota Flax Association were present. The flax improvement association were present. Dr. John L. Eise Coulter of the tariff commission and Prof. A. C. Dillman of the U. S. department of agriculture were also present. Coulter made an address on the subject of oils of different kinds and their relation to flaxseed and linseed oil.

Following a discussion of the technical and scientific developments at the experimental stations, the matter of what recommendations should be made regarding the planting of flax came in for serious consideration. For the first time since its organization, the committee did not have a unanimous vote on the proposed increased flax acreage. These views were supported by many attending the meeting. The big decrease in the domestic consumption of flax was one of the main indications at that time pointing to a still further decrease in consumption in 1932. The fact that large quantities of flax were required, with the farm board urging the replacement of wheat acreage with other crops there was a possibility of an

The final conclusion was to point out that the farmer should select the best seed, select the seed bed preparation and timely planting. The greater per acre yield from such a procedure would net the farmer a much better return than he would be likely to obtain merely by averaging his seed and getting only an average or less than average yield. The subject was covered in "Supplement to Fact Facts," which contained information on the situation in the flag-growing states. This bulletin was widely distributed among the farmers.

Considerable stress was placed on the importance of the flax development committee's report from its start, more than twenty years ago, to increase the production in the United States to that about 80 percent of our country's requirements would be met. In the care of having in mind that the crop so large that some part of it will have to be exported, would force prices down to world levels, thereby nullifying the effect of the tariff, and seriously decreasing the year-in and year-out production of flaxseed.

The discussion at the flax conference brought out clearly that it is generally recognized that flax is a sound, economic crop in the northwest, and that it should retain a permanent place in the agricultural production.

Carl Borgeson, of the University of Minnesota, started out from Minneapolis on March 1 for a four weeks' trip throughout the northwest agricultural flax-growing area, as a representative of the flax development committee on the agricultural betterment train.

This train was sent out over the lines of the Minneapolis & St. Louis R. R. through eastern South Dakota and southwestern Minnesota. The train stopped at different points every day and met with county agents and farmers. Points which were stressed were the use of flax in a good rotation, preferably following corn, or on a firm, clean, well-prepared seed bed.



L. P. Nemzek

Chairman, Flax Development

bed, sowing wilt-resistant varieties like buda, bison and redwing, which are high yielding and high in oil content. Early seeding was stressed. It was considered highly desirable to participate in this train to further the program of recommending better planting rather than an increased acreage.

Crop calculations made early in the year were again upset because of adverse growing conditions over large sections of the flax-growing area. A planting of 3,132,000 acres which, under normal conditions, would have yielded in excess of 20,000,000 bushels, was reduced to a final crop which, when all reports are in, may not exceed 11,000,000 bushels. (The September report of the U. S. Department of Agriculture estimates 11,800,000 bushels.) Severe drought and prolonged hot weather caused poor filling of seed and

torced ripening. The yield per acre was the lowest on record. In some sections like nearly all of Montana and the western part of North Dakota, where there was drought, the crop was an entire failure—sections of South Dakota and Nebraska were so dry that the yield was less than four bushels per acre. The Red River Valley produced a somewhat better crop than the rest of Minnesota, which generally produced a good crop, although a yield much below average. On top of severe drought conditions, the grasshopper plague did considerable damage and destroyed many acres. However, in view of continued business depression with its accompanying general feeling of gloom, the lowest price on record for flax in this country, together with the unusually unfavorable growing conditions which prevailed, it is not well that the plantings were not greater.

At the conclusion of the annual flaxseed conference there was organized the flax Institute of the United States, a forecast in the flax development committee. Dr. W. A. Walster, dean of the school of agriculture of the North Dakota Agricultural College, was originally suggested the idea of the flax institute. The flax institute's headquarters are at the North Dakota Agricultural College. The flax institute has representatives from the colleges of the four important flax-growing states; representatives from the U. S. Department of Agriculture; and flax seed processors. Persons who have previously been interested in flax development. The flax seed crushers who have been members of flax seed processing associations for many years are officials of the flax institute.

The officers include:

- T. C. Smith (Minnesota Lined Oil Co., Minneapolis) as first vice president.
- J. D. Daniels (A. C. McClure & Co., Minneapolis, Minn.) second vice president.
- W. C. Smith (North Dakota Assn., Fargo, N. D.) secretary.
- W. Clements (President, Northern & Dakota Assn., Fargo, D.) treasurer.

Directors elected at the meeting are:

- W. C. Smith, General Manager, National Paint, Oil and Varnish Assn., American Paint and Varnish Mfrs. Assn., Washington, D. C.
- J. A. Johanson, National Lead Co., New York
- Dean W. C. Coffey, University of Minnesota, St. Paul, Minn.
- W. C. Smith, Spencer Kellogg & Sons Co., Buffalo, N. Y.
- W. C. Webber, President, Deere Webber Co., Minneapolis
- Dan A. Wallace, St. Paul, Minn.
- W. C. Smith, Minneapolis
- J. W. Schritzer, Froid, Mont.

The committee of scientific advisors consist of representatives from the four important flax-growing states—and in-

Prof. H. L. Boiley, North Dakota Agricultural College,
Andrew Boss, Minnesota Agricultural College,
Dean C. Larson, South Dakota Agricultural College,
Prof. M. L. Wilson, Montana Agricultural College,
Dr. A. C. Dillman, U. S. Department of Agriculture

In addition there will be four or five other fax representatives from each state. The institute has no salaried officers, secretarial work being cared for by the Greater North Dakota Association at Fargo.

The official organization of the institute which includes crusher representatives of the Archer, Daniels and Midland Co., the Smith, Daniel, Kragg and Co., (J. H. Matthews); Minnesota Lined Oil Co. (F. C. Smith); International Lead Co. (J. A. Johansen), ties in the interest of a group of those most interested and most active in the promotion of the institute west. Three of these representatives (Smith, Daniels and Johansen) are franchise development committee members. Mr. Smith has had a great deal of field development work in the west, and Mr. Johansen, because of his years of association with Mr. Nolan, knows the work very well so that we are insured of a high caliber of the desirable functions and policies of the desirable development committee.

The institute also includes all of the agriculturists with whom the flax development committee has been cooperating for many years. We are satisfied that the good that has been accomplished in the past by the flax development committee will not be lost through its discontinuance.

The chief purpose of the Institute is the concentration of the development of flax work at a single important point which will undoubtedly result in greater efficiency and economy in flax raising. A very comprehensive program has been set up by the flax institute and as already mentioned it will not only carry on the flax raising work but will also be functioning in certain useful phases of it in a manner that will be constructive and helpful to the farmers growing flax. These phases include breeding work through hybridization, selection and variety-testing to develop flaxseed of greater resistance to diseases and viruses, producing a greater yield of flaxseed, and the production of

Becker is sponsoring scientific investigations for data on the flax industry and the carrying on of experiments in plant pathology and plant breeding, the institute will foster scientific research into possible uses of flax and flax by-products, and will provide contact for the United States flax industry with state institutions and federal bureaus, commissions and departments. The farmer membership of some of the institute's committees should prove helpful in maintaining the scope of work with consuming and producing groups in the interest of better domestic flax crops.

The issue quarterly by the committee of linseed oil statistics which have been found very interesting for comparative purposes by many linseed consumers, will be continued by the flax institute and will appear in the trade journals as heretofore.

For many years the average yield of flaxseed per acre in the Argentine has been nearly 50 percent greater than the yield in the United States. Last year the North Dakota Agricultural College, agreed to extend a year's leave of absence to Professor Bolley to enable him to make a survey of flax growing in the Argentine. The expense of the survey was met by a special fund made up of contributions from the flaxseed crushers and the flax development committee.

A thorough study was made of the soil and climatic conditions and Professor Bailey brought back 450 samples for field tests, plant breeding and laboratory examinations, to determine whether a more satisfactory strain than is now available in the United States can be developed. There is a possibility of breeding taller-growing, heavier-bolled types which will produce more bushels per acre. A report on this project to date is made separately, entitled "The Argentine Flax Survey."

In line with the committee's recommendation at the 1936 meeting in Toronto, solicitation of funds for flax work from individual members of the committee was completed with the balance of funds carried over from last year. An association contribution of \$100.00 was received from the flax growers representing the industry's continued interest in the promotion of flax development. The committee also received a contribution by the committee to the agricultural colleges.

Since its organization the flax institute, has successfully obtained funds to continue flax development work and the indications are favorable for state and federal support. The flax institute continues to carry on flax development on at least as large a scale as members of this association have a right to expect in their contributions to our heretofore of about \$15,000 a year without a break in the government support of flax development work. The flax institute has received support of flax development work largely on the state legislatures and the U. S. Congress, the Department of Agriculture and the U. S. Forestry Service.

It is proper to belong.

It seemed fitting because of the time and money expended over so many years on flax development, now that the work has been merged with the flax institute to prepare a brief history of that important association activity.

read and of considerable value for future reference, accompanies this report.

The first part of the history covers the start of flax development, the conditions leading up to it, the purpose of the work and what it was expected to accomplish. There is then given a brief reference to the outstanding points in each year's report. It concludes with data showing what was accomplished up to the merging of the work of flax development in the newly formed Flax Institute of the United States.

We suggest a thoughtful reading of the history by every member of our associations.

Recommendations

Your committee recommends the official discontinuance of the flax development committee and its replacement by a flax committee to represent our associations in contacting the Flax Institute of the United States.

The change in title is desirable in order to avoid confusion with the past efforts of the flax development committee and to avoid interference with the future functioning of the flax institute.

We recommend the appointment of Mr. P. C. Smith who has been active on flax development committees for years, as chairman of the suggested flax committee.

Mr. Smith is thoroughly familiar and hearty in accord with the past aims and policies of the flax development committee. His company represents both linseed crusher and linseed consumer. What makes his selection a particularly happy one is his location in Minneapolis, right in the heart of the flax-producing area. He is therefore at close range with the colleges and individuals on whom the future of flax development depends.

We recommend the continuation indefinitely of an annual contribution of \$1,000 by our associations to the Flax Institute of the United States.

We recommend the sending of an official letter of appreciation to the agricultural colleges of North Dakota, South Dakota, Minnesota and Montana for their splendid cooperation for so many years, thanking the men under their supervision and in their organizations who have contributed so much of their time and effort toward flax development. The substantial and very satisfactory progress that has been made in the development of the flax crop is due in a large measure to their well-planned efforts. This message should express the hope that their close personal contact with the work will continue for many years to come, so that the economic value of flax seed as a part of this country's agricultural crop may be better demonstrated.

In conclusion your committee, collectively and individually, takes this opportunity to express appreciation for the whole-hearted cooperation so generously extended. The splendid support given to flax development for so many years served as an inspiration to your representatives and made comparatively easy an assignment that might otherwise have proved difficult and not the pleasure and privilege which it really was.

(The Argentine flax survey referred to in the above report is as follows):—

Argentine Flax Survey

The United States is still producing the amount of flaxseed that it is because of the interest that the linseed oil crushers and consumers took in the continuation of the crop as far back as 1910. Actually the great work that has been done by the agricultural colleges of North Dakota, South Dakota, Minnesota and Montana has been made possible for the continuation of this crop, the peculiarities of which are well recognized by those interested in it.

Outstanding in the good work that has been done is the North Dakota Agricultural College's work on types and varieties to produce disease-resistant seed. The North Dakota College's work has been reflected in flax production of the other northwestern states.

The linseed crushing and consuming trust not only recognize this fact, but credit Professor H. J. Bolley of the North Dakota Agricultural College with the retention of flax as a domestic crop. They still recall with interest and pride his trip of many years ago to Russia, where he made a searching flaxseed study and obtained information that undoubtedly assisted him a great deal in his work on the development of disease-resistant flaxseed.

For years it has been a well-known fact that the Argentine flax yield per acre per year is 33% to 50 percent greater than the average yield in the United States. Most of the Argentine seed, for size and oil content, possesses advantages over the major portion of the domestic crop. For some years there had been consideration of the advisability of making a study of Argentine conditions to see if there was anything that might be learned toward improving flaxseed growing in this country, either by the introduction of varieties which would produce larger yields, greater oil content, or more disease-resistant strains.

The discussion reached a point where the committee was willing to raise funds to pay the expenses of such a survey, which was likely to take up about a year's time, and in September, 1929, the officials at the North Dakota Agricultural College were visited to discuss with them the possibility of the North Dakota College assigning Professor Bolley, to take charge of a study in the Argentine. This was met by the college paying Professor Bolley's salary and our industry assuming full responsibilities for all expenses involved in planning the trip. The trip itself to the Argentine, collecting, shipping and distributing the seed, etc. The possibility of such a study to the North Dakota farmer appeared to be sufficient to justify the request that the college give favorable consideration to assigning Professor Bolley to this work.

The North Dakota Agricultural College agreed to give Professor Bolley a year's leave of absence with full pay to conduct the Argentine survey. Discussion with the college officials brought out that Professor Bolley handling the Argentine sur-

vey would not interfere with the continuation of the flax work in North Dakota. Arrangements could be made to carry on the work projected in a manner so that flax development in North Dakota would not suffer.

Nature of the Survey

It was planned to make careful observations upon all possible agricultural conditions and methods of cropping together with the results obtained under the varying conditions for comparison with cropping conditions here and to determine what might be done to better our yield and quality production with our own varieties under our conditions. Special attention was to be given to observation upon disease relations as affected by climate, soil and variability of these factors, and finally, special efforts were to be made to select samples of lots of seed under a very wide range of different types of soil and climatic factors.

At a meeting of the flax development committee in Minneapolis in February, 1930, with a special committee of the crushers, plans for financing the Argentine survey were decided upon and Professor Bolley sailed for South America in June, 1930. Some weeks were spent in the sub-tropical regions of Brazil surrounding the cities of Rio de Janeiro, Sao Paulo and Santos, giving a fair conception of the great possibilities of Brazilian sub-tropical agriculture associated with the great climatic resources and enormous expanses of open territory which might come under cultivation. There, only comparatively limited areas have been touched by intensive agriculture in any form.

Professor Bolley arrived at Buenos Aires, Argentine, on July 29—midwinter for those great agricultural provinces. As the zones in which the crop is chiefly grown border on the ocean or the great rivers Parana and Uruguay, the climate is so tempered that essentially no frost occurs within the so-called corn, alfalfa and flax areas. The flax crop as a whole is grown under temperature conditions which are maintained throughout the growing season, warmer than those which prevail south of a line through St. Louis. As a consequence each of the major crops—corn, wheat and flax are planted over longer periods of time and harvested over much longer periods. In the regions farthest north approximating within thirty degrees of the equator, planting begins as early as the first week of May and in other provinces farther south, continues until approximately the first of September.

The first two weeks of August were used in arranging contents and making preparations for the study of the cropping conditions out in the provinces. Professor Bolley, a business man and large estate owners open-minded and kindly in their efforts to render service to aid him in his travels over the farming districts.

The preparation of the land and the sowing of the seed is materially different from that practiced in the United States. As most of the flax is grown on large estates, the work is largely done with

North American types of machinery, involving gang plows, disc plows, caterpillar tractors, and similar power machinery from Germany and England.

Careful observations, notes and photographic records were made upon characteristic features of agriculture and commercial interests at the various ports visited, with a view of better understanding the South American aims and viewpoints of agriculture and commercial development.

Co-operation of Officials

Through the officials of the ministry of agriculture and representative grain dealers, the agents of which resided in close contact with the farmers, it was possible to go effectively and properly recommended by them. Such contacts made it possible to observe the methods of work and to procure samples at first hand which could have been otherwise obtained, if at all, only after great cost of time and many difficulties.

Professor Bolley visited southwest Uruguay, which also produces a large amount of flax. At Estancia near Colonia there is a very splendidly organized experiment station offered by one of the most efficient agricultural staffs of scientific work in South America. This station has been developed by Dr. Alberto Boergen, perhaps the most noted of agricultural investigators in the southern hemisphere. Through his own efforts and under his immediate supervision, many valuable strains and varieties of flax have been bred, developed, and distributed to the farmers of Argentine and Uruguay. Dr. Boergen has had plots of land given over to the development of disease-resistant varieties, and quite particularly to the effort of increasing such varieties for direct distribution to farmers.

Besides making numerous photographic records and extended notes, Professor Bolley was able to select approximately 450 samples of flaxseed. These were selected so as to fitly give a complete picture of linseed production in Argentine. Most of them were taken directly from specific farms or regions visited, and represent practically all types of soils and climatic conditions to be found in Argentine.

Professor Bolley reports the very rapid increase in acreages of all of the small grains, but particularly in flax. The acreage in this crop, less than three million acres in the nineties, jumped to approximately six million acres in the crop year of 1928-29, and has gradually increased each year since then until during the year 1930-31 there was an acreage of approximately 1,000,000 acres. This acreage is located chiefly in four great maritime provinces on the land of the finest quality. Under normal climatic conditions, these acres cannot be excelled anywhere in the world for flaxseed production. It is Professor Bolley's belief, from observation of new lands or pasture lands available in these provinces, that it is quite possible for them to readily double the acreage if it should pay them to do so. They could do this without going into other provinces

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and territories which have climatic conditions and soil conditions quite as good as those in any part of our northwestern states and Canada.

Flaxseed as at present produced in Argentina is grown upon comparatively large farming areas which are open to the use of the finest types of machinery.

They have sufficient skilled regular labor to operate the machinery in a splendid manner. Because of these large farming areas, the flax is grown under conditions of highly intelligent management, and crop rotations are entirely possible upon such great areas of alfalfa, corn, cattle pastures, etc.

Lack of Shipping Handicaps

The main regions of present flax production in Argentina are in the provinces of Entre Rios, Santa Fe, and Buenos Aires, which can be loaded after the short hauls by trucks or railroad, or farm wagons direct into ocean-going ships. Thus they do not have the great handicap to which our northwestern farmers are subjected—long distance railway hauls.

There is an abundance of cheap labor aside from the regular skilled or permanent employees. Their present system of handling in warehouses and harvesting and storing entirely in burlap bags is extremely efficient. There are in course of construction several large terminal elevators, and under normal conditions, it will be possible for the managers of the large farms to place their crop and other grain crops in the same manner as the bulk harvesting, storage and marketing methods.

In the Argentine provinces there are many and varying conditions of cropping. As in the United States, many soil types and climatic variations exist. There are, naturally, possibilities, therefore, that some of the varieties, types or strains of flax grown there may prove particularly fitted to some of our conditions. It would be very valuable to us if a large seeded selection could be obtained which would normally produce a higher growth of grain than the large seeded varieties of flax grown here.

The method of procedure to determine the future desirability of seed for trial by farmers will of necessity be along the slow but certain way, based upon experimental methods of planting and efforts at

selecting promising individual plants, to be followed later by further growth tests and selection, and increase of the promising ones for distribution and trial by actual growers.

Planting of Sample Seeds

All samples were carefully listed by number. Notes include all available information relative to exact location of farm or point of local Argentine growth, supposed variety, type, etc. A hand-selected sample from each was planted. In most cases, the plantings were upon two types of soil, one in which it is known that the roots will be attacked by known northwestern types of root-destroying parasites, and the other on soil known to be not so infected. This method of planting whereby each planting contains an exact number of seeds, will permit continuation of experiments along the lines previously worked to ascertain whether one lot may be more resistant than others to disease factors, climatic and soil conditions with which it must come into contact here.

Five larger samples were divided so as to furnish to the chemists of the experiment station sufficient seed to make a quantity and quality test of the oil content. This should give some line on whether climatic and soil influences there have caused samples of the same type to vary.

Quite a number of the Argentine samples show promise of future development, which should prove of considerable value. Nearly all of the Argentine samples are of the oil seed type. Some of the varieties if cross-bred with varieties that have a tall stand, should result in strains which will increase the yield per acre. This is one of the objects that it is hoped the Argentine survey will accomplish.

In his summary Professor Bolley's observations it should be remembered that the Argentine farmer has from three to four months in which to plant his crop—the seasons are much longer than in our northwest—in fact, the bulk of the flax area is in a region which for weather conditions is more like our extreme south, yet soil conditions are more or less comparable with our Red River Valley, thereby giving the Argentine a decided advantage over our northwest.

It is a fitting commentary upon Argentine agricultural methods that flax is chiefly planted upon the most fertile soils available, and in close association with crops and growth seasons, they usually have a higher rainfall. In the exportation of flaxseed and the products from associated crops, they are greatly aided by their short land or railway hauls to deep water ports and by exceptionally cheap and efficient handling facilities.

It, therefore, behooves our growers and shippers to advance them to trial by well to the use of effective methods and varieties, and to the selection of suitable lands upon which to plant the crop. The

chances of our farmers in competition rest chiefly upon the production of more bushels per acre on less acres than are now used. Yet the seedling must be made upon a large enough scale to admit of the efficient use of machinery.

The North Dakota Agricultural College under the supervision of Professor Bolley will follow through the testing of the Argentine samples as a part of its regular work on flaxseed. Reports on the results of the field and laboratory tests of the Argentine samples in comparison with the best domestic types will be made from time to time by the College.

Work of Prof. Bolley

The work of Prof. H. L. Bolley, during forty years of service at the North Dakota Agricultural College, is one of the most noteworthy contributions to American agriculture that has been made by any one man during its entire history.

Professor Bolley's first contribution to agriculture was the working out of a practical method for using formaldehyde to control wheat smut, after doing earlier work with the old method of copper sulfate. He was a powerful disinfectant, and put it to practical use to the tremendous benefit of the farmers of North Dakota and the wheat-growing world.

His next contribution, and one for which he was wholly responsible, was his development of a method for control of potato scab by the use of corrosive sublimate.

The work which brought him his widest international fame was his discovery, description and identification of the organism which causes flax wilt. Professor Bolley was the first man in the United States to direct attention to the necessity for the eradication of barberry for control of stem rust, and he fathered the law in North Dakota that compels destruction of barberry bushes wherever found.

It was the law in this state, and Professor Bolley's activity in urging barberry eradication which brought the matter to the attention of the U. S. Department of Agriculture so forcibly that national laws for barberry eradication followed. Twenty years ago, Professor Bolley initiated one of the first and best pure seed laws ever put into effect. Statute books of any state, and during the greater part of that period, he was state seed commissioner and worked for the enforcement of these laws.

History of Joint Flax Development Committee

The following history of the joint flax development committee of the National Flax, Oil and Varnish Association, Inc., and the American Paint and Varnish Manufacturers Association, Inc., between 1910 and 1931 was written by L. F. Nemzek, chairman of

the flax development committee in 1931 and dedicated to Charles T. Nolan "Who contributed more time, effort and vision to matters pertaining to flax development than any other individual, and much of the progress that has been made is attributable to his work."

Charles T. Nolan died May 11, 1929. He was born in Tiffin, Ohio, on March 9, 1873.

"Lovable, trustworthy, efficient" — are three words that naturally came into one's mind when thinking of Charles Nolan, as he was known to his many friends.

He built up an information bureau that kept him at all times fully informed of every fact that would influence his judgment in the purchase of sale or flaxseed and linseed oil for the National Lead Company, in whose employ he worked for thirty years.

His knowledge included not only the basic facts regarding the acreage planted, soil conditions, weather and harvesting of flaxseed, but similar statistical information regarding other grains that might indirectly influence the growing of flaxseed or the market for oil meal and oil cake.

He kept himself continually informed, not only as to the demand and consumption of linseed oil, but also the use and trade conditions of other oils or fats used in paints or soap-making, that might indirectly affect the price of linseed oil.

His correspondents not only in this country, but in Europe, South America and Asia, were glad to give him information, which he in turn freely gave to them.

He was interested in his work, and the consciousness of doing it well was the only reward he sought. He was inspired confidence. He had the fullest confidence of his employees and as chairman of the flax development committee of the National Paint, Oil and Varnish Association, he shared his information with all who sought it.

By reason of his trustworthiness, he became trusted by nearly every paint grinder in the United States, every crusher of linseed oil, every dealer in cultural colleges interested in flaxseed development, every writer in and editor of United States senator and congressman and department official in Washington having to do with farm development as related to flaxseed and its products. No man in the United States was more trusted than he, and no one ever resented the trust imposed in him.

His closer associates were endeared to him by his personal charm. He was always genial, approachable and happy. Mr. Nolan used to delight in telling how he worked as a boy in a small railroad office where his duties not only comprised making up freight bills, cleaning the office and selling tickets, but in the absence of his chief he was errand boy, station agent, freight and passenger agent in one. Later he was connected with the B. & O. Railroad and afterward came to

Linseed Oil Statistics

(Revised to September 15, 1931)

	1921.	1922.	1923.	1924.	1925.	1926.	1927.	1928.	1929.	1930.
Stocks, September 30.	9,380,150	9,204,796	12,220,048	7,660,771	11,625,879	14,235,049	15,323,219	16,170,178	19,121,684	11,122,621
Production, Oct., Nov., Dec.	15,837,021	22,074,057	28,240,688	38,760,000	29,295,878	27,074,892	27,608,781	27,608,781	24,207,028	17,909,907
Imports, Oct., Nov., Dec.	4,895,298	478,160	74,723	12,210	247,568	84,037	14,128	2,486	24,207,028	2,299
Totals	32,112,569	30,800,011	84,890,403	35,561,404	40,888,855	41,891,892	42,947,028	43,784,740	43,352,712	28,866,781
Less stocks, Dec. 31.	10,462,160	10,676,406	12,995,289	14,268,145	20,762,288	23,213,120	20,805,882	21,033,912	18,781,283	15,748,889
Consumption, Oct., Nov., Dec.	16,080,419	19,976,608	21,874,114	21,352,321	20,086,089	18,648,798	21,875,894	22,640,838	19,075,079	13,249,872
Increase										
Over 1921	24.4%	Over 1922	7%	Over 1923	Decrease 1.83%	Decrease 1.30%	Increase 13.97%	Increase 4.03%	Decrease 13.09%	Decrease 31.19%
Exports	91,848	92,117	88,780	88,064	71,281	48,220	54,629	92,854	88,210	48,114
Stocks, Dec. 31, 1921.	16,482,160	10,878,406	12,995,289	14,268,145	20,762,288	23,213,120	20,805,882	21,033,912	18,781,283	15,748,889
Production, Jan., Feb., March	20,886,791	28,077,784	30,075,782	30,075,782	25,947,606	26,094,074	29,833,420	29,833,420	24,207,028	17,909,907
Imports, Jan., Feb., March	6,080,297	25,255	26,897	681,002	808,008	45,108	10,902	28,768	23,141	12,221
Totals	30,249,248	31,586,403	38,099,969	45,038,929	47,598,479	60,213,260	55,650,223	55,650,223	47,745,706	30,467,198
Less stocks, Jan. 1.	20,762,110	21,859,791	21,352,321	21,352,321	20,805,882	20,805,882	21,033,912	21,033,912	18,781,283	15,748,889
Consumption, Jan., Feb., March	18,500,938	22,084,598	24,098,066	24,884,411	21,875,687	22,704,072	33,821,270	33,821,270	17,822,913	15,254,662
Increase										
Over 1922	19.1%	Over 1923	1.1%	Over 1924	Decrease 4.0%	Increase 1.77%	Increase 12.07%	Decrease 21.51%	Decrease 11.04%	Decrease 31.19%
Exports	83,704	107,882	87,101	80,880	84,194	81,400	69,141	73,692	58,431	42,893
Stocks, March 31.	20,762,110	21,859,791	21,352,321	21,352,321	20,805,882	20,805,882	21,033,912	21,033,912	18,781,283	15,748,889
Production, April, May, June	28,077,784	30,075,782	30,075,782	30,075,782	25,947,606	26,094,074	29,833,420	29,833,420	24,207,028	17,909,907
Imports, April, May, June	6,080,297	25,255	26,897	681,002	808,008	45,108	10,902	28,768	23,141	12,221
Totals	30,249,248	31,586,403	38,099,969	45,038,929	47,598,479	60,213,260	55,650,223	55,650,223	47,745,706	30,467,198
Less stocks, June 30.	18,500,938	22,084,598	24,098,066	24,884,411	21,875,687	22,704,072	33,821,270	33,821,270	17,822,913	15,254,662
Consumption, April, May, June	20,188,856	25,791,817	25,791,817	25,791,817	28,961,078	29,708,178	39,875,058	39,875,058	22,640,838	22,640,838
Increase										
Over 1922	19.1%	Over 1923	1.1%	Over 1924	Decrease 4.0%	Increase 1.77%	Increase 12.07%	Decrease 21.51%	Decrease 11.04%	Decrease 31.19%
Exports	83,704	107,882	87,101	80,880	84,194	81,400	69,141	73,692	58,431	42,893
Stocks, June 30.	20,762,110	21,859,791	21,352,321	21,352,321	20,805,882	20,805,882	21,033,912	21,033,912	18,781,283	15,748,889
Production, July, Aug., Sept.	13,989,821	20,000,120	18,848,313	10,607,507	23,207,680	22,891,616	25,881,028	25,881,028	24,207,028	17,909,907
Imports, July, Aug., Sept.	3,662,859	2,174,327	1,616,621	81,190	1,856,806	51,370	6,001	955,240	54,922	16,911
Totals	30,396,844	30,396,844	30,396,844	30,396,844	30,396,844	30,396,844	30,396,844	30,396,844	30,396,844	30,396,844
Less stocks, Sept. 30.	9,204,796	12,220,048	7,660,771	11,625,879	14,235,049	15,323,219	16,170,178	19,121,684	11,122,621	11,122,621
Consumption, July, Aug., Sept.	21,192,078	21,192,078	21,192,078	21,192,078	21,192,078	21,192,078	21,192,078	21,192,078	21,192,078	21,192,078
Increase										
Over 1922	19.1%	Over 1923	1.1%	Over 1924	Decrease 4.0%	Increase 1.77%	Increase 12.07%	Decrease 21.51%	Decrease 11.04%	Decrease 31.19%
Exports	104,153	96,253	84,857	144,508	70,777	68,702	68,702	68,702	68,702	68,702
Twelve months' consumption—										
In millions	31,062,281	30,800,011	84,890,403	35,561,404	40,888,855	41,891,892	42,947,028	43,784,740	43,352,712	28,866,781
In bushels	32,750,912	32,750,912	32,750,912	32,750,912	32,750,912	32,750,912	32,750,912	32,750,912	32,750,912	32,750,912
Increase										
Over 1922	6.5%	Over 1923	6.5%	Over 1924	Decrease 1.1%	Increase 1.1%	Increase 1.1%	Increase 1.1%	Increase 1.1%	Increase 1.1%
Quantity of flaxseed crushed in the U. S. A. of domestic and foreign origin	23,275,894	38,806,796	38,806,796	40,788,280	39,728,878	40,138,407	41,796,357	41,895,806	28,511,948	19,811
U. S. A. of domestic and foreign origin	1,118,000	2,014,000	2,014,000	2,014,000	2,014,000	2,014,000	2,014,000	2,014,000	2,014,000	2,014,000
Production, bushels	10,875,000	17,000,000	21,547,000	22,424,000	10,875,000	10,875,000	10,875,000	10,875,000	10,875,000	10,875,000
Less, sowing supply	1,900,000	2,188,000	1,924,000	1,814,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000
For consumption, bushels	8,975,000	14,812,000	19,623,000	20,610,000	8,975,000	8,975,000	8,975,000	8,975,000	8,975,000	8,975,000
Flaxseed imported in bushels—										
Calendar years	1922.	1923.	1924.	1925.	1926.	1927.	1928.	1929.	1930.	1931.
Quantity	14,913,000	24,832,000	16,589,000	10,510,000	22,815,000	21,830,000	17,958,000	24,250,000	12,060,000	112,000,000

* July 1, 1931, U. S. Department of Agriculture estimate.
* December 1, 1931, U. S. Department of Agriculture estimate.
* Estimate.

ing if weather conditions are encountered, which make it impossible to plant wheat and other grain crops to the extent that the farmer originally planned.

On February 1930, a meeting in Minneapolis of the flax development committee, with a committee representing the flax growers, was held to consider as to whether or not it was necessary to continue the contribution that the flax development committee has been making to the agricultural colleges for many years. The question had come up in the past, but more recently during the last two or three years.

Now a Sound Economic Crop

It is a generally accepted fact that flax is now recognized as a sound economic crop and work on the growth of more and better flax is part of the program of each of the agricultural colleges of the four important flax-growing states, namely, North Dakota, South Dakota, Minnesota and Montana. In fact, the status of the flax crop is such that it was questionable whether the necessity for financial support from outside agricultural states.

Representatives of the colleges indicated that there would be no lessening of interest on the part of the experiment stations in the promotion of flax production.

On August 16, 1930, Dr. H. L. Walster, dean of the school of agriculture of the North Dakota Agricultural College, recommended the consideration of the flax as a scientific institute to be known as the Flax Institute of the United States, to be located at the University of Wisconsin, that there was a precedent for such an institute in the existence of the Food Research Institute at Stanford University, the Armbury Institute of Animal Nutrition at Penn State, and the then newly proposed Animal Nutrition Institute at Wisconsin. North Dakota has been the center of flax production for many years. The North Dakota College of Agriculture has been the big contributing factor for that state growing half the flaxseed produced in the United States, but its work in resistance varieties has also contributed to a very large extent to the continued growth of flax in Minnesota, South Dakota and Montana.

The idea of a flax institute was so sound that the flax development committee actively co-operated in its organization and at the conclusion of the annual flax conference, the committee of the flax development committee in Minneapolis on March 9, 1931, the Flax Institute of the United States was organized. Dr. H. L. Walster was elected president.

While the chief purpose for which the flax development committee was organized to maintain flax as a permanent crop and increase flaxseed production has been achieved, there remains much to be done to insure the permanent flax production in the United States and to place the crop on a more attractive and profitable basis. The committee is now working on the varieties of flaxseed developed so far is all that may be desired. Greater resistance to white rot and other diseases varieties maturing sufficiently early, yielding more and producing larger percentage of seed must still be sought.

It is proposed that the National Paint, Oil and Varnish Association and the American Paint & Varnish Manufacturers Association be merged into the flax institute through the medium of a special committee, thereby continuing the paint and varnish industry's co-operation in flax development.

The outstanding feature of the committee's 1930-31 activity was the agreement made with the North Dakota Agricultural College for a study of Argentine flax conditions by Professor Walster, who spent nearly nine months in South America in making his observations.

The Argentine flax acreage from year to year is 33-1.3 percent to 50 percent greater than the average yield in the United States. Most of the flax seed used for size and oil content possesses advantages over the major portion of the domestic crop.

The purpose of Professor Bolley's study was to determine what there is about Argentine flax growing that gives it greater yield per acre than might be introduced in domestic production either by the use of varieties producing larger yields or greater oil content or more disease-resistant strains.

This concludes the history of the successful operation of one of the National Paint, Oil and Varnish Association's and the American Paint & Varnish Manufacturers Association's most important and interesting committees after twenty-one years of continuous active service.

The work was made possible by the liberal and consistent financial subscriptions of a representative group of the two associations' membership which enabled the committee to make substantial annual contributions to the colleges of the flax growing states with their experimental and technical staffs. Credit must also be given for the co-operation and financial support extended to the flax development committee by the linoleum and lead and zinc manufacturers.

Outstanding in the achievement of the committee is the time and effort put into its carefully planned work by such men of happy memory as C. T. Nolan, J. W. Dennis, C. T. Withersill, N. B. Grege and L. T. Minchard. Others who made notable contribution are shown on the Committee's report appearing in this issue. It writes another gratifying chapter of the results of our Associations' activity "In The Public Service."

President Frayer: Thank you, Mr. Nemzek. Gentlemen, you have heard the reading of the report by Chairman Nemzek of the flax committee. General manager, has there been any action taken on this report?

Action on Recommendations

General Manager Horgan: In connection with this excellent report, both the executive committee and the board of directors of the association have taken the following action in connection with the several recommendations of the committee:

The first was the official discontinuance of the flax as a first crop. It had been recommended by the flax committee as Mr. Nemzek has outlined. That was approved and referred to the constitution and by-laws committee and the constitution and by-laws committee to this convention, that change will be made.

The second recommendation was to the effect that the flax committee had the approval of both executive committee and the board of directors, but was passed on to the incoming president of the association, who has the appointment of committees.

The recommendation number three, as to an annual contribution of \$1,000 by the association to the Flax Institute of the United States, was referred to the budget and finance committee, who have charge of the allocation of all amounts to the different activities now being conducted.

Recommendation number four, which was the sending of official letters of appreciation, was heartily approved and the entire report and these recommendations are now before this convention for its action.

P. H. Callahan: I move that the report be received and the recommendations be adopted as outlined by our general manager, as approved by the directors, to confirm the action of the board of directors, in other words, on the recommendations made, I should like to include my thanks to the chairman for his magnificent report and particularly for his thoughtfulness in making a timely notice of the service rendered by Mr. Nolan, who was in this work for a great many years.

Comment by Mr. Cornish

E. J. Cornish: I rise to second that motion and with your permission make this comment. Our association is not aware today of the conditions that caused the first creation of the flax development committee of the National Paint, Oil and Varnish Association. In

Third Business Session, Tuesday Afternoon

(The meeting was convened at 2:20 o'clock, President Frayer presiding.)

President Frayer: The next item in our program is one that was deferred from this morning's session, the report of the simplification and standardization committee. Mr. Melum, of the paint and varnish industry, is chairman of the committee. It is a matter that is of vital importance to our association and industry. Mr. Melum and his committee have done a great deal of work and have to present to this convention a very, very splendid plan. As probably some of you know, Mr. Melum has not been in good health for the past several months and added to that, recently he was in Washington and was caught in an automobile accident which only added to his troubles. He is, therefore, requesting Mr. Martin of his home town, Wells, Martin, who was president of the American Paint and Varnish Manufacturers Association last year, to present the report of his committee. Mr. Martin, please.

Wells Martin then read the report of the committee on simplification and standardization as follows:

Simplification and Standardization

The joint simplification committee, representing the American Paint and Varnish Manufacturers Association, Inc., and the National Paint, Oil and Varnish Association, Inc., has investigated practices that are followed in the industry pertaining to the number and sizes of containers used and the number of tints and colors marketed in the various lines of products, as well as ways and means of effecting certain economies in manufacturing and distribution through such simplification and standardization in these practices that would satisfy the consuming demand.

A distinction was made in matters considered between those which pertain to simplification and standardization in trade practices as to the number of and sizes of containers that are used and the number of tints and colors marketed in various lines of products, and those which relate to individual choice in the selection of tints and colors and the types of containers and packages.

The opinion is that the single container on which a price is based and the number of tints and colors in a line of products establishes the market and general demand, but that the style and quality of a container, as well as how the containers are packed for shipment and the selection of the tints and colors, is something that must of necessity be left with the individual manufacturer.

Due consideration was given to simplification activities from the inception of the paint and varnish industry in 1818, and with particular reference to the answers received from the questionnaire that was submitted to the industry in August, 1930. As a result, the following was submitted for your consideration:

It is the opinion of the committee that the consensus of opinion that this is a subject that has to do with the practices followed in the packing of the paint and varnish containers for shipment and, as such, does not directly come under the jurisdiction of the association and its committee. Inasmuch as the industry has quite generally adopted the use of the fiber package, it is a matter that will be left to the individual manufacturer.

the early days, flaxseed was grown on the prairie as a first crop. It had the reputation of destroying the land more or less and taking away its fertility. The mills that were established to take care of the flaxseed and give it a market, ran out of material, and our linseed oil supply was threatened.

It was under these conditions that the paint, oil and varnish industry took up the matter to develop flax products in the United States. They contributed money, they assisted the collection, they worked a great deal. Today, their work has borne fruit. Today the necessity of the government, the states, and the public assisting in developing our natural resources and giving to us independent sources of supply is recognized as a proper function of every State and of the national government, and that is due in great part to the work of this association.

Of course, I am expressing my compliment that is made to our late Mr. Nolan, but in doing so, permit me to state further that he was enthusiastic, broad, genial, progressive, and encouraged everybody, but under the management of Mr. Nemzek we have had a more thorough organization of work, a more comprehensive view of the possibilities of the work, and the way to develop it and make it perpetual without our further assistance. Therefore, that part of my friend's motion commending his work and the accomplishment he has made I second with the greatest good will.

President Frayer: Shall we take action on this committee report? The motion has been made and seconded. All in favor indicate by saying "aye"; opposed, "no." The motion is carried.

General Manager Horgan: It has been decided to transfer the matter of simplification and standardization to this afternoon's program, because of the lateness of the hour.

(The meeting was then adjourned at 12:30 o'clock.)

and that no action need be taken in this regard.

Limitations pertaining to various commodities. A review of the limitations of the simplification program that was generally accepted by the industry to become effective July 1, 1926, was considered in connection with the report of the committee. The committee following the last annual report of the simplification committee and the action that was taken regarding same at the annual meeting last fall.

Eliminations Favored

A final compilation of the answers to the questionnaire that was sent out in August, 1930, indicates the following:

In answer to the question of eliminating the half-gallon size for all paint products, 64 percent were in favor of elimination and 36 percent were opposed to it, with 6.4 percent voting conditionally.

In answer to the question of eliminating the half-pint size for all varnishes, 65.3 percent were in favor of elimination and 34.7 percent were opposed to it, with 2.7 percent voting conditionally.

In answer to the question of eliminating half-pint size in house paint, 90 percent voted in favor of the elimination.

In answer to the question of eliminating the quarter-pint size in house paint, 95.4 percent were in favor of the elimination.

The committee recommends, therefore, that the simplification program effective July 1, 1926, as printed in our year book, be amended as follows:

1. Half-gallon cans shall be eliminated from the following additional products:—
a. Varnish sizes.
b. Roof paints.
c. Barn paints.
d. Automobile paints.
2. Half-pint cans shall be eliminated from first grade house paint and first grade paint.
3. Quarter-pint cans shall be eliminated from all house paint and flat paint.
4. Discontinue restriction covered by item number 3 pertaining to the elimination of pint cans from interior floor paints, floor enamels, and exterior floor paints.
5. The minimum number of shades produced in house paints be changed from 28 to 32, exclude black and white.
6. The maximum number of shades produced in enamels be changed from 14 to 18, exclude black and white.

From the information at our disposal, it is the opinion of your committee that a necessarily large enough majority has not indicated a desire for any further simplification measures at this time to warrant any more extensive action. It would seem from the past experiences that a greater interest would be manifested and more would be accomplished in simplification work over a period of years if a plan would be followed of considering but a few items each year, on which no doubt, a common agreement could be reached, than to attempt the adoption of a rather comprehensive program at any specific time.

Publicity for Program

Your committee feels that much value in simplification and standardization practices is lost through a lack of knowledge in the industry of the limited work of the simplification program that was agreed upon to become effective July 1, 1926. It is felt that it is now used as standard to be governed by in the industry, and, no doubt, it would be accepted more readily if it were more widely given it. It would seem highly desirable to endeavor to establish this simplification program as standard, and that it be generally recognized in the industry.

Your committee recommends, therefore, that the simplification program be amended as outlined above and be mailed to every paint manufacturer in the United States, whether members or not.

members of the two associations, together with a letter stressing the economies and economies that result to the industry from a general acceptance of the simplification program. It is further recommended that whenever any further simplification measures are adopted that such agreements be made a part of this program and that, as a notification to the trade, a reprint of the entire program be mailed together with a suitable letter calling attention to the changes that have been made, and that, further, a copy of this program be mailed to the members of the industry at least once in each year—whether any changes have been made or not.

Third—Oil color packages. It was recommended that consideration be given to the matter of standardization on packages for oil colors which undoubtedly involves a package simplification of paste goods that are regularly marketed on a poundage basis.

It is felt that this is a matter that has been a subject of more or less discussion over a period of years but that because a complete simplification and standardization program in this regard might necessarily involve changes in a long established custom of the basis on which such products are merchandised, it has not been considered almost too great an undertaking.

There is probably no manufacturer that regularly makes and sells paste goods in cans that does not recognize the element of waste that is incurred under the present features connected with the present methods of packing such products, and, therefore, it is one that should merit our every consideration, because of the many economies that could be effected through a certain simplification in this regard.

Some four years ago, through simplification work, the 1 and 3 pound packages of paste goods were eliminated, and thereby the manufacturers, as well as the trade, were able to effect certain economies, resulting principally from a reduction in the number of sizes of cans that were required and a consequent smaller inventory in stocks. This simplification measure has been quite generally accepted in the trade and at present these products are quite commonly sold in 1, 5, 12 1/2 and 25 pound packages.

While this standardization eliminated a large number of special size cans that necessarily had to be used because of the great variation in the bulk values of paste goods, the manufacturer is still obliged to use quite a large number of special size cans to satisfactorily pack and sell these products on a poundage basis in the sizes that are now marketed. The number of these cans of various sizes, of course, with the different concerns, depending upon the various combinations in sizes in the industry for paste goods, is estimated that there are approximately 25 special sizes in cans used in the industry for paste goods and when it is considered that in many instances the regular liquid measure cans are also used for this purpose, it develops that there are probably as many as 30 different sizes in cans that are used in the industry for packing paste goods. Furthermore, because of the desire of manufacturers to confine themselves to as few special size cans as possible, many of the cans that are now sold are only partially filled because of the variation in the bulk values of the products, and a certain waste is encountered in this regard by not utilizing the full value of the package.

Committee Recommendations

Following a rather extensive investigation and study of this particular subject, your committee submits for your consideration a plan whereby standard liquid measure packages will be used for the purpose and that the sizes be limited to the half-gallon, the half-pint, quarter-pint and the gallon can. The plan is that that would not only permit of the reduction of the number of sizes commonly packed and sold, but as well to permit of filling these packages to the full amount, each would contain, which would be the standard liquid measure in the sizes. Because of the varying weights that would be encountered in this procedure, it would necessitate that cost and selling prices be established on the various cans according to the weight that each package contained and designate them as half-pint, quart and gallon.

There is much that might be said about a program of standardization in this regard. The plan would give the dealer a uniform size in his packages for liquid and paste goods and thereby very materially improve the appearance of the stock of paint products on a dealer's shelves. The large variation in size of cans for paste goods today, unduly contributes a great deal to the unattractiveness of a stock of paint products. The plan would increase the efficiency of shelf and bin space. It would simplify practices in manufacturing tremendously by eliminating many sizes of cans that a manufacturer now is compelled to buy and that are made especially for his requirements.

This simplified program should bring about considerable economy in manufacturing in the matter of the adaptability of standard packing containers and packing and labeling equipment, and in the matter of package boxes in which paste goods are shipped. While at present many special sizes of packing boxes are carried in stock for paste goods, it is almost impracticable to carry enough sizes in packing boxes to satisfactorily pack orders for many of paste goods and, consequently, there is very little standardization in this regard and much of these products are put in old size boxes where sawdust or other packing material necessarily is used.

Under this proposed simplification, the packing boxes are now used for the packing of liquid products could be used, and thereby eliminate the necessity of many special boxes for paste goods.

There is no question, too, but what the products would be in better condition when packed to full maximum capacity of the cans as against the condition where cans are only partly filled.

Your committee recommends this to the belief that it is a subject well worthy of the consideration of the industry and that this plan as submitted be adopted.

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to become effective on or before September 1, 1932.

Fourth—Additional sizes in containers. The two-gallon pail has recently been offered to the trade on certain painters' products in some localities and seems to have met with quite some favor. The introduction of additional sizes in containers is considered to be unwarranted and decidedly detrimental to the interests of simplification, and your committee is unanimously opposed to such practices. While it is considered rather difficult to retard any such activities on the part of certain manufacturers, your committee feel that possibly a great deal might be accomplished through a personal interview on the part of a committee member and the manufacturer when the advantages of simplification practices might be discussed. It is recognized that where such a condition exists that a manufacturer who might be in entire sympathy with simplification practices would be forced into adopting new sizes in containers in

to hold their semi-annual directors' meeting, (they usually have it while they are attending this convention) it seemed most convenient for them to have their directors' meeting this afternoon, so I don't think they are represented at this time.

President Frayser: Is there any further discussion of this report? If not, are you ready for the question? (The question was put to a vote and carried.)

Educational Bureau

President Frayser: Gentlemen, the next action on program is that of the educational bureau. For your information, or for the information of some who may be present for the first time, our organization, as the result of a reorganization plan, appoints representatives to the extent of 50 percent of the educational bureau. We are very fortunate in having with us this afternoon, Mr. Trigg, who is chairman of that bureau, whom all of you know and know of the splendid work he has done in connection with the interests of our industry and our association. If I may, I will ask Mr. Trigg to take the chair and to conduct this topic. (Mr. Trigg assumed the chair.)

Mr. Trigg's Report

Chairman Trigg—Mr. President and gentlemen—Your president has referred to the fact that this is the first time that the educational bureau has made a report direct to a meeting of the National Paint, Oil and Varnish Association, and because of that fact, it may be interesting to you men to have a very brief review of the history of the educational bureau and how it has come into existence and how it functions and what it is trying to do.

In 1905, the Paint Manufacturers Association of the United States, as the manufacturing association was then called, had an advertising committee, of which Ludington Patton was chairman, and with his usual aggressive ideas about things with which he is associated, he undertook through that committee to develop some constructive policies which might be of benefit to the industry as a whole. It was not possible, apparently, to make a general program, although the committee met frequently and worked diligently.

In 1906, Mr. Patton was elected president of the Manufacturers Association, and upon his taking the presidency of the association, he appointed as chairman of the then so-called advertising committee, Norris B. Gregg. Mr. Gregg, in that capacity, far from giving up the work with renewed energy, gathered about him a group of men interested in the industry, and he developed the best interests of the industry as a whole, and commenced to develop the plans and programs then developed. I think turned out to be more far-reaching and more beneficial to the industry than those men, including Mr. Gregg, who formulated them, realized.

Promotion and Publicity

I think one of the first definite activities which the committee took in a general broad way for the benefit of the industry, was the creation of a publicity and promotion department or department or division of the committee's work opened at Chicago, secured a list of something over 40,000 dealers throughout the United States, and for a comparatively long period of time, it mailed regular periodical letters, circular letters and reading matter of various kinds, having to do with the paint industry. I believe that I am merely stating a fact when I say to you men that the foundation so laid through educational work with over 40,000 dealers in the United States was really the beginning of a greater paint consciousness on the part of dealers and merchants generally. The beginning of a realization upon their part that the paint department in their stores was, after all, something to which they should give more attention and that it held opportunities for increased volume of business and increased profits to them.

About that time, I think in 1907, because of the broadened scope of the work of the committee, its name was changed to the committee on promotion and development, and the committee continued to work hard for the industry, and more, when it was then changed, because of its still widened scope, to the educational bureau.

Scientific Section Added

It was about that time that out of the fertile brains of Robert Perry, grew the idea of a scientific section. I think perhaps the most interesting thing in this meeting room today who were present in the early discussions originated by Robert Perry, was the thought that this great industry should take into its own hands, impersonally and impartially, the future development of the industry, and that the industry as a whole. It was recognized by the educational bureau at that time that the surface of the industry was not good for the industry, and it was this fact which the committee was created, and Bob Perry, during the continuance of his active years in the paint industry, directed and fostered that particular work.

If Bob Perry did nothing else for the industry, he did render it a very great service in bringing to the attention of Dr. Gardner, to assist him with this work, need not go into details with you as to the value of the work which Dr. Gardner in the scientific section has done for the industry. The work has been developed along such some lines that today the scientific section under Dr. Gardner is recognized as the paint authority on all matters that have to do with the industry in a broad, general way. It has given us,

as an industry, a connection and a standing which would not have been possible in any other manner.

Another man who was very active in those days and had many creative thoughts was a man known to many of you, Tom Neal, of the Acme White Lead and Color Works. Mr. Neal is no longer active in the industry, although he is a member ex-officio of the educational bureau. Mr. Neal had many thoughts and suggestions with regard to the work that this body might do in the interest of the industry as a whole. I remember, for instance, how Tom Neal was responsible for the idea of the manufacturers' meeting now and then with real outstanding representatives of the master painters craft. There were many such meetings where the educational bureau met at different places with six or eight or a dozen of the master painters of the country from different sections, where we got acquainted, where we talked impersonally about our mutual problems, and laid a foundation of confidence between the master painters of the country and the paint manufacturers which I think we all realize had not existed up to that time.

Tom Neal was responsible for bringing the educational bureau representing the industry into the same kind of personal contact with the architects of the country. There were a number of meetings between the bureau and groups of architects representing the American Institute of Architects at different places. I see George Heckel has just come into the room. I am sure he will remember the meetings and the occasions that I am talking about, where I feel that a very great amount of good was done for the industry and the enlightenment of the architects.

The Educational Bureau has functioned in a pretty broad way. It has carefully refrained and does carefully refrain from encroaching upon the activities of any committee or group in our associational activities, although in handling a specific problem, although the educational bureau invariably has interests in all of the problems of the industry and places itself, morally and in every sense possible way, back of all of the activities of the industry that it considers are for its best welfare.

Fruits of Committee Work

Out of the educational bureau have developed a number of projects which have become matters of specific committee activity, which have been carried over by the educational bureau to the various committees, but always with the sympathetic continued interest and support of the educational bureau. I refer particularly to such matters as the flag development committee, something that developed inside of the educational bureau as a result of its discussion. That got up was launched as a separate independent one, but always with the educational bureau back of and supporting it in every way it could.

I think of the question of soybean development in the United States. At least once a year, I should say, the educational bureau went into the question of soybean growth in this country. As

ability which you have placed upon the educational bureau. Just to see what the figures were, I have looked back over the record of attendance at the meetings of the educational bureau for the last three years. I might have gone back longer but I only took the three-year period, and during that period, I am sure you will be interested in knowing that the average percentage of attendance of every meeting of the bureau for three years has been a fraction over 83 percent. I think you men who are familiar with committee work will realize that that shows a very keen, fine interest in the work which the bureau is doing.

Tribute to Officials

I have referred to the fact that the work is well organized. It is well organized, Dr. Gardner, at the head of the scientific section, is doing a masterful job. Since the consolidation of the work of the association which occurred several years ago, we have had the close personal co-operation and interest of Mr. Horgan in the business aspects of our work, and I want to say to you men that that has meant a very great deal for the benefit of the bureau itself. Mr. Horgan's interest in the work, his knowledge of the things to be done, and his assistance throughout the industry, has been invaluable to us.

Then, of course, we always have our old friend, George Heckel, sitting with us. We have seen to fail back on for counsel and advice, suggestions, inspiration. George Heckel has been a member associated with the educational bureau from its earliest days. I don't think there is any man who has contributed more to the growth of the big idea in the educational bureau than George Heckel has. I think he has probably done more for it through his vision and through his co-operation with men in bringing about a meeting of minds, for the success of the bureau, than the members of the bureau themselves realize or even George himself knows.

I want to take this opportunity to specifically refer to one of the latest activities of the bureau, and that is the completion of the structure which stands in Washington known as the Gregg Memorial. That idea, the idea of taking over the property that was then being used by Dr. Gardner but which did not belong to the industry, the idea of taking it over and enlarging it and making it a practical shrine to which the industry as a whole might go to worship, if I may use that term from an industrial standpoint, came from one of the stalwarts of the educational bureau, Dr. R. H. Roh. That was his idea. I well remember when he advanced it first and the acclaim with which it was received by the members of the educational bureau, and it was that Dr. Roh who, through this proposition, who worried through this very detailed ramifications attendant upon it, and who brought it through to its successful culmination as it stands there today.

And while I think the Norris Gregg Memorial is a mighty fine thing from a practical standpoint, because it gives us a place where we now have housed all of the activities of the industry, it is the home of our associational activities—while I think that is extremely important to me, I think that it has a value from what, if I may be permitted to use the term, might be called the spiritual side of the industry's welfare, it is even greater than the practical side of it, and by using the word spiritual I mean to refer to the effect it has upon the spirit of this industry in this generation and will have, I am confident, upon the spirit of the industry in all generations that are ahead of us. I verily believe, men and women, that this Norris B. Gregg Memorial, standing there as it does in Washington, is going to be an inspiration to other generations that are going to follow along after us which will cause them to maintain and further improve and elevate the morale, the standards, the ethical principles of this great industry of ours.

Membership in the Bureau

Your president has referred to the interest the National Paint, Oil and Varnish Association now has in the educational bureau. As he has told you, 50 percent of its membership now comes from the National Paint, Oil and Varnish Association, being appointed by your president, and the other 50 percent of the membership on a careful and worked out appointment plan, are appointed by the president of the American Paint and Varnish Manufacturers' Association. So the National Paint, Oil and Varnish Association has a very direct and real interest in the educational bureau and the educational bureau has a very direct and real interest in the National Paint, Oil and Varnish Association, and that is as it should be.

The National Paint, Oil and Varnish Association has been in existence for forty-four years. It is the parent organization of the paint and varnish industry. It is the one organization with numbers in its membership representatives from all branches of the industry. I think you will agree with me in this day and time at least the only expressions which are effective in our respective seats of government, whether they be state or national, are those expressions which are known to come from the industry as a whole rather than from some one branch of an industry because, while a single branch of an industry may be perfectly honest and conscientious in the expressions which it makes, nevertheless there is the thought that cannot be gotten away from that it has selfish motives back of what it has to say. But this association, which represents the raw material manufacturers, the package manufacturers, the importers, the dealers in raw materials, the paint and varnish and lacquer manufacturers as such, the jobbers and the dealers and the master painters, represents different branches of the industry, and to us a piece of machinery that is as nearly perfect as it is possible for an industry to set up.

We heard a wonderful talk by Dr. Klein this morning which was full of common sense and certainly must have caused us all to think and will cause us to do more



Wells Martin

Reported on Simplification

order to properly meet competition, but in so doing, it is desirable to consider same as a local matter and that the new sizes adopted such conditions should not be offered to the trade generally.

President Frayser: Thank you, Mr. Martin. Mr. Horgan, was any action taken on this report?

General Manager Horgan: While we all appreciate that this essentially is a manufacturer's job, this does affect a sizeable number of the members of our all-inclusive association, and as you will notice, Mr. Martin's presentation of the report, it is a joint committee reporting for both associations. This report had the endorsement and approval of the educational bureau meeting in Washington last week, at which all of the leading manufacturers were represented. It has the approval of the executive committee and the board of directors of the association, and the matter is now before the convention for such action as you see fit to take on it.

Mr. Callahan: I move we concur in the recommendations.

(The motion was seconded.)

Simplification Discussed

President Frayser: Is there any discussion on this subject?

Mr. Yarnall: I would like to inquire why it was felt desirable to increase the number of colors in mixed paints and enamels.

Mr. Martin: I believe that that was the result of the answers that were received to the questionnaire, indicating the desire of the manufacturers that there be thirty-two colors in house paints as a minimum.

General Manager Horgan: I might also say that all of these recommendations are based on the replies received from that questionnaire, and the questionnaire was first sent out to the members of the educational bureau, as that body is composed of the principal manufacturers and one hundred percent answers were received on the questionnaire.

Mr. Trigg: I understand that thirty-two colors is the maximum. It doesn't mean that a manufacturer must put up thirty-two colors. He can have eighteen colors if he wants to, or any other number, but if it is adopted it would mean that he has agreed that thirty-two is the maximum that should be put out. I would like to suggest that if there are any jobbers or retailers present in the meeting, it would be very interesting to manufacturers to have their viewpoint with respect to this program.

President Frayser: Are there any jobbers or retailers here who would care to give us their opinion about the proposed program?

General Manager Horgan: I might say that the distributors who are present at this convention were invited, of course, to participate in all the program, but in trying to work out a time



Ernest T. Trigg
Chairman, Educational Bureau

a result, it arranged with Mr. Nemsek to make a trip at that time to all of the agricultural colleges in each state of the union. Mr. Nemsek, I think, traveled about twenty thousand miles on that trip, making a round-up all over the country, doubling back over his tracks in the process, laying down a foundation for the growth and development of soybeans in this country.

All of development has constantly had the sympathetic support and cooperation of the educational bureau. The bureau has been perfectly honest out of the educational bureau, and while a separate committee has long functioned along that activity, nevertheless it has always been under the general direction and supervision of the educational bureau. I don't believe it would be possible, men, for any committee representing an industry or an association to take their place in the industry unless they are very excellently organized, while we have all departments which are carrying on the various routine detail work, there are nevertheless many important problems which each of us has to take care of in the bureau meeting and which have to be disposed of. That is probably more true now than it was before, since our industry organization plans and the financial respon-

of the significance of different rules and regulations.

Of course, it would be ungracious of me and be untrue if I did not acknowledge publicly my indebtedness to Mr. Macdonald with his vast fund of knowledge about the industry, and his many energetic moves and brilliant ideas in the conduct of our work. He is stimulating to work with because he is the essence of fairness.

Activities of Bureau

Now I will just hurriedly refer to the various activities of the bureau. I have said that we are the legal office. In that role we have been trying to co-operate with the legislative committee by attending hearings in order to find out what the different points of view are that are raised in connection with legislation affecting the interests of the industry, and in other ways giving what aid we can to the legislative committee. In the legal judgment in legislative work, of course, is theirs.

A second field of legal activity by us is in trying to provide the executives and officers of our associations with memoranda of law on various subjects. They inquire about in order to help them to exercise their discretion and their duty in the discharge of association work. It is interesting to note that in the past year the anti-trust division of the Department of Justice has taken action in five cases of purported violation of the anti-trust laws. Previously there had been as many as twenty a year.

This year there were five cases. Of these five, three are trade association cases; one, anti-trust. The first case, the Sugar Institute and the Asphalt, Shingle & Roofing Institute. I mention this because it is an interesting case. The bureau can be of any aid in helping the officers and executives to guide that straighten out, so that there be no mention of an intent to violate the law, we are doing our part to save our associations from the embarrassment of these other trade associations.

The specific cases that have been completed this year through the Federal Trade Commission number fifteen. One was a court case. I may say that in all these cases the unfair competition bureau has either requested the investigation originally or has cooperated with the commission during the course of the proceedings. The court case was an action in the United States Circuit Court of Appeals resulting in a judgment which affirmed a previous order of the Federal Trade Commission involving misbranding of lead and zinc, involving the Hoboken Paint and Varnish Company.

You will recall that about a year and a half ago there was a similar case where one company had been ordered to issue against it and then a fine was imposed for violation of the contempt of court. I mention that to indicate the meaning of this court case.

Cases Settled in Commission

Of the cases finally settled by the commission during the 1931-32 date two have been settled by formal cease and desist orders. They are the Ruben City Paint Company and the Federal Paint Company; and the other L. Wetchler & Sons, trading as the Old Gold Combining White Lead & Zinc and the Federal and Camel Lead Color & Chemical Products Manufacturing Company. That was an aggravated case of misbranding and advertising of white lead containing but six-tenths of one percent of lead sulphate. It is interesting to note that the defendants Old Gold and Camel Case, the action was probably not lost. Strike because there was not one ounce of white lead in a can.

The other twelve cases finally settled were the result of the "voluntary discontinuance" procedure in the commission. Mr. Macdonald has referred to that, but there are certain types of cases where the commission calls the party in and says, "If you will agree that you have been engaged in these practices and have abandoned them, we won't try the case, but we will stop it right here upon your discontinuance of these facts, further stating that if there are further proceedings, the whole record will go before the commission."

In some of those cases settled by stipulation they do not announce the names of the parties; in others they do. Of these cases, two involved the sale of paint by radio and mail-order, involving mislabeling and false advertising. One of them was represented as a full measure of lead and zinc sold by the manufacturer when that was not the case. Three of these other cases were cases of distributors posing as manufacturers. Three of them involved the sale of paint, of aluminum powders, and there were other cases involving shingle paint and roof coating, so that there were fifteen cases completed during the year through the Federal Trade Commission.

There have been certain cases where the commission has issued a formal complaint and has scheduled hearings and the matters are pending. We have given publicity to most of these matters so that you might be informed as to what was going on. As to the attitude of public officials toward these things.

I want to pause just a minute to remind you that these, apart from others mentioned before, are pending cases. That means that the parties to these cases still have their day in court. We must all suspend judgment as to the final verdict until their day in court. These cases are not our cases, they are not our judgments. As I said before, we call in the doctor and await his verdict.

The pending cases are the Para Paint Company, a mislabeling case; D. T. Bohon Company, Kentucky house paint, charged with mislabeling advertising; and cases involving the Franklin, Madison Progress and Adams Paints, all involving misrepresentation, and in these cases hearings have been scheduled for further proceedings.

In bribery, there have actually been

five cases this year where complaints have been issued. For convenience in trial they have been grouped into two matters now before the commission. I will show you what I mean by five cases and the grouping of two. There have been separate complaints against Gilbert Spruance Company, Eugene P. Cox, and James Dillard, as one group. Another complaint has been issued against the Blackburn division of the Cook Paint & Varnish Company and Mark L. Jones, as the other group. These are pending cases.

Matters Under Study

That briefly indicates the details of our activities with the commission. Of course, there are always a number of matters that the bureau is studying. We have a number of inquiries under way now in various matters including bribery. We



T. J. McFadden

don't form any judgment about them, and we, of course, don't speak about them until some public official has taken action and released public documents.

In regard to bribery, we have done a new thing this year. Some people have forgotten that bribery, aside from being unfair competition, has been dubbed by sixteen states as a criminal matter. We therefore, just as we have co-operated with the Federal Trade Commission, have started to co-operate with the State prosecutors. Accordingly, we went to a State prosecutor in Virginia, gave him what information we had, reminded him of his law, asked him if he would not take cognizance of the matter, make his own investigation, gather his own witnesses, gather his own testimony, and present the matter to the grand jury, and gave our guarantee as we go to the commission and other bodies, that if we can be of service at any time during the course of the case, as the disposal of those officials.

Accordingly, the evidence in two cases involving salesmen in our industry was presented by the State prosecutor in a particular county of Virginia. In the grand jury, and July 1 the grand jury brought in two indictments charging each of these salesmen with having violated the Virginia criminal statute against the giving of bribes for the purpose of obtaining orders.

These are pending cases. The trials are to be scheduled in the future. I may say that one of these men was arrested, bonded, and he will be scheduled for trial, probably in December. The other man is still a fugitive from justice.

Now, gentlemen, I promised to do a lot. When I finish, I will welcome any questions that you have about any phase of our work. We will try to give you an answer to the best of our ability. We always want your suggestions and criticism because we are trying to do a job that we think the industry wants us to do. Your industry has set up these rules and regulations. It promised the Federal Trade Commission gratuitously in 1918 that it would demonstrate its integrity by setting up a special bureau for this purpose. If those who are in charge of this bureau at the present time are following policies entirely at odds with the general wishes and desires of the industry, then one of two things should happen—either we should be convinced and change our policies or we should retire as gracefully as possible and let someone else come in and agree with you, as to those policies and can pursue them.

Sometimes it is suggested to us that we are betraying our clients by going to government officials, that we should not go to the parties directly involved. There are an increasing number of cases where we do go to the parties involved, but not in those cases where we think there is a public interest. For example, if there is a dispute between two or three members in the industry involving themselves almost exclusively to do our good offices to try to straighten it out by direct contact. If we are unsuccessful, we point out the limits of our authority, point out the other members of our association, namely, that we have an arbitration committee, whose function it is to receive suggestions from the members of the association that they should arbitrate a particular difficulty. If the two cannot agree to submit to arbitration, then any member of the association can appeal to the president of his association to ask the board of executive committee to consider whether or not there has been a violation of the

code of ethics. So that there are various machines set up.

The bureau tries not to encroach on other fields and we try definitely not to set ourselves up as censors in any instance.

For example, when we co-operate with state officials in the interpretation of the various laws affecting our industry, our attitude is, it is not the function of the bureau to attempt an interpretation of these laws, except where we can furnish information requested by the officials and aid them in making their own regulations, and as long as these various laws exist, our attitude is that they should be equally applied to all, and it is not our function to decide whether the laws are proper.

So that there are cases where we do directly appeal to the parties involved. But where there is a public interest, we feel that it would be a very unwise policy for any association to set up a body which would be the custodian of the private consciences of individuals.

Discussion of Unfair Competition Work

Mr. Dabney: Thank you very much. Chairman Trigg: Are there any questions now or any discussion in connection with the work of the unfair competition activities?

Mr. Callahan: I wonder if the members here have been reading that series of articles in the New Republic about commercial bribery in business. It seems the various and painful people were merely amateurs in that game compared with a lot of other industries and that it is a custom which began back when the Venetians went sailing, the days of Christ. I have no doubt the gentlemen who have reported have a very hard job on their hands to clean up a custom that old. At the same time I was glad to observe in the opening article that our industry, the paint and varnish industry, was given a great deal of credit by the writer for having taken this job up themselves, established this bureau, and showing the steps we had taken to clean our own house. That is a very interesting series of articles in the New Republic.

Chairman Trigg: I think there has been a little confusion in the minds of some people in the industry on one point that has been brought out here, and I want to take just a minute to emphasize it. As I understand the situation, the industry has created an unfair competition bureau of which Mr. McFadden is the manager and Mr. Macdonald is counsel. In order to facilitate the work of that bureau, insofar as controlling its finances and dealing with associational parts of the work we have created an unfair competition committee. One is known as a bureau which consists of these two men, and the other is a committee which has no more power to regulate or direct the industry than any other activities of the bureau itself than any member of the industry. That is correct, Mr. Horgan and Mr. McFadden? (It is.)

There seems to be some confusion as to the responsibilities in this situation, the committee being thought of in terms of the bureau or bureau in terms of the committee. It seems to me it is well that we should understand this distinction that does exist and that the committee is not taking upon itself the investigation of any complaints and it takes no responsibility for and



C. J. Caspar
Reported on Uniform Programs

has nothing to do with the development of those complaints while they are pending before the committee and the Federal Trade Commission. Am stating those facts correctly? (He was.)

Is there any other discussion on this subject, gentlemen? It is before you now. If not, that completes the part of the educational bureau and the unfair competition committee and bureau.

(At this point President Prayser resumed the chair.)

President Prayser: The next feature of our program, gentlemen, is the closing number for this afternoon's session and I am sure it will be very interesting to all of you, and I hope you will contribute your presence and attention to the man who has this in charge, "What Has the Club Program Committee Accomplished?" Charles J. Caspar!

Club Programs

Mr. Chatfield: Before Mr. Caspar talks to tell you what this committee has done, in the by-laws it specifically states that the retiring president will be chairman of that committee. The board of directors have changed that at their last meeting, and as I never have sailed under any false colors, I want to say to you that although my name is on as chairman, I have not absolutely nothing this year in connection with this more than to read the reports after they have been carefully prepared. So that in the reports which you read, you will see the most effective committee of which my name is given as chairman and for which that is the only credit I want to take, or the honor that I am willing to accept—the printing of my name.

Mr. Caspar Reports

Charles J. Caspar: Mr. President and members of the National Paint, Oil and Varnish Association. Last year your club program committee presented its first report, a statement that by force of circumstance was more prophecy than a report of performance.

With the uniform constitution and by-laws adopted by a majority of the clubs, your committee stated that with clubs discussing the same important problems throughout the year, constructive and corrective accomplishments would result. Your committee this year can do no better than to invite your attention to the fulfillment of that prophecy and to urge your co-operation in making greater achievements possible during the coming years.

Five programs have been prepared and presented since our last Annual Meeting. In the 1930-1931 series there were the following:

November: "The 1930 Convention."
January: "Unfair Competition," "Non-Exchange Agreement," "Code of Ethics," "March," "Clean Up and Paint Up," "Save the Surface," "Credits and Collections."
May: "Credits and Collections."
And in the 1931-1932 series:
September: "The Traffic Committee."
These are in preparation for the balance of the 1931-1932 series.
"The 1931 Convention" (to be issued November).
"The Simplification Program" (to be issued January 1).
"The Paint Club" (to be issued March 1).
"American Tins Oil Development" (to be issued May 1).

These programs are subject to change if topics of more timely value develop. Twenty-four are using the programs regularly, and report that they find them of real value in holding the interest of members, and in getting out attendance at meetings; three clubs state they use the program material as a basis of particular interest to them; two clubs use the material for reference purposes only; and eight clubs do not use programs.

The success of the club program plan will depend largely on the cooperation given the plan by the membership at large and particularly by club officers and committeemen. Your committee is your consideration of subjects for program material, and your suggestions for the betterment of the presentation of this material. Based on the experience of the past year, your committee strongly recommends the following procedure in all clubs:

1. Appoint as chairman of your club program committee a man with enough command to hold the attention of his hearers.
2. Make a study of the material sent out by the national association and wherever possible present the material in your own language; do not read the paper at the meeting except as a last resort; put your personality into the presentation—it will help you, your club and the industry.
3. Encourage a general discussion of the subject as presented and have your secretary make notes on the suggestions submitted.
4. Send to national headquarters your frank criticism of the program as presented and your suggestions for the improvement of future programs.

This is entirely a co-operative movement; its success will depend upon the amount of interest and effort you put into it.

Now, gentlemen, it is my desire, with your indulgence to discuss the club programs in a personal way. We want your guidance and help. We believe it is an excellent thing for the clubs. We have always felt that the club (and I speak of the clubs that need it) we realize and appreciate that there are clubs that do not need it; are benefited by a set program to do with it as they will and handle it as they please. The suggestion has come to us that there are not enough programs. Well, the committee feels that five programs are quite sufficient to bring the national message to the clubs. We feel that the clubs have more than five meetings and their other meetings can be confined to matters of personal interest, of local interest, matters involving the industry within themselves.

To satisfy our own questionnaires last before the convention, mailed to the president of every club as well as the secretary of every club, I think we have one hundred percent replies, which I think is a record of accomplishment, and I think more than that, it emphasizes the interest which the club

leaders are taking in our club program. It indicates that the clubs are interested. In our questionnaire, we submitted four questions. First, is your club doing a program? Second, why not? Third, give us your opinion of the program. Fourth, send suggestions for improving the program. In our letter accompanying our questionnaire, we included this paragraph:

"We are not hunting bouquets. We want your honest, personal opinion, frankly expressed. We want your criticism. We need your help. We ask for your expression of opinion. The recipients of our letter and questionnaires are men who we believe are on the firing line in the club activities. They were the presidents and the secretaries of the club. I would like to quote from a few good and bad, the replies that we received from our questionnaire which will give you a little picture, a little background not only of what we have in mind but what we have accomplished."

Reaction to Club Programs

Atlanta reports: "Yes, we use them, but we prefer shorter papers." Baltimore reports: "Yes, we use them. Programs arouse good interest, especially those having to do with organization and club activities. Competition, clean up and paint up. Suggest more programs based on competition. Fair competition, fair distribution. Play up 'Clean Up Your Club' year." Boston reports: "Very good, but a little long. Publish in brief and in full also." (I don't know what that means.)

Chicago reports: "Considerable interest to the club."

Cincinnati reports: "Yes, we use them. Central New York says: 'Yes, we use them, but that interest is very good. No suggestions.'"

Cleveland reports: "Programs very interesting. Send to president at least three weeks in advance. The secretary reports: 'Very interesting; no suggestions.'"

Columbus reports: "Programs are very good. We use them. Best programs were credit, paint competition. Make programs monthly. Programs should be of interest to jobbers, manufacturers, material suppliers. President said: 'Tung oil would not be of interest.' The secretary said: 'Tung oil would be of special interest.'"

Cleveland reports: "Yes, we use them. Some not applicable to our program. Very fine for smaller clubs. No suggestions."

Columbus reports: "Yes, we use them. Very satisfactory. Hold to fifteen-minute presentation."

Columbus reports: "We use them; some not of particular interest to some of our members. Hold to fifteen-minute presentation."

Detroit reports: "The president reports: 'Too much statistics, not enough time. Contain valuable information. We use the program to a limited extent.' The secretary reports: 'Programs lacking in local detail.'"

Golden Gate reports: "Programs not suitable. Suggest summary of incidents. Suggest series of questions be sent for discussion. In explanation of that, the Golden Gate Club meets weekly and we realize and appreciate that a club that meets weekly could not very well give a luncheon hour to our program."

Indianapolis reports: "Yes, we use them. Very interesting. Urge that they be presented by members of club before presentation." Indicating, I think, that every member is to receive a copy.

Kansas City reports: "Have used some very good ones. Urge that they be presented by members of club before presentation. Kansas City Club meets weekly and we realize and appreciate that a club that meets weekly could not very well give a luncheon hour to our program."

Los Angeles reports: "Yes, we use them. Much needed. Credit especially good, as it brought out all credit men. Make programs short and happy, covering local conditions and problems that will lead to discussion. Include short, intimate messages from national association. Encourage reports from local clubs. Good policy to continue."

Minneapolis reports: "Yes, very interesting, and this is the candid opinion of all our members. Suggest programs on some of the commodities, such as tung oil, synthetic gums or recently adopted pigment. Issue programs more promptly. Excellent idea. Keep it."

Minneapolis reports: "Too dry. Does not hold interest, due to dry statistics. Not enough time information."

Nebraska reports: "They have never seen our program and don't know what it is about."

New England reports: "Yes, we use it. Serves to keep national affairs of use to members before the members, but are not of sufficient interest to keep members solid. Establish greater degree of loyalty and enthusiasm. Underline of national association, so that they may more readily be attracted to these programs."

New Orleans reports: "Yes, we use them. New Orleans does not use the program."

New York reports: "Very good for a club of our size. New York City made up of specialists. Programs should be reproduced and mailed to each firm member, with request that department interested in any particular program submit contents to special club committee, which will then prepare ten-minute talk. Could the national association do this any cheaper?"

Oakland reports: "We use them. Not always practical. Like the program and use whenever possible. No suggestions."

Philadelphia reports: "We use them. Excellent. Very effective. Follow same line, but make them a little more brief."

Pittsburgh reports: "Yes, excellent. Very interesting. This is a pioneer effort, furnishing a need that was sadly lacking in some clubs. Urge clubs to consider program in every part of meeting."

Pugot Sound reports: "Have weekly meetings, and our programs are too long."

Richmond reports: "Very helpful; most constructive. No suggestions."

Rochester Club inactive.

St. Louis Club: "Using program. Subjects very good. Too long. Good plan to present association work to clubs."

Tahoe reports: "Club too small; programs too long. No suggestions."

Tahoe reports: "Yes, interesting. What is of more interest, and what can we do to make our club programs of greater interest, if such is possible?"

Washington Club inactive.

Asks Suggestions

I give you that background and earnestly solicit suggestions. In presenting this background of what our clubs report, the committee is doing implicit confidence in the good that these programs are doing for club activities and the great diversity of opinion here expressed. With the exception of brevity which seems to be quite unanimous, are seeking some suggestions from the convention floor. Here are men representing clubs from all over the country who attend club meetings. What could be more implicit confidence of more interest, and what can we do to make our club programs of greater interest, if such is possible?

A resume of the questionnaire shows

that 26 clubs presented programs in full or in part; 8 clubs do not use the program for these reasons: not suited for weekly meetings, not suited for club members, not suited for local business circles all these things were reported that they use the material for reference only. Three clubs use programs that are not suited to their members.

The programs submitted for 1931-32 is, first, a resume of the 1931 convention, second, a resume of the 1930 convention, which was very popular, and I am sure you will all agree with me that perhaps that is as good a selection as we can make for the next program.

The second program is the simplification of the program. The third of that is a vital question and a question that might well be presented to the clubs.

The third is the local paint club, in which we propose to suggest a plan for betterment of the work of the club, the local clubs within themselves, including credit bureaus and active committees. It seems to me and to the committee that this is an important subject to bring before the club.

The fourth is American tung oil. If we are unanimous that the tung oil is applicable and are well selected, the program arises, what can we do for the fourth or fifth program? If I have any suggestion, I am sure the committee would be very pleased at this time to have your suggestions. In the convention floor or by communicating with national headquarters.

Discussion of Programs

Horace Felton: I would like to ask Mr. Casper if he read any comment from Philadelphia. I didn't hear any. (Yes.)

Callahan: Cleveland, Ohio, said it was small-town stuff, and then immediately Louisville came along and said it was fine.

Mr. Casper: They are both right.

Mr. Felton's Ideas

Horace S. Felton: In Philadelphia, after all the club programs, which have been presented to us, we found them very helpful, but the one which seemed to go over the best was the one which discussed credit. I think it is not only a matter of the program itself, but largely the way in which the programs are presented. We have found that if you have a sub-division of the effort, and the work is properly detailed, you seem to get far more interest from the program than if one person either reads it or attempts to present it.

I have a suggestion to make which may or may not be valuable. I believe a forum on cost accounting would be very helpful. I know that a large number of people at the average paint club meeting who are not vitally interested in it, but I think it is important. But here are three great groups of people in the industry that make very little contact. I am thinking of the manufacturers of the technical men in our industry. I notice that nothing has been done regarding the scientific section. I can visualize a fine program wherein we would try to get in with us, if we could, to do so, the members of the production clubs in local cities, or at least some delegates from that club, and it might be their meeting in which they would talk to us rather than to me.

I don't know how it works out in most cities, but in Philadelphia it works out this way: Here are two separate groups, one outside of an occasional extension of courtesy whereby we might entertain the president of our production club, we rarely have no contact with that organization.

Then, there is the host of retailers throughout the country, organized in local cities and in some cities not. I think that we could build a program which would in some way tie in the retailer with the local paint club, because he certainly ought to in some way be affiliated, if not by membership, at least by contact.

Then, there is that other great field, the master painter. There are two groups, particularly who are each going their separate way, and I believe we owe them a responsibility. We have a duty towards them, to affiliate them with ourselves in so far as we can, to tell them about our problems, and to hear from them what their problems might be, and to help them.

Mr. Casper: I think that suggestion is more valuable than the tung oil idea.

Mr. Bennett Speaks

March Bennett: In line with Mr. Felton's statement, perhaps it would be interesting to know that the energetic president of the New England Club for this year, Frank Bowman, conceived the idea of having one meeting, a joint meeting of our club with the paint salesmen club and the production club in the neighborhood. That was the meeting at which (and I think it was the unanimous opinion of every concerned) it was decided it was one of the most fruitful and interesting and stimulating meetings we have ever had in the New England Club. I think that, possibly along the line of Mr. Felton's suggestion, it might be a good idea for the program committee to consider that for one item in the program.

Mr. Callahan: What is your recommendation about suspending these eight clubs that pay no attention to it? What are you going to do about them?

Mr. Casper: We can't force them to adopt our program.

Wants Credit Program

Mr. Derrick: As a representative of Cincinnati, may I suggest you have an other presentation of the credit program, particularly in the light of the plan that Mr. Felton presented. The bringing in of the production clubs is something we have not done at Cincinnati, but I think we should do it very soon.

Mr. Hoag: As I understand it, these

programs as prepared by the program committee are supposed to inform the membership at large of the National Paint, Oil and Varnish Association of the work that is being done by the association through their various activities, and I think they should afford a very excellent background for carrying the message to a great majority of the members that probably are not familiar with these activities.

It has occurred to me that it might be a good idea to have a program committee appointed in the local clubs, and of that membership of that program committee made up of, say, the past president of the club, of members that are supposed to be more or less familiar with the work of the national association, men probably who are regular attendants at the conventions. I imagine that it is a small majority of the members of the various clubs that attend the conventions and have an opportunity to know of the work that is being carried on.

If that committee was appointed and the members were charged by the president of the club with posting themselves and preparing themselves to carry on a discussion, or support whoever read this program at that meeting, and amplify that particular program, and start a discussion so as to get the most out of that program as it is presented, it seems to me that it might prove an effective means of getting this message across to the membership one hundred percent.

Mr. Casper: As I said last year in presenting this report, we are not attempting to bring messages to the members of the national association who are attending our conventions. They are here. They are what the association is doing. But, what a small percentage of our club membership is here. We are trying to encourage you and induce you and show you the need and necessity and the benefits accruing to your club if you are here. We will take the message back. You can't do it at the first meeting, but by the second.

The first item on our program is the final report of the constitution and by-laws committee of which Mr. Cheesman is chairman. We will be glad to have his report at this time.

Wednesday, October 7 Fourth Business Session, Wednesday Forenoon

(The meeting was convened at 10 o'clock President Frayer presiding.) President Frayer: We will dispense with our roll call until a little bit later.

The first item on our program is the final report of the constitution and by-laws committee of which Mr. Cheesman is chairman. We will be glad to have his report at this time.

Constitution and By-Laws

Mr. Cheesman read his report, which recommended that article V of the by-laws be struck out and a new one inserted. The new provisions stated that "the president shall appoint annually, at as early a date as possible after his election, the following standing committees consisting of one or more members: Constitution and by-laws, credits and collections, manufacturers, master painters, membership, memorial, paint distributors, and trade marks."

New Statistical Bureau

According to the new provisions, the manufacturers committee shall be composed of one or more members for each trade group, and also this manu-

Class	Under	\$75,000	\$80
1.....	\$75,000 to	150,000	60
2.....	150,000 to	250,000	100
3.....	250,000 to	500,000	200
4.....	500,000 to	1,000,000	400
5.....	1,000,000 to	1,750,000	700
6.....	1,750,000 to	2,500,000	1,000
7.....	2,500,000 to	5,000,000	2,000
8.....	5,000,000 to	7,500,000	3,000
9.....	7,500,000 to	10,000,000	4,000
10.....	10,000,000 to	12,500,000	5,000
11.....	12,500,000 to	15,000,000	6,000
12.....	15,000,000 to	20,000,000	8,000
13.....	20,000,000 to	25,000,000	10,000
14.....	25,000,000 to	30,000,000	12,000
15.....	30,000,000 to	35,000,000	14,000
16.....	35,000,000 to	40,000,000	16,000
17.....	40,000,000 to	45,000,000	18,000
18.....	45,000,000 to	50,000,000	20,000
19-22th	of 1% over \$50,000,000	plus \$20,000	

The chairman of the budget committee in conjunction with the treasurer of the educational bureau and the general manager of the associations, are to have authority to adjust subscriptions based on domestic sales, as applied to allied industries.

The dues of this association shall be collected by its treasurer and upon authorization of the executive committee, remitted to the treasurer of the educational bureau. The sliding scale of contributions shall be collected by the treasurer of the educational bureau.

Action on Report

(The report of the committee on constitution and by-laws was adopted, section by section, and then as a whole, without change from the form in which it was presented.)

General Manager Morgan: The recommendations made by the committee on constitution and by-laws were approved by the board of directors and referred to this convention for action. President Frayer: You have heard the recommendations of the executive committee and board of directors. Mr. Cheesman has moved the adoption of these articles.

(The motion was seconded.)

President Frayer: Is there any discussion? Those in favor of accepting the recommendations please indicate by saying "aye"; opposed "no." It is so ordered.

It would seem wise and expeditions to have our roll call at this time.

Provisions also were made for the manner in which joint and other committees of the association should be set-up of the educational bureau in line with the reorganization

General Manager Horgan: Before calling the roll I would like to read a telegram just received. This is from Victoria, B. C.—

Please express my regrets at my inability to be present at this convention (stop) Best wishes for a pleasant and successful gathering (stop) We are looking forward with every confidence to greatly improved business conditions for 1932.

It is signed J. Carl Pendray, vice-president, Western zone, national association.

Roll Call

(The roll was answered by sixteen affiliated clubs, with a total representation of sixty-seven.)

Resolutions

President Frayer: We will proceed with our program, and the next item on our program is the report of the resolutions committee, of which Mr. Caspar is chairman.

Financial Plan

Mr. Caspar: Whereas, the National Paint, Oil and Varnish Association has a vital interest in the acceptance of the uniform financial plan which has been in force during the past year, and

Resolved, That the three members of the budget and finance committee representing the National Paint, Oil and Varnish Association, shall be constituted a committee of association to coordinate and direct efforts to this end; that

committees be appointed from each constituent club of the association in order to secure a complete acceptance of the uniform financial plan; and, be it further

Resolved, That the committee be enlisted so that consideration may be given to the feasibility of presenting such a program to the local clubs which will provide opportunity for discussion of this subject and afford greater knowledge of the plan; be it also

Resolved, That the committee give consideration to the possibility of recognizing in some suitable manner the clubs which secure the greatest percentage of acceptance to the plan.

I move the adoption of this resolution.

(The motion was seconded, put to a vote and carried.)

Mr. Caspar: The resolutions committee in its meeting considered the present split plan since the split has already taken place and since it is desirable to bring the conventions together again, would it be well to have a definite plan or invitation to the other association to collaborate and jointly convene with this association in the future, but

President Frayer: Mr. Bennett, this was discussed in our board meeting, and it was thought that the two associations should have joint conventions in the future, but I don't think it is up to this body to determine whether we shall or shall not have or that it is up to the board of any criticism. The separate conventions this year was a try-out and I am quite sure that if it is feasible to have joint conventions in the future, that the two bodies will get together for joint conventions.

Mr. Bennett: It is far from my thought that this association should undertake to dictate or to try to invite a resumption of the joint conventions. Without going over the details of how the split came about in the board of conventions, which might go farther than even a suggestion on the part of the National Paint, Oil and Varnish Association of a resumption of joint conventions, it is desirable for us to realize that if another year goes past without a convention it is still held separately, it will be much more difficult again to bring them together, and I don't see anything in the form of the invitation by the officers of the national association to the officers of the other association, to meet at the same time and place with us that could be in any sense interpreted as dictation on our part or anything of the kind. It is up to the efficiency which we are very considerably boasting about.

We have just approved the amendments to the constitution and by-laws made to fit a new union of the two associations acting co-ordinately with the new educational bureau, the new budget and finance plan, all of which will do us together more tightly than we ever have been before.

We have, as I say, just adopted by-laws ratifying all of those things and we do pride ourselves on simplification of our administrative efforts and the sooner we take some steps that will be a little more concrete, it seems to me, to bring the two associations together the better it will be for the whole industry.

President Frayer: Mr. Bennett, I

think we will all agree that your remarks and suggestions are quite timely, and again I want to reiterate that your board of directors and your executive committee concurred entirely in just the thoughts that you have advanced. The fact is that the N. P. O. & V. A. were not the ones who suggested the separate conventions and your board of directors and executive committee felt that it would not be opportune for us to attempt to take any action until after the meeting of the American Paint, Oil and Varnish Manufacturers Association, which will be in Chicago the first week of December, and then any further discussion on this matter?

Mr. Caspar: I would like to modify my motion for the adoption of the resolution.

Mr. Callahan: Will you reread that resolution?

Mr. Caspar: Be it Resolved, That the National Paint, Oil and Varnish Association assembled in annual convention in Atlantic City, October, 1931, approves of joint annual meetings of the two major associations of the industry.

Resolved, That a copy be sent to the secretary of the American Paint and Varnish Manufacturers Association.

(The motion was seconded.)

Mr. Wilkinson: It seems to me that motion, if it is put, will not clarify the divided opinions of our members, and in order to do that I would like to move an amendment to the resolution to the effect of inviting the American Paint and Varnish Manufacturers Association to meet with us in joint session in 1932.

Mr. Cheesman: I think that is a very wise thing and I would suggest also that we invite them to meet at the old home in Washington at that time. We have the parent organization should have the privilege of inviting them to come next year, and let's both meet there next year.

President Frayer: I think that would have to be at the time and place committee wouldn't it, Mr. Cheesman?

Mr. Cheesman: Not necessarily.

Mr. Wilkinson: I will second that amendment if it has not been seconded.

Resolution Adopted

President Frayer: You have heard the resolution as presented, with the amendment by Mr. Wilkinson. Is there any further discussion on this matter?

If not those in favor of the resolution as read by Mr. Caspar, with the amendment suggested by Mr. Wilkinson, which received a second, will please indicate by saying "aye"; those opposed, "no." It is so ordered.

Mr. Caspar: Your executive committee presents the following resolution:—

Tribute to Mr. Heckel

Whereas, wishing to recognize and register our appreciation of the distinguished service rendered the National Paint, Oil and Varnish Association and the industry by George B. Heckel;

Whereas, he has left in his reminiscences a unique legacy to the industry and a posterity;

Whereas, he has served the industry and contributed greatly to the upbuilding of our association; and

Resolved, That the National Paint, Oil and Varnish Association, in annual convention assembled in Atlantic City, October, 1931, do hereby elect George B. Heckel an honorary life member of this association.

I move its adoption.

(The audience arose and applauded.)

Mr. Felton: I would like to have the honor of seconding that resolution. Mr. Heckel is a man who is very much beloved by all members of the Philadelphia club. He is a man who has our highest esteem and respect, and I would like to second the motion.

President Frayer: Gentlemen, you have heard this very splendid resolution, which I am sure touches the feelings of all of us. I am sure we are all glad to confer this honor upon our old friend, George Heckel, and may I suggest, if it meets with your approval, that we give him a unanimous rising vote adopting this resolution.

(The audience arose and applauded.)

Mr. Heckel was escorted to the front of the room by Mr. Caspar.

Mr. Heckel's Thanks

Mr. Heckel: Gentlemen and friends: It is not often that I and myself flatter-gasted, I have had the pleasure in the past of participating in many of the occasions in honor of old friends, and I want to say that whatever service I have been able to render, that whatever it may be within my power to render this organization in the future, is made possible by careful study and labor in the footsteps of those who have preceded me.

This is a great association and a great industry and while I came into it by accident, it has been the joy of my life to serve as I might this industry and the one industry with which I am acquainted that has been able to clean its own house without the interference of any other industry.

I have been able to render, that whatever it may be within my power to render this organization in the future, is made possible by careful study and labor in the footsteps of those who have preceded me.

I am thankful that I have been able to assist in some small measure in that movement. If there is any further service I can render during the few years that are allotted to me, I certainly want to do it.

President Frayer: Mr. Heckel, I am sure I voice the sentiment of every member of the National Paint, Oil and Varnish Association, all of whom are your friends who love you very dearly and prize their association with you very highly, and I know that it is a distinctive privilege and pleasure for this organization and your friends in it to bestow this splendid honor upon you.

Are there any more resolutions?

Resolutions of Appreciation

Mr. Wilkinson: From year to year it is the regular thing for some recognition to be registered in behalf of those who have labored, not alone throughout the year, but specifically at the convention period to complete arrangements of a business nature and of an association nature to contribute to our enlightenment and our pleasure.

I sometimes fear that these actions become rather perfunctory, but I do hope that we will just stop a moment to realize that these plans have been made without the participation of the majority of us. It means that a comparatively small group are devoting energy and thought and anxiety to make sure that when we leave the convention, we shall have happy and constructive and helpful thoughts registered in our recollection of us. It means that a comparatively small group are devoting energy and thought and anxiety to make sure that when we leave the convention, we shall have happy and constructive and helpful thoughts registered in our recollection of us.

So, I would like to offer a resolution to embody the appreciation of the National Paint, Oil and Varnish Association in convention assembled, to our President Frayer and the executive officers of the association, as well as to the several chairmen of the committees and their associates who have labored throughout the year.

We want to include in this resolution a special vote of appreciation for the time that Mr. Julius Klein took to come and address us, and for the very material thought that was evidenced in the preparation of his address.

While we are to be addressed a little later in this session by Chester Leasure and Frank W. Dixon, and as this is the time for resolutions, I am sure we will want to include a vote of appreciation to these gentlemen and the contributions which they are to make.

We also want to include a recognition to the committee on arrangements and entertainment, composed of Mr. and Mrs. Samuel B. Bowen, Jr., Mr. and Mrs. Horace S. Felton, Mr. and Mrs. John V. Hastings, Jr., Mr. and Mrs. Charles P. Jarden, Mr. and Mrs. William H. Jarden, Jr., Mr. and Mrs. Edgar R. McKee, Mr. and Mrs. Edgar S. McKee, Mr. and Mrs. Ernest Trigg, Mr. and Mrs. Thomas A. Williamson, and those tireless and indefatigable workers, Mr. and Mrs. S. French Reeves, the chairman and hostess, respectively, together with the several committees on finance, registration, publicity, banquet, transportation, frolic, golf, and ladies, all of whom have labored so hard and so long to make our program list.

We want to offer a vote of appreciation to the sergeant-at-arms, Henry F. Dowdy, A. P. Wetherill, C. P. Morris, William Zind, W. H. Jarden, Jr., Charles J. Jarden, and J. Shelby Felton, chairman.

We want also to offer a vote of appreciation to the press committee that has to get up early in the morning and state late at night to see that not alone the trade papers but newspapers are provided with the appropriate and necessary quantity of publicity. Miss Lonora Kent, R. W. Elton, and R. W. Emerson, chairman.

And then, we know that the hotel has exerted every possible interest on their part to provide for our comfort and to make all the arrangements required by the committee, and so we want to offer a vote of appreciation to the manager of the Ambassador hotel and his staff.

And then, for the opening of the session, we are indeed appreciative of the presence of Dr. H. B. A. Durrell, and for the presence of the many distinguished statesmen at night to see that not alone the trade papers but newspapers are provided with the appropriate and necessary quantity of publicity. Miss Lonora Kent, R. W. Elton, and R. W. Emerson, chairman.

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For your president:—W. E. Maston, Cincinnati, Ohio.

Legislative Report

President Frayer: The next feature of our program is a report of the legislative activities. The chairman of this committee deserves our very hearty commendation for the splendid work which he has, for a long period of years, and particularly during the past year, contributed to the protection and welfare of the members of this association. It therefore gives me great pleasure to present to you one whom you all know, who has been so diligent in his efforts for our welfare, Arthur S. Somers.

Mr. Somers: I suppose I am getting to be such an old story that I wonder sometimes how much longer you can bear with the text that I offer. Sitting here this morning and looking at some of the old-timers, reminded me that it was about 1910—think that year is correct—that the committee of which I have had the honor to be chairman was organized.

You will recall some of the early discussions, those of you who were part of the organization in those early years, and realize how difficult it was for the committee to compose itself in such manner as to reconcile differences existing between the members of your product and making it. Happily, however, we managed to get through by a few compromises and later there was a better feeling and a better understanding established, and we were able to sit down and discuss our differences in a more peaceful manner, such differences as arose from time to time, and by a meeting of the minds and a community of interest resolving our work into something that was not destructive, and if not entirely constructive at least was rather passive.

While we are to be addressed a little later in this session by Chester Leasure and Frank W. Dixon, and as this is the time for resolutions, I am sure we will want to include a vote of appreciation to these gentlemen and the contributions which they are to make.

We also want to include a recognition to the committee on arrangements and entertainment, composed of Mr. and Mrs. Samuel B. Bowen, Jr., Mr. and Mrs. Horace S. Felton, Mr. and Mrs. John V. Hastings, Jr., Mr. and Mrs. Charles P. Jarden, Mr. and Mrs. William H. Jarden, Jr., Mr. and Mrs. Edgar R. McKee, Mr. and Mrs. Edgar S. McKee, Mr. and Mrs. Ernest Trigg, Mr. and Mrs. Thomas A. Williamson, and those tireless and indefatigable workers, Mr. and Mrs. S. French Reeves, the chairman and hostess, respectively, together with the several committees on finance, registration, publicity, banquet, transportation, frolic, golf, and ladies, all of whom have labored so hard and so long to make our program list.

We want to offer a vote of appreciation to the sergeant-at-arms, Henry F. Dowdy, A. P. Wetherill, C. P. Morris, William Zind, W. H. Jarden, Jr., Charles J. Jarden, and J. Shelby Felton, chairman.

We want also to offer a vote of appreciation to the press committee that has to get up early in the morning and state late at night to see that not alone the trade papers but newspapers are provided with the appropriate and necessary quantity of publicity. Miss Lonora Kent, R. W. Elton, and R. W. Emerson, chairman.

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Remedying Depression

Taking his title from an episode related by Mark Twain to illustrate the popularity of sound and fury as substitutes for logic and common sense, Mr. Leasure discussed seriously, but entertainingly, the business depression and what is being done to remedy it. He dwelt upon the fact that the depression as it exists in various parts of the United States and in other countries, and critically weighed the formulas that have been being offered to improve conditions. His conclusions were expressed as follows:—

This depression, like all other depressions that we have had in the past, will begin to end the day that the majority of folks in the country begin to think of it in terms of the past tense, and not until then.

I don't want to be misunderstood here this morning, gentlemen, upon this question. I do not for the moment want to say that there are not very real and very vital questions and problems confronting the American business community today, because you all know now that that is the case, and that our troubles are not all of the kind, although the fact that the depression is a factor in the question of the duration of this depression.

We hear on every hand, or on many hands rather, eminent in the past, who tell us that this is the worst depression we have had. Well, I remember now in my own experience, back in the Cleveland times, I was just a small child and I can remember the folks taking about that terrible depression. I say, "This is the worst depression ever in the history of this country." Well, of course, this is the worst one because it is the one we are in now, and that one was the worst one because it was the one we were in then. But I say, these men, taking counsel of their despair, are telling us that industrially and economically, America's future is really behind it.

Well now, gentlemen, I don't believe that for one moment, five years ago, about the time I was being born, an eminent American citizen, who was the first commissioner of labor by the newly created Department of Labor, before it became a Cabinet department, if you please, in the previous administration, painted a picture of deep gloom, forty-five years ago. He went on to say, after a survey of the country and the national business horizon, that the economic future was very doubtful; that opportunities were few and that the horizons were narrowing in both America and abroad. He went on to point out that in this country we had a picture of gloom, that we needed no more railroads; that we had bridged practically all of our rivers and had tunneled our mountains; that we were then producing about all of the useful goods that we could be using; that the imagination use in this country, and so on for page after page, a most pessimistic picture of gloom.

Mind you, gentlemen, that was forty-five years ago. We all know what happened in those forty-five years. Those forty-five years after this observer had pulled down the curtain, so to speak, shining down the curtain on America as a great industrial people, at the time that report was written, gentlemen, there was not a single mile of improved highway in this country except the pavements. There was not an automobile vehicle on wheels anywhere in the United States. Telephone and telegraph lines in their very swaddling clothes. There was not an airplane in the sky. Radio was unheard of, undreamed of, and yet years ago this gentleman, in all seriousness and in all earnestness, and in the depths of an economic depression, if you please, declared that America's future was behind it.

Now, folks that get into that state of mind remind me of the story of the spinster lady—this may be an old story, probably it is, but I certainly don't know the situation, and I would like to have your indulgence to repeat it to you. This spinster lady for many years had great ambitions for matrimony, but age, of course, and the coming of years had taught her that her hopes were futile. And on an occasion she was visiting a friend of hers who had a very beautiful country place, an old farm that had been restored and made into a lovely country place, and in the back orchard, the old orchard of this country place, was an old well that had been abandoned many years before. This well was protected by a slowly decaying wooden curb. One afternoon, the hostess had mislaid her friend, and she thought she had better look about and see if she had strayed away, so she went out into the orchard, and by and by she heard the most heart-breaking sob she had ever heard in her life. She hastened on in great dismay and there she found her friend sitting beside the well, shaken with sobs, bitter sobs, and she hastened over and put her hand on the shoulder of her friend and said, "Dear, what in the world has happened? What on earth is the matter?"

And between her sobs, this very dear old spinster lady said, "Oh, I was just thinking how perfectly terrible it would be if several years ago I had married and had had a dear little child, and that dear little child had fallen down in that well and been drowned, and then I would be a widow."

Gentlemen, I say to you in all kindness, that those who tell us that we are never going to get out of this depression remind me of that spinster lady. Her troubles are largely synthetic, and I want to say to you that the American people, the American business community, has always risen above these problems and the way to get around these problems laid down by the men at the well curb and weep about them. Ladies and gentlemen, I thank you.

President Prayser: Mr. Leasure, we thank you very much for that splendid address, and I should like to have us

manifest our appreciation by a standing ovation of thanks to Mr. Leasure. (Mr. Keister assumed the chair.)

Save the Surface

Chairman Keister: The next order of business is save the surface, and we will ask Horace S. Felton to present that.

Mr. Felton's Summary

Mr. Felton: The activities of the committee in the past year have necessarily been limited by themselves with publicity and promotion features. The program of economizing which our industry has adopted rendered impossible the national advertising which had been carried on since 1921. You can imagine the difficulty of the committee in trying to keep the save the surface slogan up to anything like its former position of prominence if you can visualize what would happen if the advertising and promotion features in your own industry were completely cut off. The printed report of the committee is before you and we think you will be gratified with the effective work accomplished even in face of such a drastic curtailment in funds.

In this connection, the committee desires to express its appreciation of the loyal and efficient co-operation which the members of the association staff have rendered to the save the surface committee. It has been estimated by disinterested sources that the slogan value to our industry is something like a million dollars a year. How long this value will continue is a question which we must face. It can only be answered when we examine what made it valuable to this industry. It is obvious, of course, that it was valuable only because it was promoted and good hard cash was spent to make it a household name. Other industries are still aggressively pushing their slogans and appeals, all the while luring the public to the particular purchases which they are trying to influence.

You will be interested in some figures gathered by the trade association department of the Chamber of Commerce of the United States. They show that 297 organizations have carried on trade promotion work; 115 have engaged in technical research; 108 have engaged in market research; 155 in advertising; 117 in field service; and 107 in systematic education. The following estimated figures were reported for 1930:

Technical research.....	\$874,431
Market research.....	268,480
Publicity.....	9,835
Advertising.....	1,539,999
Field service.....	1,228,020
Systematic education.....	16,992
Total.....	\$3,347,455

Eighty-four per cent of the budgets for 1930 were increased. Fifty-six associations reported their budgets for 1930 as being increased. The total increase in the above 21 associations reported to be \$1,686,130.

On the question of national advertising, from the figures available, there seemed to be 48 associations carrying on national advertising during 1930, the last year for which figures are available. The total spent was \$5,998,597. (Mr. Felton gave a detailed list of the organizations and their expenditures.) Thus you will note that to offset this expenditure of approximately \$6,000,000 in national advertising, nothing was done publicly, we have nothing at present but our own publicity and promotion. Not a single effective and most sure and formidable foe. You will remember that our slogan not many years ago was, "Save the surface by 1931." It will be helpful to study a moment the progress which we made toward meeting this slogan, and the increase in business over 1921 as follows:—

1921.....	\$7.4%
1922.....	\$7.4%
1923.....	\$7.4%
1924.....	\$7.4%
1925.....	\$7.4%
1926.....	\$7.4%
1927.....	\$7.4%
1928.....	\$7.4%
1929.....	\$7.4%
1930.....	\$7.4%

Well, then, our next objective was, "I think, 'Triple the industry by 1931.'" We were fairly well launched on this when retrogressive program is adopted and the industry is doing little today collectively, to promote the progress of our industry with anything like our former zeal.

What of the Future?

What about the forward program of the committee? What can be done that will prove effective? We must continue, we course, our publicity and promotion as in the past. One of the most fertile fields is the contact which we might establish with the schools throughout the country somewhat after the same fashion as has been done so successfully by the Florists of America. They expect, based on past experience, to distribute to the schools of this country and Canada, over one million painting books, around which a national contest has been woven, based on artistic painting and arrangement of flowers. Consider what a potent force this is toward making "flower conscious," this vast horde of youth.

Work of this nature could be effectively carried out by our industry through the use of painting books, the idea to be stressed, in our case, however, would be one of decoration and arrangement of wall and furniture. An additional value of this plan would be the flow-in which would be necessary on the part of local interests, in giving the individual paint club unit some real constructive work to accomplish.

Some feel that our plan of financing save the surface was not entirely correct, that it is an undoubted fact that retailers and master painters. The Chicago Association of Life Underwriters has a list of prospects, in addition to a valuable and remunerative method of maintaining contacts with prospective buyers. The average monthly circulation of this publication totals 25,000 copies amounting to a yearly distribution of 300,000. The magazine is devoted to the task of intensifying public interest in the work of the industry and to illustrating in a

practical and readable manner, methods and modes of decoration and protection of surfaces, both from an interior and exterior standpoint. It contains twenty interesting pages, with four full-color covers. Each issue contains a variety of timely, practical suggestions that possess a strong appeal for the readers and create a buying urge. The articles stress the advantages, both from an economic and decorative viewpoint, of paints, varnishes, enamels and lacquers applied to every "paintable" surface. At the same time, an attempt is being made to maintain a high standard of human reader interest that will make the articles widely have value as a reference source. Features of interest to children are published and through them to impress their elders; articles of special interest to women are also included. Furthermore, an effort is being made to increase the value of this publication to dealers by adopting a definite plan of sales promotion, centering around the magazine.

This can be done by featuring in each issue a section of the interior or exterior, giving instructions for decorating that section. Thus the respective issues of the magazine will have value as a handbook.

This plan will afford the dealer an opportunity to build his advertising campaign around the magazine. The plan is decidedly flexible and lends itself perfectly to national exploitation. In addition to featured articles on a specific section of the interior or exterior of the house, reader interest material will, of course, also be included.

Use of Radio Suggested

The Philadelphia Chamber of Commerce is sponsoring a series of broadcasts in which they are asking industry to co-operate, and the Philadelphia Paint and Varnish Club are to give a minute weekly broadcast on "Women's Home Hour." The Philadelphia paint club is offering to distribute the "Guide Book of Painting and Decorating" to anyone who will send in to the station for it. The talks have been of considerable publicity department of the save the surface campaign and are available to any paint club which will like to collect them in its own city. Any ideas along these lines, however, must wait upon the hands of the radio industry to promote them. Until our industry reaches the point again where it finds it expedient to co-operate with the radio industry, we will do its best to function efficiently and effectively.

Chairman Keister: What is the pleasure of the convention regarding Mr. Felton's report?

Mr. Callahan: I move that the report be received and filed.

(The motion was seconded.) General Manager Horgan: It would seem to me quite appropriate, in view of the fact that Mr. Felton has made some very constructive suggestions, you might amend that motion to the effect that the suggestions made by the chairman be referred to the proper sources for action, because there are things there that would naturally have to be considered by the budget and finance committee, involving outlays. I think with that amendment it would cover all the suggestions and wishes of your committee.

Chairman Keister: If there are no objections, that will be added to the motion.

The question was put to a vote and carried. (The report prepared by the save the surface committee was as follows.)

Save the Surface Report

With this convention is terminated the first year's operation of the save the surface campaign since the adoption of the reorganization plan at the 1930 meetings in Chicago. A report of the work accomplished during that period is submitted herewith.

Editorial Service

With the elimination of space advertising in national publications, the campaign has concentrated its efforts with renewed vigor on the editorial service and other publicity features, which are now the principal activities carried on by the limited staff of the department.

Articles regarding use of the products of our industry have been placed with magazines, newspapers, farm publications and other periodicals, such as Literary Digest, Popular Science Monthly, Hardware Age, House and Garden, American Home, etc. The number of articles written by our staff totaled 79, and were published in 40 different magazines, affording a circulation approximating 8,199,571. To this end, constant contact is being maintained with representative national publications by the editorial staff.

Another special feature of our work is the full-page illustrated material, service rendered every other month to approximately 300 carefully selected newspapers for use by them in informing their readers concerning the use of our products, color schemes, etc. This affords another exceptional medium for consumer contact. While no specific figures are available, indications point to innumerable readers of our messages. In addition, specially prepared articles have been sent to publications which have requested this service.

While it is difficult to evaluate with any degree of exactitude the amount of money represented in products sold as a result of influence exerted by these articles, it reaches tremendous proportions when one pauses to consider the sum invested to conduct this branch of our activity.

Save the Surface Magazine

Save the Surface magazine is edited monthly by the campaign and circulated by dealers throughout the country maintaining a list of prospects. They find this a valuable and remunerative method of maintaining contacts with prospective buyers.

The average monthly circulation of this publication totals 25,000 copies amounting to a yearly distribution of 300,000. The magazine is devoted to the task of intensifying public interest in the work of the industry and to illustrating in a

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Motion Picture Film

Since our last meeting the film, "Home Is What You Make It," has been shown throughout the country. The Department of Agriculture (who produced the film) has suggested of the save the surface campaign) reports that since its inception in 1929, it has been shown to an audience of approximately 260 million people, with an estimated audience of 225,000 people. Our own circulation amounts to 163 million people, or an audience of 260 million people. A grand total of 529 showings to 380,000 people. Our film, "The Romance of Paint and Varnish," has been shown to an audience of 125,000 people and was shown 10 times during the past year, making a total of 658 showings to an audience of 125,000 people. These films are available for use by any concern in the industry and may be obtained by communicating with the save the surface campaign at Washington.

Guide Book of Painting and Varnishing

Over 75,000 copies of our "Guide Book of Painting and Varnishing" have been distributed to date. This guide reflects the real popularity and reception accorded this publication by the consuming public. Single copies of this book for 25 cents, while in quantity orders a price of 15 cents each is quoted. In the industry (having a number of retail stores throughout the country) is constantly purchasing large numbers of this book for resale to his customers. The proper application of your products is essential to the good results—this book tells how products should be applied and every manufacturer in the industry should see that his dealers have copies of this publication available. While the number of copies sold this year as compared with previous periods is smaller, this may be accounted for by the fact that the book was then comparatively new. However, special efforts are being made to increase the circulation of this book.

Window Display Contests

In line with the campaign's policy of instituting features which popularize products of the oil and paint industry, a contest was held in local paint club presidents of the National Paint, Oil and Varnish Association, extending to them use of surplus copies of previous window trim for this purpose. The displays in question were sent to local committees having this matter in charge, who in turn sent the same to dealers participating in the contest. Many clubs have already taken advantage of this offer, which has proved an excellent business stimulant and resulted in friendly rivalry throughout the local trade. As long as surplus supply of these displays last, this offer is still open to all clubs, and we have previously availed themselves of this opportunity.

Sales Training Courses

"Specialization" is the modern trend, and in compiling the sales training course for master painters, retail dealers and manufacturers' salesmen and distributors, the save the surface campaign achieved a distinct success in making available for study the most modern selling methods. In these days of economic adversity the practical application of the knowledge contained in these courses can be applied to material advantage. It has been an undoubted truth throughout the ages that education is the most vital element to the progress of a people, and this principle applies in the same degree to the advancement of an industry. Special efforts are being made to further the use of these courses. The respective branches of our industry.

Annual Window Display

Once again the save the surface campaign scored in presenting its window display for 1931. The unsolicited comment characterized this trim as one of the finest produced by us. Make Tassara's "Buy Out of Passers-by," has been the keynote of the displays presented. If one were to doubt the veracity of the truth expressed in this statement, the truth obtained by users of our material would be exceptional evidence to the contrary. It is a well-known fact that a well-dressed and sales-appealing window does much toward increasing business volume. The small cost of these displays, when their purchase by each manufacturer for his respective dealers' use. The fall painting season has been a very busy time, and the planned promotional campaign using the save the surface material will go far toward sustaining a yearly distribution of 300,000. The magazine is devoted to the task of intensifying public interest in the work of the industry and to illustrating in a

have been added to the file records. In order to keep that book up to date and to be of real value to the members, they are recommending the issuance of a new supplement. As this embodies the expenditure of some money, the action of the executive committee and board of directors was that while they concurred in the recommendations of the committee, it be referred to the budget and finance committee who have the dispensing of funds.

Mr. Chatfield: I so move you.

(The motion was seconded and carried.)

(The report of the committee on trademarks, C. H. Black, chairman, was as follows.)

It is the usual practice of the various associated committees when rendering their annual reports to compare the operations of the period just closed with those of the previous year. In order to determine what progress, if any, has been made. On this basis, the work of your trade-mark bureau has increased over that of the previous year both in the answering of letters of inquiry, as well as in submitting detailed reports on most existing marks used by our members; more than 165 names being registered with us, as compared with 108 for the year 1930.

Other detailed work of the bureau includes the usual letters to members of the association, informing them of United States patent office registrations which expire in 1932; this in turn is adopted by the government department in order to retain legal rights. In addition, the features marks passed for registration in the United States patent office, as well as those which have been recently recorded by the association's trade-mark bureau. Our latest published list of trade marks procurable from the bureau at \$3 is the 1931 trade-mark book and 1932 supplement. These published lists serve a very useful purpose in giving information as to the ownership of certain marks, as well as for reference purposes when selecting a new brand name. Inasmuch as it has been several years since the last edition was published, your trade-mark committee

communities reports that were accompanied by recommendations have already been acted upon. For instance, yesterday you heard the report of the credit and collections committee, the simplification committee, and several others, and they were disposed of as they came up, but I think for record purposes, that it would be in order for somebody to move the receipt and approval of other committee reports which were of an informative character only and contained no recommendations.

Mr. Casper: I so move.

(The motion was seconded and carried.)

The committee reports included in this blank approval were as follows:

Report on Arbitration

E. J. Cornish, Chairman

There have been no matters submitted to the committee on arbitration during the year just closed. The old dispute between the Cook Paint & Varnish Company and the Crater Company is now in process of settlement between the parties thereto. All of the issues have been developed, and the evidence (insofar as it consists of written matter) collected.

The committee on arbitration is ready to sit at any convenient time to determine the issues involved if the parties to the dispute have been developed, and the evidence (insofar as it consists of written matter) collected.

Report on Foreign Trade

Ralph Plowman, Chairman

Our exports of pigments, paint, varnishes, enamels and lacquers totalled \$1,689,059 for the year 1930, as against \$2,118,797 for the year 1929, or a decrease of approximately 25.3 percent. During the first six months of 1931 exports of these products totalled \$1,055,421 against \$1,245,315 for the corresponding period in 1930.

As referred to in last year's report, the revised schedule of classifications to be used by the Department of Commerce in preparing statistics covering exports of paints, varnishes and lacquers was approved by the bureau of foreign and domestic commerce and at the moment, to the best of our knowledge, these reports are being furnished in accordance with the desires of the majority.

At the writing of this report, no group meetings have been held by our committee is now working on this subject and expect within the next sixty days to hold a meeting similar to that which was reported last year.

Report on Manufacturers

E. R. Hoag, General Chairman

As representing its activities for the year, your manufacturers committee presents for your consideration and use, the reports as prepared by the chairman of the respective groups.

We think our association through all its members, has indicated that we have a great need for facts and for the application of them. These reports have been carefully prepared and, as a whole, contain some interesting facts including statistics that we trust will prove of interest.

One of the things that has caused much discussion and which presents a great deal of difficulty to which of us are



E. J. Cornish
Chairman on Arbitration

has recommended the issuance of another list up to date, as approximately 1,600 new marks have since been added to the list. It is possible that the data included in the 1932 supplement can be combined with the marks now on the list to make available only one extra reference list in addition to the original publication.

The trade-mark bureau will soon send out a listing blank to all members of the industry, soliciting their co-operation in filing with us all marks in use, not already a part of our records.

The modern trend during the last decade or so has leaned perpetually toward "specialization," both in the scientific and economic world. In the scientific world, increased emphasis placed on merchandising, and in this branch of business the trade mark, where at a prominent factor and played a popular part. So that today in many industries and in the bearing of the company it represents, not only in the form of good will of the concern in reputation, but also in the fact that accumulated wealth enhanced by constant usage. It is, therefore, important that when considering the selection of a new name, one be chosen that combines the necessary essential study be given to its commercial and legal value.

Our trade-mark bureau is constantly encouraging promiscuous selection of trade marks. Our members have available a service station where at a minimum expense information is procurable, impossible of access elsewhere. In addition to having a record of all United States patent office registrations for the paint and varnish industry, the bureau has a record of marks in use which depend upon their common-law rights for protection.

In closing, we desire to impress upon members the fact that our trade-mark bureau is ready and willing at all times to be of whatever service it possibly can in helping out on trade-mark problems. Call upon us.

General Manager Hogan: All other

Brushes

W. R. Foss, Chairman

The paint and varnish brush industry during the past twelve months has a history similar to most industries; namely, a reduction in total dollar volume. However, from best advice obtainable, paint brush volume has not declined to any way near the same extent as general business as a whole. On the contrary when the consistent and substantial reductions in the prices of paint and varnish brushes over recent years are considered, the consumption in actual number of brushes has materially increased. Figures computed from the latest available reports of the U. S. Department of Commerce, bureau of census, when adjusted for price reduction, indicate that the unit sales of paint brushes have increased better than 21 percent in four years. At the same time, the brush industry as a whole has shown marked improvement and development in their products so it can be honestly said that the brush buyer today is receiving the most efficient painting tools at the greatest values of all time. This is significant to the paint and varnish manufacturer and distributor in that it means that the user of his products can apply them easier, quicker, better, and at lower cost than ever before.

Over the years a group of paint brush manufacturers, members of the American Brush Manufacturers' Association, have invested a substantial sum of money in a thorough, scientific study of the comparative merits of the different types of painting materials. This research has been conducted under the leadership of a national committee of a nationally known, practical technician, well schooled in the paint and varnish industry whose study are absolutely impartial. The valuable practical tests have been carried out with the cooperation of Dr. Brown of the Forest Products Laboratory and University of Wisconsin at Madison.

Scientific research work is now nearing completion and it is hoped that a report with the sanction of the American Brush Manufacturers' Association, and a detailed summary may be presented with some time. The study has not benefited the consumer directly to the National Paint, Oil and Varnish Association and of individual manufacturers and to the members of the latter. Suffice to say here that the object of this work was to obtain accurate, reliable comparison of the effectiveness and results secured by the several methods of painting surfaces. Among many points studied to determine what system of application is best for various surfaces, the durability, appearance, cost, time, and three coat work when applied by the different methods.

The information should be of immense benefit to the paint and varnish industry, as the brush manufacturers have been told that many makers of painting materials did not appreciate the methods employed by the tool makers and used to apply their products. Time and again the very finest paint, when applied by the wrong tool or method, painting job whereas the tool or method of application was really the cause of the poor results.

Many tests and statements have been made in the past concerning the merits of various types of brushes. Some of these have been made in good faith. Many have been grossly exaggerated, misinterpreted, and in general, harmful to the best interests of the paint and allied industries as a whole. For this reason, it is felt that some accurate, unbiased data on this important subject will be welcomed by all branches of the trade.

Earth Colors

L. K. Ayers, Chairman

That the year 1931 has failed to show a marked upward movement in general prices has been a great shock to all of us, for, at the outset of the year, the nation at large seemed to have expected a return to normal times. Either fear or a lack of courageous leadership in the matter of buying and selling has caused consumers still over-cautious about purchasing even the necessities.

The railroad situation has grown steadily worse since 1930, and as a consequence their use of natural oxide colors has been very seriously curtailed.

The farmer, too, has had little money with which to buy paint for his buildings. Some of this was directly reflected in the falling off in the tonnage of venetian reds that is used to a large extent for this purpose.

Industrial paints, however, in which many earth colors are used, have held up fairly well considering the general conditions, and this outlet has been the mainstay of the industry during the past year.

Imported natural oxides and ochres have moved in relatively fair volume in line with domestic earth pigments, which are staple necessities in the regular paint line.

The cost of production of earth colors has increased. This is due to lesser volume and a practically unchanged wage scale in the industry, but from all that have shown no advance—the manufacturers have assumed this extra burden as the highest costs because of economic conditions. The raw materials from which earth colors are manufactured, such as dry earth, clays, etc., and in the production of which labor costs largely predominate, have been very little, and there is slight hope for saving in this direction.

Over-cautiousness in buying, both by the individual and by many of the large businesses is like a dam behind which tremendous surpluses are accumulating. No one of us wants to see that dam break, but the volume is there, and we believe that the water heads will soon find means of releasing the pressure through its proper channels, thus generating a purchasing power we have not experienced in the last few years.

Chemical Colors

F. L. Somers, Chairman

The most recent statistics on chemical colors compiled by the bureau of the census indicate the present period of economic unrest and are consequently of little value in determining the trend at the present time.

This industry, in sympathy with all other industries, has felt the effects of this unrest. However, close observation over the past twelve months indicates a tendency toward improved conditions. The advance, although slow in its progress, has been interrupted only by seasonal retrenchments.

A determined effort on the part of the industry to adjust itself to present-day conditions has contributed largely to a return to normal. No sudden upswing is anticipated, but each succeeding day brings with it a stronger hope for a brighter future.

Containers

A. J. Chamberlain, Chairman

The container industry has suffered from the general depression in business and on certain types of containers where the total manufacturing capacity is larger than even normal business conditions warrant. Naturally, there has been considerable more decline in prices than manufacturing costs have warranted.

During the year there has been some development made toward the end of improving the quality and appearance of containers, and on certain types of packages new developments somewhat reduced packing costs.

The general tendency toward more attractive packaging that prevails in most other commodities has also increased in the paint, oil and varnish industry, and while this has not benefited the container manufacturers directly, it is quite probable that the more attractive packaging has stimulated paint, oil and varnish sales.

Varnish Gums

W. A. Patterson, Chairman

During the past year these resins in sympathy with the raw materials and commodities of the world showed steady price declines, resulting in many instances in values being established on par with the lows of the past forty years. The gums produced throughout the Dutch East Indies and the Malay States such as gum damar and the various types of the soluble and the Pontianak varieties. In several instances raw oil-line records low levels were reached, but a change for the better has been making itself apparent in the past few months and seemingly the unprecedented decline in values has not been arrested.

Kaoutchuk likewise was adversely affected, but not to the same extent as other natural resins, most quantities still selling at above pre-war levels.

As to Congo gum, a five-year restriction plan has recently been adopted in connection with this resin by the Belgian producers. It is common knowledge in the gum trade that Congo gum was almost completely deflated in 1921 and that time very few of the qualities have reacted upward from the low price levels reached in that year. Congo gum, therefore, been selling for the past ten years at less than pre-war prices and according to the producers below production costs. Congo gum is obtained in one section of the globe only and that is in the Belgian Congo in Africa, and the five-year plan referred to is an ironclad agreement between the Belgian companies to restrict exports from Africa almost 90 percent for the period named, thus reducing exports from about 17,000 tons to 10,000 tons per annum. In view of the unsuccessful attempts made in recent years to restrict the supplies of such commodities as rubber, etc., the result of this experiment will indeed prove most interesting. Based on the experience of others, one would probably predict failure for the plan, still the position of Congo produce is radically different in that these Belgian companies not only control the commodity 100 percent but their government is more than likely ready to assist rather than interfere with the arrangement. And in the last analysis the impression here and abroad is that the object of the restrictions is to avoid over-production in the future rather than to materially advance values.

In conclusion, a study of the conditions existing during the past twelve months indicates that all natural gums suffered severely from the world-wide business depression, which resulted in large surplus stocks. Production has been sharply curtailed, however, in all primary markets, and when business activity is resumed temporary shortages and upward price movements may be expected.

Lead

A. E. Bendelari, Chairman

Sales of lead pigments as reported by the U. S. Department of Commerce on June 13, 1931, shows there was a decrease of approximately 25 percent in 1930 as compared with the year 1929. The per ton value of these pigments was also less by approximately 10 percent. The report follows:

	1930				1929		
	Short tons.	Total	Per ton.		Short tons.	Total	Per ton.
Basic lead sulphate or sulphated lead—							
White	15,590	\$2,274,917	\$146	10,208	\$1,821,339	\$178	
Blue	2,234	205,847	92	2,219	180,017	81	
Red lead	46,921	7,386,843	157	32,341	4,068,297	124	
Orange mineral	678	165,039	243	1,156	273,765	237	
Libcharge	57,919	13,997,087	242	52,818	14,772,648	280	
Dry	42,159	8,821,200	209	40,592	13,505,190	223	
In oil	10,675	2,678,877	250				

The decline in the consumption of white lead in oil as shown in the above table continued slightly downward during the first half of 1931.

Practically every industry using lead has consumed less of the metal or of the finished lead products during the first half of 1931 than for any similar period during the past ten years.

These conditions have seriously affected the mining and smelting of lead and prices have fallen steadily from \$7.75 per cwt. in March, 1929, to \$3.75 per cwt. in 1931—the lowest price for pig lead since 1915. In June, 1931, the price turned upward and at this writing is \$4.40 per cwt.

Linseed Oil

E. C. Bisbee, Chairman

During the past two years, the prices of flaxseed, linseed oil and linseed cake have taken an almost steadily downward course like all other commodities throughout the world. The price of flaxseed about the middle of September, 1929, was approximately \$3.22 per bushel in Minneapolis, and \$2.78 per bushel, Buenos Aires. A year later, 1930, the Minneapolis price had declined to \$1.30 per bushel and the Buenos Aires price to \$1.50 per bushel, and in 1931 the price at Minneapolis was approximately \$1.25 per bushel and the Buenos Aires 75 cents per bushel; or in other words, the present price of flaxseed in Minneapolis is less than the price of the price two years ago and the Buenos Aires present price a little over 30 percent of the price two years ago.

The price of linseed oil in September, 1929, was 16.5 cents per pound, in September, 1930, 10.6 cents per pound and the price in September, 1931, 7.4 cents per pound.

The price of oilcake in September, 1929, was \$45 per ton for export; in September, 1930, \$35 per ton, and in September, 1931, \$24 per ton.

During 1929 the price of linseed oil in Europe was higher than any other vegetable oil excepting rape oil. In 1930 linseed oil was higher in price than any other oil including rape oil and in 1931, at the time of writing this report, linseed oil in Europe is cheaper than any other vegetable oil.

It is therefore to be expected that Europe this year will consume a relatively much larger amount of linseed oil than during the years 1929 and 1930, and since January 1 Europe has imported over two million bushels more than last year during the corresponding period, during which time the United States has imported about five hundred thousand bushels less than the corresponding period of 1930, and the price of linseed oil in this country at the present time is less than had the price in 1929.

The consumption of linseed oil and flaxseed during 1930-31 has also followed the general downward trend. In the year July 1, 1929 to July 1, 1930, the country crushed between thirty-nine and forty million bushels of flaxseed; in 1929-30 a little more than thirty-five million bushels; and in 1930-31 only twenty-seven million bushels or approximately 65 percent of the amount crushed in 1929-30.

If this is figured on the usual statistical basis of values in dollars, the linseed oil business during 1930-31 would be only about 34 percent of the 1929-30 business—a very close parallel to the present conditions at the present time. We, however, believe that the unit of weight or measure is a far better indicator of the volume of business than the value in dollars and if statistics in all lines would show volume as well as value, the present sentiment might not be so pessimistic as it is today.

We have to go back to 1922 to find production of oil so low or consumption of flaxseed so small as in 1930-31. The stocks of flaxseed and linseed oil on June 30 were smaller than at any date since March, 1923, and the price of linseed oil today in the cheapest market since 1915 and oil has sold this month lower than the average price for 1915 when flaxseed was at its highest from the present price and oilmeal was \$10 per ton higher than at present.

The price of linseed oil in the United States is approximately the same today at the time of writing this report as the average price of linseed oil or twenty-five years from 1880 to 1915, and this country was raising a surplus of flaxseed for export to other countries from 1889 until 1909.

The last government estimate of the United States flaxseed crop was 12,800,000 bushels or about 10,000,000 less than the estimate at the same time last year which is the smallest crop we have had for nine years.

The acreage planted was large but the size of the crop has been cut down by drought and grasshoppers. The surplus of flaxseed from the Argentine crop is at present less than 10,000,000 bushels which, together with the surplus from the Indian crop, will likely be sufficient for requirements until the new Argentine crop is ready for market.

The government estimate of the new Argentine crop is 2,000,000 acres or about 10 percent more than last year; however, planting has just been completed in the Argentine and many things can happen before the crop is harvested. It is reported that Russia has increased their acreage a half acre and a half or about 35 percent over last year. A large part of the Russian flax acreage is used for fibre and the flaxseed produced is largely consumed in Russia. Russia has never exported a large amount of flaxseed and is not likely to do so at the present time. The Canadian crop is estimated at two and one-half million against 4,000,000 bushels last year.

There is talk of a reduction of duty on flaxseed and linseed oil, but it is doubtful that anything will be done as flax is the farmers' best crop this year from a price standpoint. In Congress, it seems unlikely that Congress will have the temerity to reduce the duty on flaxseed under present conditions and it follows as the duty on linseed oil is compensatory that the duty on linseed oil will not be reduced without corresponding reduction in duty on flax.

Lithopone

R. M. Newmann, Chairman

Reviewing the Lithopone industry for 1930-31, we find a very interesting situation. While the consumption of lithopone, like other basic paint making raw materials, has fallen off the percentage is not as great as some other products, indicating that the use of lithopone in paint as well as in other products is increasing. Lithopone manufacturers are constantly making improved products, and during the past two years have introduced high strength lithopones of various types, which have been helpful to the paint industry in making high grade paints and enamels with extreme covering or hiding capacity. A large tonnage of lithopone is still being used in outside paints and the outlook is for further steady growth in this direction. The following statistics have been published by the U. S. Bureau, Department of Commerce—

Domestic Sales of Lithopone

	Tons (2,000 lbs.)	Value.
1927.....	170,994	\$17,103,020
1928.....	200,498	19,073,944
1929.....	204,315	19,773,264
1930.....	184,085	15,697,088
1931 (first 6 months).....	84,473	.....

Distribution of Lithopone Sales

	1929 (short tons)	1930 (short tons)
Paints, varnishes and lacquers.....	159,904	126,676
Floor coverings.....	37,006	23,608
Rubber.....	7,178	5,897
Other uses.....	10,820	8,340
Totals.....	206,315	164,008

Sales of Important White Pigments

	1929	1930	Dec. 1930
Lithopone.....	206,315	164,008	20%
White lead (dry and in oil).....	147,021	102,140	30%
Zinc oxide (lead free).....	100,611	119,142	26%
Lead zinc oxide.....	27,149	17,279	37%
White basic lead sulphate.....	15,580	10,305	33%

Gum Rosin

F. J. Taylor, Chairman

The gum rosin stores industry is suffering from very low prices. At present there is no relief in sight and therefore disinclination will continue throughout this season.

The production as compared with 1930-31 is running around 10 percent short, based on the receipts at the three ports that publish statistics, Savannah, Jacksonville and Pensacola. The shortness as a whole is probably more, because of some shipments heretofore moving to Pensacola being diverted to Jacksonville and Savannah, and because the western territory is conceded to show a larger curtailment. The producers are unable to make one deal; thus they are going deeper in the red daily, and it would seem that there is a strong probability of numbers of them ceasing operations earlier this fall than is customary.

There is an adequate supply of both rosin and turpentine on hand at this time and probably will be until the consumption increases, or until the inevitable heavy decrease, forced by present conditions, is a reality.

There have been heavy movements for export the past two months. Domestic demand seems to have improved considerably. The call for quick shipments and pressure for car numbers, etc., immediately upon orders being placed is an indication that there is still largely a policy of hand to mouth buying. Some buyers will no doubt look back and wish they had taken advantage of the present opportunity to gather in very cheap supplies.

Prevailing prices are no doubt to some extent influenced by low markets of other commodities, such as cotton, wheat, etc., though such is not justified by the statistical position of rosin and turpentine. It could hardly be said that there is on hand more than 10 to 15 percent of a season's production over and above a normal stock.

Wood Rosin

J. E. Lockwood, Chairman

The following statistics show production of both gum rosin and wood rosin, also

	1929	1930	Dec. 1930
Gum rosin.....	2,000	1,219	.....
Wood rosin.....	2,031	487	.....
1929-30.....	2,000	1,219	.....
1927-28.....	2,183	497	.....
1928-29.....	1,700	585	.....
1929-30.....	1,188	268	.....
1930-31.....	1,795	268	.....
1931-32.....	1,881	268	.....

J. E. Lockwood

Chairman on Wood Rosin

rosin exports and balance available for domestic consumption, for each of the last

seven naval stores seasons, ended March 31, each year.

The serious conditions which existed in the naval stores industry during the last season, naturally caused hardships and losses to producers of wood products as well as to producers of gum products. In consequence, the production of wood rosin shows an average decrease of practically 6 1/2 percent, with a much larger rate of decrease during the last quarter.

Notwithstanding depressed conditions, the program of research, technical service and cooperation with consumers was continued in full force for the purpose of improving products, discovering new uses and developing new products, thus increasing demand.

The tremendous potential commercial possibilities existing in rosin, turpentine and pine oil are being steadily developed and demonstrated. Synthetic gums, solvents, plasticizers and diluents have all been demonstrated as having great value in connection with lacquer, paint and varnishes. The uses and consumption of these special products are steadily increasing.

Particular attention is called to pine oil and its derivatives, the value and possibilities of which are increasingly apparent. An ample supply is now available. The character and properties of its constituents have been determined. This has resulted in improved quality of standard and special grades, each for a special purpose. The ample supply, high quality and low price of pine oil and its derivatives offers unusually attractive possibilities of profit to manufacturers of paint, varnish and lacquer.

Production in Thousands of Barrels

	Gum rosin	Wood rosin	Total production	Total exports	For domestic consumption
1930-31.....	2,000	1,219	2,548	1,219	1,329
1929-30.....	2,031	487	2,548	1,219	1,329
1928-29.....	2,183	497	2,674	1,219	1,455
1927-28.....	1,700	585	2,085	1,219	866
1926-27.....	1,188	268	1,456	1,219	237
1925-26.....	1,795	268	2,023	1,499	524
1924-25.....	1,881	268	2,668	1,171	1,497

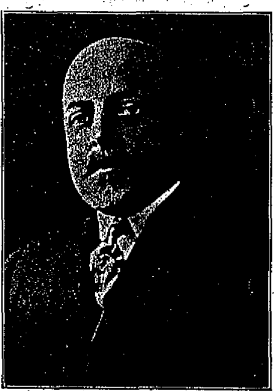
Miscellaneous Oils

F. W. Robinson, Chairman

In common with most commodities, the oil group has had an almost continuous downward price trend during the past year, about the only upward movement recorded was during the period of initial negotiations for an European debt moratorium but these advances were not sustained.

China Wood Oil

During 1930-31 China wood oil declined from a high of 12 cents per pound, f.o.b., to a low of 8 cents per pound, f.o.b., in the first seven months of 1931. It was 5 1/2



F. W. Robinson

Chairman on Miscellaneous Oils

cents per pound. A review of prices for this commodity over the past twenty years reveals a high of 34 1/2 cents per pound during May, 1923, and a low of 4 1/2 cents per pound during May, 1916.

Perilla Oil

Perilla oil shared in the downward price trend with China wood oil as did also the imported grade of soybean oil. Increase of duty on the latter oil has greatly reduced importations. Not only has curbed demand affected these commodities but the unprecedented depreciation of silver exchange has been a dominant factor in depressing prices.

Tung Oil

There has been a steady expansion in the demand for tung oil for the first six months of the year. At the present rate of increase the domestic production should be an important market factor within the next ten years.

Experiments are being continued with such miscellaneous items as artflower seed oil and rubber seed oil. However, there has been little incentive to use substitutes in view of the general low price level for standard vegetable oils.

We are quoting statistics taken from reports of the U. S. Department of Commerce. At this time figures for 1931 are available only for the first six months of the year. When possible, estimates are used where the department of commerce does not collect specific information. No attempt has been made to estimate domestic production of China wood oil as the quantity of oil produced is

nominal, the bulk of the seed being reserved for planting purposes.

Soybean Oil

	1929	1930	To June 30, 1931
Domestic production.....	11,008,743	14,387,400	20,022,214
Crude.....	7,881,288	6,629,215	9,924,587
Refined.....	18,486,120	8,818,352	2,268,119
Consumption.....	20,793,298	17,599,109	15,026,838
Crude.....	4,940,080	8,624,503	7,983,413
Refined.....	.....	.....	.....
Stocks as of June 30.....	8,638,087	12,385,123	14,859,426
Crude.....	1,895,469	3,001,954	3,343,537
Refined.....	.....	.....	.....

Menhaden Oil

	1929	1930	To June 30, 1931
Domestic production.....	24,578,969	24,700,391	*862,231
Imports.....	4,205,735	12,755,755	15,200,000
Consumption.....	30,653,728	16,258,628	9,194,235
Stocks, June 30.....	5,279,534	2,478,849	3,627,682

Chinawood Oil

	1929	1930	To June 30, 1931
Imports.....	11,977,718	129,352,989	37,850,627
Consumption.....	97,475,284	87,062,168	48,294,627
Stocks, June 30.....	18,617,345	34,053,177	34,182,721

Parilla Oil

	1929	1930	To June 30, 1931
Imports.....	15,700,726	18,238,000	17,920,000
Consumption.....	14,000,000	16,800,000	13,200,000
Stocks, June 30.....	.....	.....	.....

* Second quarter only. No production shown for first quarter.
† Estimated.
‡ Not available.

Paint

S. R. Matlack, Chairman

A retrospection of the paint industry from the paint manufacturers' distributors', and retailers' standpoint should be one of great satisfaction to the entire industry when a comparison is made with other industries. We feel that statistics will prove that the last two months of 1930 and the first nine months of 1931 have been fairly satisfactory to the manufacturers. While there is no question but what volume has been materially cut, profits have been greatly shortened, the industry as a whole finds itself in a very firm position, and we believe that there have been less failures in our industry than in other industries holding as an important place among the manufacturers of the United States.

It is a disappointing fact that the reduction in the prices of paint production in the late fall of 1930 did not stimulate buying as was expected, and that the distributors and retailers at the present time are carrying smaller stocks than have ever been known to the industry. This, of course, will ultimately all work out to the benefit of all manufacturers as it will mean a buying tendency in the very near future to stock up on the part of the distributors and retailers.

It is very much to be regretted that the competition and bidding has been so keen on the industrial line, especially on government and state requirements that the prices have been cut so that there is practically little or no margin to be derived by the manufacturer. However, it has enabled the paint manufacturer to keep their forces intact and run a fairly heavy volume out of their factories. The



S. R. Matlack
Chairman on Paints

industry as a whole is to be congratulated on being able in a very few months to put their houses in order, to curtail their expenditures and to handle with efficiency the business which has been placed with them, and take a very energetic and decided stand against the so-called talk of depression and to create sales for their

merchandise and get their share of the household budget.

The leading hardware magazines are, we think, unanimous in the statement that the paint product has been by far the best seller in the retail hardware stores during the past twelve months. As the year 1931 is winding we feel that the industry is set as never before to make decided strides for the future in an energetic and efficient manner.

Plastic Paints

W. L. Pringle, Chairman

As reported a year ago the plastic paint industry has witnessed another reduction in the number of manufacturers during the last twelve months. Many of those remaining in the business have felt obliged to produce products of a cheaper grade to meet the competition of some few who have endeavored to gain volume via the price route.

Co-operation with the government statistical bureau has enabled that body to bring out a comprehensive report on dry powder paints which is extremely interesting as noted in the six months tabulation released August 11.

It is believed that there are still several manufacturers of materials listed therein who are not reporting. Your committee has been endeavoring to get as many as possible to co-operate where it has learned that they were not doing and urges that those not doing so begin immediately as it is felt that the report can be made still more comprehensive.

Co-operation among the members of the plastic paint manufacturers' group has been friendly during the year. Several of them witnessing the decline in the use of their products have brought out other lines of paste and dry powdered paints which bid fair to fill their niche between the alkaline and flat wall type surface coverings.

There is a feeling in the minds of several that through the coming year the activities of the committee can be enlarged to a point where manufacturers of all types of dry powdered paint and alkaline can be included in this group and it is toward this end that we are working at the present time.

Shellac

James W. Byrnes, Chairman

The import price on shellac declined approximately four cents per pound on all grades during the first eight months of 1931, to July 31, 1931, and the shipments out of India for the same period were 59,000 packages.

Thus—we can reflect the result of business conditions on the article for the year just closed.

SHIPMENTS FROM INDIA TO UNITED STATES LAST YEAR

	1930	1931
Aug. 1 to Dec. 31, 1930	37,500	37,500
Jan. 1 to July 31, 1931	21,500	21,500
Total	59,000	59,000
SHIPMENTS FROM INDIA TO UNITED STATES PREVIOUS YEAR		
Aug. 1 to Dec. 31, 1929	58,500	
Jan. 1 to July 31, 1930	112,000	
Total	170,500	

Owing to the very active campaign instituted by the United States Shellac Importers Association to remedy the un-

Year	Lead-free	Lead
1928	100,004	24,228
1929	102,011	22,410
1930	119,142	17,778

satisfactory conditions which prevailed for so many years in India, the quality and grades of shellac has improved greatly during the past year.

It might be said that practically all shellac arriving is being passed on by an unbiased examination committee—changed monthly. This committee is a combination of importers and exporters, and it can be said that about 98 percent of the arrivals pass at full value to association standards in appearance and insoluble content.

Research

The United States Shellac Importers Association, through its working in the Polytechnic Institute of Brooklyn, is doing some important research work on shellac in an endeavor to clear up some of its seemingly impossible problems. A few of the "whys and wherefores" have been discovered and several papers dealing with scientific research on this subject have already been submitted and published by its fellow.

Spray Painting

W. F. Gradolph, Chairman

The depressed trade conditions experienced by the paint and varnish and other industries during the past year have likewise affected to some extent the manufacturers of spray painting and finishing equipment; the same factors naturally operate upon the affairs of both lines of trade. The decline, however, has not been greater than in fairly correlated industries.

In the industrial finishing field there, no doubt, has been much planning toward replacement or extension of plant facilities, but in the end it has been necessary to make the necessary appropriations or buy at once has been manifest; inquiries from this market have been numerous. Unfortunately, during such a period of inactivity, plant maintenance painting is apparently being neglected, yet there could hardly be a more propitious time for such work. It is quite evident that maintenance work is not being sold on the advantages of having this work done during unemployment and stimulating business in various lines with resultant benefits to the community. It is recommended that paint and varnish salesmen, as well as spraying equipment salesmen, and contracting painters, make more forcefully upon plant managers.

In the building construction and maintenance field, the contractors are not hesitating; there is much vacant property

which owners should be urged to refresh to enhance the prospects of securing tenants; there are particularly many corporate-owned properties, held by or mortgaged to insurance companies, etc., which should be but are not being kept properly painted. Paint and equipment salesmen and contracting painters would do well to concertedly make a drive upon such owners.

Spraying equipment manufacturers are continuing their efforts toward mechanical advancement; a variety of types of small spraying equipment has been designed and many such units have been sold.

We repeat the undeniable conviction that the use of most paint products will only come through the more widespread use of mechanical methods because of its economy, speed, quality, ease and other



George B. Heckel
Chairman on Memorials

outstanding advantages, and the sooner this fact is fully recognized by the paint industry, and aggressively exploited by their sales forces, the quicker will be the public's realization of paint and painting values.

Varnish

C. N. Seiditz, Chairman

The varnish industry during the past several years has been forced to make even greater setbacks than general business, due principally to the volume that has been coming from this division to the lacquer division.

This tendency, I am pleased to report, has been definitely stopped during the past year by the intensive and constructive research that has been carried on

	Lead-free	Lead
1928	100,004	24,228
1929	102,011	22,410
1930	119,142	17,778

in the laboratories of most every plant in the country as well as in a great number of the material house laboratories.

It is most pleasing, even to a non-technical observer, to watch the evolving of a very exacting science out of an industry that heretofore, from its inception, has always been exclusively an art.

The work that has been done and is going on at the present time, on the development of synthetic resins, all types, and their application to the varnish and paint industry, apparently is not only going to regain any lost prestige the varnish industry has suffered but will open entirely new fields that have heretofore been closed to our industry, as these new products will take a leading place both in industrial and trade uses.

There has been nothing of a special nature that has required the attention of this committee during the past year.

Zinc Oxide

Howard J. Young, Chairman

The consumption of zinc oxide during the year 1930 showed a marked decrease as compared with the year 1929. This was due, obviously, to disturbed business conditions and was in line with curtailment, both in consumption and production in practically all other industries.

Consumption of zinc during the current year so far has probably run a little under 1930, and, unless conditions improve, the decline during the current year will be below the shipments for 1930.

Comparing is a comparison of tonnage and value of shipments for the years 1928, 1929 and 1930, as given by the Department of Commerce, on which only the true value per 100 pounds should be taken.

Master Painters

M. G. Helms, Chairman

Your committee appointed to represent you at the convention of the International Society of Master Painters and Decorators held at Memphis, Tennessee, February 10, wish to make the following report.

At the opening of the convention, representatives of your association, who were represented by your chairman, who made the following statement to the president and members:

"We take this opportunity of expressing our appreciation to the International Society of Master Painters and Decorators for the privilege to be able to meet with you in this convention also to express our thanks for the courtesy extended to us."

"As a committee from the National

Paint, Oil and Varnish Association, we bring greetings from the president, and members of that association, to congratulate you on the success and progress of your organization, and to wish you a most successful convention through this meeting in Memphis.

"We, as a committee, stand ready and willing to convey back to the National Paint, Oil and Varnish Association your further instructions."

The full courtesies of the convention were extended to your committee and we would suggest that every member of the National Paint, Oil and Varnish Association read the papers of the meeting in order that each member of the association may become thoroughly familiar with the wishes of the master painters' association, in order that there may be closer working understanding for the benefit of each organization.

Memorial Report

George B. Heckel, Chairman

Death has laid a heavy hand on the National Paint, Oil and Varnish Association during the past year and removed many of those to whom we have been accustomed to look for service, counsel and leadership. The list includes four past presidents—George C. Morton, William Waterfall, J. W. Daniels and L. T. Underhill; also several other outstanding leaders in our Association work. The loss of such men as George S. Mephum, Clarence H. Graves, Allen W. Clark and J. P. Thomy will not soon be forgotten. The end of life, however long, is death, and our work on earth must be done, as it were, between the rising and the setting of the sun. It is well for those who, when the evening shadows fall, can look back on the day's work faithfully and unfalteringly accomplished.

Our list of deceased members numbers thirty-nine. It is for us who remain behind to bid them Godspeed on their journey "to the land of the hereafter," in the hope that when our record is complete, we may be accounted worthy of that goodly fellowship.

(The report contained obituary items on the deceased members named below.)

Belleville, Joseph M.
Brankin, Edward
Burgett, James A.
Clark, Allen W.

Daniels, John W.
Daniels, Willard B.
Davis, Samuel H.
Denton, Thomas B.

Feshenfeld, L. H.
Graves, A. D.
Graves, Nelson Z.
Hall, Clara H.

Hemingway, Frank
Kennedy, Capt. James E.
Kraep, William H.
Lathrop, Ellsworth F.

Lewis, John B.
Lincoln, Frederic W.
Lumbard, Edward C.
McClintock, W. A.

Masury, John W.
Mephum, George S.
Minehart, Louis T.
Morton, George C.

Orlick, Murray S.
Pfeifer, Nathan T.
Raabe, John
Reed, Edwin S.

Rouse, Robert A.
Rosenberg, William
Schlousener, Philip O.
Smith, C. Harold

Steen, John A.
Thomy, J. P.
Valentine, Langdon B.
Waterfall, William

Watson, Frank L.
Westerbeck, Frederic H.
Zummach, William F.

Report on Paint Distributors

R. A. White, Chairman

Your committee on paint distributors has not been active this year.

Perhaps the reason for this is due to the fact that under the present set up there is not much the such committee can do, except to recommend to the individual distributors that they co-operate in the various activities of the association, which has been done, and in most every case the distributor is doing this through his membership in local clubs.

The simplification committee of this association is attempting, through its work, to carry out some of the things which are suggested by leading and thoughtful distributors, and much good can be accomplished by a close co-operation of all in this work, which will certainly mean very definite economies in manufacture, distribution and retailing.

Aside from the urging of a continuance of these studies, the committee has no further suggestions.

Rosin Marketing

W. L. Schwab, Chairman

Your committee on rosin marketing methods submit their report for the year as follows:

This being an off-year, and conditions in the south very greatly handicapped, any details or suggestions along revised methods would be very much out of order at this time.

The producers are unquestionably up against a serious problem. They cannot get together, it seems. Therefore, any new method we might suggest could not be taken care of at the present time.

The tin type package is coming into its own very rapidly and your chairman noted with interest throughout the south this winter, that packages generally are more uniform, weights, gross and lars, are more in line with the thoughts of previous committees.

Our thoughts along this line is to sell rosin on a net basis, making it absolutely sure of our profit weight to figure on. The fact that the 1931 convention was postponed this year gave us very little opportunity to set up any new ideas.

We can report progress. The efforts of your previous committees have helped considerably and we urge every buyer of rosin to help standardize his packages, whether it be drum or barrel. Many buyers would like to buy at net weight prices. Keep asking for it.

Harold Holden, your member of the rosin marketing methods committee, representing the American Paper and Pulp Association, is of the opinion that, in view of conditions in the industry, it would be presumptuous to make any suggestions at the present time.

The rosin marketing methods committee desires to record itself as willing to operate in any way possible, and if any member of the association has anything constructive to offer in the way of information, etc., please feel free to call upon the Committee.

Tariff Report

S. R. Mattack, Chairman

The tariff committee has kept in touch during the past year with proposed changes in the Hawley-Smoot act which might affect our industry. Under the flexible provisions of that act, the agricultural interests renewed their efforts to have all vegetable oils placed on the dutiable list, and hearings on various items were held by the U. S. Tariff Commission early this year. Our Washington representative, H. A. Gardner, made an appearance before the commission on February 17, 1931, and presented arguments against the placing of import duties on perilla oil. These arguments were embodied in a brief which was filed with the commission, and it is hoped that the final decision will be favorable to our interests.

The committee will continue its efforts to prevent the enactment of changes in the tariff, which would be inimical to our industry.

(There was also a report by E. T. Trigg as national counselor for the association in the Chamber of Commerce of the United States.)

The Open Forum

President Frayer: The next feature on our program is one which I think should prove very interesting and very profitable to those present. It seems that in the past there has been a feeling among some of our members that they have not had an opportunity to openly discuss things which they thought might be of interest to the members of our association. In planning our program this year we planned it with this definite purpose, that an opportunity for such a thing might occur in our meeting this year, and in order that that might be in charge of someone experienced and entirely familiar with the needs of our organization, we asked Colonel Callahan, of Louisville, to accept the chairmanship



P. H. Callahan
Chairman of Open Forum

of this open forum. I hope that each and every one of you will be frank and free to express yourselves and we are obligated to Colonel Callahan for agreeing to serve us in this capacity, and we will be glad now to turn this meeting over to you.

(P. H. Callahan assumed the chair.)
Chairman Callahan: Mr. President and gentlemen, I don't know whose thought this was. I was merely asked to preside on this occasion, but I believe every well-regulated institution, particularly those of a fraternal character, have an order of business which they term the good of the order, so under the heading, which is very wide and comprehensive, we can discuss almost anything that occurs to us. It will only be limited to the welfare of our association.

We have had considerable discussion this morning from people from the outside. People from the outside

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teen different men, or channels, and by the time that these fourteen men believe that there is something in the complaint, publicity is given. And what could be fairer?

I said at Toronto just a year ago that the bad egg is not one that should be welcomed or tolerated. He is a disruptive element in an ethical association, and I sometimes feel if the bad egg were put out of the association, it might be as good a deterrent example as any number of litigations, costly and long-drawn-out.

After that we heard from Mr. Caspar's program committee that it was a tough job. Just imagine the predicament Charlie is in when half of the people tell him his program is fine and the other half say it is no good! He doesn't know what to write. Who is going to do that next year, you, Charlie? Charlie, in going over all those cities, you didn't tell me what Hoboken thought.

It seems to be, on local clubs, there is too much looking for the central body for direction which may, however, be the result that, not having any local direction, the central body is supposed to guide itself to erring footsteps.

I think this local initiative should be able to develop subjects for that particular locality to interest the members, and I sometimes feel that the problem of the local clubs is that there are so many contradictions of memberships. You have the dealers, you have people who are trying to sell you goods, not particularly suited to your program, and you have to iron out one particular problem which the mass of the membership cannot work out because it is not properly subdivided.

Recognition of Mr. Heckel.
Then we heard from the resolutions committee, and one of the high spots was the recognition of the faithful, unbiased services that George Heckel has given this organization for so many years that I can't remember and he probably doesn't. But to me Mr. Heckel's example should be an inspiration that fair dealing and selling square to the wind counts for more than our membership than occasional gyp tactics, and he gets further following Mr. Heckel's example.

Then resolutions were passed on to the workers who had done so much for this association—whether their work was criticized or not—that hasn't anything to do with it; they did their jobs. They did what they set out to do for this year, and they certainly deserved all the recognition they got.

Some time was spent by March Bennett telling the president how the resolution should be worded. The president told March that it was all right, but March came back with another idea. Then the president said March Bennett again what the executive committee said, and March again gave his ideas. Finally the president said that resolution was remain as it is and the executive committee decided it should be this way. And March was given a round of applause. After that Mr. Horgan again said, "I want to remind you" (this was the second day) "if you don't believe in the way, George, I have forgotten to do it still."

Then we heard from the nominating committee, who made an excellent choice in Mr. Maston, showing us that our presidents are getting younger but not handsomer.

Then Arthur Somers spoke for the legislative committee, which, as he explained, works while we sleep, and they have done it for twenty-one years. Finally, and in conclusion, we have just had an open forum which has been a subject dear to my heart for a good many years. I sometimes feel—and I think you men feel the same way—that we get outside talent in here to tell us how to run our business and we have enough leaders as was shown in this forum, we have six or seven presidents and six or seven coming presidents and six or seven presidents of local clubs to have us feel that sometimes in our own number, if we sit down and discuss our own problems and hear each other's views, we may get further because we have the specific data that an outsider would have only in a general way.

There is just one final thought that I want to leave on what I believe is one of the things that has retarded the growth of business in paint and every other line, and this is unequalled by hysterical price reduction. You have only to scan the daily papers to see one person offering more than the next, offering to be undersold by the next better the next day we will undersell him. You have the spectacle of men who have been in business long enough to know better say "We are taking orders to keep ourselves busy, but we are taking a loss." If they put up the prices we would encourage the public. Every time we put them down, they wait for still lower ones to come.

It seems to me with the return of optimism and optimism in our hearts, and the right foundation, that we have a right to make money and that we needn't use the fellow who is jumping off the bridge and selling goods at a loss, and we will go a great way toward curing one of the most important ills of our industry and every other.

Gentlemen, I thank you very much! President Frayser: Mr. Zinsser, we assure you, all appreciate your interesting message. If I had anything to do with it, I would say that you will be elected for life as the man to report the highlights of our convention. Your message was not only interesting, but very very amusing.

Mr. Horgan, is there any unfinished business?

General Manager Horgan: There is no unfinished business that has been brought to my attention. Possibly someone here at the convention may have something to bring up at this time.

Mr. Cheesman: While the convention is in good humor, I would like to read the following motion, to ratify all actions, appointments and resolutions of the executive committee and board of directors of the association during the fiscal year now closing. I make that as a motion.

(The motion was seconded.)

President Frayser: Is there any discussion?

(The question was put to a vote and carried.)

Nominations and Election

President Frayser: The next feature on our program is one that I approach with considerable reluctance, because I realize that through practice and precedence, with the inauguration of the next feature of our program, I am passing on to the presidential morgue of our association. I am conscious of the fact that just one year ago you handed to me a commission. How I have discharged that commission, how carefully I have guarded it, how faithfully I have served you remains to be seen and for you to judge. I



H. S. Chatfield
Reported Nominations

assure you this, that with my limitations I have given you the best there was in me. I am not going at this time to attempt to again express my thanks to those who have worked with me and assisted in other ways, but I do want to say this to you, that I have gained a broader vision, a riper experience, a greater degree of loyalty, and some invaluable friendships that make the honor which you conferred upon any man selected from your ranks very much richer for having served you to the extent of his capacity, be that much or little.

It has been a pleasure to work with those in the association, and I wish it were possible that every member of the national association could be assembled in this room, that I might in a way manifest my appreciation of what has been done. It has been a job, to be sure, but what is worth while that isn't a job? There is no question but what it has taken its toll, but with that has come compensation, and again I say to you that it has been a real pleasure to serve you to the best of my ability, and it shall be a life-long memory well filled with deep appreciation for the honor which was conferred upon me by the National Paint, Oil and Varnish Association.

At this time, may we have the final report of the nominating committee? Mr. Chatfield: Your nominating committee has the honor to present the following ticket, the gentlemen desig-

nated to serve as your Officers and Directors:

Directors to serve for three years:—
Atlanta, J. L. Girardeau.
Baltimore, John Henry Coon.
Boston, New York, Martin.
Colorado, W. R. McFarland.
Los Angeles, George Sillers.
New Orleans, R. R. Bernhardt.
New York, R. M. Roosevelt.
Oakland, W. L. Turner.
Philadelphia, Adam B. Baum.
Pittsburgh, N. S. Rogers.
Washington, D. C., A. Flynn.
For member of the executive committee, three-year term:—D. W. Flagg, New York.

For treasurer:—Clarence J. Roh, Newark, N. J.

For vice-presidents:—
Canadian zone, W. W. Schoales.
Central zone, R. A. Plumb.
Eastern zone, Frank Bowmes.
Southern zone, J. J. Sampson.
Western zone, R. H. Oakley.
For your president:—W. E. Maston, Cincinnati, Ohio.

President Frayser: You have heard the report of the nominating committee, Mr. Chatfield, as chairman. What is your pleasure?

Mr. Callahan: I move that the report be concurred in and the secretary be instructed to cast one ballot for the election of those named.

(The question was put to a vote and carried.)

(Mr. Maston was conducted to the rostrum by Mr. Caspar and Mr. Watson.)

President Frayser: Mr. Maston, I congratulate you upon being selected by our organization to assume charge and direction of its affairs during the next year. With it you are assuming, I assure you, duties and responsibilities which you recognize. May I also assure you that along with those duties a great deal of pleasant activities which will undoubtedly broaden your vision and increase your usefulness both to your industry and your associates. And now, as I turn over to you this gavel, which is the emblem of authority of this association, I do so with the very best wishes for a successful and splendid career as the head of the National Paint, Oil and Varnish Association. With my best wishes.

New President Speaks

President-elect Maston: Mr. ex-President now, I suppose it is, and delegates to the National Paint, Oil and Varnish Association: I am at a loss to know just what is expected of a man who has received the high honor to serve this trade association as president. Watching the others inducted into this office has just been the run of business to me heretofore, but it is all different and very much more important now that I stand here wondering just what I can do in some small measure, at least, to justify your faith and confidence. It has been a real pleasure to serve in the rank and file of the industry, and I confess to feeling very much out of place up here acknowledging and accepting the responsibility to act as your president for the coming year.

During my term as vice-president I visited quite a number of clubs in the Central zone. That gave me a little insight into the duties of a president, which was so admirably handled last year by Philip Frayser. It was a high privilege to serve with the executive group of last year.

To take up your time lauding the association or its officials or membership seems quite unnecessary. The National Paint, Oil and Varnish Association stands high in the group of American trade bodies who are striving for higher and finer ideals in American business, and believe that by doing so they can contribute much to the happiness and security of the individual.

If the National Paint, Oil and Varnish Association has been well built and I think it has, or we would not be here, we should come through this tornado of business and social strife with our equipment intact. Our stability, however, in a real storm is now being tested. Never before in our history as a trade association have we needed the assistance of each company and every individual to keep our business ship in safe waters as we do now. Your officers, as you might expect, will do everything in their power, but they will need a hearty crew, and that crew must be made up of every able-bodied man who depends upon the success of the paint and varnish business for his livelihood. The call is hereby given, able and willing man on deck! Stand by!

Now, gentlemen, that was just a little prepared talk. I knew I would have to have something like that. I just had to have something to hand the stenographer. I think I am going to be a

trial and tribulation to the secret of this association, first, because I kind of stuff I don't handle very well at all. I am sure you are going to be a very poor parliamentarian here, being to guide your meetings, but all I am going to try to do my bit help you get somewhere this coming year.

I am particularly interested in what you said, especially in the rostrum. Bill Zinsser told us some things in a kindly, happy strain, there was a lot of truth in it. I am pretty sure that he brought out many truths that we are all conscious of, and I hope that during the year, I can develop some of those things to follow the fine work that has been laid out, that we may come through the next year possibly feeling a little bit better about business conditions than we are right at this moment.

All presidents have an official duty. It seems to be quite the right thing to introduce them to you personally, and that is the first privilege I have. Mr. Schoales, I understand, is not the room. Therefore, the first gentleman that I will ask you to meet, though you have had the pleasure of hearing him this morning, and he has a real message to you, is Dr. R. A. Plumb, central zone vice president.

Officers Introduced

Dr. R. A. Plumb: Mr. President, assure you of my very best efforts, the very best of my ability and the fullest degree of my capacity, to make your administration a success in every way you may ask or command me.

President-elect Maston: Dr. Plumb, will you come right up here? I understand it is the proper thing to have the officials up here so the boys get a look at us.

The next gentleman I gives me a great deal of pleasure to introduce you, so you will know him more intimately, is Frank Bowmes, Eastern zone vice-president.

Mr. Bowmes: Mr. President, members of the National Paint, Oil and Varnish Association: I have been coming to these conventions now quite a few years. The first one I ever attended was held here in Atlantic City. I have always felt that got a real inspiration by attending these meetings, and I attribute a great deal of the progress that I have made in the industry to attending these meetings.

Mr. President, I pledge my wholehearted support to you next year. I realize that there is a good deal of work to be done.

President-elect Maston: I am going to introduce the next man, because he has had the honor of being re-elected. You all know him well, is the Southern part of this convention—E. J. Sampson, Southern zone vice-president.

Mr. Oakley, the Western zone vice president, is not here. I understand that Mr. Flagg is not here. I would like to have Charlie Roh, who has been re-elected treasurer, come up here. I think we are going to have a lot of conferences with Mr. Roh this coming year. Mr. Roh, will you come and just let us get the official together?

And Mr. Horgan, you come on here, too. We are going to worry you a lot, too, this year.

This is the group, gentlemen. Other members that were elected are not here. It is going to be mighty hard to work with these gentlemen, and I know I am going to have the support of each of them. I am going to try to plan wherever possible to keep me around so that they will visit my clubs in these zones. We have been a lot here about the fact that we had got to keep in touch with you, and are going to try it.

I am not going to bore you more. I hope that we will have enough to do to keep you occupied and if possible bring some new slants, ideas, see if we can't pick up some of the things that were left here with by Dr. Plumb today. That seems to be a good time to put them to use.

Then again we want to talk to membership. We need your support. Without it we will have no clubs. National Paint, Oil and Varnish Association can't go along without the support of each of them, so we ask that support, and I am confident are going to have it. Thank you.

(Announcements by Mr. Horgan President-elect Maston: If there no further business, the convention stands adjourned.)

(The meeting was adjourned at 6 o'clock.)

Business Is Building—

Manufacturers of Paints, Varnishes, and Lacquers are throwing off the "Burden of Fear" and going after business.

This industry looks to the Oil, Paint and Drug Reporter for information and advice every week. There is no better medium through which you can tell manufacturers how you can help them get business.

Send for Rates

12 GOLD STREET, NEW YORK

The Entertainment Side of the Meeting

Atlantic City is known as the "playground of America," and, without in the slightest neglecting their business, the delegates to the forty-fourth convention of the National Paint, Oil and Varnish Association enjoyed it so much. However, it was less the city and more the entertainment which had been specially provided by a hard-working and much to be thanked committee that made life so worth while. Wives, daughters and friends who were honor-bound to sit in on business sessions had the well-known time of their lives.

President Frayser's luncheon to directors started the social side, Monday, October 5, the affair being held in the Japanese room of the Ambassador Hotel. J. B. Keister and E. J. Cornish,

Ladies' Golf—Mrs. John V. Hastings, Jr., chairman; Mrs. T. E. Alwyn.

Annual Banquet

The annual banquet was held in the Renaissance room of the hotel, Wednesday evening, following by the annual ball in the Venetian room.

Mr. Frayser Retires

President Frayser—It is indeed fitting that this inspiring scene should be the culmination of our week's activities. The wisest has been spent in business and pleasure, and I am sure that we have all been greatly benefited by our coming together, shaking hands and extending friendships that have been made on previous occasions.

As I am now about to perform the last official act of my administration, I would be remiss if I failed to register to this the recognition of gratitude and appreciation which I owe the members of this great body for the splendid co-operation for the splendid recognition, for the splendid assistance in every way which you have contributed, not only to me but the members of your organization.

It is always a privilege for the opportunity of service. Service is a toll, but it is as well returns dividends. Service broadens our vision, makes us better in every way because of the privilege to serve. I would be remiss indeed if I failed to express the appreciation of the splendid attendance, of the splendid attention, of the splendid entertainment and activities which we have enjoyed during this meeting this week.

As the final act of my administration as president of the National Paint, Oil and Varnish Association, I now turn the gavel over to my good friend, R. B. Robinette who will now serve us as toastmaster.

Mr. Robinette Presides

Toastmaster Robinette—First of all, I think it is only proper for me to make an explanation as to why I am serving as your toastmaster this evening. There are two good reasons why I want to make this explanation. First of all, I think that the man who has been toastmaster tonight is entitled to an explanation as to why he is not here. This is T. E. Alwyn, who has occupied every position of im-

portance with this affair that we have attended this week.

I have been told that our immediate past president, Mr. Frayser, was caught between floors in an elevator today, and was obliged to climb out of the roof and slip onto a porch. If you want my opinion, I think that is letting him out easy.

This is the close of the forty-fourth annual convention of the National Paint, Oil and Varnish Association, an organization that every one of us who has had anything to do with during these years have learned to love. It has been the basis of the formation of many close friendships, many attachments that we will carry with us to our dying day.

I can well appreciate the feelings of Mr. Frayser this evening, because it isn't so many years ago that I, too, served this association as its president, and I



R. B. Robinette
Toastmaster at Banquet

well remember the feelings of mixed remorse and pleasure at the culmination of that service; remorse because I had to step down and out from the position that had been honored with during the year—pleasure at being relieved from the duties that the office naturally involves.

But, after all, I think every one of us appreciates that this is a trade organization which occupies a position among the trade organizations of this country of which may all well be proud.

I recall very well the year that I was retiring as president, when the then Assistant Secretary of Commerce made the statement at a little luncheon meeting that we were holding during that convention that he ranked the National Paint, Oil and Varnish Association as one of perhaps three or four that he might name of the leading organizations, the leading trade organizations of this country. I placed us in that group on the basis that we were doing real constructive work. I have enumerated a number of things that this Association is interested in, with which you are all familiar, that caused him to place us in that position. I felt that that was a great honor to this industry, and I am sure that we will always be interested in that position as high as that among the trade organizations of this country.

Another thing that I am pleased about is that in this organization we have seen fit to have with us during this week of business collaboration, our wives and sweethearts and daughters, and so forth, because it adds much. I feel that this sort of an occasion. We are in business session during the day, but every evening we have the opportunity of mingling with the ladies, and I think all of us appreciate the influence and value that they have been to us. I am speaking of meeting the men, in every accomplishment that we make, whether it is in business or industry or the professions. They do contribute a lot and it surely is a beautiful sight to stand here as I do tonight, and look over this great gathering in an industry in which color seems to be the predominating note, and it certainly is indeed a beautiful sight.

It is my privilege to present to you the first speaker of the evening. There was handed to me a note as to this man's accomplishments in history, and so forth, and I have read it over this evening with considerable interest. I find something unique about it; coming from Ohio as I do, I find nothing mentioned with reference to the speaker that indicates that he ever heard of the State of Ohio. He was born in the State of Washington on March 11, 1874. He received his education at the Lawrenceville school and at Princeton University from which he was graduated in the class of 1896. He was graduated from the University of Pennsylvania law school, and was admitted to the Philadelphia bar and is a member of the well-known firm of Duane, Morris & Hoekstra. He is one of the rare combination of every one of the qualities of democratic political persuasion, and you will notice again the effective and efficient nature of the local and county when they seated him beside our good friend, Colonel Callahan of Kentucky.

In 1917, he was appointed by President Wilson as Ambassador to Japan, where he made a distinguished record for himself, having to deal with the breaking up

of the old Russian Empire, and having to travel across Siberia to Omak to confer with Admiral Kolchak of the White Russians. He served as a special commissioner to Siberia in 1919, 1920, and was later Assistant Secretary of State. He has been the recipient of many degrees from universities and honors from foreign nations.

Ladies and gentlemen of the National Paint, Oil and Varnish Association, I have the distinction and honor and privilege of presenting to you our first speaker of the evening, Honorable Roland Morris.

Address by Roland Morris

Dr. Morris—Mr. toastmaster, members and guests of the National Paint, Oil and Varnish Association, I confess that I am a rather appalling biographical introduction to which to reply, and I am very grateful to the toastmaster for the kindly remarks which he has made in commenting upon it. It contrasts very pleasantly and favorably with an introduction that I received from a toastmaster somewhat more than a year ago, when I was invited to speak at a Christmas luncheon gathering of a very large Rotary club. Well, they were having a perfectly gorgeous Christmas luncheon. They had presents which were being thrown around and a good deal of noise and all the spirit of the Christmas season. When the toastmaster arose and rapped with his gavel and attempted to introduce me, nobody took any notice of him at all. The noise went on and the singing continued and he rapped and he rapped. Finally he turned to me and he said, "I think if you would just get up and begin to talk that would stop all the fun."

Sometimes feel that in gatherings of this character, when you meet at the close of serious sessions to have a celebration of your national convention, that serious speeches are very much out of place, and it was a dangerous thing on the part of your committee to call upon a Philadelphia lawyer to come down here and talk to you, especially if he is like the Pennsylvania Quakers he has what the Quakers call "a concern" on his mind, which he wants to discuss. But I promise you one thing, that I will be reasonably brief in what I want to say this evening on an opportunity so interesting as I deem this to be. Then I will turn you over to my dear Philadelphia Senator Stites over there, and guarantee that he will give you all the fun you want.

Of course, when we gather in these days and especially if you happen to be coming just from Philadelphia, where every morning we wake up to hear that three or four or more banks have closed their doors, one's mind naturally turns to the very difficult and perplexing conditions which our business and social life are facing. We all realize how very serious that has been the restriction of credit which has taken place, the freezing of assets, the vast army of unemployed who have challenged and won. I know the sympathy of all of us, and have, I know, won the generosity of the American people in a marvelous degree, not only in the past year but now as they face this coming winter.

Unusual Situation of Today

I think we also appreciate fully now what President Hoover placed in the very forefront of the statement which he issued this afternoon in setting forth certain remedies that he was recommending to the American people for their condition, and that is, that the situation that we face in the business world is of the normal condition, limited within our own borders, which has happened in the past almost in cycles, as we sometimes say, but that what we are facing today is a world-wide depression.

I think of the depression over in the Orient, in China and in Japan, in whom I, of course, after four years of experience, will always be interested in the conditions which they face there, far more serious than anything that we face here. Japan, industrialized as she is, on the one hand, and China in the throes of a revolution on the other, but still, as in Russia, under the burden of a world-wide depression. Then when you turn to the European countries, you find the same general conditions, each government bewildered by lack of revenues and credits restricted as they are here and assets frozen. In other words, not limited to any one nationality, but all over.

Of course, while we realize all that, I sometimes wonder whether we have stopped to try and understand what it means, because it must have some very real significance when it is so widespread.

It is an awfully dangerous thing for any one individual to try to think out a situation with so many complexities as the one in which we are living now, and probably when the experts have finished, and the economists have told us all the facts of the whole thing.

I know ever since the days when I first began reading that brilliant French writer, who recently died, Anatole France, have always been haunted by the idea that was very much in his mind and that was that a generation living in a period of great change and transition is the one that is less likely to understand what really is happening.

The historian looking back upon our time will probably tell us that we lived in the most significant age and we will have known it. We have only thought of the complications and perplexities that it gave to us.

I remember (and I am tempted just by way of parenthesis to refer to it) one of the stories that he wrote that he wrote. He wrote a number of them in perfectly gorgeous French prose in which he gave a description of a group of Roman Senators gathered at a dinner one afternoon in Rome in the time of the early Roman Empire, just about the time of Nerva



S. French Reeves

Chairman for Arrangements and Entertainment

Former presidents, paid tribute to Mr. Frayser's work. A meeting of the directors followed.

That afternoon the ladies were entertained at a reception and tea on the roof of the Crane building, with Wilbur Duns, baritone, as soloist.

Monday night the formal opening exercises were held, an account of which is to be found elsewhere in this issue, this being followed by the reception to the President and Mrs. Frayser and the president's ball.

Pajamas Were in Vogue

Then, Tuesday night, after a day of luncheons and bridge for the ladies, came the "Cocoon Ball, Pajama Ball" in the Renaissance room of the Ambassador Hotel.

Of course, what with modern fashions and feminine custom of wearing pajamas of brilliant design and color at bridges, teas, cocktail parties, dinners, etc., this could not have had such a great thrill for the ladies as it did for some of the men, who, seemingly had spent much time and thought on the creation of their costumes. Others, more basic, simply dropped into the try-on shop of the hotel, bought something or other for a couple of dollars and announced to the world that they were dressed—good or undesired—for the party. Good time? Had by all. Dancing? Until the wee sma' hours.

The delegates worked hard at two business sessions, Wednesday, but the non-business adjourned to the Seaview Golf Club for their tournament, returning in time for rest before the annual banquet that night.

Following are the committees which had charge of entertainment and other arrangements for the convention:

Committees in Charge

General Committee—S. French Reeves, chairman; Mrs. R. B. Reeves, secretary; Samuel E. Brown, Jr., and Mrs. Brown, Horace S. Pelton, Walter Varnell, Frank Donahue, Mr. Hastings, Charles V. Jarden, Mr. Jarden, William H. Jarden, Jr., and Mrs. Jarden, William R. Hatcher, Matlack, Mrs. S. McKaig, and Mrs. McKaig, Ernest T. King and Mrs. King, Thomas A. Williamson and Mrs. Williamson.

Finance—Samuel R. Matlack, chairman; C. Manning French, vice-chairman; Dr. Frank S. French, Walter Varnell, Frank Donahue, J. H. Hickerman, chairman; Mrs. E. Stott W. French, Mrs. W. French, L. J. Garfield, Wm. B. Wallace, James E. Beck.

Publicity—D. J. Healy, chairman; Dr. M. E. Beckel, H. R. Dowdy, George B. Beckel, Charles P. Jarden.

portance practically in this industry, was to have been toastmaster tonight. He was called to the service this afternoon by the President of the United States, through the Secretary of Commerce, Mr. Lamont, for a conference this afternoon.

It was necessary for them to find some one to pinch hit, and that is why I am here tonight.

That is the first reason why I make that explanation. The second reason is, I am willing yet to admit that I have arrived at that position of antiquity in this organization where I should be called upon to serve as toastmaster at the annual banquet.

I have gone up through the line. I have been a president, and I have occupied this speakers' table at the annual banquet, but I hardly expected that I would yet be called upon to serve as toastmaster at the annual banquet. So, with these two explanations, I am occupying the position tonight.

I want to compliment the local committee on the details of their arrangements for this convention. They have been inspired, and we have come up to the point where we have been eased out of the position, as my friend Frayser was being eased out tonight, to make way for some one to succeed him. But I wonder if you appreciate the fact that this committee on arrangement and entertainment have looked after in con-

They were discussing among themselves, after dinner (they were all scholars and men of affairs), what they were to do in the future religion of the Roman world. One of them said that he thought it would probably be the cult of the emperor, the power was the dominant note in the Roman life of his day. Another man thought that the future religion would be Greek mysteries, because there was so much fondness for Greek civilization and Greek thought.

While they were discussing it, they were interrupted by a noise in a building across the narrow street. It was evidently quite loud, and most earnest, that almost drowned their discussion. The noise came from open windows. Finally the host sent the slave out. He said, "You go over and see what all that trouble is about. The slave went over and came back and turned to the host and said, "Why, that is a Jew by the name of Jesus. He is talking about the kingdom to come." In other words, the religion of the future was the religion of the future was right across the street, the one that was going to dominate European civilization. The Roman tradition and Roman law and Roman ethics were over there in the person of one of the great missionaries of the Christian faith, and he was simply disturbing their discussion on the future religion.

Our Limited Vision

How often that is apt to occur, that when we are living in a generation we kind of miss it all, and we are so held down to the limited vision of our own generation that we can't get high enough up in some aeroplane of thought where we can look down and see it in its larger implications.

And so, the only thought that I want to leave with this gathering is that all parts of the United States, the only question I want to suggest to you in this question—What would be the conditions in which we find ourselves seem to imply? Because I think if we can see it in its larger aspects, we can see our personal inconveniences, it will give us a renewed confidence and hope and faith in the future, because if we can only see widely enough one can catch something of the meaning and significance of the period in which we live.

I want to suggest, in answer to that question, just this thought, which I want to leave with you. It seems to me that what apparently is happening is that we are moving from the period of antagonistic, aggressive nationalism into a period of international co-operation, and that we are approaching a time when that transition between the adjustments have been made.

May I take you back just a moment over the history of our own European civilization, because we must never forget, we Americans, that we are descended from the European, and that we brought with us all the traditions of Greece and Rome and the Middle Ages, and all the traditions of the modern world before we came over here. We have established them under new conditions, but our traditions go right straight back through the Middle Ages into the Roman times and into the Greek and Roman civilization. You would be amazed how much of our modern life is governed by traditions which reach away back to the creative civilizations of the past.

If you will consider from the time of the fall of the Roman Empire, the whole struggle in Europe, the whole history of the Middle Ages, has been the gathering together of these racial units into national units, and with the limitations that we have in transportation and communication and in methods of living, nations were concentrating on being nations, and with the limitations that we have in transportation and communication and in methods of living, nations were concentrating on being nations, and with the limitations that we have in transportation and communication and in methods of living, nations were concentrating on being nations.

As one to his school days reads the history of Europe, it seems to be the rising and falling of dynasties, but always with the struggle for national expression, national life.

No moral conceptions, I take it, have primarily changed this but the thing that has happened within the period of our grandparents, and which is close to ourselves, is the tremendous change that has taken place through machinery, and through new methods of transportation and through inventions and new methods of communication.

Does it give you any hope, any confidence that that readjustment is just as surely to be accomplished as all the readjustments of the progress of the past have been accomplished? That we are coming through this into a bigger, larger, nobler world than ever before, with many trade barriers removed, with intellectual sympathy and cooperation as the very foundation of any other kind of cooperation developed? With this larger life of the world—nationality will not be destroyed—never—but it is being transformed into a broader, larger thing than we have ever had before.

And so may I ask you, as my message tonight, to go forth with the confidence that although we are in a period of transition that is bound to affect many of our old business relations and old traditions, yet beyond is the promised land of a larger and a better day, and if we can help to bring this about, we are doing more than anything else for the generations that will follow us. Thank you so much.

Toastmaster Robert: Mr. Morris, I think that the applause that you received at the conclusion of this interesting message, will express to you very much better than I can, the words of this group. There is one thing that I intended to say in my opening remarks, and that was to call your attention to the fact that there is a continued and enduring inter-

est in the progress of this organization of ours, that is evidenced this week by the fact that there was in attendance at the National Convention, thirteen out of seventeen living ex-presidents of this association.

I want also to state that they are not all at the speakers' table. The oldest man in years and point of service in this organization, Mr. George Watson, is seated by choice over here, the youngest, Mr. J. H. Macdonald, is seated at the speakers' table.

Our speaker, in the opening part of his remarks called attention to the banks, those days by a voice that was evidently quite loud, and most earnest, that almost drowned their discussion. The noise came from open windows. Finally the host sent the slave out. He said, "You go over and see what all that trouble is about. The slave went over and came back and turned to the host and said, "Why, that is a Jew by the name of Jesus. He is talking about the kingdom to come." In other words, the religion of the future was the religion of the future was right across the street, the one that was going to dominate European civilization. The Roman tradition and Roman law and Roman ethics were over there in the person of one of the great missionaries of the Christian faith, and he was simply disturbing their discussion on the future religion.

I have just been glancing over the information that has been given me with reference to the next speaker, and again I am disappointed to find that all of his connections and to find that he is still surrounded by this State of Pennsylvania. So I decided that a better way to fit myself into this situation was to state to you that I have among one of the prize treasures of mine, the copy of a land grant dealing with my ancestors, five hundred acres of unoccupied land in the William Penn colony and signed by William Penn himself. So, instead of claiming honors for Ohio, I am going to claim some connection with the State of Pennsylvania.

Our next speaker is transplanted from New Jersey, having gone to Pennsylvania for his education at the University of Pennsylvania, where he later studied law and was graduated from the University of Pennsylvania Law School in the class of 1904. He was admitted also to the Philadelphia bar, where he is now practicing, living in Montgomery county. He became an active participant in politics and was elected to the Pennsylvania senate from that district where he served with distinction. I am also advised by those who are well acquainted with him, that he is only appropriate to mention the world series how being in progress, that he is a very active amateur baseball player, having captained the variety baseball team, and immediately after the season has become actively interested in amateur baseball.

He was elected president of the New Jersey Public Safety Council, and Pennsylvania, which office he now adorns. I have also been advised that our previous speaker, referring to the fact that he died, if you please, part of our program this evening, and that our present speaker has a little bit of an inclination to the humorous side, which calls to my mind a remark that I heard our good friend Strickland Gilliland make the other day. Strickland, of course, claims to be a professional humorist, and he lives in the City of Washington.

In opening a talk in Cleveland recently, he told us that a professional humorist had very little opportunity in the City of Washington, especially when Congress was in session.

I have great pleasure and honor in presenting to you at this time, Honorable Fletcher W. Stites.

Mr. Stites' Talk

Mr. Stites: Mr. Toastmaster, ladies and gentlemen: There seems to be a considerable pride in statehood here tonight. Your toastmaster from Ohio goes a long way back to cast lustre upon himself, referring to the fact that William Penn granted some land to one of his ancestors. It makes me think of the old farmer who went up from my home town of Cape May, New Jersey, to the Belmont, Strickland Gilliland, in Philadelphia, some time ago, taking his old wife with him. It was the first time he had ever been surrounded by any crowd of people, and after he had registered and gone up to his room, they went down to dinner.

Changes in a Lifetime

Just think for a moment what has happened in the lifetime of a man like this. I may be personal for the moment of my own mother, who is approaching ninety years of age, and what has happened in invention and development in the period of one life! Think of how the world has been pulled together. When I had the most striking illustration of it myself he other night when I was going over an old bundle of letters that were written by Nellie Coombe, she adopted granddaughter of George Washington, to some of her friends in Philadelphia, most interesting letters. She was a young girl 17 years old and Washington had just left for Mount Vernon, and she gave the description of the journey since she said goodbye to Philadelphia and was telling how they went by various stages. It took him to get to Mount Vernon with his family, eight days. He went in a lumbering old coach, drawn by three horses and a fourth horse was carried his baggage with him. She spoke of mud and the character of the roads and the rain that delayed them, and how they had to stop here—a journey that will be done in almost an afternoon's motor ride from Philadelphia to the city of Washington. When I suddenly recalled to my mind that the way Washington traveled in that journey was not unlike the way the Harbors had traveled on the roads of Egypt, five thousand years before. There had been practically no change—just a little improvement.

But in the century and a quarter that followed that, think how the world has changed—how we can listen tonight to Ramsey MacDonald speak to the English electors and they will hear it in Tokyo and in New York. How every word is flashed over the world the moment that it is uttered! How every event travels instantly! How all our business and social and political and social life is jumping all these national boundaries, way ahead of our political and our social organiza-

tion. If you look down the list of stocks and see the international this and the international that, as you think of the great corporations that are spreading out and considering national boundaries not at all—there is no such thing as a fast in our generation, that it has sort of stunned us. We don't realize what it implies.

The thought I want to leave with you is that it implies this—That these nations now tied so closely together by all the modern inventions of machinery and transportation and communication, are simply compelled to co-operate in the future in trade and in social life, and in intellectual life, and in all that makes our modern civilization.

Let me take you one more illustration and leave that thought with you from my experience in the Orient. I was very much interested in the history of the relationship between the Orient and the Occident. It has had a curious history—how far one period there would be an impregnation by the western world into the eastern world and then would all be withdrawn and then again for generations there would be practically no contact between the Orient and the Occident, and occasionally there would be a new movement like the movement of the Spanish and Portuguese missions, and in the case of Spain, then again they would be driven away and a great silence would fall between these motions of the globe—long distances, no communication, no method of contact, and the wall was put up and it is only within the last century that we have broken down the isolation of China along her coast and brought Japan into the world of nations and realized that underneath the organization that was being established over in Europe were these millions of people who had their own ideas and their purposes, who were expressing themselves today through Gandhi at the conference in London.

But that never can happen again! We can't withdraw from the Orient and the Orient can't withdraw from us. Men can cross the ocean as they did the other day in airplanes in a little over twenty-four hours. Cables are laid, radios are over the world, and in China and India, the same all tied in, and you see the conflict that are going through, and this is the thought that again I emphasize—the old tradition of isolation is the struggling. I think, utterly, unavailingly, against the conditions that force international cooperation. And in that struggle, which is always a struggle characteristic of any forward movement, business has to adjust itself, self, credits have to readjust themselves, and it is the period of readjustment that we are going through.

Let me place up the menu card, adjusted his glasses and looked at the card. His wife said that he was somewhat perturbed. She said, "Hiram, what is the matter?" He said, "Amanda, listen to this! Occident isn't that going pretty far back for soup?"

I just have a feeling that your toastmaster in going back to the old Penn to establish his connections with Pennsylvania is just a little bit far back for soup.

Carrying out this idea of pride in statehood, I am highly gratified that this year you should see the State of New Jersey as the place where this wonderful convention might meet. I must tell you something about your convention of last year. I heard of your visit to Toronto—friend of mine lives in northern New York state. He said to me some time ago that the paint and varnish convention that went up to Toronto last year must have been happy because when they came back to the states, somebody up in northern New York state made a recommendation about them, and this is the way it ran:

"Four and twenty Yankees feeling pretty dry went up into Canada and bought a case of wine."

When the wine was opened the Yankees began to sing.

"With the President, God Save the King."

I promise you tonight, as my good friend, Mr. Morris did, that you shall be here over long by the remarks that I am making because I don't want to get into the position of a friend of mine got into the other day. He was invited to address the students of the Hobart College. He thought he would make a great hit if he took the name of the college, spelled it out and spoke on the various letters of the name. So he spelled out Hobart—H-O-B-A-R-T.

He spoke H for Humility, O for Obedience, B for Beauty, and so on. He got on down through the letters of the name and covered the matter rather fully. Going out of the chapel, he heard two students talking on a front steps. One of them said to the other, "How did you

like the sermon?" and the other said, "Well, there is just one thing I want to say, and that is, thank God he wasn't taking on the Massachusetts Institute of Technology."

Not Too Gloomy

These are very, very gloomy times. Philadelphia realizes that perhaps a much as you do. I came down here tonight, not only free from the blues, but when I got here and saw this beautiful gathering, I just felt a bit different. You know, nowadays, even as well as here, nobody likes the ground, nobody cares much about that fellow who slumped down his desk the other night and said, "I am going home and if I ever isn't ready I am going to raise hell and if it is I'm not going to eat a can of beans."

But when I came in tonight and saw your happy faces and the fact that you had abandoned dull care and were here for an evening at least of profit in listening to that very successful and humorous address of my good friend Mr. Morris, I just felt that the man was right when he said—

Sure the world is full of trouble; But ain't it said it ain't? The Skies were always gray, Thorns and thistles have beset me on the way, Ain't it true today?

What's the use of always weeping, Making troubles last, What's the use of always keeping Thinking of the past? Zest and joy and tribulations Weather is not always fine Life ain't no celebration— Trouble—I've had none.

It's today that I'm alive— Not a month ago, Havin' lovin', takin', givin' I time with it as I went. Yesterday a cloud of sorrow Fell across my way, It may rain again tomorrow, But ain't it fine today?

I think that is the spirit that animates us here tonight. I was impressed when I came down here not so much by your numbers, because figures don't mean anything near so much as the spirit that is in the place tonight. I think. They feel us a bit sometimes.

"Speaking of figures, I was down in South Jersey before last night. I heard what I thought was a sound of a sawing machine going on. Having been very much interested in that sport in my old college days, I walked around the corner and found that two colored teams were having a game. A hole in the center field fence, right past a center fielder. His face was black as the night, and he was waving his arms. When he told me the score, I said, "You are taking an awful trimming." He said, "I can't just exactly say that yet because we ain't had our bat yet. You can't always be sure of your figure. You know that. I had lunch with Capital Eddie Rickenbacker the other day. He shot down the twenty-and-odd German lines in France. I said to him, "When you got up there, flying in the sky, what did you think?" He said, "I got up there and found how they really fought, came back thinking I had a right good job."

"One difficulty I had when I was up there was that a colored orderly kept me to take him up for a flight. I kept after me so much that I finally said, 'Well, you come back next Wednesday and I'll take you up for a flight.'"

At the appointed hour on the following Wednesday the ducky boy came in sight. Rickenbacker said there was a great crowd around him. "I strapped on my gun in the front seat and got in the back seat myself and turned the nose of the plane up and pitched the juke and in next twenty minutes I made that machine do everything on earth I could think of. I went over the field and turned her down and let her drop all the way down. Then just as I was about to alight, she shot her up the air. I saw a colored boy and said, 'I guess 90 percent of those people down there thought you were a good shot.'"

"Yes," he answered, "Master Rickenbacker I want to tell you that 90 percent of us up here thought the same thing!"

And so I am quite confident in saying to you that figures don't mean so much in this day and generation as they did.

Not Worried About Banks

Reference has been made to the unfortunate banking situation, in Philadelphia. I met a friend of mine on the street today. He didn't seem to be worried about the fact that the bank on the corner had failed, and I said to him, "What is the reason you don't seem to be impressed by that?"

"Well," he said, "you know, I have a feeling—I won't say of elation, that may be the gods are adjusting things so the some of those fellows are getting what they are entitled to."

"Why do you say that?" I asked. He said, "Let me tell you something. In that bank down there, there is a fellow who lives down the street from me. Last year my next-door neighbor fell of a very serious disease. He was so ill that the doctors finally said there was only one thing to be done to save the man and that was a blood transfusion. They looked around to get a quart of blood. This banker down the street was a very healthy man and he came forward and said he would give a quart of blood. The transfusion was made. The doctor went out, leaving the patient in the hands of a nurse. The nurse went down to the kitchen for something and came back, the patient had frozen to death."

Your toastmaster tonight paid a very deserved tribute to the beautiful part of this assemblage tonight. I was very much interested in his very able and humorous tribute to the women and it certainly was deserved. He said that all the inspiration that these men got came from you good

ladies. I think that is the spirit that animates us here tonight. I was impressed when I came down here not so much by your numbers, because figures don't mean anything near so much as the spirit that is in the place tonight. I think. They feel us a bit sometimes.

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"Yes," he answered, "Master Rickenbacker I want to tell you that 90 percent of us up here thought the same thing!"

And so I am quite confident in saying to you that figures don't mean so much in this day and generation as they did.

Reference has been made to the unfortunate banking situation, in Philadelphia. I met a friend of mine on the street today. He didn't seem to be worried about the fact that the bank on the corner had failed, and I said to him, "What is the reason you don't seem to be impressed by that?"

"Well," he said, "you know, I have a feeling—I won't say of elation, that may be the gods are adjusting things so the some of those fellows are getting what they are entitled to."

"Why do you say that?" I asked. He said, "Let me tell you something. In that bank down there, there is a fellow who lives down the street from me. Last year my next-door neighbor fell of a very serious disease. He was so ill that the doctors finally said there was only one thing to be done to save the man and that was a blood transfusion. They looked around to get a quart of blood. This banker down the street was a very healthy man and he came forward and said he would give a quart of blood. The transfusion was made. The doctor went out, leaving the patient in the hands of a nurse. The nurse went down to the kitchen for something and came back, the patient had frozen to death."

Your toastmaster tonight paid a very deserved tribute to the beautiful part of this assemblage tonight. I was very much interested in his very able and humorous tribute to the women and it certainly was deserved. He said that all the inspiration that these men got came from you good

ladies. I think that is the spirit that animates us here tonight. I was impressed when I came down here not so much by your numbers, because figures don't mean anything near so much as the spirit that is in the place tonight. I think. They feel us a bit sometimes.

"Speaking of figures, I was down in South Jersey before last night. I heard what I thought was a sound of a sawing machine going on. Having been very much interested in that sport in my old college days, I walked around the corner and found that two colored teams were having a game. A hole in the center field fence, right past a center fielder. His face was black as the night, and he was waving his arms. When he told me the score, I said, "You are taking an awful trimming." He said, "I can't just exactly say that yet because we ain't had our bat yet. You can't always be sure of your figure. You know that. I had lunch with Capital Eddie Rickenbacker the other day. He shot down the twenty-and-odd German lines in France. I said to him, "When you got up there, flying in the sky, what did you think?" He said, "I got up there and found how they really fought, came back thinking I had a right good job."

"One difficulty I had when I was up there was that a colored orderly kept me to take him up for a flight. I kept after me so much that I finally said, 'Well, you come back next Wednesday and I'll take you up for a flight.'"

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...and no doubt that is true. He per-
haps was going a little strong there.
That reminds me of a friend of mine
who let his horse down at Cape May and
went to Philadelphia to cash in his for-
tune. He stayed there three or four
months and then he wrote down to his
father at Cape May and said, "Dear dad,
I have met the most loving girl I think
the world ever made—Mary Brown. I
have determined to marry her if I may
have your parental blessing. Will you
write back and tell me if I may have it?"
His father wrote: "Jim: I got your
letter. I noticed the enormity you have
passed upon Mary Brown. I have no
doubt they are deserved. You want to
know if you have my parental blessing.
Of course you have. All the inspiration
I have had in my life has come from your
mother. Every good thing I have done
is the result of her example and her sug-
gestion. I can't say too much of the help
I have received from her. God bless you,
of course you have my blessing."
P. S. Your mother just came out of
the room. Don't be a damned fool!"

In spite of that, I have an idea that
the good women here don't feel at all
that their husbands are the girl who
lives next door to us. The other day she
said to a friend, "Mary, do you believe
in the devil?"

Mary said, "Why, Jennie, I think I be-
lieve in the devil—don't you believe in
the devil?"
Jennie said, "No, I don't believe in the
devil. I think the devil is like Santa
Claus—it is just father dressed up."
I am sure there isn't any feeling of
kind, because mention has been made
twice here of the splendid feeling of
loyalty, both that you have toward each
other and that you have shown by the
remarkable fact that your ex-presidents
have come back year after year to not
only attend the convention here, but to
work throughout the year for the benefit
of this splendid organization. That is
loyalty and it is a fine thing. We all
like to see our own particular friends
stand out in front. We like to see our
particular business or our particular as-
sociation take no back seat, but take the
lead. And we don't like to be at all like
a friend of mine who owns a horse down
at Havre de Grace. The other day he
was able to go to the track, I said, "Now, you
and out for me where my horse finished
in the race."

In a few minutes the telephone bell
rang. The Irishman was at the phone.
"Where did the horse finish?"
"Your horse finished eleventh."
The owner said, "Why you damned fool,
I couldn't finish eleventh—there were
only four horses in the race."
The Irishman said, "But there was
room for seven horses between the third
horse and your horse."
Mr. Roosevelt has been telling me all eve-
ning about this association and how far
it stands out in front. I know there is
something like the Irish horse about this
organization.

I said a moment ago that these times
were troubling that men feel the strain phy-
sically and mentally.

A Bad Memory
I met a friend of mine on Chestnut
street last night. He said to me, "I don't know what
is wrong with me. I just seem to be all in.
I can't think. I can't remember. I don't
know whether it is Tuesday or Wednesday."

I said, "How do you mean you can't
remember anything—that seems funny."
"Well," he said, "I live down
here at fifteen and Chestnut streets.
Well, I honestly can't remember my land-
lady's name. I don't know her name. I
was coming downstairs and I couldn't
remember her name."
I said, "If that is the trouble with you
is that you don't associate one idea with
another. That is a way to remember
things. Give me a question. What is
your landlady's name?"
"Her name is Mrs. Crummock."
I said, "All right, now don't you
say this: 'Mrs. Crummock fills my
stomach,' and you will never forget her
name."

The friend went home saying that over
to himself. He thought that was a great
idea. "Mrs. Crummock fills my stomach."
The next morning he got up and he met
his landlady and he said, "Good morning,
Mrs. Kelly."
I do know this, that you would per-
haps think me guilty of an excess of
eloquence if I continued on at this
rate, after the wonderful address you
had preceding mine. I do want to leave,
but for an instant, a slightly serious
note with you. Both of the officers of
our organization who were referred to
in the splendid spirit of friendship that ex-
isted between the members of this or-
ganization and between their friends. I
can't think of a picked up the news-
paper and I said, "I can't think of a
word that impressed me very much. It ran
like this:

...around the corner I have a friend
in this great city that has no end
and the days go by and he never rusts on
and before I know it a year's gone
and I have no more of his face
and his life is a swift and pressing race

...he knows that I like him just as well
as in the days when I ran his bell
and he ran my horse."
We were younger then, but now
we are busy, tired men.
We are playing a foolish game
and trying to make a name

...tomorrow I say I will call on Jim
to show him I am thinking of him.
The distance between us grows and grows
and the distance between us grows and grows
around the corner, yet miles away.

...here's a telegram. Mr. Jim died today.
and that is what we get and deserve in the
end and around the corner a vanished friend.

...Isn't it true that occasions of this kind
help to bring nearer that day of which
Hannay spoke when he referred to the
"ever heart and the kinder hand."
It was in New York four or five
miles ago, when the snow was piled in hills in down-
town New York. You could just squeeze

your way along. I noticed on one of the
downtown crossings a boy fourteen or
fifteen years of age shoveling the snow.
He had holes in his stockings about this
big. Just in front of me was a great big
red-headed man. I know he belonged to
some association. Maybe it was like this
one, because when he got up to this boy
he reached into his pocket and gave the
boy a quarter. And said to him, "Run
across the street and get yourself a bowl
of hot soup." The little boy looked at the
quarter and then he looked at the man
and tears began to run down his cheeks.
The thermometer read about four de-
grees below zero. He said to him, "Son,
I guess you are cold, aren't you?"
Then, the little boy delivered himself of
a real sermon, and the big fellow said,
"I guess you are cold, the little fellow
said, 'I was, sir, until you spoke to me.'
Isn't there a great deal in that? We
learn as we go through life that all this
time and chasing after dollars, while it
may be interesting, it doesn't touch the



R. A. Plumb
Chairman, Clean Up and Paint Up
Central Zone Vice-President

true fundamentals of life. It is love,
sacrifice, and our families and friends that
really matter.

I just for an instant want to refer to
some of these fundamentals that we lose
sight of, just a bit. I suppose your lack
of prosperity now is a serious thing with
most of us. It may not be fair to say
that that is desirable in any time. I
read in an ancient book this verse: "A
nation is in the hour of its greatest peril
when it is in the hour of its greatest
prosperity."

Perhaps out of this depression we shall
get the fundamentals that service and
sacrifice are, after all, worth while. I
think it was Wendell Phillips who once
said that the greatest danger to the race
is not in the hour of its greatest peril,
but when a few forget themselves into
immortality.

Forgetting Into Immortality
Now and then a few forget themselves
into immortality. When Lincoln was de-
bating with Stephen A. Douglas before
the Civil War, in that series of debates
that had so much to do with the settling
of slavery, Mr. Douglas said to Mr. Lin-
coln, "If you continue to take the position
that Nebraska and Kansas have the
right to say for themselves whether they
will come into the Union, slave or free,
you will lose your chance to go to the
United States Senate." Lincoln turned
to his friend and said, "My dear friend,
I don't know if it is right or wrong, but
if it is, then no State can



Convention Group Goes Home by Air

This party of N. P. O. & V. A. conventioners hastened back to business in an
airplane, getting from Atlantic City to New York in fifty-five minutes. It
includes W. R. Birch, Philadelphia; R. C. Eogness, New York; D. J. Healy,
Philadelphia, and S. C. Murray, Buffalo.

have local option in slavery." Then he
said, "I appreciate your interest in my
political fortunes. It is a matter of no
concern that Abraham Lincoln goes to the
United States Senate, but it is a matter
of the deepest consequence that Abraham
Lincoln should be true to himself and to
the cause he believes in." And when,
after four long years he had carried upon
his heart the burdens of the South as
well as of the North, had stricken the
shades from four millions of slaves and
laid down his life in the cause of Liberty
and Union, and as the last breath passed
from his body, Stanton, who was nearby,
turned to Seward and said, "Now he be-
longs to the ages."

He had forgotten himself into immor-
tality.

Isn't it possible that we will get back
upon our feet in these days to come, as
we learn that true service and sacrifice
and devotion, we may forget ourselves
back to that broad level of well-being and
prosperity which we all feel is essential to
us?

I spoke of service and devotion and
sacrifice. You hear men getting together
today in public affairs discussing great
public questions. One man talks about
compensation for the injured workman.
Another man talks about the prohibition
of child labor. Another man speaks
about equal suffrage. And still another
talks of prohibition of liquor traffic,
and some fellow comes along and he
says, "Oh, that is all politics." But
these men, more thoughtfully inclined,
say, "Oh, no it isn't. That isn't politics."
We are thinking a lot differently from the
way we thought about these things a
hundred years ago. That is a great pro-
gram of humanity we have today, and
the sort of things on these words—
that is a great program of humanity.

And this man of politics still insists. Well,
Roosevelt first talked about these things
and then another fellow comes along and
says, "Oh, no, he didn't. Bryan first
talked about them. Finally an old fol-
low steps up and he says, 'I am the origi-
nal populist. I used to talk about those
things in Kansas forty-five years
ago.' Well, so far as the element of time
is concerned, maybe he is right."

But you go to Mr. Roosevelt and you
say to him, "Mr. Roosevelt, where did you
get your inspiration for this thing that
you call the square deal, this insistence
upon equal justice and equal opportunity
for everybody?" And Roosevelt says,
"Why, don't you know? I have always
told you that I was a Lincoln Republican,
a Thomas Jefferson Democrat."

And you go back to the great emanci-
pator and you say, "Lincoln, where did
you get your inspiration for your ideals?
How is it that you can carry on when
everybody calls you evil names?" Lin-
coln says, "Oh, I have always made the
battle for things like this from the be-
ginning. Don't you know that is what
Washington prayed in the snow for at
Valley Forge?"

The Golden Rule
You go back to Miles Standish and you
say to him, "Miles Standish, where is it
that leads you to come three thousand
miles to an inhospitable mission to wor-
ship God in your own way? How did you
get your inspiration?" Miles Standish
says, "Haven't you heard how man-
kind saved its way up through the gloom
of the centuries?" You go back beyond
the days of Cromwell fighting concessions
from a reluctant king. Finally, you come
back way beyond it all. You pass down
through the lanes of Palestine, you pass
John the Baptist, you come to Paul, on
the road to Damascus, and away beyond
it all you come to a hill called Calvary.
And right there, where the great Car-
penter of Nazareth gave his life to a bet-

ter manhood, you get the thing that will
bring us back to the heights we want,
because you hear the great Carpenter of
Nazareth say, "A new commandment I
give unto you that you love one another.
Do ye ever so, unto them."

I say to you tonight that the future of
our great country and yours and mine is
safe and secure just as long as you and I
remember that for every happy circum-
stance we enjoy, some man or woman in
days gone by forgot himself into immor-
tality. As you and I get faith and cour-
age and trust in each other, surely the
tide shall roll back and we shall go on.

In closing tonight, may I leave with you
this thought in your hours of discourag-
ement. Christopher Columbus was a rare
old character. An American poet has
told how rare he was. He had a funny
idea. He said, "I believe the world is
round. If I turn the nose of my boat
westward and sail on long enough, I will
come back to the place from whence I
started."

The boys in his native village, as he
walked along the streets, used to tap
their heads with their fingers like this
(indicating) to show that they thought
Columbus was crazy. But Columbus
had two rare virtues, virtues that every
American must have in this day now.
The first one was that he started for
some place, and the second was that he
kept on until he got there!

Behind him lay the great Azores
Behind the gates of Hercules
Before him rose the shores of Africa
Before him only shores were seen
The good mate said, "Now must we pray,
For is the stars are gone!"
Brave Admiral, speak! What shall I say?
He said, "Sail on! And on!"

My Men grow moutinous, wan and weak
The stout mate thought of home
As the mutiny of sea snakes his cheek
"Brave Admiral, speak! What shall I say?"
Why you shall say, at break of day,
"Sail on! And on! And on!"

They sailed and sailed as winds might blow
The blanchet mate said, "Now not even God
Would know of all my men's fell deed.
These very winds forget their ways!
For God from these dread seas is gone."
Brave Admiral, speak! What shall I say?
He said, "Sail on!"

They sailed and sailed, then spoke the mate
This mad sea shows his teeth tonight
He cuts his life, he lies in danger
As it is bite, Brave Admiral, say
"Sail on! And on! And on!"
When hope is gone? What shall I say?
The words leapt as a
Leaping sword, "Sail on! And on!"

Then pale and worn, he kept his deck
He neared through darkness that night
Of all dark nights and then a speak
A light! A light! A light!
He gave a start, his face unstayed
It grew to be time's burst of dawn
His greatest lesson, "On, and on!"

Lincoln's Recommendation
Toastmaster Robinette: Again, let me
say, Senator Stiles, the expression from
this crowd says to you more than I can
say to you in words. We appreciate very
much your message.

In the last speaker's talk he made ref-
erence to Abraham Lincoln which re-
called to them mind a little incident that
one time happened in Lincoln's life when
a young man came to him that he knew
not at all. He knew nothing about him.
He asked Abraham Lincoln if he would
give him a letter of recommendation to
someone with whom he wished to make a
connection. Abraham Lincoln in his
usual generosity wrote a letter of rec-
ommendation for this young man, telling
him of all his fine qualifications, signed
it "Abraham Lincoln" and then put on a
P. S., "I know that all I have said is true
because the young man has told me so
himself."

Both speakers have referred to our
present conditions that we are going
through the times that are worse than
all, and that called to my mind a little
incident that happened on the streets of
Cincinnati recently. I got into a car and
was seated in his automobile waiting for a
friend who was making a call in one of
the stores, when the car was stopped. I
quickly met today came up to his auto-
mobile. The man was fairly good cloth-
ing, hadn't had a shave perhaps a week
or so, at least ten days, and looked
pretty dirty and shabby. He asked him
if he could let him have enough money to
get a shave. He said, "I am seeking em-
ployment. I can't go in looking like I do
today. Would you help me?"

This friend of mine reached in his
pocket and the smallest thing he hap-
pened to have at the moment was a five-
dollar bill. He said, "Brother, I have
only a five-dollar bill. I have no change.
Otherwise I would gladly help you out."

"This man walked up Euclid avenue a
little ways, turned around and came back,
and as he passed this same machine
again with my friend sitting in it, he
stopped and said to him a thing that
I have thought about a lot since he told
me it. He said, 'I started up this way,
but I turned around and came back. It's
a hell of a long road when you have no
place to go.'"

I wonder if we today appreciate, those
of us who are still in business and out of
the receiver's hands and able to enjoy the
things that we have enjoyed here this
week, how much more fortunate we are
than the man that is on the road with no
place to go.

Now it becomes my great privilege to
present to you a man that I am sure you
will all be glad to greet. Have one
side of me the man that has just retired,
with great honor to himself, as president
of this organization. I now have the
great pleasure of presenting to you the
man that this association has just hon-
ored with its presidency, William Maston,
of Cincinnati!

New President Speaks

President-elect Maston: Mr. Toast-
master, ladies and gentlemen: It seems
like an anti-climax for me to attempt to
make any serious talk after being placed
in the position of following these two in-
spirational speakers of the evening. They
have brought a message to us that has
put everything which I had in mind,
and which I would have liked to have
said.

Hofstatter, Miss Ruth, Binney & Smith Company, New York.
 Howe, Miss R. J., Chicago.
 Hughes, Mrs. M. A., Cincinnati.
 Hunt, Mrs. J. W., Washington.

J
 Jacobs, Mrs. A. E., New York.
 Jardin, Mrs. C. P., Philadelphia.
 Jardin, Mrs. William H., Jr., Philadelphia.

K
 Keiser, Miss Laura, Cincinnati.
 Kent, Miss Lorene, Washington.
 Klein, Mrs. Samuel, Bound Brook, N. J.
 Knoke, Mrs. F. W., St. Louis.
 Kohn, Mrs. D. A., Dayton.
 Kurtsa, Mrs. J. F., Louisville.

L
 Lane, Mrs. Franklin J., Boston.
 Lindsay, Mrs. E. W., Buffalo.
 Lipphardt, Miss Marion, St. Louis.
 Litter, Mrs. P. H., New York.
 Lovell, Mrs. C. J., Baltimore.

M
 McDonough, Mrs. R. A., New York.
 McGregor, Mrs. John R., Chicago.
 McKaig, Mrs. E. S., Philadelphia.
 McLaughlin, Miss Marie, Boston.
 Martin, Mrs. Geo. A., Cleveland.
 Maston, Mrs. Willard E., Cincinnati.
 Matlack, Mrs. S. R., Philadelphia.
 Meyer, Mrs. Fred L., Philadelphia.
 Miller, Mrs. Wm. W., New York.
 Morris, Mrs. L. B., Haddonfield, N. J.
 Morris, Mrs. C. P., Haddonfield, N. J.
 Morton, Mrs. E. E., Boston.

N
 Nemzek, Mrs. L. P., Westfield, N. J.

P
 Peters, Mrs. E. V., New York.
 Pinney, Mrs. H. A., Chicago.

R
 Rau, Mrs. C. P., Philadelphia.
 Reeves, Mrs. S. French, Philadelphia.
 Rio, Mrs. J. H., Jr., Wilmington.
 Riley, Mrs. M. H., Baltimore.

Robbins, Mrs. Clarence, St. Louis.
 Robinson, Mrs. R. B., Cleveland.
 Rockwell, Miss Elizabeth, Greenwich, Conn.
 Rockwell, Mrs. Fletcher W., Greenwich, Conn.
 Roh, Mrs. C. J., Newark.
 Roh, Miss Helen E., Newark.
 Roosevelt, Mrs. R. M., New York.
 Rosen, Mrs. M. A., Brooklyn.

S
 Sanderson, Mrs. J. M., New York.
 Schenke, Mrs. Carl H., Chicago.
 Shime, Mrs. M. W., Chicago.
 Smothers, Mrs. Fred L., New York.
 Stewart, Mrs. James K., Chicago.
 Stewart, Mrs. S. H., Chicago.
 Stilling, Mrs. S. E., Buffalo.
 Stolk, Mrs. W. C., Philadelphia.
 Sullivan, Miss Laura, Cincinnati.
 Sullivan, Mrs. T. V., Cincinnati.

T
 Thorness, Mrs. T. C., Chicago.
 Trigg, Mrs. Ernest T., Philadelphia.

U
 Uebels, Mrs. F. L., Savannah.

V
 Vickerman, Mrs. C. H., Philadelphia.
 Vickerman, Miss Helen, Philadelphia.
 Voss, Mrs. A. F., St. Louis.

W
 Warner, Mrs. F. H., Baltimore.
 Watrous, Mrs. E. A., Watrous Varnish Company, Philadelphia.
 Watson, Mrs. George E., Chicago.
 Watson, Mrs. H. E., Chicago.
 Webster, Mrs. H. E., Buffalo.
 Whiteway, Mrs. P. J., Haddonfield, N. J.
 Williamson, Mrs. Thomas A., Philadelphia.
 Wishnok, Mrs. Robert, New York.

Z
 Zimmerman, Mrs. E. E., Pittsburgh.

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