

CONVENTION EXTRA: N.P.,O.& V.A.—P.M.A.OF U.S.—N.V.M.

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This Is the Paint Conventions Extra

To facilitate the publication of our regular issues, we publish this extra number of the Oil, Paint and Drug Reporter for the convenience of our readers who, we feel sure, desire to get promptly a full account of the several Atlantic City conventions of national organizations in the paint industry. A copy of this extra edition is being mailed to every subscriber without additional charge, as a part of the valuable Reporter Service.

This issue contains the full official stenographic report of the N.P.,O.&V. A. meeting, with complete text of all reports, and the like. It also contains comprehensive reports of the P.M.A. of U.S., N.V.M.A. and F.P.P.C. conventions and the various group meetings which took place during the industry's big week. Portraits of the newly-elected officers and of others who participated prominently in the several meetings are included.

N. P. O. & V.
Addresses:—
President's
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Thirty-Fifth Annual Convention
National Paint, Oil and Varnish
Atlantic City, November 15 to 17.

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Stenographic Report of the Convention

Wednesday, November 15

First Session

Wednesday Evening

The opening session of the thirty-fifth annual convention of the National Paint, Oil and Varnish Association convened 8:30 p. m., Wednesday, November 15, D. E. Breinig presiding.

Chairman Breinig:—The meeting will please come to order. At this meeting, representing as we do all parts of the Dominion and Canada, and the United States, it is right that we should ask the blessing of Almighty God and seek His guidance in our deliberations. Forgive us all to rise while the invocation is delivered by the Reverend Thomas J. Cross, pastor of the Chelsea Baptist Church of Atlantic City.

Rev. Thomas J. Cross:—Our Heavenly Father, we are grateful that Thou art conscious of our needs. We are grateful as we gather here tonight, because we have another token of Thy love to the children of men. We thank Thee that our lives have been preserved, because we believe Thou hast a purpose in each life. Grant, therefore, a blessing upon this gathering upon our homes, and those from whom we are separated, and give us a clearer conception of the joy of living and the joy of service, that we may feel at the end of the life that we have not only received but that we have endeavored to give. Forgive us our sins and grant us an evening's blessing as we say together: Our Father Who art in Heaven, hallowed be Thy name. Thy kingdom come. Thy will be done on earth as it is in heaven. Give us this day our daily bread and forgive us our trespasses as we forgive those who trespass against us, and lead us not into temptation, but deliver us from evil. For Thine is the kingdom and the power and the glory forever. Amen.

Chairman's Salutory

Chairman Breinig:—Mr. President, Ladies and Gentlemen:—While some of us have been here a few days, this meeting marks the formal opening of the thirty-fifth annual convention of the National Paint, Oil and Varnish Association.

I feel sure that the founders of this organization would indeed be surprised if they could be here tonight and see this great gathering and observe the evident prosperity as shown by this meeting. Little could they have realized back in 1885 in Saratoga, when this organization was formed, how it would grow. Tonight we meet here with a membership of approximately fifteen hundred and with clubs in forty-eight American and Canadian cities.

I believe that the founders of this organization would also be surprised and delighted if they could see the number of ladies that are here tonight. The fact is that it would not be a regular Paint, Oil and Varnish Association convention if we did not have the ladies here to lend us their inspiration and be with us in the pleasure of the week.

I believe that this meeting or convention is bound to prove to be a milestone in the history of this organization. For some time past the idea has been considered of having the National Paint, Oil and Varnish Association, the Paint Manufacturers' Association of the United States and the National Varnish Manufacturers' Association all meet during one week and at one place. After very careful consideration on the part of all three associations, such a meeting was arranged this week at Atlantic City.

It certainly seems that when a gathering like this, representing as we do so thoroughly this industry, comes together and considers such important trade subjects as the Clean Up and Paint Up Campaign, Save the Surface activities, simplification matters, and transportation, that we are bound to get far greater results by reason of our putting that much more force and decision behind our meetings. From the reports that I have heard and from some observations at the Paint and Varnish Manufacturers' meeting, I believe

this plan has worked out well because, for one thing, it has given them much more time to go into subjects that they would not ordinarily have the opportunity to do. And now the Paint and Varnish Manufacturers are here tonight, to be with us Thursday and Friday, to join in on the subjects of mutual interest.

I believe that we are going to have a very profitable business meeting and a most enjoyable time. The Entertainment Committee, under the very capable direction of Mr. and Mrs. E. V. Peters, has prepared for us a splendid program. We are here among most pleasant surroundings, and I believe the program will appeal particularly to the ladies. Between the golf tournament, the swimming, dancing, bridge and dinners, it seems as if every waking hour almost had been provided for, and some hours that are not waking (laughter), both for the ladies and for the men, outside of business hours.

It seems that a great deal of curiosity has been aroused about what the Entertainment Committee is going to do for us tomorrow night. As I understand it, we are then all to be made millionaires. If I am credibly informed, that experience is not new to a good many here, at least to some, but I believe that it must be new to most of us.

I would like to suggest, however, to those ladies who have their eyes on the finery in the many Boardwalk shops, that it might be well if they would wait until the morning when the millionaires are made too many commitments. (Laughter.)

Again we find ourselves in Atlantic City, and judging from the fact that this

is the second year we have been here in succession, Atlantic City evidently has a strong place in our hearts.

Atlantic City, however, has long been a national institution, yet it is the particular pride of New Jersey. The Committee on Arrangements had expected to have Dr. William H. S. Demarest, president of Rutgers College—one of the oldest and best known institutions in this State—here with us tonight. We are very sorry to learn that Dr. Demarest has been taken ill suddenly. In fact, he has pneumonia. But we received a telegram from him yesterday, which I will read with your permission. It is addressed to Mr. Peters, chairman of the Entertainment Committee.

My dear Mr. Peters:—I am deeply disappointed at being unable to be present at your opening session Wednesday evening and I greatly appreciate the invitation to give the address of welcome to the association, representing the State of New Jersey and its institutions. It would have been a privilege to do this and I would have been more than glad to render the service asked; only absolute prevailing illness has kept me away. Please give my most cordial greetings to the officers, members and guests of the association.

Cordially yours,
W. H. S. DEMAREST,
President Rutgers College.

We are fortunate, however, in having one of Dr. Demarest's close associates come down here to Atlantic City tonight especially to welcome you to his home State. I take great pleasure in introducing to you Dr. Louis Bevier of Rutgers College. (Applause.)

Address of Welcome

Dr. Louis Bevier:—Mr. President, Ladies and Gentlemen:—I ought first of all not to make an apology, of course,

but you will allow me to express my very sincere regrets that President Demarest could not have been here to make this address of welcome. You would have had a vital word from him, I know. I will give you what I can—a few thoughts assembled this afternoon since I saw your program. I come somewhat unprepared, but I make no apology. I feel myself in the presence of co-workers, of workers with whom there is increasing co-operation.

I take the thought that I want to lay before you very briefly from your own program, that splendid motto which is inscribed at the foot of each page:—Greater Co-operation.

I think it is quite fitting that an educational institution, the university of this State, should tender the words of welcome. I voice them very heartily. Welcome to this State and all the hospitality it can give you; welcome to this place, noted for its conveniences, for hospitality. Welcome, certainly, to all the institutions of New Jersey as often and as long as you may be able to visit them.

The word that I have to say is—Greater Co-operation. The time was not so very long ago when the college was looked upon and the university was looked upon as a kind of cloister where a sort of modern monk had his habitat, with very little contact with the outside world and very little perhaps to excite his existence. That time has long since passed.

Beginning back in the middle part of the last century, a great man had a great vision. It was said only the other night by the president of the New York Stock Exchange that it needed a man of vision, an idealist to make the impossible possible, and to save civilization from a threatened crisis. A man of great vision, Senator Morrell, long ago saw that the learned institutions of this country should give more co-operation to all the industries of life. The old line between pure science and applied science should be obliterated out, or at least, if not blotted out, then a high place of honor should be given to applied science as against pure science alone.

Of course, one never can tell what truth of pure science, however abstract it may be, however far it may seem to be removed from the ordinary life of mankind, may in times of practical use yet become, but not looking even so deep as this. Senator Morrell saw that the colleges and universities of the United States should and must co-operate in far more drastic and far more effective fashion with the industries and with the occupations of the people.

With his vision fixed primarily on agriculture, but envisaging also the industrial arts, he was the man who introduced an epoch-making piece of legislation, and from that time to this the co-operation between colleges and the industries of life, between colleges and all the basic industries of life, has become more and more constant, more and more competent, more and more interesting, more and more fruitful, until now, strange as it may seem, the college professor and the farmer walk hand in hand to study the problems of the farm, and the trusted counsellor of the practical farmer today is the theorist, the faraway specialist who years ago would have seemed to have nothing to do and no word to say of helplessness or cheer.

So it is in your own line of business. Your handmaid, your wife, of all work, I might say, is chemistry in all its applications to the business that you have in hand. The great universities of this State have their laboratories, their chemical laboratories fitted out, some of them, more luxuriantly, more completely, with finer apparatus than even the laboratories in some of the colleges, with men at the heads of those laboratories who are trained specialists. The same thing is true all along the line in all the applications, and the war, the great war of the people, brought the college professor into contact with all the industries of government, all the plans of government, all the purposes of government—a theorist, an idealist, called upon to give advice.

Perhaps you have noticed in the life of that remarkable man, William de Morgan, that he met his death just during the war



Lewis R. Atwood
The New President

Ernest T. Trigg
The Retiring President

because he turned from art. He turned from artistic endeavor of all kinds, including his great last work of writing novels, the like of which have not been written in a century, almost—since the great novelists of the nineteenth century—to go to his laboratory and invent machine after machine, application after application that could be turned to the uses of war. William de Morgan caught his death, as you probably know, by an interview with an officer from the field, from whom he got trench fever while showing him a new model of an application for flying through the air with an improved device to apply to airplanes.

All along the line the men of theory have come to be harnessed to fact, and we find that co-operation is increasing year by year until it is the laboratory of the university and the college to which business men turn and it is into the lines

We don't know what to do with them. The faculty is overworked. As I say, we don't know what to do with them, so much so that many institutions are limiting deliberately the numbers. It is even rumored that the Committee on Entrance Examinations of Harvard University has adopted a slogan, namely, "They shall not pass"—a slogan that was so popular in France a few years ago. (Laughter.) Whether that be true or not, I can't say, but we are certainly embarrassed by a great flood of young men coming to this gate of life.

What is it? Is life better for all modern invention? Is the development of industry a handmaid of culture and civilization? It ought to be. Is our civilization higher than was the civilization of that old people three thousand years ago who faced life bravely, who looked for beauty and yearned for beauty

of this organization we should hear, in reply to the welcome given us by Dr. Bevier, from our vice-president of the Eastern zone, a gentleman from Boston. This gentleman needs no introduction to you. He has done wonderful work on all the important committees of this organization over a period of years, and he is known from coast to coast as one of the real thinking men of this industry.

I take great pleasure in calling upon Mr. March G. Bennett of Boston. (Applause.)

Response to Greetings

March G. Bennett—Mr. Chairman, Dr. Bevier—I esteem it a great privilege to thank you in behalf of the National Paint, Oil and Varnish Association for your courtesy in coming to address us this evening and for your scholarly and thoughtful address. I am sure that I voice the opinion of everybody present in thanking you.

It occurs to me that the people of New Jersey, on account of the popularity of Atlantic City as a convention city, must have established another new industry, that of welcoming conventions to Atlantic City. (Laughter.) They seem to have on hand on every occasion some eloquent person who says the right thing and, apparently, says it from his heart.

We have the idea, perhaps, that there are too many trade associations and too many trade conventions. In fact, there are so many trade associations that we often get very much confused. I fear, as to how many we belong to, and whether we belong to this, that, or the other association. I was reminded of it the other day upon reading the pathetic little story of that stranger from Australia who died in the New York Zoo, the duckbill platypus. You remember Oliver Herford's immortal verse about that creature in the "Child's Primer on Natural History"—

My child, the duckbill platypus
Is a sample case to us.
From him we learn how indecision
Of character provokes derision.
This vacillating thing, you see,
Could not decide which he would be—
Fish, fowl, or fowl, but chose all three.
The scientists were sorely vexed
To classify him, so perplexed
They brained that finally they with rage, at bay,
Called him a horrid name one day—
Name that betides, frights and shocks us—
Omnithoracous paradoxus.

(Laughter and applause.)

That is perhaps the situation that some of us find ourselves in if we join every trade association that we are invited to join. (Laughter.)

Dr. Bevier, you see before you the pink and the white. We notice the pink and white. We gather every year to discuss matters connected with the business of the paint and varnish industry. This institution has been founded upon the belief that a trade association should be a place for the discussion of the improvement of its business, for better business methods and

trade. (Laughter.) The only connection that we can have with that element of the color business is through our "Clean Up and Paint Up." (Laughter.)

We are committed to go forward with our movement, to follow out the lines so eloquently set forth by Dr. Bevier, and, if I may be pardoned, and can remember it, I would like to quote a verse from "The Autocrat of the Breakfast Table" (since I come from Boston, I hope I can remember it), which characterizes, I know, the feeling in this association—

Stick to your aim: the monarch's hold will slip,
But only crows when the builder's grip
See you tall shaft? It felt the earthquake's thrill,
Clung to its base and greets the sunlight still.

Then there is a sequel to that—

Yet in opinions look not always back,
Your work is nothing; mind the coming track.
Leave what you've done for what you have to do
Don't be consistent, but be always true.

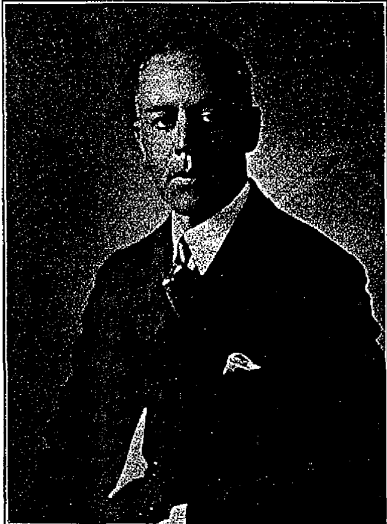
Dr. Bevier, again I thank you in the name of the association. (Applause.)

Chairman Breinig—Last year, after the remarkably successful administration of Marshall Evans, this association called upon another leader of our industry to carry on the work. In those days of reconstruction (and they are still with us) we needed a man who could get further co-operation in solving the problems of the day and crystallize into action some of the opportunities before us.

We were indeed fortunate in obtaining not only a man who met those requirements, but a man of very high ideals, keen vision and exceptionally broad experience. Those of you who have followed the activities and the travels and read the addresses of our president know full well the high caliber of the work that has been done this year. I would not begin to review the work that he has done. Among other things, six new clubs have been added to our association, and those clubs that have already existed have been brought into a greater degree of activity than ever before. It seems to me that when our president makes a trip to San Francisco and eight hundred men interested in the paint, varnish and allied industries turn out to hear him, that they indeed know that he has something worth while to tell them.

Upon the occasion of his second trip to the coast, we all know the formation of the Western membership of that association. This is indeed bound to be a great development as time goes on.

Back in 1916 you will recall that our leader of 1922 gave to this industry a new idea calculated to broaden the American and Canadian trade. Just how much we shall benefit by this time alone is not yet judged by the remarkable activity, the momentum that has been gathered, it is bound to be an enormous factor in the future welfare of this entire industry, and we shall always be indebted to our leader



D. E. Breinig
Treasurer, Presided at Opening Session

of business and into the lines of industry that we send the men trained as best we can to fill such important positions.

Greater co-operation, more and more co-operation between science and industry! Why, science has characterized the nineteenth century, differentiated it from all preceding centuries, and the sciences are making the twentieth century a still more rapidly changing time. Why, years hundred years ago and three thousand years ago as much as they have been changed in the last one hundred years, the applied science, by the applications of modern scientific methods.

Now you will pardon me if I seem a little flippant, if I say that it is appropriate for a college man to speak to this gathering for still another reason. We are fellow workers on similar jobs. It is your business to create paint and varnish and allied products to preserve from decay, to make more permanent and to beautify. Well, now, we are busy with the same job. Our material, however, is the paint and varnish, and the paint is learning and the varnish is culture, and if you would see, as you no doubt have, the raw material as it comes to us in the first year of the course, and then if you would look at the finished product (not finished in any final sense, of course), the four-year man, you would see that he has certainly been somewhat, if thinly, coated with the paint of learning and ornamented with the varnish of culture.

The paint may not stick, but that may not be due wholly to the quality of the paint, but possibly to the fact that the material is not good, possibly to the fact that it is not thoroughly seasoned. The varnish may not stick permanently, but it does so often; and the transferred man who comes to us crude, often untrained, often leaves the halls of learning not a learned man, of course, that is a matter of years, of a lifetime, but a man certainly who stands four square to the world, who has learned how to look truth in the face and who has learned how to mingle with men, with poise and dignity and sometimes with grace.

One of the most obvious things that we experience is to find that a man is harkmarked by his college training and can speak English and write English in some such fashion as it ought to be written and spoken.

We get sometimes good material. There just occurs to me a case:—A young man applied for admission and was taking his entrance examination in English. One question was set as follows:—"Write four sentences that shall illustrate the use of the four English tenses." The young man wrote the first sentence, "I am taking my examination in English." Second sentence, "If I am taken into the class, I shall pass." Third sentence, "I may pass if I answer only six." Fourth sentence, "God help me." (Laughter and applause.)

Whether he was assisted by some divine influence or not, he entered, and he made a splendid career.

I think it is the recognition of the fact that colleges are very practical that has led to this condition now that embarrasses us. Years ago the presidents of colleges used to go up and down the land, recruiting for boys to come to college. Time has long since passed; they crowd upon us like the crowding waves that flow in from the beach here in front of the hotel.

and strove to express it, who first in all the world, so far as we know, had what we may fairly call a free inlook, outlook, outlook at the universe? Is our civilization higher?

What particular advantage is it that you can go from Chicago to New York in eight hours, less if you have it, anything particularly worth while to do when you get there? (Laughter.) What advantage is the telephone if it is so annoying that you can't even meditate? Do all these things contribute to the growth of culture? Do they look for the growth of culture to a growth of philosophy.

Now, I know what that raises in your mind. — Philosophy is the abstract science professed by some long-haired philosopher with nothing practical to do, with no practical relation to anything under heaven except his own inner consciousness. But that is not philosophy of today at all; it is the history now of all those great movements, those great conceptions, those great beliefs, those ideals that have shaped this civilization of ours through the last five or six centuries and made it what is modern life.

If all this tends toward greater co-operation between grade and trade, between occupation and occupation, between man and man, between college and outside life, between nation and nation, if, I say, it tends to this greater co-operation, it is a gain; if it does not, it is a loss. We believe it is a gain because we see on all sides evidence that a certain amount of sympathy and mutual understanding and co-operation prevail where they never used to prevail; that brotherly kindness has replaced gradually and very slowly envy and hostility. Little by little as the years go on we do think we see a gain, and the general level of civilization is slowly making headway. At all events, let us hope so, for this human race of ours, that is open in an open boat, has a great unsolved problem—the unsolved problem of life.

Man did not launch himself upon the sea, but found himself beneath the sky aloft—float and lose in an open boat. And all about him crowds of mystery. Shall we be truly making progress? Until we drift upon some shore remote? Or steering by our chart; instantly note The markings painted by Philosophy?

Good cheer, my brother, earth and sea and sky Give up their long-hid secrets one by one. Lightnings have long since failed to terrify; The moon's serene and the sun's am No longer glares an angry, fiery eye. A brave adventure, gallantly brave. (Applause.)

Chairman Breinig—Dr. Bevier, we appreciate very much your coming here to address us, particularly at such short notice. Your views concerning the product of the paint and varnish industry were very much appreciated, and particularly your reference to the co-operation between grade and trade.

As many of the members of this association will recollect, the first club formed was the Paint, Oil and Varnish Club of New England. Mr. Charles Richardson was its first president and I think it was the first president of the National Paint, Oil and Varnish Association. It seems fitting that upon the thirty-fifth anniversary of the founding

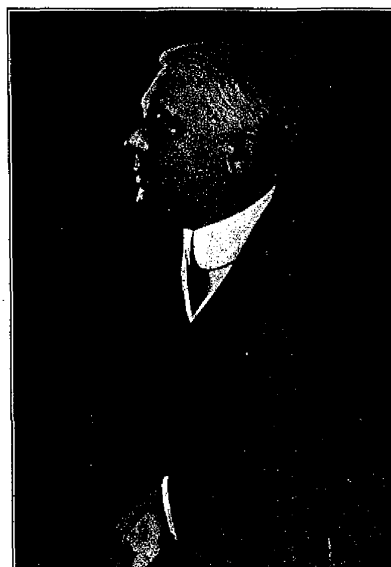


Photo by Phillips Studio.

Ernest T. Trigg
The Presiding Officer

better products, to take the public into confidence and give the public the return for what they pay for. An association not founded in that spirit is not fit to live and probably will not live. Certainly we have taken that point of view in the paint trade, and all of our organizations have worked to that end.

We have in this association, as Mr. Breinig has said, people from all over the United States and Canada. They have been associated for thirty-five years, and our records show that what I have said is true.

Some people have perhaps said that our celebrated slogan, "Save the Surface and You Save All," sounds superficial, but if it is to be borne in mind that it applies only to inanimate and soulless things. (Laughter.) This particular part of the paint trade compounds nothing for the decoration of anything which has a soul. (Laughter.) That we leave to the soul

for crystallizing his plan into real action. I could not begin to enumerate to you all the activities that our president has. Some of us wonder how in the world he takes care of them all. We do know that he has been called upon repeatedly by the administration in Washington, taken into their counsel and put on important committees, and I am sure that we will hear from our leader of 1922 in still broader national activities.

Our president is indeed rightly named Ernest, for if ever a man put earnestness and his full heart and soul into the work of an association, that man is Ernest T. Trigg. I take great pleasure, indeed, in calling upon our president for his annual address. (Applause.)

President Trigg—Mr. Chairman, Dr. Bevier and friends—It has become a tradition in this organization that the president, in making his annual report, should deal with the activities of the year

just ending, and possibly project his mind into the future and make some recommendations with regard to further constructive work.

This year your president has taken the liberty of preparing an address in which he does not go at all into the detail of our association work as such, to any extent. That is so thoroughly and completely covered by the various committees, by the officers and by the membership of the association generally in its work during the year, and which work finds its expression in the annual reports which

are presented at the convention, that it has seemed to the president as though there was very little, if anything, for him to say along that line—it is so much better done by those who are responsible for and have the credit for carrying on the real work of the association.

So your president has taken the liberty of preparing an address for this occasion dealing with what he may perhaps be permitted to say is the spirit of our industry, and on that line, and with that thought in mind, I want to present to you what I have here.

Address of President Trigg

It is a real honor as well as a pleasant duty to address you, as retiring President of this great Association of all interests concerned with the Paint and Varnish Industry, upon the subject: "A Great Industry Accepting Its Responsibility."

How different today from a year ago! Then our Industry had just come through a twelve-month, which for many of us was the most trying of our business lives. It had been a period when the progress of all industry was impeded by obstacles, at times seemingly insuperable.

You may recall that in my address a year ago, in discussing the Industry's opportunity, I quoted the famous English Admiral, Lord Fisher. Out of his long and brilliant experience he had drawn the conclusion that three things are necessary to achieve success:

A great CAUSE;

A great INSPIRATION;

A great VICTORY.

In the days of October, 1921, this observation by Lord Fisher seemed to me to be the briefest manner of expressing the need of our great Industry. What greater cause could we have, as business men, than the defense and protection of our Industry from the adverse influences then prevailing? What greater inspiration than the unity of unselfish co-operation with which we planned to readjust our affairs to a new, and then untried, business cycle? I can think of no better way to begin what I have to say today than to repeat the words with which I concluded my remarks at the last Convention:

"To the man who loves his job the next twelve months will be full of absorbing interest. If we will unite solidly upon the great task to which we have set ourselves this will be the greatest year we have ever known."

"We are going into a fight—a fight for a definite objective, a fight for an objective of large proportions. We are the officers who shall command the troops of our Industry as they go into action. We have a great cause. We have a great inspiration. A year from today, I believe, we shall have achieved a great victory, and that 1922 in retrospect, as we have now committed ourselves to it in prospect, will be the 'greatest Paint and Varnish Year.'"

1922 Marks Our Industry's Greatest Achievement

Today the year 1922 is largely in retrospect. It is a pleasant retrospect. We have fought a good fight; we have won a great victory—greater, I believe, than perhaps any of us yet realize.

Through the courtesy of Mr. W. M. Stewart, Director of the Bureau of the Census of the United States Department of Commerce, I am enabled to present to you an accurate analysis of the forward strides taken by our Industry during the first half of 1922 as compared with 1921 and 1920. Mr. Stewart has permitted me to make use of these statistics tonight, although they will not be made generally public until tomorrow.

Our Industry has co-operated with the Bureau of the Census in an endeavor to gather more complete data with regard to Paint and Varnish production in the United States than has ever been obtained before. This co-operation on our part is acknowledged by Mr. Stewart in his letter, with which he transmitted to me the statistics above referred to. It reads as follows:

"I enclose herewith a copy of the statement relating to the manufacture of paints and varnishes, as compiled by the Bureau of the Census in connection with the semi-annual inquiry for the paint and varnish industry."

"While the figures do not include returns for the entire industry, I hope they will be found to be fairly representative and of interest and value to the paint and varnish industry."

"You will please note that the release date for publication is for the morning of November 16, 1922, which will permit you to use the figures in your address before the Convention on November 15, 1922, without previous publication."

"Your assistance in helping us to secure more complete returns is very much appreciated, the figures for this statement including twenty-two additional establishments to the number shown in the preliminary tabulations of October 1. Many of these reports are the direct result of your interest and friendly assistance."

The following is the full report:

Department of Commerce, Washington

Statistics of Paint and Varnish Production

Washington, D. C., November 7, 1922.—The Department of Commerce announces that according to the census returns the manufacturers of paints and varnishes reported production of white lead in oil, zinc oxide in oil, other paste paints, ready mixed and semi-paste paints and varnishes, japans and lacquers, for the six months' period, January 1 to June 30, 1922, and the calendar years 1921 and 1920, as follows. For comparison the figures are given for 1921 and 1920. These figures, however, represent a full year—twelve months:

White lead in oil, 138,942,000 pounds (first half 1922 only); 273,874,000 pounds in 1921, and 209,372,000 pounds in 1920.

Zinc oxide in oil, 4,341,000 pounds (first half of 1922 only); 5,770,000 pounds in 1921, and 7,946,000 pounds in 1920.

Other paste paints, 64,186,000 pounds (first half of 1922 only); 102,846,000 pounds in 1921, and 126,308,000 pounds in 1920.

Ready mixed and semi-paste paints, including wall paints, mill whites and enamels, 31,159,000 gallons (first half of 1922 only); 44,500,000 gallons in 1921, and 55,248,000 gallons in 1920, and

Varnishes, japans and lacquers, 24,998,000 gallons (first half of 1922 only); 34,316,000 gallons in 1921, and 49,594,000 gallons in 1920.

These data are compiled from reports from 402 establishments, of which 104 reported the manufacture of white lead in oil, 120 the manufacture of zinc

oxide in oil, 228 the manufacture of other paste paints, 337 the manufacture of ready mixed and semi-paste paints, and 246 the manufacture of varnishes, japans and lacquers.

The next report will cover the six months' period ending December 31, 1922, and for comparative purposes the figures for the calendar year will be given, as well as the calendar year figures for 1921 and 1920.

The following tabular statement presents the statistics:

PAINTS AND VARNISHES					
Quantity production—January 1-June 30, 1922, and calendar years 1921 and 1920					
	Number of establishments—January 1 to June 30 (6 months)	1922 (full year)	1921 (full year)	1920 (full year)	P. C. * Increase, 1921-1920-1922†
Total number.....	402				
Paints—					
Paste paints, pounds.....	207,489,000	282,490,000	845,626,000	85	11.3
White lead in oil, pounds 104	138,942,000	273,874,000	209,372,000	1.3	80.8
Zinc oxide in oil, pounds 120	4,341,000	5,770,000	7,946,000	50.5	-27.4
Other paste paints, pounds 228	64,186,000	102,846,000	126,308,000	24.8	-18.6
Ready mixed and semi-paste, including wall paints, "mill whites," and enamels, gallons.. 337	31,159,000	44,500,000	55,248,000	40.0	-19.5
Varnishes, japans, and lacquers, gallons..... 246	24,998,000	34,316,000	49,594,000	45.7	-30.3

* A minus sign (-) denotes decrease.

† Increase with respect to one-half of 1921.

The difficulty encountered by the Bureau of Census in getting prompt returns from a large percentage of those interested makes it impossible to publish at this time reports more current than for the first half of the year. The value of this information to us as an Industry cannot be overestimated, and I want to take this opportunity to urge upon all members of the Industry when called upon by the Bureau of the Census for statistical information to furnish it as promptly and accurately as possible. Not only the Bureau of the Census itself, but the entire Department of Commerce, under the able leadership of Hon. Herbert Hoover, is doing a very large amount of constructive, helpful work for business generally and is anxious to co-operate in all practicable and proper ways to assist and improve the trade and the commerce of the Country.

With the advance figures in hand it is necessary to relate the first half of 1922 to the total figures for the years 1921 and 1920. It has been generally assumed that 1920 was the previous peak year in the Paint and Varnish Industry. It is now shown by these official statistics that out of the five classifications reported therein, four actually showed a larger volume in 1922 than in 1921. We must all recall how in the latter half of 1920 the business depression which extended through 1921 began. We will remember, too, how in the first several months of 1922 the volume in the Paint and Varnish Industry did not generally come up to expectations. These facts, taken into consideration with the increasingly active business conditions which have prevailed so far during the latter half of the year, with every promise of continuance during the balance of this six months' period, apparently justify the conclusion that when the official totals for the latter half of 1922 are published they will, conservatively speaking, represent an aggregate equal to, or greater than, the first half. To draw conclusions from the present statistics, therefore, I have considered the totals in the five classifications for the first six months of this year as one-half of the total for the year, and in this manner and on this basis report to you the following increases for 1922 as against 1920, and alongside of these figures the increases for 1922 as compared with 1921, using in the latter case the figures shown above in the Bureau of the Census report:

	Increase 1922 as Compared to 1920	Increase 1922 as Compared to 1921
White Lead in Oil.....	32.7%	1.5%
Zinc Oxide in Oil.....	9.2%	50.5%
Other Paste Paints.....	1.6%	24.8%
Ready Mixed and Semi-paste, including Wall Paints, Mill Whites and Enamels.....	12.8%	40.0%
Varnishes, Japans and Lacquers.....	31.1%	45.7%

To summarize and to draw one final conclusion from these figures I have reduced the gallons of Mixed Paints and Varnishes to a basis of pounds, figuring an average of 14 pounds to the gallon for Mixed Paints and 7½ pounds to the gallon for Varnishes. Putting these figures together with the total poundage for the other three classes indicates an increase on the total volume for 1922 over 1920 of 11.6%. Calculating 1922 against 1921 on the same method shows an increase for 1922 of 31.6%.

Our objective for 1922 was to make it "The Greatest Paint and Varnish Year." That as an Industry working together we have succeeded must be gratifying to all of us. In the face of the many difficulties and problems in the situation and with a record to exceed such as was 1920 with its unlimited and unrestrained demand, is an accomplishment which I submit to you is worth all of the effort each of us has put into it.

Our main objective as unanimously and uniformly adopted at the annual conventions of the several associations in the Industry, held during the closing months of last year and the early months of 1922, was to "Double the Industry by 1926."

The statistics now before us show that we have already accomplished over 31% of our five-year job, based upon the volume of business done during the year in which the objective was launched, namely, 1921. In the first year we have accomplished nearly one-third of the job for which a year ago we allotted a period of five years. This accomplishment suggests to me, and I know it will to most of you, the thought that it may be wise to revise the 1926 objective, setting a new and higher goal—one which will test the mettle of us all and insure the limit of effort in its accomplishment. One thing is certain, we must make 1923 another Greatest Paint and Varnish Year.

Our FAITH a Year Ago

I feel sure that each of you has come to this Convention with thoughts very different from those of a year ago. Then we were full of hope, but at this distance it is perhaps safe to admit that our hope may have been tinged with some speculation and doubt. The keynote of our Convention a year ago was the summoning of our faith—faith in ourselves, faith in our Industry, faith in the pristine vigor and recuperative power of our Country. But in it all, in attempting to penetrate in imagination the vista lying beyond our vision, our faith partook in some degree of the quality described by the Apostle of old, who said: "Faith is the substance of things hoped for, the evidence of things not seen."

During the months which have intervened since our last Convention, the condition of American business has improved markedly, even, perhaps, beyond the most sanguine expectations of the habitually optimistic. And, in passing, it is fitting to observe that this improvement has come in spite of a number of serious obstacles, any one of which, could they have been foreseen, would have appeared sufficient to prevent a resumption of business activity. There have been many heated disputes between those who employ and those who are employed. The bitterness of some of these struggles still exists. There are even today inequalities of recovery toward normality of business activity which still remind us sharply of dark days recently passed. But in the main, recovery has come and come soundly.

You read the other day an account of how the great Cunard liner "Majestic" came into port out of the most terrific storm of forty years. The sea, in its ugliest mood, did its worst. Part of the superstructure of the ship was carried away. She was driven from her course. She was lashed and beaten, tossed and shaken as if an object of superhuman anger. Every man in the crew, from the captain down, night and day, bore the enormous responsibility of bringing her through with her precious cargo. The captain remained, without sleep, for two days upon the bridge. And at last, much belated and still bearing marks of her struggle, but serene in her power, as befitted her name, she steamed slowly into New York harbor in the bright sunshine of a tranquil morning.

I could not help likening the struggle of that great ship against the elements to the struggle that has gone on in our own industry and in American business. Our good ship, and it is a good ship, has been lashed by winds of adversity so powerful that none of our captains has known their equal. Waves of unprecedented force have beaten over our decks and halted our progress. Our captains and our crews have had their courage and their skill and their manhood tested to the limit.

But slowly and surely our ship has righted herself and we can here, in these brighter days of 1922, see her coming steadily into port. We have lost time in our passage; we have been grievously damaged, but despite it all our ship is coming through.

During the past year we have had demonstrated a philosophy which I know must have occurred to all of you in your own business activities:

Difficulties, of whatever nature, are usually considered, in prospect, as a whole; their solution comes one step at a time.

A year ago I think we had clearly in mind many of the difficulties which we have had since to surmount. In prospect we looked at them as a whole—a rather formidable whole, when so viewed. But at the same time we considered with a practical philosophy the necessary steps which would be required, successively, not only to enable us to surmount impending obstacles, but also to assure to us a signal victory. We have reached the high objective which we set for ourselves for 1922. It is a signal victory, not only in its achievement, but in the manner in which we have achieved it. The steady, consistent unity of effort, which at no time during the year has weakened or been interrupted in its functioning, is, I truly believe, without a parallel in the annals of business.

The Purpose of This Convention

In this Convention we draw aside from the daily details of our individual businesses. We here renew personal contact with other men of our industry whose character, ideals and methods of work form an inspiration to us. This inspiration we shall carry back into our own activities, translating it into greater power for each day's work and plans.

It is proper and right that for the greater part of every year we should devote our major attention to our personal affairs, but strong as we may become in so doing, we must never forget that not all of our strength comes from within—it comes also from without. Among any people, in any cause, in any business, it is fundamentally true that: "In unity there is strength." And unity here means associated effort. If, over night, the great strength of the associated effort in our industry were to dissipate, like the dew of the morning, none of our individual businesses would have the strength or stability which it today possesses. And this Convention will best justify our presence if we here consider those broader relations which, after all, underlie and control, for good or evil, the progress of our individual units. If our Convention is to serve its true purpose, we should here consider and take power from a study of those basic conditions which are common to us all.

At the last Convention I spoke on the subject, "A Great Industry Realizing Its Opportunity." Our industry has realized its opportunity by great achievement. But rightly considered this should turn our faces down the road to the future with a keen sense of responsibility far outweighing the satisfaction we have in our achievement. And this responsibility is one which our duty to our industry and to the public commands us to accept. We should be truly foolish if we failed to understand that in accomplishment, in growth of power to do, the wide avenues of the future thus opened before us can be traveled only by those who are controlled and actuated by a keen sense of responsibility. Power is safe only when so controlled and actuated. It is true in our personal lives. It is true in our individual businesses. It is true in associated activity.

In the light of this fact, let us consider where we stand today as an industry and as individual, responsible parts of that industry.

Our Industry Symbolizes the Need of the Whole World

Changes so fundamental and far reaching that we can scarcely grasp them have come as a result of the war. Our commercial world had been running along so steadily that these changes have sometimes seemed almost incredible as they unfolded before our eyes. The effects of the war upon human thought and action have been so deep and strong that it is probable that the lives of every one of us will be lived out in what will later be looked back upon as one long period of reconstruction. Waste of lives, waste of capital, waste of every form of human energy—this is the briefest way of summarizing the war's results. And this waste is the first cause of every individual need for readjustment which has since been forced upon us and which we must meet through the years to come. It is our task, whether we would or not, to live our lives and play our parts in making good the waste of war.

It is the task of our generation to restore the political soundness of the world; to mitigate through fair dealing and gradually to displace the hatred between nations; to build again the fabric of sound commerce; to strengthen and deepen the proper relation of man to man.

It will take time. It will take patience, constructive thought and the fullest

measure of energy which we can bring to the task. It will take courage and forbearance. The sanctity of men's words given in pledge the one to the other must be made a compelling ideal, even to that point where we "swear to our own hurt and abide by it."

We must become as never before, abiders—abiders by our own words and by our own ideals.

We must recognize that leadership is only justified by service and that we cannot honestly receive unless we honestly give. The whole sum of human relations must be in the light of these convictions.

Relationships between governments; between those who employ and those who are employed; between the manufacturer and the distributor on the one hand and those who consume their goods on the other—all of these relationships must be vitalized with a new spirit if we are not to fail in our great task.

The Keynote of This Period Is Constructive Co-operation

The keynote of this period of reconstruction, the principle of our thought and action as we do our share of the work which is imperatively called for, must be the principle which is summed up in two words—"constructive co-operation."

Let us consider the place of our industry as we now stand in this world situation. Our industry, more than all others, is the very incarnation, in spirit and substance, of the things needed to combat the waste of those years that were dedicated to destruction and waste.

Our industry is the industry of preservation—as we meet here today, it symbolizes and answers the need of the whole world. The rebuilding of the world against the ravages of waste, its re-establishment and preservation should be an inspiring call to all of us as we consider our industry's responsibility. We know that, as individuals, each of us can play only a small part. But it should be our firm resolve to play our part to the fullest. Winning the fight here and perhaps losing there—such is the story of world progress. But slowly and surely the world is turning to the right. The fires of animosity and hatred are still flaring at many points. Political boundaries and race prejudices have by no means been finally adjusted. Only yesterday the Greek and the Turk still placed their reliance on the point of the bayonet. The denouement of the greatest national tragedy the world has ever known must still come upon the stage in Russia. Leaders in our own country and in Europe are apparently still far apart concerning the methods by which reconstruction can most quickly and surely be accomplished. But we must not be too impatient.

We do not have, of course, the example of any exactly parallel condition in previous history, but as nearly as we can estimate almost forty years elapsed after Waterloo before Europe had achieved the stability which we have attained in the four brief years since the Armistice.

The degree of our progress has been made possible and will be made possible only by an appreciation on the part of industrial and political leaders that work and not waste is the criterion, and that constructive co-operation and not destructive competition is to be the keynote of the period immediately ahead of us. Progress will be made only to the extent that nations, industries and businesses, management and men realize that above each personal selfish cause stands the common cause which includes both sides of the question. This alone can furnish the real basis for an enduring satisfaction of personal interest.

Let us look at our industry and our association in this broad light. Each of us as an individual, each of us as a business man, thinking of his own business in relation to the whole industry, must play his part for better or for worse. Because our industry is the industry of preservation, it stands, with a peculiar importance among all industries, both as a symbol of conservation and as an active, practical force in the work which needs to be done.

We have a right to think of our industry and its service with great pride. We have a right to develop our business to the utmost because we know that by its very development we are giving practical answer to the need of a world condition. We cannot, however, give this practical answer unless we give careful thought to the way in which we shall answer.

I have said that the spirit of co-operation is the only way in which each of us as business men and all of us as an industry can at one and the same time serve our natural selfish interests and build toward a common and unselfish ideal.

Let us therefore think for a space of the condition of business in which this spirit of co-operation must find its expression.

We are not living in the business world of a hundred years ago. No country, no industry, no business, no man is sufficient unto himself. It is just as impossible for a country to be a hermit nation as it is for an industry or business or man to draw apart from his fellows and seek to live after his own fashion and after his own ends.

We have had some hard lessons in these past few years. A few thousand coal miners stop their work and millions of men and thousands of factories are threatened in their economic welfare. A few thousand men in the railway shops decide to strike and it seemed at one time as if the results of our first steps toward business recovery were to be wiped out by a disorganized transportation system. Coal, steel, railways—all demonstrate our interdependence as industries and as business men.

We cannot escape it if we would. To do so would be trying to stem the whole stream and tide of our modern civilization. We must set ourselves the task of co-operation, so that this genie of interdependence which we have evoked shall become not our master, but our servant. There is only one way in which that can be done. If we would be masters of the industrial interdependence we have created we must co-operate.

I have just alluded to that story from the Arabian Nights which I think you must all recall—how Sinbad, the sailor, walking upon the seashore, found a bottle buried in the sand. A voice spoke to him from the bottle, asking that Sinbad open it and release the speaker. Filled with curiosity and with no misgivings, Sinbad broke the seal. A great genie issued forth, towering from the sea to the sky, and Sinbad sank down in terror before its grim visage. He did not know the magic word that would make him the genie's master. Sometimes when I go through our great factory districts, with the giant steel cranes, their towering, smoking chimneys, and their vast buildings, I think of the application of that story to our own modern life.

It is scarcely more than a century ago that our forefathers heard the first faint words of our industrial age, pleading for its release. How eagerly and quickly they responded. Inventions of transportation, communication and manufacturing broke the seal of the future. For good or evil, the mechanical age

in which we live has issued forth from the bottle. But today, it sometimes seems to me that the material side of industry has become a grim genie that towers above all of us. And no one of us has the magic word for its control.

Time and distance have been shortened—man's energies, through machines, have been so wonderfully expanded that we have taken almost childish delight in the marvels wrought by our hands and brains. Each invention has come singly, but the effect of all of them has steadily accumulated, until today we have a condition of life which we must master or it will master us.

A century ago each man worked from and to himself. The French Revolution, and the succeeding unrest in all of Europe for fifty years, terminated centuries of struggle to achieve the political and religious independence of the individual. Out of that very achievement of individual freedom came the initiative and mental energy which made possible the inventions that mark our age. These inventions have come with such bewildering speed, they apply to such a vast range of human activity, that man himself seems almost like a pigmy beside the things he has wrought. We are dwarfed by the material creatures of our own creation. Much of the unrest and the sense of thwarted satisfaction which permeates humanity today is due to this great complexity of modern life.

The machinery of industry will become our master unless the spirit of industry finds a way to command. The individual by himself can no longer control his destiny. Material inventions have linked him and his work irrevocably to the work of millions of others. The individual by himself is too small a unit to combat the conditions of modern life. Man must take thought and resolve upon action, not each man unto himself, but by groups and industries, if they are to make themselves masters and not slaves of the age in which we live.

Through Our Association We Have a Way to Command

I give it to you as my firm and reasoned belief that through our Association, through our common cause, through our common action, following a common ideal, the members of our Industry have a means of command over the genie of our industrial age. No one of us has the wisdom; the voice of no one of us is strong enough to speak the magic word of control over the business condition in which we must live out our lives and play our parts. But all of us taken together can speak as with one voice—a voice so strong that it cannot fail to be heard—the word that will make us masters of our business destinies.

The dim realization of this need caused trade associations to come into being. Just because human beings are human beings, not all associations have spoken the right word. Sometimes, because of individual selfishness, it seemed each association and each individual in the association spoke only for himself. The conflict of selfish ends sapped the strength of such associations and in just the degree that pure selfishness has controlled, the good they wished to accomplish for the members has been thwarted.

There is only one word which has the power of magic; there is only one word of command that gives control of modern business life; only one word which each may speak and in speaking gain strength from his fellows, and that word is *co-operation*. If we say and will and act that word as individuals in our Association we have indeed become "masters of our fate and captains of our souls."

We should here in this Convention set our thought and will upon making that word the keynote of our Industry—not flatteringly, not half-heartedly and with reservations, but with full knowledge of its meaning and full power in its expression.

Let us think for a moment what *constructive co-operation* means.

What Does Constructive Co-operation Mean for Our Industry?

There is a difference as wide as the sea between the principles of combination as that word has been used in its worst sense in connection with business and the principles of constructive co-operation. One of the chief differences, I believe, has been exemplified in a notable way by this Association. This Association has appreciated and should appreciate to an even greater degree that while we have certain rights and certain natural selfish interests, these rights are paralleled by responsibilities.

The most successful trade associations have seen clearly that their own best interests could not be served and that they could not ask that their rights be protected by law unless they took care to answer with full measure to their common responsibilities to one another and to the public. This principle I believe to be the foundation of the success of our Association and of all associations.

Constructive co-operation can come only when it is clearly recognized that self-interest is but half the picture. Our rights are important, but our responsibilities are equally important, and it is the very essence of co-operation to consider both.

Our industry is made up of three fundamental business functions—buying, making and selling. But, after all, these are but segments of the same circle. Manufacturers are not sufficient unto themselves. From the raw materials, coming to us from the four quarters of the earth, to the tip of the painter's brush as he spreads our products, we are all bound together by a common cause. We each have our own part to play, but the function of each one of us can best be performed by thinking, not only of ourself, but of the interests of all.

It is clearly recognized that the paint manufacturer has problems differing from the varnish manufacturer, and the two great associations meeting here at this time have concerned themselves mainly with the problems which are inherent to their own particular businesses. The conventions of paint and varnish jobbers are likewise concerned mainly with the problems of distributing our products. But they, too, like the association of master painters, appreciate that distribution and application, important as they are, are only segments of the whole round circle of the Industry.

What Are Our Rights and Responsibilities?

We all have certain rights and responsibilities in regard to our own organizations. We have a right to expect loyalty and a full measure of effort from every man associated with us. We have the responsibility coupled with that right to see that each man in our business receives his due compensation. We have the responsibility to make our own business of such a kind that service in it shall be a source of personal pride and contentment to the workman in the

factory, to the salesman on the road, and to the minor and major executives charged with its operation. The manufacturing side of our Industry has the responsibility of obtaining, through laboratory research and experiment, better processes of manufacture and better materials to the end that their finished products shall give the maximum service on the property of the consumer—while the distributing side of it has the responsibility of so marketing the commodities of the Industry that the public need for such commodities may be completely satisfied and in a manner most pleasing and acceptable to that public.

We have a right because of the nature of paint and varnish, to ask for the attention and purchasing power of the consumer. But with that right we have the responsibility of making and distributing goods that will serve to the full limit of usefulness. We have also the responsibility of impressing upon the public for the public's own good, through advertising and the spoken word, the fundamental fact that paint and varnish are the economic servants of the consumer. Such education is as sound and practical as the hardest silver dollar ever minted, and at the same time it is a practical demonstration of constructive co-operation, co-operation with the consumer—the most important person in the world to us in our Industry. Through this education, our volume and our prosperity can be increased, but the consumer's interests are to just that extent conserved. His investment in our products is the protection of his own investment in his own property. Through education we have caused the individual to think with greater pride about his community. We have increased his civic consciousness, emphasizing that by the use of paint and varnish each individual answers the need for greater co-operation in making each community more beautiful, more sanitary and a more stable protection for the individual's investment.

Between ourselves in the several branches of the Industry we have a right to fair competition. We have the responsibility of protecting our fellow business man's good name as well as our own. If bad practices in our business develop, we must assume the responsibility of educating those who are responsible for them to a different attitude of mind. The sins of the few must not be visited on the many. Misleading trade descriptions of our products and destructive price competition must give way before a greater enlightenment which our Association alone can give.

Our Activity Already Far Advanced by Co-operation

Our Industry has already made great strides in working together for common ends for the common good. Technical and scientific research to better the technique of manufacture; the discovery of new materials, new methods, all to the end that the public may be better served; the education of the public to the economic service of our products; co-operation in the administration of our several associations—all these things indicate that constructive co-operation has been adopted as a working principle by our Industry. Let us resolve in this Convention to make that working principle a greater force than it has ever been before.

It has been my good fortune to take some part in this co-operation as an executive of a business which is a member of this Association and in serving this Association as one of its Officers. It has been a source of great satisfaction to me to see how this spirit has grown. This Convention marks not alone the high water mark in the history of our Industry as to volume of goods sold. It also marks the greatest degree of effective co-operation so far reached by our Industry.

I have appreciated, and I want you to know that I have appreciated, the support and unselfish labors of the other Officers who have shared with me this year's responsibility. The members of the Executive Committee, the members of the Board of Directors, the Officers and members of local paint clubs, and men of the Industry generally, have made possible through combined effort the record this year has established. Such measure of success as this Administration has had is due to the fine support and spirit of co-operation which has existed.

Ideals, Not Men, Are Leaders

While the duties of your President have called for time and effort that were sometimes exacting, this has all been compensated for by the inspiration of close contact with the men of the Industry, and by the opportunity for serving in so fine a cause. I want here to express my very deep gratitude for the support given the office of the President this year. I have not too greatly regarded this as personal, proud as I am to have a measure of your good will and respect; I have felt rather that this support came from a growing recognition of an ideal for our Industry.

After all, true leadership is not found in men, but in ideals. Men can serve only to give words to ideals.

I believe that this spirit of co-operation has become our leader. Whoever fills this Office symbolizes and speaks for that spirit. I ask that you give to my successor an even greater measure of support than you have given me. He will have much to do because the Industry has much to do. I bespeak for him your enthusiasm, your energy and your best thought. He will give his best to you. Give him your best and I can say to him that at the next convention, as he stands as I do now, his period of contact with and service for our Industry will be a deep and abiding satisfaction which he will carry throughout his life.

What Shall Be the Spirit of Our Industry?

You have observed this evening that I have not had much to say about details. Important as are the separate activities of our Association and our Industry, the detail necessary fully to discuss them would require more time than I have at my command. I have chosen rather to speak to you about the spirit of our Industry and why that spirit of co-operation, developed as it is today, must be carried out with a new vigor in 1923 and in the years to follow.

Out of a business experience covering a good many years one principle has become very clear to me—that if the spirit of a man or an organization or an industry is right, the details tend to take care of themselves.

Men fail to meet upon details only when their spirit of co-operation is not strong enough for the task.

It is only through our spirit that our daily work is transfigured and that we find the strength to achieve.

I have tried to express to you tonight the ideal I have felt for years. I know, because I know so many of you so well, that this same ideal is in your minds, too.

I have tried to indicate to you the position which our Industry takes in this great period of reconstruction facing the world of our generation. I have tried to indicate to you how the complexity of our industrial life calls with an imperative voice for the co-operation which is needed not alone in our Association, but in the whole round circle of human relationships.

We stand today on the highest peak of volume our Industry has ever known; but we are facing forward—not backward—and there before us, in 1923 and 4 and 5 and 6, are the sharp, clear outlines of even higher pinnacles for our Industry to attain.

Beyond the progress of these next few years, which we have expressed in our objective, are the dimmer outlines receding before us in the years to come, so great, so vast, so high, that standing at this point, here and now, we can scarcely trust our vision. Are they real or are they only part of the outlines of the clouds? We do not know in 1922—1926 alone can tell us.

Let us here in this Convention of 1922 set our faces toward those heights of our Industry's future. Let us move forward to them as a united Industry. The way will sometimes seem long—we can be sure that there will be storms—we can be sure that the way at times will be rough, but we can also be sure that working together we shall reach them.

Let us set our faces toward this achievement in the spirit of *constructive co-operation*.

Mr. Chatfield—I move, Mr. Chairman, that this masterly address be spread regularly on the records of our association.

Chairman Brinig:—Ladies and gentlemen, you have heard the motion concerning the president's address. Are there any further remarks? If not, all those in favor will please say "Aye"; opposed, "No." The motion is carried unanimously.

Mr. President: I am glad to turn the meeting over to you. (Applause.)

(President Trigg took the chair.)

President Trigg:—The next order of business will be the secretary's report. F. P. Cheesman:—Mr. President, before we enter into that, and while the ladies are still with us at this session, I desire, with your permission, to introduce a resolution in which I think all will concur. I move that the secretary of this association be instructed to send the following telegram to Mr. William H. Andrews, Buffalo, N. Y.:—

The men and women attending the joint conventions of the three associations at Atlantic City regret your absence and send their love to you with the hope that you will be with us next year.

I move the adoption of this resolution. (The motion was seconded.)

President Trigg:—The president will put that motion to a rising vote. All in favor will please rise.

(The motion was carried by a rising vote.)

President Trigg:—Now, the secretary's report, if you please, Mr. Horgan.

Secretary Horgan presented his prepared report, as follows:—

prepared reports of the various committees, which have been printed for distribution during the convention. I commend these to your attention and perusal. As the convention cannot sit continuously, its decrees are committed between sessions to the President and members of the Executive Committee. These in turn are assisted by the Board of Directors, standing and special committees. Through this media many men are working at all times upon the problems of the industry—your problems. In order to secure a reasonable territorial representation, provision is made for the election of a regional or zone vice-president in five districts—Western, Central, Southern, Eastern and Canadian. This organization machinery on the one hand and the local clubs on the other hand—bound so closely together by a common interest—makes the Association a powerful influence, as a result of which our activities, our ideals and our efforts are being constantly recognized.

One of the outstanding accomplishments of the year and a concrete evidence of the forward vision of the whole industry was the decision reached by a joint committee of three members from each of the associations in session this week to hold their 1922 conventions during the same week and at the same place.

President Trigg's direction of the Association's affairs, his untiring zeal and interest, has been an inspiration to fellow officers, committee men and members generally. His talks to local clubs and various associations during the year have proven most helpful and illuminating. Another high mark for leadership has been set.

Your President and Secretary have officially visited the following clubs:

Baltimore	Kansas City	Pittsburgh
Buffalo	Los Angeles	Portland, Ore.
Chicago	Memphis	Richmond
Cincinnati	Minneapolis-St. Paul	St. Louis
Cleveland	Nebraska	Puget Sound
Colorado	New England	Utah
Detroit	New Orleans	Vancouver, B. C.
Golden Gate	New York	Victoria, B. C.
Houston	Philadelphia	

The attendance at these meetings was most gratifying.

A new plan was inaugurated this year, i. e., instead of confining the attendance

Secretary's Report

In again coming before you to present a resume of the Association's activities for the year, permit me to call attention to the fact that the 1922 convention of the parent organization of the industry marks the 35th anniversary of its birth. From a small and informal social gathering to one of the largest and most powerful trade associations in the world. Organized at Saratoga Springs, N. Y., with Charles Richardson of Charles Richardson & Co., Boston, as its first president, the Association has grown from a nucleus of a few clubs (New England having the distinction of being the first) to an organization which now embraces constituent associations or local paint clubs in 48 cities of the United States and the Dominion of Canada. In addition approximately 100 concerns carry individual membership in localities where no clubs function. Our total membership tonight is 1,487. The association was incorporated in 1915. That, in brief, is the amazing history of the National Paint, Oil and Varnish Association, which has to its credit a record of service not excelled by any similar trade organization.

The National Paint, Oil and Varnish Association was born of necessity, and reared in service. A few far-seeing men in the industry recognized the need for effective co-operation in business; through their initial efforts the Association came into being and has grown to its present large membership and standard of service to the trade.

Trade associations in the United States last year are said to have numbered 821. The idea of trade associations fundamentally is one of the great ideas evolved in commercial history and is of incalculable value to modern business. There is nothing new in the idea of trade associations. It is a very old idea. The Bible makes mention of organizations of goldsmiths, apothecaries, etc. The present watchmakers' guilds of Europe were first merchant guilds. Throughout history there has been the thought of joining together for mutual benefit among men whose interests are the same. The associational idea was the original principle upon which the United States was founded. The first Continental Congress was called in order that the problems of the colonists could be made more easy for all by a free discussion.

It cannot be said that trade associations are entirely without fault, and we read or hear of some trade associations that abuse their real purpose, but nevertheless we progress by our mistakes, and the thought back of trade associations is sound. No trade association has the right and cannot long exist unless it is founded and ruled by the desire to best serve the public. Never before has a wise form of organization been more important than just now when the whole world needs reconstruction.

The theme of this convention is GREATER CO-OPERATION. It is an old adage that "Competition is the life of trade." It is in some trades. The new adage is "Co-operation is the life of trade." Competition is the life of such trade as that carried on by hucksters, banana peddlers and small fry generally. Competition is destructive; co-operation is constructive.

The higher we get in business and the bigger deals we have and the more money we handle, the less important competition becomes and the more we have to study the business of co-operation. Competition is for the scholars in the primer and first reader. When you reach algebra and the high school you have to enter the course of co-operation. Speaking in world terms, COMPETITION was the cry of yesterday; CO-OPERATION is the cry of today and of the future. Competition was considerably cracked up in the 19th century, but the 20th century is the era of co-operation.

The war was won by co-operation. The same thing makes a successful business enterprise that makes a successful baseball team—team play. Labor unions can have no permanent power unless they co-operate, and by the same token the key to our success in the paint and varnish business and in life is to be found in our ability to co-operate.

I wish to impress upon our membership the fact that your officers are responsible to you for what they do. May I not therefore briefly review some of the principal and outstanding accomplishments of the past year? A more comprehensive picture of the work of the Association during the year may be had than it is possible to cover in this report by a study of the carefully



George V. Horgan
The Secretary

to members only of the paint clubs, the dealers, master painters, sales executives and others concerned in the making, selling and application of our products were invited to participate—all with the view to helping MAKE 1922 THE GREATEST PAINT AND VARNISH YEAR.

Regional Meeting on Pacific Coast

While on the Pacific coast in February the national officers were urged by many of the trade leaders there to co-operate in arranging a regional meeting of the Pacific coast membership. In view of the distance involved, few members from the Far West are able to participate in the Annual Convention of the Association. The need seemed apparent for an occasional meeting of our Western membership to become better acquainted, discuss conditions, hear papers read and addresses made on subjects of trade interest. At a meeting held in San Francisco while your President and Secretary were there a representative committee from the several coast clubs was appointed to make plans for a regional meeting. As a result the regional meeting was held at Portland, Ore., July 13 and 14, proving a success beyond the fondest hopes of its promoters. There was an attendance of over 200 delegates and ladies, your President and Secretary being in attendance. The business program was replete with constructive papers and addresses, and the entertainment features were attractive and sufficient to provide recreation between business sessions. It was the consensus of the meeting that it would become an annual affair. Much credit is due our Western Vice-President, Mr. F. M. Brininstool of Los Angeles, for the success of this meeting, as well as the added interest in national association affairs by the West coast members. Also—largely due to Mr. Brininstool's efforts—two new paint clubs have been organized on the coast this year—San Diego and Fresno, Calif.

British Columbia Affiliation

Of great interest and importance is the word recently received at Association headquarters that the British Columbia Paint Manufacturers' Association (com-

posed of concerns located in Vancouver and Victoria, B. C.) have, after due consideration, voted to affiliate with the National Paint, Oil and Varnish Association. Our Canadian Vice-President, Mr. George Henderson of Montreal, and Mr. L. C. DeMerrall, President of the British Columbia Association, are largely responsible for bringing this situation about.

Your secretary and the chairman of our Membership Committee, Mr. MacGregor, attended meetings at Vancouver during the year, at which time the activities of the National Association and the resultant benefits from affiliation were discussed.

The British Columbia Association is composed of 13 concerns. A delegation of three members attended the regional meeting of our association in Portland last July, which afforded opportunity for a better understanding of the scope and activities of the National Association and its related organizations.

Membership

It is a noteworthy fact that despite a general tendency on the part of many concerns to curtail expenses during the past year, we have not only been able to maintain our membership, but to show an actual increase of 82 members. The work of our Membership Committee and its chairman in particular, Mr. J. R. MacGregor of Chicago, has been energetic, constant and of a high character of fact presentation. Upon consulting with the officials of various other trade and civic organizations I find that universally the severe trade depression which existed throughout the year has reflected itself in membership. For example: The secretary of the largest trade association in the Metropolitan District states it suffered a loss of 9 per cent. in membership. Our association and industry, therefore, has cause for satisfaction in perusing the figures submitted by our Membership Committee.

New paint clubs have been formed in Terre Haute, Ind.; Grand Rapids, Mich.; Washington, D. C.; San Diego and Fresno, Calif., and Knoxville, Tenn. The first three have already affiliated with the National Association and it is expected the others will soon join.

Association Bulletin

Six issues of the Association Bulletin have been compiled and mailed from the secretary's office to members; each issue contained a strong and timely trade message from President Trigg. This bulletin is the medium through which members are kept posted on important association activities and happenings in the industry.

Statistical

Some real progress has been made this year in our statistical work. Chairman Cornish, accompanied by your president, secretary and several members of the Statistical Committee, attended a conference called by Secretary Hoover on April 12 at Washington for the purpose of discussing the matter of collection and dissemination of trade statistics, not only with the approval, but co-operation, of the government. One month later a meeting of the Educational Bureau of the Paint Manufacturers' Association and the National Varnish Manufacturers' Association was held at Secretary Hoover's office and shortly thereafter a simple form of inquiry for the use of the Department of Commerce was prepared and sent out to paint and varnish manufacturers.

Chairman E. J. Cornish of our Statistical Committee will treat this subject in greater detail at the Friday session of the convention.

Transportation

Our Committee on Transportation and Classification, under the diligent leadership of chairman W. J. Pitt, has taken many important steps in connection with transportation and freight rate problems affecting the industry, advising members as to claim procedure, etc. The report of this committee is especially worthy of every member's reading. Matters of vital importance to your business are related therein.

Co-operation with Other Bodies

Perhaps the most important movement looking to a better understanding between the business men of different nations and to a common ground of practice based upon such understanding which has been initiated since the war for the development of world commerce is the International Chamber of Commerce. Our association, by vote of its Executive Committee, has taken a membership in the International Chamber of Commerce and it is hoped that we will be represented at the meeting of the organization to be held in Italy next March.

Our association is co-operating and is frequently represented at meetings of the United States Chamber of Commerce, the Manufacturers' Association of the U. S., the Export and Foreign Trade Association, American Institute of Architects, etc.

Trade-Mark Bureau

This important and useful activity of the Association continues to serve well the membership and it is gratifying to record a constantly growing use of the bureau. Upon application to the bureau an exhaustive report is made on any mark submitted; the report also is accompanied by the recommendations of the committee as to whether it appears advisable to proceed with registration or use of mark in question.

All members using trade-marks not at present availing themselves of the bureau's services are urged to do so. It will save you money and possible litigation. One hundred and forty-six reports have been issued during the year. The committee has circularized both manufacturing and jobbing concerns in an effort to obtain a record of all marks now used in the industry; 1,500 circular letters were sent out; replies were received on the basis of 15 per cent.

For several years the receipts of the bureau have been in excess of the actual cash expenses, so that at the present time there is a balance in favor of the Trade-Mark Bureau of approximately \$600. It has been the plan of the committee to do a certain amount of general educational work as to trade-marks each year, but the development of an up-to-date bureau has taken their full time so that this educational work has been somewhat delayed. This money balance, therefore, represents an accumulation of several years, which will be devoted at the first opportunity to the object primarily planned. Your secretary wishes to take this occasion to record the appreciation of the officers and membership generally of the tireless and efficient work contributed to this activity by Chairman D. W. Edgerly of the Trade-Mark Committee.

Paint Trade Mutual

This company has not shown the growth it should have, due to the fact that the industry is not solidly supporting it; in other words, the members of this association are not placing a large enough percentage of their insurance with their own mutual company to make it a real factor.

When this subject is presented to the convention on Thursday, President R. O. Walker of the Mutual Company will go into it more fully.

It is the hope of your executive officers that every member of the association attending this convention has come prepared to place an actual order for a stated amount of insurance to become effective at a fixed date, turning said order in at the session on Thursday.

Legislative

To the Legislative Committee falls the responsibility of closely watching proposed laws, both State and Federal, affecting our industry. The responsibilities and activities of this committee under the able leadership of Chairman Arthur S. Somers have been many during this past year. A complete summary of important legislation and its relative significance will be covered in the report of Chairman Somers.

Business Promotion

The CLEAN UP and PAINT UP Campaign has had a year of unprecedented activity and co-operation in all local paint club cities, with two possible exceptions. The plan adopted at the 1921 convention, whereby the directors of the National Paint, Oil and Varnish Association were made responsible for the raising of funds in their respective communities with which to conduct the campaign, has proven successful. The well organized campaign in Greater New York stands out as one of the achievements of 1922 and plans are already being formulated for a still greater campaign in Manhattan next year. The report of Chairman Thomy is of especial interest.

SAVE THE SURFACE: Committees in thirty paint clubs have been co-operating this year with the bureau headquarters at Philadelphia. Fourteen paint clubs have not as yet organized for this activity. It is urged that the president of every club in the association appoint an active committee to carry on this splendid business promotion work during the coming year. The SAVE THE SURFACE film was shown at the various club meetings attended by the national officers, and this educational feature will probably be continued during the coming year. It is not my purpose to anticipate the report of Chairman Charles J. Roh, who will treat the subject in detail. Mr. Roh has been unfailing in his work and his report and its accompanying recommendations are worthy of your best thought and attention.

The Trade Press

Sincere thanks are extended to the trade publications for their constant and enthusiastic support of every project furthered by the association. This spirit of co-operation is an incentive to all engaged in association work.

The 1921 convention adopted the slogan: MAKE 1922 THE GREATEST PAINT AND VARNISH YEAR. At the time doubt was expressed by some that this goal could be reached. By a united front this GREATER CO-OPERATION spirit, which is the slogan of our convention tonight, 1922 actually has been the industry's GREATEST YEAR. What is to be our objective for the year to come? MAKE 1923 THE GREATEST PAINT AND VARNISH YEAR as the second step towards doubling the industry by 1926.

Our membership is assured that the aggressive policy of the association will be adhered to in the coming year. The potentialities of an organization like ours are great. Already plans are in the making for still further extending the usefulness of the association as an agency through which the members may clear their problems and receive intelligent and GREATER CO-OPERATION.

In finale may I sincerely voice my appreciation and thanks to the executive officers, directors, committee men and other members for their loyal and constant support in carrying on our work? The truly FORWARD policy which should be the mark of an association like ours can only be made a thing of actuality through such a state of co-operation.

Respectfully submitted,

GEORGE V. HORGAN,
Secretary.

President Trigg:—This report has been approved by the Board of Directors. What is your pleasure?
Mr. Chairman:—I move that it be accepted.

(The motion was seconded and carried.)
President Trigg:—I will now call upon the treasurer, Mr. Breinig, for his report.
Mr. Breinig presented his report, as follows:—

Treasurer's Report

In presenting the following financial statement your Treasurer takes pleasure in reporting that your Association still continues in a good financial condition and ends up the year, as of October 31, 1922, with Assets of \$13,008.16, the only Liabilities being Reserve Funds for the Trade-Mark Bureau, amounting to \$712.30, leaving net Assets of \$12,385.86.

Following is a summary of the fiscal report of your Treasurer:

Cash balance November 1, 1921.....	\$5,817.34
Receipts	22,605.06
Expenditures	22,343.99
Cash balance October 31, 1922.....	6,079.41

Outstanding dues have been collected with the exception of a few members who have joined clubs relatively recently.

Your Treasurer would recommend calling the attention of officers of various clubs to the fact that when members are reported as of November 1 clubs are liable for such members, whether they are retained for the entire year or not, as the National Budget is based on membership reported at the beginning of the year.

Your Treasurer also desires to thank clubs and members generally for the splendid co-operation given him during the year.

Respectfully submitted,

D. E. BREINIG, Treasurer.

President Trigg:—Mr. Crawford, as chairman of the Auditing Committee, will you report on the work of your committee?

Auditing Committee's Report

W. H. Crawford:—Mr. President, Ladies and Gentlemen:—Your committee reports that they have examined the books and records of accounts of your treasurer, Mr. D. E. Breinig, and find them to be correct in every detail and in accordance with the report submitted. The committee wishes to commend and compliment Mr. Breinig on the perfect system employed and the condition of the

records, which greatly facilitated the work of the audit.

President Trigg:—A motion to accept and approve of the treasurer's report, as confirmed by the Auditing Committee, is in order.

(Upon motion duly made and seconded, it was voted that the report of the treasurer, as confirmed by the Auditing Committee, be accepted and approved.)

President Trigg:—The president will now call upon Mr. Arthur S. Somers to make the memorial address. (Applause.) Arthur S. Somers:—Mr. President and Ladies and Gentlemen:—Mr. Heikel of the Memorial Committee has handed me the following report, from which I will call the roll of those who have passed away since our last meeting.

Memorials to Deceased Members

Francis B. Hughes
Thos. W. Johnson
Thos. E. McShane
Frederick L. Medberry
Elias J. Roberts
Reginald P. Rowe
Lee Shannon
George H. Shaw
Arthur A. Wood

B. F. Greene
Arthur W. Ayer
Richard A. Becker
Peter Bosch
E. W. Budscho
Frank P. Collins
R. T. Conley
Michael B. Fisher
Francis H. Glidden
George Lambert Gould

Spencer Kellogg

ARTHUR W. AYER

Arthur W. Ayer of the Midland Chemical Co., Chicago, died December 9, 1921. Mr. Ayer, who was fifty-four years old at the time of his death, was born in Somerville, Mass., and attended the Somerville schools. Later he entered the Boston Institute of Technology and graduated at the head of the class of 1890. He was immediately called to the University of Vermont, where he was a professor of mechanical engineering for nearly thirteen years. He resigned to accept the position of general superintendent of Harrisons, Inc., Philadelphia.

Mr. Ayer in 1914 associated himself with W. T. Sheffield in forming the Midland Chemical Co. He remained with that concern until the time of his death. He was a member of the American Chemical Society and the LaGrange Golf Club.

RICHARD A. BECKER

Richard A. Becker, president of the R. A. Becker Varnish Co., died in November, 1921.

Mr. Becker was about sixty years of age, and with his father and brother Lawrence organized the R. A. Becker Varnish Co. some thirty-five years ago. He was president of the Cincinnati Paint Club for two terms, and a very active member, and was elected a member of the Board of Control, National Paint, Oil and Varnish Association, several years ago, but was unable to serve on account of the serious illness of his wife, who died during the year.

Mr. Becker was familiarly known to his friends as "Dick" and was a lovable character albeit of much force as an executive. He was well known at home and to the trade, and in recent years a familiar figure at the national conventions of this association.

PETER BOSCH

Peter Bosch, president of Henry Bosch Co., Chicago, New York, Boston and Newark, died April 12 during a visit to Chicago, where he was stricken with apoplexy and never fully regained consciousness.

E. W. BUDSCHO

E. W. Budscho, a paint dealer of Atlanta, Ga., died late in September, 1922. He was born in Michigan and started business as a clerk in a grocery store in that State. Later he engaged in the hardware business at the town of Pigeon in that State. About twelve years ago he went to Atlanta to represent the Heath & Milligan Manufacturing Co., and later engaged with the Sherwin-Williams Co., becoming, after a time, manager of that company's Atlanta store. Still later he became local representative of the Glidden Co., and finally entered into the retail paint business on his own account. He was a member of the Atlanta Paint, Oil and Varnish Club.

FRANK P. COLLINS

Frank P. Collins, president and treasurer of the F. P. Collins Paint Co., Syracuse, N. Y., died September 28 at his home in that city. He was sixty-four years old.

Born in Ireland, Mr. Collins came to America in 1874 and shortly afterward entered business at Rochester, N. Y. In 1890 he moved the business to Syracuse and, in 1916, incorporated it in association with his three sons.

Mr. Collins was whole-heartedly a Syracusan and took an active interest in civic affairs. He was a member of the Elks, the Rotary Club and the Knights of Columbus.

His widow, Mary E. Collins, and three sons, William E., John Emmett and Francis Chilton Collins, survive.

Mr. Collins was President of the Central New York Paint, Oil and Varnish Club and a Director in the National Association.

R. T. CONLEY

R. T. Conley of the New York office, Pittsburgh Plate Glass Co., died December 23, 1921. Mr. Conley was born at Kingston, Ontario, in 1862. His business career in the United States began with the Jas. McMullin Co., leather merchants in Minneapolis. In 1896 he was appointed local agent of the Pitts-

burgh Plate Glass Co. at St. Paul; in 1899 was made local manager of the same company at Davenport, Iowa; in 1901 local manager at Milwaukee; in 1902 established a company warehouse at Atlanta and became local manager. In 1903 he was transferred to New York as local manager.

He was energetic, forceful, enthusiastic and efficient, and enjoyed the loyalty and personal regard of the entire organization and in the trade had a host of warm personal friends.

MICHAEL B. FISHER

Michael B. Fisher died May 4, 1922, in his fifty-sixth year.

With the exception of two years' connection with a paint and varnish firm in Columbus, Ohio; he was in the service of the American Can Co. since the year 1902, of which time the last seven years was spent as sales manager of their Cleveland office. He radiated a spirit of kindness and love to his fellow men that won the affection of many who were so fortunate as to know him.

He was prominent in the activities of the Cleveland Paint, Oil and Varnish Club, to the prosperity and pleasures of which organization his abundance of humor, ready wit, vigor and zeal added so greatly as to leave his memory one that will be long cherished by its members.

FRANCIS H. GLIDDEN

Francis H. Glidden died September 25, 1922, at the age of ninety-one.

Mr. Glidden, founder and builder of the varnish company which made the Glidden family a world-wide reputation, attained a degree of success and prominence in the paint and varnish industry that has been reached by few.

Prior to 1866 his occupation had been that of a salt water sailor. By chance he became a salesman for a New York firm, and in two years had decided on his life work and learned the business sufficiently well to start in business for himself. In 1868 he deliberately chose Cleveland as the city in which to embark in the varnish business. His success resulted largely from unusual foresight, ability, perseverance and sterling character.

He performed an important part in the growth of the paint and varnish industry to the place it now occupies. His life was such as to be well worthy of emulation.

During recent years he was retired from active business and maintained a home in Cleveland, Ohio, and Palm Beach, Fla.

GEORGE LAMBERT GOULD

George Lambert Gould died October 30, 1921. Mr. Gould was president of the Gould & Cutler Corporation of Boston, and was one of those who, in the interest of the development of higher business standards, laid the foundation of national business co-operation, being a very important factor in the formation of the New England Paint and Oil Club. He was very active in its affairs and was one of its earliest presidents. He also served as president of the National Association in 1908-1909.

Mr. Gould was a commanding figure in our industry, and the community is better for his citizenship and loyal friendship.

B. F. GREENE

B. F. Greene was born in Brooklyn September 10, 1872, and was the son of Nathaniel and Anna Sirey Greene, the father being a lineal descendant of the Revolutionary General of that name.

He entered the employ of the Westmoreland Chemical & Color Co., Philadelphia, December 2, 1912, and remained with that company until his death, November 22, 1921. On the death of Mr. Sedley A. Rand in 1915 he became New York representative. He leaves a widow, two sons and two daughters.

FRANCIS B. HUGHES

Francis B. Hughes, a member of the Utah Paint, Oil and Varnish Club, representing the Bennett Glass & Paint Co., died on June 12, 1922.

He was born in Salt Lake City forty-eight years ago and came of a pioneer family of painters and decorators. He entered the employ of the Bennett Glass & Paint Co. twenty years ago and at the time of his death was in charge of the manufacturing and industrial sales department of that company.

THOS. W. JOHNSON

Thos. W. Johnson, manager of the Hockaday Co., Atlanta, Ga., died February 10, 1922. He lived in Atlanta throughout the entire forty-nine years of his life and was connected with the paint trade for the past twenty years, first with the Parian Paint Co., later with the Southern Paint & Varnish Works, and at the time of his death was Southern manager of the Hockaday Co.

THOS. E. McSHANE

Thomas E. McShane died in February, 1922. He was the only honorary member of the Paint, Oil and Varnish Club of Portland, Ore. He was connected for many years with the Bass-Hueter Paint Co. Prior to going with the Bass-Hueter Paint Co. of San Francisco Mr. McShane was connected with the firm of Whittier-Coburn Co. He left a widow and two sons.

Mr. McShane was beloved by every member of the club and was known up and down the coast from San Diego, Calif., to Seattle, Wash.

FREDERICK L. MEDBERRY

Frederick L. Medberry, New York representative of Spencer Kellogg & Sons, died on July 23 at the age of fifty-nine. Mr. Medberry was born in Muskegon, Mich., but spent his early life in Lyons and Syracuse, N. Y., and was for some years in charge of the National Linseed Oil Co.'s station at the latter point. He was continuously with Spencer Kellogg & Sons for twenty-eight years. He was highly regarded by the trade in New York City.

ELIAS J. ROBERTS

Elias J. Roberts of the Chicago White Lead & Oil Co. died November 29, 1921. He was born June 22, 1826, and was connected with the Chicago White Lead & Oil Co. since September 23, 1883.

REGINALD P. ROWE

Reginald P. Rowe, vice-president and one of the founders of the National Lead Co., died July 17, 1922, after an illness of more than a year. He was born in Barbados, West Indies, the son of an Episcopal clergyman, in 1849, and came to New York in 1864, where he was graduated from the Danbury Institute and Trinity School, earning a scholarship at Columbia University.

He entered business as a salesman with D. F. Tiernan & Co. and later was employed by C. T. Reynolds & Co. Subsequently he became secretary and later vice-president of the Brooklyn White Lead Co. He was active in the consolidation of lead interests and on the organization of the National Lead Co. in 1891 he became vice-president and subsequently, on two occasions, declined the presidency.

He was active in association and social work and was one of the organizers of the New York Paint, Oil and Varnish Club, of which he was president in 1889. His interest and activities were wide and varied and few men in the industry have enjoyed a larger circle of friends or a greater degree of respect.

LEE SHANNON

Lee Shannon, who for many years represented the Mound City Paint & Color Co. in the State of Texas, died while on a visit to St. Louis. He was well known and highly regarded by the entire trade of the State and enjoyed the respect of his fellow members of the Dallas Paint, Oil and Varnish Club.

GEORGE H. SHAW

George H. Shaw, president of the Geo. H. Shaw Co. for many years until his retirement on account of advancing years, of Middleboro, Mass., died January 17, 1922.

Mr. Shaw commenced his business career in 1858 and was often referred to as the "grand old man of the varnish business." During the early years of the New England Paint and Oil Club Mr. Shaw took a very active interest in its affairs and was one of its most enthusiastic supporters. Those who were fortunate enough to be brought into contact with him always respected and revered his many sterling qualities.

ARTHUR A. WOOD

Arthur A. Wood died May 28, 1922. He was local manager of the American Can Co. and for many years was a member of the Buffalo Paint, Oil and Varnish Club.

Mr. Wood was not only a very able man, but enjoyed the personal regard of the entire trade. He was born in Bradford, England, coming to America as a boy. He was connected with the American Can Co. from the time of its organization.

Arthur S. Somers—While I pause at the conclusion of the calling of the roll there is no answer, and another year marks the fact that many of our members have bowed, with resignation, I hope, to the immutable law of time.

This, from all that has gone on before during the evening, as you observe, marks our thirty-fifth meeting, and I dare say there are those present who, at the calling of these names, have turned their minds back through the corridors of those thirty-five years and have found memory sweetened by the niches which contain the remains of those whose presence meant so much to what we here today celebrate, those whose lives contributed so much to the causes we as merchants now espouse, those whose industry and integrity was responsible, in no great degree, for the pride that we now feel in the achievement of these thirty-five years.

Twere an impertinence, Mr. President, notwithstanding the inspiration of the theme, mindful of the hour and the imminence of this audience, to refer, even briefly, to any of the individuals whose names I have called. I dare not, even did I desire, to trust myself to speak concerning the lives and the characters and all that they meant of some of the men whose names are on this honored roll.

Being so clearly and affectionately a part of our lives during all of these thirty-five years; having spent so much not alone in this industry but to the cause of mankind through their high standard of citizenship that their virtue represented, I could not speak without the deepest and truest emotion, and would awaken in the hearts of many of those present sad memories and feelings of greatest emotion.

However, these are incidents of a life time; these are incidents of the world that is moving so fast that we can scarce keep pace with it, for even while I have been speaking, doubtless another heart has been saddened, doubtless another life has been cast into another hour, from which an occupant has answered to the call from the grim draped figure which gloom will only be dispelled by the mysterious way by the omnipotent one whose light is life.

It is a good thing that we pause in our deliberations, serious as they are, and spend just a second or two in the cloister of sacred memory and reflect upon the lives of the men who but a few short hours ago were our close associates. It gives us an opportunity to thank omnipotent providence that even we remain to gladden the heart of each other by each other's presence, and it is that through the years to come we may go on hand in hand, strengthening and supporting each other and cheered by the charm of each his personality toward the other.

If I were to offer up a hope I would say that it might be that every man and woman in this audience, every man and woman in this great association might so live that when tomorrow's hour comes and they pass from the rainbow bridge hung between the earth and the good and the vision of mankind, they would go on toward the western slope sustained by an affectionate companionship would steady their faltering step, cheer the troubled heart and lead them with love toward the threshold of the hope from whose threshold they would one day step across as the pearly gates swing inward and their approach to Mr. President, in accordance with the time-honored custom of this organization, I move that we was silent tribute to the memory of those who have

very, very pleased to be with you again. I think it is now more than twenty successive years that we have been among you. (Applause.)

President Trigg:—Thank you, Mr. McGhan. The secretary has two or three short announcements to make.

(Secretary Horgan made several announcements with reference to the business sessions of the convention.)

Secretary Horgan:—I would like to read two telegrams we received from the Pacific Coast. The first one is from Seattle:—

From the Report of Success, salutations and greetings to the splendid aggregation of representatives of the paint industry in convention assembled. We sincerely regret our lack of representation, but circumstances this year were such and the distance was so great that we are unable to send a delegation to mingle with the millionaires on Thursday night and

to otherwise partake of this important convention. Today's meeting of the Puget Sound Paint, Oil and Varnish Club went on record offering their loyal and sincere co-operation to the National Association. Though absent, let us not be forgotten.

That is signed by the secretary of the Puget Sound Paint, Oil and Varnish Club.

Here is one from the secretary of the Los Angeles Paint, Oil and Varnish Club:—

Los Angeles sends congratulations to the National Association. Our slogan—"Make 1922 the greatest year in the paint industry." (Applause.)

President Trigg:—Friends, this meeting with your permission is now adjourned.

The meeting adjourned at 11 o'clock, and a reception was tendered President and Mrs. Trigg in the Palm Court of the Ritz-Carlton, followed by dancing.

Thursday, November 16

Second Session

Thursday Forenoon

The first business session of the convention convened at nine o'clock Thursday in the Trellis room, Everett T. Trigg, president of the association, presiding.

President Trigg:—Gentlemen, the chairman would like to ask your advice. Here is just a small handful of people and it is after the starting hour. We have a tremendous program. It seems to me almost impossible to get people to come in anything like on time. The president's own inclination or desire would be to start right up now. The only difficulty there is that it isn't a very courteous thing; it isn't a very nice thing to those who have reports to make. Men who have worked all through the year on committee work and have produced some interesting results valuable to the industry ought to have more of an audience to which to report.

What would you advise? What do you say, Mr. Morton?

Mr. Morton:—I should think, Mr. President, that it might be some of the minor reports of more or less of an educational nature that the members would naturally read in the trade papers that might be handled at this time, and the other reports, the larger reports, where they are going to be discussed, might be deferred until later.

J. E. Lockwood:—I move that you appoint a committee of three to go down stairs and announce that the meeting is going to commence within ten minutes.

Report of Special Committee on National Paint and Varnish Day

In December, 1921, the Executive Committee of the National Paint, Oil and Varnish Association, meeting in Chicago, called Mr. Smead, who had been appointed by President Trigg, chairman of the National Day Committee, before them, who reported on the national day idea and how he hoped to develop same.

The Executive Committee authorized the appointment of a committee consisting of Mr. Woodruff, West coast; Mr. Cook, Kansas City; Mr. Elting, Chicago; Mr. Chatfield, New York; Mr. Lord, Boston; Mr. Monypenny, Toronto, and Mr. Smead, Cleveland, chairman. This committee was authorized to develop plans for the National Day idea.

A meeting of this committee was called for early in January at the Blackstone Hotel in Chicago. Committee met and after considerable discussion it was decided to go ahead with the development of the idea for a National Day in three cities, namely, St. Louis, Philadelphia and Cleveland.

A little later it was decided to sound out Cleveland before attempting anything in St. Louis and Philadelphia, and at a meeting of the Cleveland Club, held April 18, 1922, Mr. Smead reported for his committee and spoke of the National Day. He stated that his committee felt that they would not care to go ahead unless they had the undivided support of the Cleveland Club. Mr. Smead suggested that a letter be sent to the members of the club and also to the allied trades, putting this National Day plan before them and requesting their reply as to their thoughts in the matter. This was done and a letter was sent out.

At the meeting of the Cleveland Club, held May 23, Mr. Robinette, in the absence of Mr. Smead, brought up the National Day matter. During the discussion which followed it was brought out that of the letters sent out replies were received in about 50 per cent. of the cases and 48 per cent. of these letters favored going ahead with the plan. Upon motion of Mr. Robinette this matter was referred to the directors of the club for definite action.

A meeting of the directors of the Cleveland Club was held June 9, at which meeting the directors took up the National Day idea. Mr. Smead was appointed chairman of a committee of three to draft an accurate budget of expense for carrying out this idea. This committee was also to approach various of the larger concerns to secure definite idea as to just how this plan could be financed. This committee was instructed to report back to the directors for final action. This committee has found it best to delay final report in this matter, as various factors have entered in.

While the idea has met with almost unanimous approval, there has been some question as to when the day should be set, whether during the spring or fall months, and also how the proposition should be financed.

The carrying out of this idea is too great a task to attempt without support, and upon endeavoring to secure support no one seems willing or able to devote the necessary time and effort.

The committee wishes to close its report by suggesting that a National Paint and Varnish Day should be observed with some modifications of the original idea and recommends that a capable man be hired to work with the local

clubs towards putting the plan into execution at some date to be set during the next year.

Respectfully submitted,

C. B. WOODRUFF,
C. R. COOK,
HOWARD ELTING,
H. S. CHATFIELD,
J. B. LORD,
T. F. MONYPENNY,
E. R. SMEAD, Chairman.

Secretary Horgan:—It was suggested by the Executive Committee to the Board of Directors that the recommendation contained in this report concerning the employment of a man (at least at this time) be not approved, and that the suggestions of the committee on the general idea of National Paint and Varnish Day be observed with such modifications as may seem necessary; the entire matter to be referred to the incoming Executive Committee of the association for further consideration and development.

President Trigg:—Does the recommendation of the board meet with your approval?

Mr. Morton:—I move that it be carried in.

(The motion was seconded and carried.)

President Trigg:—We are going to take some things out of tomorrow's program, to fill in with until we have a larger attendance at this meeting.

Secretary Horgan:—We will first take up report 23 of the Special Committee appointed last year by Mr. Evans on Permanent Packages to Transport Heavy Materials. You have the printed report before you. Mr. Edgerly, the chairman of that committee, has gone into the matter in his usual thorough way and in traveling about the country this year in his own business he has made a lot of inquiries and compiled a lot of data which is all given in this report, and his final suggestion to the convention, which has been approved by the Board of Directors, is that the committee be discharged. (I don't think it is necessary to read the report. It has all been printed.)

Report of Special Committee on Permanent Packages to Transport Heavy Materials

At the 1921 convention the Committee on Transportation and Classification recommended that a special committee be appointed to make an analysis of the practicability of the use of iron or steel barrels for the handling of pigments. The following report of this special committee will therefore be directed towards the use of such packages for dry materials.

Although at first glance, while it would appear that only the manufacturer and shipper of dry material is concerned, the matter of packages affects the purchaser as regards cost, freight expense, convenience and protection.

The choice of paper bags, wood barrels or steel containers centers largely on the relative cost of the packages themselves. The past standard has been the slack wood barrel. The present increasing use of paper packages has its effect in keeping the cost of slack wood cooperage at a low competitive point. The large use of steel barrels for liquids has undoubtedly made it possible to take care of the present demand for wood cooperage at a more reasonable price than otherwise possible, and one of its probable effects is that there appears to be an abundant wood supply for slack barrels for some time to come.

The use of steel containers for dry materials has not been given general attention by our industry and apparently by but few of the steel package manufacturers. Your committee recognizes that their use is in its infancy and we see evidence of their adoption by various concerns.

A considerable tonnage of pigments is shipped in paper or cloth bags. At the present time this particularly applies to zinc oxide, lithopone, barytes, whitening, magnesium silicate and metallic paints. While the paper bag container has proven economical, convenient and satisfactory, it is not suitable for less than carload shipments, and therefore not best adaptable for certain products.

Thus the greater number of the dry products in use in our industry are shipped in wood packages varying in capacity from 10 to 60 gallons, consisting mostly of slack barrel construction with a minimum of semi-tight and tight barrel construction. Practically each product has its own standard size package of such construction as is needed to meet the conditions of weight shipped. Our information shows the use of a large quantity of a slack barrel type of capacity of 25 to 30 gallons.

A change from the present type of packages used for dry materials to steel and iron containers will not take place to any large extent unless due to one or more of the following considerations:

The cost of the package to be very similar, Convenience of use.

Protection of contents.

Lowered freight rates.

An investigation of steel and iron containers as now manufactured is summarized as follows:

The Interstate Commerce Commission for inflammable liquids (see Appendix "A") and the Consolidated Freight Classification (see Appendix "B") have prescribed regulations which lists some restrictions as to the construction of iron or steel containers for liquids. Thus we find that the manufacture of such packages in large quantity conforms to the above regulations, and, in addition, the package is made of such strength as will meet, as experience has shown, the wear and tear of usage. Although the use of these steel barrels is largely for liquids, a removable head of some sort adapts them for dry materials.

For simplicity we will classify them under three general headings:

I. C. C. Type Package (Interstate Commerce Commission, Specification No. 5).

Light Gauge Reship Package.

Special Type Package.

The I. C. C. type of package (see Appendix "C") is very strong and is capable of long life and many reshipments. In your committee's judgment it is the only type of package that appears capable of having a full removable head opening useful for many reshipments, as the heavier gauge metal is needed to give stiffness. These removable heads are fastened by bolts or by patented, easily removable, fastenings. But very few manufacturers have standardized on making such a constructed type of container for dry materials and only in the 30, 50 and 55 gallon sizes. Some concerns are using this strong, heavy gauge steel package for reship purposes for certain dry products to certain customers. The cost of equipment and carrying charges are of moment and the return freight charges on the empty packages are considerable. One of the factors limiting the use of any reship type of package is that the return freight charges must be reasonable, and this means shipment only to a limited distance from a loaded shipping point. This mitigates against their

use by concerns that have a single or but few plants and distribute their products nationally.

The Light Gauge Reship Package (see Appendix "C")—as its name signifies—is a reship container. They are not so strongly constructed nor of as thick metal as the I. C. C. type of package. For oil shipments they are considered capable of possibly ten reshipments. Owing to their large use for oil shipments, their manufacture conforms to Rule 40, Consolidated Freight Classification, for other than dry or solid articles, particularly the non-inflammable class of liquids. (See Appendix "B.") Although a thinner gauge metal is allowed when used for dry or solid articles, your committee finds only a very limited manufacture of this later type package.

This class of Light Gauge Reship Package with friction cover opening in head is used to a considerable extent in the paint industry for roof cements, pastes, semi-pastes and certain liquid paints. Not being returnable under sales conditions, they are considered as single trip packages. They are capable, however, both by construction and freight classification of being used as a reship package.

Your committee's conclusion is that these medium gauge steel packages do not economically fulfill at the present time the requirements necessary for a reship barrel for dry materials. The number of trips they appear capable of making with their original cost and carrying charges show no saving over wood packages.

Under Special Type Package will be considered containers made of light gauge metal, small weight and comparatively low cost and coming under "Single Trip Container" of Freight Classification Rule 40 (see Appendix "B").

Very little general development appears to have been made in such containers. Some look seam rather crudely made packages are of general manufacture and are used chiefly for materials that solidify, like asphaltum, tar and also for some plastic materials. They do not appear to be best adapted for dry materials. One manufacturer, however, has developed a well constructed container that has possibilities for general adoption for dry materials. An obvious use for such a package is for that class of products where moisture is to be kept away or where the liquid contents of paste or pulp material are to be retained, for example, lime insecticides, etc.

With new slack barrels of around 30 gallons capacity, capable of holding 300 to 500 pounds of many dry products, costing approximately 75 cents, and with second-hand barrels at a lower cost, the present consideration for steel containers is centered on one similar to the Special Type Package noted in Appendix "C."

The purchaser of the dry material pays the cost of the package; this includes the filling, freight and the other charges directly attributable to the container itself. At the present time the first cost of a single ship steel package is a little higher than that of the largely used slack wood barrel.

In the heavier weight, but less used wood container, the comparative price is favorable. There is some possibility of reducing the present filling expense, particularly for the smaller manufacturer and perhaps even for the large manufacturer who has made this figure reasonably low by large tonnage and constant output. The sanitary feature in such filling is in favor of the steel container.

There is a certain salvage value for wood packages. At the present time—with a limited use of single ship steel containers—there is a limited salvage value for them, depending on the locality, but there is no doubt that such a field would develop.

There is very little likelihood of obtaining any flat or percentage reduction in railroad rates for materials shipped in steel packages over the same material shipped in wood. Any saving on freight charges would therefore be in the difference in the weights of the two containers. For example, a wood slack barrel weighing 20 pounds against a similar capacity steel barrel weighing 12 pounds, calculation shows that the increased cost of the steel container is slightly more than the saving in freight charges.

The purchaser would at first resist the use of steel containers of the single ship type unless there was a saving to him in the cost of the contained material. However, for certain products, such a style of package, with its removable cover, makes for convenience of use, for protection of contents in storage and possibly for convenience of handling.

The present increase of price over the 1913 basis for both steel and wood containers is about the same percentage. Future conditions may see a larger reduction in the cost of steel than of wood cooperage, which would have a pertinent effect in their relative value for use for dry materials.

There are so many dry materials used in our industry now shipped in varying weights in different kinds and sizes of wood packages, also the value of the contents is a determining factor of the type and value of the container, that it was not deemed necessary to go into detail and try to show where steel containers have a possibility of use for any particular dry material. Your committee is of the opinion that steel packages indicate a possibility for use for dry materials and suggests that each concern make an investigation as to this for their particular products. The co-operation of interested steel package manufacturers is very likely to develop a container that is practical. The detailed information obtained by your committee is available to any concern.

Respectfully submitted,

FRANK HEMINGWAY,
W. H. HENDRICKS,
H. F. LODGE,
J. P. THOMY,
D. W. EDGERLY, Chairman.

Appendix "A"—Shipping Container Specification No. 5

This specification for iron or steel barrels or drums for inflammable liquids as prescribed by the Interstate Commerce Commission contains the following requirements:

Capacity	Minimum Thickness, U. S. Std. Gauge
Up to and including 10 gallons.....	20 gauge
Over 10 gallons, up to and including 35 gallons.....	18 gauge
Over 35 gallons, up to and including 55 gallons.....	16 gauge
Over 55 gallons, up to and including 110 gallons.....	14 gauge

Appendix "B"—Rule 40, Consolidated Freight Classification

When iron or steel barrels or drums other than single trip containers are used as freight shipping containers, the requirements are as follows:

Capacity	Minimum Thickness— U. S. Std. Gauge	
	For Dry or Solid Articles	For Other Than Dry or Solid Articles
Five gallons	26 gauge	24 gauge
Over 5 gals., to and including 10 gals.	26 gauge	22 gauge
Over 10 gals., to and including 20 gals.	24 gauge	20 gauge
Over 20 gals., to and including 35 gals.	23 gauge	19 gauge
Over 35 gals., to and including 58 gals.	22 gauge	18 gauge
Over 58 gals., to and including 75 gals.	20 gauge	16 gauge

The term "dry or solid" is defined as referring only to articles which are dry or solid at a temperature of 100 deg. Fahrenheit.

Single Trip Containers

Single trip iron or steel barrels or drums may be used as shipping containers only for dry or solid articles, but no thickness of metal is prescribed. Such containers must bear the initials S. T. C. to signify that they are single trip containers and are not to be used as freight containers after contents have been removed following the initial shipment by freight.

Appendix "C"

The weights noted in the following tables are for black steel swedged hoop oil packages. The prices are of September 1, 1922.

U hoops and I-Bar hoops, which are applied to the shell, are sometimes used. These add strength, afford easier rolling of filled packages, but add to cost and weight. The use of a simple removable friction cover adds no additional weight, but increases the cost a little. A full removable head, practical with the heavier gauge package, means a special type of construction and increases the cost somewhat.

I. C. C. Type Package

Sides—Straight, seam welded.

Chime—Rolled seam, oxy-acetylene welded with reinforcing chime hoop.

Capacity	Price	Gauge	Weight, pounds
10 gallons	\$2.35	19	18
15 gallons	2.75	18	36
30 gallons	4.00	18	46-50
50 gallons	5.25	16	75
55 gallons	5.50	16	76-80
50 gallons	6.00	14	90
55 gallons	6.25	14	92-95

Bilge type and seamless barrels appear to be made by but very few concerns. A most efficient package of this type has full removable head for 30-gallon and 50-gallon sizes. The removable head adds \$1.50 to \$2.00 to the prices noted below. Heavier gauge steel is used than noted in above table, which increases weight. For a long life reship container it appears to be very efficient:

Capacity	Price	Gauge	Weight, pounds
30 gallons	\$7.00	14	67
50 gallons	9.00	13	98

Appendix "C"—Light Gauge Reship Package

Sides—Straight, seam welded.

Chime—Rolled seam, usually five ply of non-leaking or watertight construction to meet freight classification.

Capacity	Price	Gauge	Weight, pounds
10 gallons	\$1.60	19	14-17
15 gallons	1.80	19	18-20
20 gallons	2.10	19	21-22
30 gallons	2.35	19	27-31
35 gallons	2.75	19	33-35
40 gallons	3.00	18	40-41
50 gallons	3.10	18	47-48
55 gallons	3.30	18	50-51
30 gallons	2.75	18	35
35 gallons	2.90	18	38
50 gallons	...	16	55-57
55 gallons	...	16	60-61

Many steel barrel manufacturers make this type of container having a removable cover, 9-inch diameter for the smaller size and 12-inch or 15-inch for the larger. This cover is mostly of the friction type, with additional security of clips or bolts if desired.

Appendix "C"—Special Type Package

Sides—Straight, rolled seam, two series of corrugation for strengthening.

Chime—Rolled seam.

Gauge—27.

Measurements—18 inches diameter and from 20 to 30 inches in height.

Capacity—22 to 34 gallons.

Weight—10 to 13 pounds.

Opening—15-inch friction cover, held by special indentations.

Cost—75 cents to 95 cents.

President Trigg:—The board concurs in the suggestion that this report be received and accepted as informational and that the committee be discharged. Is there a motion to approve the board's recommendation? Mr. H. Crawford:—I so move. (The motion was seconded and carried.)

President Trigg:—Now, the report of the Kalamoline Committee.

Kalamoline Committee Letter

Secretary Horgan:—You will notice that there was no printed report of this committee's activity. I have in lieu of that

a letter from the chairman of this committee, Mr. H. W. Pearson, which I will read. This letter was addressed to the Executive Committee of the association.

The Kalamoline Manufacturers' Committee will be unable to make a report to be submitted at the Atlantic City convention.

During the year I have explained on several occasions to Secretary Horgan the difficulty I was experiencing in getting the Kalamoline manufacturers to work in co-operation with each other so that through the good offices of the N. P. O. & V. A. the Kalamoline conditions could be generally bettered, but this past year has not been an opportune time for this endeavor, as, unfortunately, considerable friction has existed among the half dozen principal manufacturers, and, although I have worked hard in making various suggestions, it seemed impossible to gain any headway and keep personal feelings absent, with the result that really nothing has been accomplished.

It is the committee's belief that later on, when more normal conditions return, much help can be developed in this branch of the industry through the National Association, and it is our suggestion that the Kalamoline manufacturers' committee be continued, as I think it is only a question of time when present controversies will be straitened out and the Kalamoline people will be glad to work along any lines that will be generally advantageous to them.

Secretary Horgan:—It was moved, seconded and concurred in by the Executive Committee and their recommendation of the Board of Directors and that action was ratified by the board—that this be read to the convention simply as a matter of information.

President Trigg:—You have heard the recommendation of the board. Is there a motion to approve?

Mr. W. H. Crawford:—I so move. (The motion was regularly seconded.) President Trigg:—Mr. Pearson, is there anything further you would like to say on this subject?

Mr. W. Pearson:—I don't think so, Mr. President.

President Trigg:—You have said quite a little. We hope that next year somebody from your industry will have a little different story. It seems to those of us who are keeping in touch with that sort of thing that the conditions in your industry so far as co-operation is concerned are very deplorable and we believe that it would not only be to the benefit of the industry as a whole but specifically to your branch of the industry if you could co-operate a little bit. We hope that you will be able to do so before long.

Gentlemen, you have heard the motion to approve of the recommendation of the chairman of the Kalamoline Committee. What is your pleasure?

(The motion was carried.)

President Trigg:—We will go back to the regular order of our program.

We will have first the report of the Transportation and Classification Committee.

Mr. W. J. Pitt, chairman, Mr. Pitt.

Mr. W. J. Pitt presented the report of the Transportation and Classification Committee as follows:

Report of Transportation and Classification Committee

The Committee respectfully submits its report for the year 1921-22.

GENERAL

Transportation conditions since July 1 have been, and are at the present time, greatly disturbed. Embargoes are the rule instead of the exception and there are many serious congestions in various parts of the country. The time in transit is about two to three times as great as during normal times, as measured by the dispatch obtaining the first half of the year, as to both carload and less than carload freight.

The shopmen's strike, effective July 1, 1922, unfortunately arrested the hopeful progress anticipated the forepart of the year, and the rapidly advancing revival of fall trade simply overwhelmed the carriers' impaired facilities, when the system was greatly overtaxed to recover from the ill effects of the deferred coal movement due to the miners' strike prevailing through the spring and summer months. As predicted by traffic experts, and as our members were bulletined in the late summer, the untoward consequences of these unwholesome conditions became acute as the inevitable aftermath of the strike of shopmen, so that at this time there is a dire shortage of motive power and a pressing car shortage that is growing more severe with each weekly report of car service.

On August 31, 1922, the latest date of official and authentic reports, motive power had so deteriorated as to prevent movement without extreme delay even though trains had been made up. An idea of its gravity may be gained from the following percentages of unserviceable locomotives of the average number on the line daily, viz.:

	1922	1921
Northwestern Region—Chicago & Northwestern Ry.	33%	24.4%
Central Western Region—Chicago & Alton R. R.	46.3%	23.6%
Southwestern Region—Mo., Kan. & Texas R. R.	43.1%	18.2%
Southern Region—Seaboard Air Line Ry.	46%	35.2%
Pochohontas Region—Ches. & Ohio Ry.	38.5%	18.3%
Ohio-Indiana-Ally Region—Balt. & Ohio R. R.	53%	28.2%
Great Lakes Region—New York Central R. R.	48.2%	38.9%
New England Region—N. Y., N. H. & H. R. R.	28.4%	20.3%

Notwithstanding the settlement of the strikes mentioned we feel ordinary winter conditions will intensify the stress, in the light of the expected and growing traffic, and we take this occasion to again warn those in our industry concerned with supplying raw materials and the distribution of products that relief is far distant. It can be stated without fear of contradiction that the country's transportation system, with equipment in normal condition, is slightly more than half of that necessary to accommodate the fast growing tonnage.

When it is considered that the car miles per car day is less than 25 miles and the net tons per loaded car about 26 net tons, more efficient methods in operation on the part of the carriers and a greater spirit of co-operation on the part of the public will go far to relieving the perplexing situation in which we see much cause for alarm as a highly destructive element to the country's commerce. With a defective and inadequate transportation machine and the existence of these evils, freight rates, now higher than ever before in this country (except the period August 26, 1920, to July 1, 1922) must necessarily be slow to recede to a normal level, regardless of the economies the carriers have been able to effect the past year. The reduction of freight rates July 1, 1922, was predicated upon the theory of expected prosperity as well as reduction of labor costs, but it must be clear to anyone acquainted with the subject that the limited facilities will seriously retard further favorable action in this direction in the near future, since it is axiomatic that an overtaxed transportation plant incurs unit costs far out of proportion to the gain from increased volume of tonnage, not to mention the evils cast upon the public by reason of embargoes, congestions, delays, damaged and short goods, with all the expense and inconvenience that invariably attend such a situation. The experiences of the past seven years have amply demonstrated this fact, and the constant and energetic efforts of the carriers to secure large and inordinate increases in revenue in every general rate readjustment, many of which are now requiring the attention of industrial traffic representatives, show clearly the truth of this assertion. With the exception of one short period, the tonnage now offered the carriers exceeds that of any time since the termination of the world war.

It is with great solicitude we commend these remarks to the wisdom of our membership, since transportation of our raw materials and products is a most vital problem today in our business and social life.

RATE ADJUSTMENT

Reduction in Freight Rates, 1922

During the year many general and specific rate revisions have been sought by the carriers, all in the direction of increases. The Interstate Commerce Com-

mission has conducted a large number of hearings and rendered some decisions of extensive scope. It would require much time and space to enumerate these minor adjustments, so we deem it expedient to confine this report to the more important issues. These activities have imposed great care, effort, time and expense upon the committees in looking after the interests of our industry, attendance at meetings, hearings, negotiations with rail, water, express and postal officials, appearance before the Interstate Commerce Commission, the Shipping Board and State Commissions, and following the legislation and investigations of transportation subjects in the Congress just adjourned.

The principal phase of this subject has been the investigation by the Interstate Commerce Commission in Ex Parte 13293, resulting in recasting the percentage increases of August 26, 1920, viz.:

Eastern Group—From 40 per cent. to 26 per cent. over rates of August 25, 1920.

Western Group—From 35 per cent. to 21.5 per cent. over rates of August 25, 1920.

Southern Group—From 25 per cent. to 12.5 per cent. over rates of August 25, 1920.

Mountain-Pacific Group—From 25 per cent. to 12.5 per cent. over rates of August 25, 1920.

Interterritorial Group—From 33½ per cent. to 20 per cent. over rates of August 25, 1920.

For practical purposes this reduction is stated as a 10 per cent. reduction in rates effective as of July 1, 1922, and represents an estimated gross reduction this year of \$412,000,000. The estimated wage reduction by the Railroad Labor Board was \$400,000,000 without taking into consideration the saving from changes in rules and working conditions.

The Commission found that, effective March 1, 1922, a fair statutory return to the carriers under Section 15A of the Interstate Commerce Act would be 5.75 per cent, although the average return thus far has been less than 4.5 per cent., versus 5.23 per cent., the Federal rental as well as the average of the three pre-war years.

Using the year 1913 as 100 per cent., the index prices of all commodities bears the following ratio to ton mile revenue:

	Wholesale Price.	Average Revenue per ton mile.
1916	124	98
1917	176	99
1918	196	118
1919	212	135
1920	243	146
1921	153	177
1922 Jan.	148	162
1922 Feb.	151	160

It will be readily observed that transportation costs is distorted and more minute analysis since the reduction of July 1, 1922, will show they are far above what they should be.

The latest revenue statistics of the Interstate Commerce Commission for the eight months ending August 31, 1922, discloses the following results, in millions:

	United States.	Eastern District.	Southern District.	Western District.
Railway operating revenues.... 1922	3,529	1,599	455	1,337
Railway operating revenues.... 1921	3,645	1,645	452	1,418
Railway operating expenses.... 1922	2,806	1,300	358	1,051
Railway operating expenses.... 1921	3,107	1,432	404	1,167
Net railway operating income.... 1922	471	192	66	178
Net railway operating income.... 1921	306	115	23	149
Ratio of expenses to revenue.. 1922	79.54%	81.30%	78.84%	78.65%
Ratio of expenses to revenue.. 1921	85.24	87.04	89.40	82.28

These brief statistics reflect the great gains thus far made, and if the carriers can function uninterruptedly through the winter without unusually severe weather and undue expense previously alluded to, efforts will be made by the public based upon the encouraging reports up to August 31, 1922, to secure greater deflation of freight and passenger charges consistent with good judgment and the aims of the carriers to rehabilitate and expand the system to furnish better service.

The Commission declined to order a reduction in passenger fares or Pullman surcharges.

Mississippi Valley Case I & S Docket 13303

The Commission permitted the carriers operating in the Mississippi Valley and from Trunk Line and Central Freight Territory to reconstruct rates based on a so-called "dry land" basis, resulting in cancellation of various commodity rates, especially on less than carload traffic. These rates had their inception in the age-long policy of meeting water competition in that territory, but as the carriers' policy has been reversed since the passage of the Transportation Act of 1920, they undertook to increase many rates which were protested by the public. The decision of the Commission was a compromise.

Imported Oil from Pacific Coast

The transcontinental carriers reduced the rates on Oils CL from \$1.05 to 75c., October 31, 1921, to Chicago-Louisville-Cincinnati-Toledo territory, and effective October 17, 1922, included Cleveland-Buffalo-Pittsburgh territory, but the Commission has suspended the latter reduction to February 14, 1923, under I & S Docket 1673 and hearing will be held shortly.

SOUTHEASTERN CLASS RATE INVESTIGATION—I. C. C. 13494

This case is one of the largest investigations of rates ever conducted by the Commission and involves generally all rates within, to and from points South of the Ohio and Potomac Rivers and East of the Mississippi River. Large increases are proposed by the carriers. It is contemplated to establish joint rates from Central Freight Territory which have heretofore been constructed on Ohio River Combination. The general basis is to hold Chicago and New York on a parity, whereas rates from New York have heretofore been lower than from Chicago and adjacent territory. Vigorous opposition to such a relationship is being made by Eastern Shippers as rivalry between the shippers in

the respective sections named has been strong for years past, and the East has always had an advantage owing to the water and rail routes controlling the measure of the rates.

Your Committee feels that Central Freight Territory should have the benefit of joint rates, a reasonable differential over the rates from the recognized basing points on the Ohio River, in the same manner that the rates from Eastern Cities bear a relationship to the rates from Virginia Gateways.

It does not concede, however, the right of the rail carriers to neutralize the efficient water service to Virginia and South Atlantic Ports, which are economic levelers of rail rates, and so recognized by the Commission. Any attempt by the rail lines from the East to make these rates on a "Dry Land" basis and thereby deny the sections served by such controlling water and rail routes the natural advantages of their location, will be resisted to the utmost. The hope of the East as well as the Central West of reasonable freight rates to South-eastern, Mississippi Valley and Carolina territories is surely dependent upon the maintenance of this policy, since the Western lines must regard market competition between the two Sections, and cannot control the rates from the East, though there is abundant evidence they are exerting pressure upon the Eastern rail carriers and water lines to acquire this indirect control.

EASTERN TRUNK LINE CLASS RATE SCALES

This is an important subject that will vitally affect every shipper and receiver of less than carload freight in Trunk Line territory and at points in adjoining traffic territories. The proposal of the Eastern carriers means an increase of many millions of dollars if the proposed general mileage scales of class rates are adopted. We are convinced the average shipper does not realize the gravity of this proposal. It will ultimately have to be passed on by the Interstate Commerce Commission and the State Commissioners of the Eastern States. A preliminary hearing was held the week beginning October 23, 1922, by the Trunk Line Association, at which the above Commissions had representatives, as well as about 100 shippers. Your Committee opposed the plan. As an illustration of the extent of the proposal the New York-Philadelphia rates might be cited as typical. These rates at present are as follows:—

Classes	1	2	3	4	5	6
	41.5	34	28.5	22.5	19.5	18.5

for a distance of 96 miles.

The carriers proposed the following rates, viz.:

Classes	1	2	3	4	5	6
	58	49.5	39	29	20.5	16

for a distance of 110 miles, resulting in a percentage increase, or decrease, viz.:

Classes	1	2	3	4	5	6
Increase	39.7	45.6	37	30	5	..
Decrease	..	..	..	..	..	16

As less than carload freight takes generally 1st, 2d, 3d or 4th class, it will be readily seen what this readjustment will mean, not to mention the unwarranted inflated mileages sought to be established by which the unjust rates are to be determined.

We regret that some shippers of prominence, particularly shippers of carload freight, advocate the adoption of a mileage basis. Your Committee feels that notwithstanding the comparatively insignificant irregularities in the existing adjustment, the carriers in the guise of a cure-all are simply casting the fashion of uncertain evils that will inevitably react upon their revenues and commerce in a most deleterious way. Your Committee considers the scales as unreasonable and a plan for such broad application as elementary unsound, and will briefly show some of the fundamental weaknesses of the plan.

1. It will tend to localize trade, since the distant buyer will not purchase where rates are so unreasonably high as compared with prices at home or nearby producing points.

2. It shifts to an undue degree the burden of transportation costs from carload to less than carload traffic by establishing the following relationship of classes:—

1	2	3	4	5	6
100%	85%	67%	50%	35%	28%

3. That reductions or no changes are proposed on carload traffic and advances all rates in the higher classes without regard to the basic distinctions that should govern the spread between the two kinds of traffic, i.e., the approximate difference in the cost of producing the service.

4. It fails to take into consideration the guiding principles that should govern any scheme of universal mileage rates, viz.:

A—The wide range of per mile investment in road and equipment and capitalization per mile of the various lines in the group affected.

B—Great differences in traffic density of such lines.

C—Population per mile of line.

D—Industrial prosperity on the several lines involved.

E—Geographical and topographical advantages and disadvantages of the carriers.

F—Operating ratios of expenses to revenues.

5. It would require a serious upward revision of rates inter-territorially in order to sustain and clear the proposed high intra-territorial rates.

6. It would greatly disturb existing long-standing rate relationships of competitive communities and industrial plants where the present adjustments are delicately balanced.

7. It would seriously diminish less than carload traffic to the positive detriment of carriers themselves and drive considerable tonnage to express and parcel post service, and result in a larger jobbing or warehousing system with loss in revenue to carriers on carloads versus less than carload traffic; curtailment of package car services, multiply delay to such less than carload traffic as may move by requiring transfers in transit, diminish service due to withdrawal of circuitous routes who cannot violate the long and short haul clause of the State and Interstate Acts regulating commerce, thereby creating a monopoly in favor of the short line between two given points, and also increase the cost to the shipper and receiver because of such withdrawal and non-existence of

reciprocal switching arrangements whereby a desired terminal delivery may be secured without incurring high switching charges.

8. It makes no distinction between the charges.

- A—Main line to main line hauls.
- B—Branch to branch line hauls.
- C—Main line to branch line hauls.
- D—One-line versus two-line hauls.

Whereas the cost of producing the transportation for the respective services mentioned are vastly different and should be reflected in a major way in any mileage scale of class rates that may be framed.

The estimated operating revenues from freight in the United States for 1922 will not be less than \$3,500,000,000. That for the Ohio-Indiana-Allegheny District will be about \$750,000,000. When it is considered that the merchandise less than carload freight represents about 27.5 per cent. of the total, or about \$200,000,000, some idea may be gained of this radical proposal by casting up the percentage of increase cited above in the case of the New York-Philadelphia rates.

Your Committee is not impressed with the utility or expediency of the carriers' plan of mileage scales of class rates within Trunk Line territory and to or from adjacent traffic groups affected thereby, or any other such scheme that fails to consider the recognized fundamental principles of rate construction outlined in this section and recommends that whatever committee may be appointed for the ensuing year should give serious study to this important movement, which is simply one of many efforts in the last seven years to secure unreasonable rates under the pretense of removing assumed intolerable inconsistencies in prevailing rate adjustments, notable examples of which are the Consolidated Freight Classification case; I. & S. Docket 1303 (Mississippi Valley case) and I. C. C. 13494 (Southeastern Class Rate Investigation), the latter now being heard.

EXPRESS RATES 1922—I. C. C. 13930

The Express Companies have applied to the Commission for another general increase in rates, notwithstanding the advances made within the last three years and the matter was assigned for hearing at Washington, D. C., October 30, 1922, at which your Committee was represented. Information has come to your Committee that the railroads and express companies are to urge a curtailment of the parcels post system in connection with this movement, and to bring about increases in such charges as will yield the railroads greater revenue from their express business and at the same time enlarge the traffic and revenue of the express companies.

Every effort should be made by the traffic representatives of the Associations of our industry to see that no undue burden is placed upon our members and resistance made to all attempts to curtail or impair the Parcels Post System.

PARCELS POST

The Postmaster General's Department is now working with the Joint Commission on Postal Service to determine the cost of this service, which in 1913, when established, was 7 per cent. of the total mail matter, has now grown to 64 per cent. of the total. There is little question about the charge being below the cost of the service, but investigation made by your Committee convinces us more economical methods, especially in the large centers, could be adopted to advantage; we would further recommend this service be segregated from other mail service, though under control of the Postmaster General, as we believe wasteful methods are now in vogue.

FREIGHT CLASSIFICATION

Your Committee has kept in touch with the carriers' Classification Committee and the I. C. C. representative handling this phase of our traffic, and are pleased to report efforts that have been made, informally, to disturb our ratings have been discouraged.

Your Committee has also been represented at the various meetings of the said committees and aided in preventing various general changes affecting the public at large.

BUREAU OF EXPLOSIVES

Your Committee has been in close contact with this department of the American Railway Association and co-operated in its general labors to see that our interests were protected.

FREIGHT CLAIM DIVISION—AMERICAN RAILWAY ASSOCIATION

Your Committee has also co-operated with this branch of the carriers' organization, particularly "The Perfect Passage Month" campaign, and are pleased to say that its results from the standpoint of our industry were satisfactory. Investigation made by us of certain mistaken rumors based upon statistics proven incorrect by us as to the susceptibility to damage of our products, has had its effect upon the carriers in connection with proposed increases of rates or burdensome packing rules.

UNIVERSAL INTERCHANGEABLE MILEAGE BOOKS

The Interstate Commerce Commission, pursuant to Act of Congress, held a hearing on September 26, 1922, to determine whether or not reduced fares should be established by these means. Your Committee was represented and co-operated with other public representatives in urging that this be done as an aid to the revival of trade. Their decision is expected soon.

TRACING LESS THAN CARLOAD FREIGHT

Your Committee, with others, is endeavoring to induce carriers to restore the system generally prevalent before Federal Control of recording at transfer points the passing of less than carload freight, as is now done at passing points on carload freight. It is now very difficult to get any information as to the movement of less than carload freight and the restoration of this practice, especially during the trying periods as the transportation disturbance of the past half year, will be a great aid to all shippers.

BILLS OF LADING—I. C. C. DOCKET 4844

Your Committee took part in this investigation by the Commission, which has been attended with much litigation and legislation. A new uniform bill is now in force and efforts to induce carriers to permit shippers' individual forms to be used until January 1, 1923, subject to an adoption clause on the old forms, were successful. This will enable shippers to dispose of their supply of obsolete forms to that date only.

It has been suggested that steps be taken to have all terms and conditions

omitted from the bill of lading form. Investigation by your Committee convinces us of the impracticability of this proposal, owing to the legal status of that document aside from the usefulness of such information to the public. The sentiment of the Interstate Commerce Commission, the Railroads and Steamship Lines, using the form, and a large part of the public's traffic representatives is distinctly against such action as unwise, inexpedient and impractical in a commercial as well as legal sense, and your Committee is, therefore, opposed to the suggestion, after giving it thorough consideration.

UNITED STATES SHIPPING BOARD

Your Committee has handled with the Board many questions during the past year of minor importance generally, though in some particulars of great importance to our industry and the public at large, such as conference rates, overseas Bills of Lading, service of the Board's vessels, coastwise rates under its jurisdiction, etc., some of which are still pending.

The Board has arrived at the conclusion that Section 28 of the Shipping Act cannot be enforced without great injury to commerce, and after hearings jointly with the Interstate Commerce Commission, are of the opinion this section should be repealed. The intent of this Section is to deny to shippers using foreign vessels the benefits of reduced railroad rates established on import and export traffic.

RATES TO PACIFIC COAST

The Conference controlling these rates, of which the Shipping Board is a member, dissolved the early part of this year, resulting in demoralization of rates and resort to the long-term contract system with shippers. Your Committee bulletined our members on this situation and offered their services in obtaining the lowest possible rates from the steamship companies competing for the trade. It is predicted the conference will be stabilized in the near future, but we would recommend the execution of such contracts for what they are worth. Their validity as a contract enforceable against the steamship lines is questionable should they decide to revoke or ignore them, before expiration, as contrary to the spirit of the Shipping Act of 1916 and Merchant Marine Act of 1920.

FREIGHT RATES

General

Your Committee has compiled the attached statements of carload and less than carload rates on Paint and Varnish from representative producing points to prominent consuming centers as in effect October 15, 1922, pursuant to the recommendation in the report of the Traffic Committees of the Paint Manufacturers' Association of the United States, and the National Varnish Manufacturers' Association, for the year 1920-21. These compilations, taken from the tariffs and official advices from carriers, will be of inestimable value to the Freight Zoning Committees, as well as a guide to the Sales Departments and others concerned with the costs of distribution. Great difficulty was experienced and much labor was expended in preparing these statements of current freight rates and your Committee hopes their use as intended will prove their worth.

GENERAL

There have been and are now many serious traffic problems before the Commission, State Commissions, Carriers and the Shippers, of great public concern. We have only recited the high points. These momentous questions must be vigilantly watched and diligently prosecuted if great harm to our industry and other shippers is to be avoided. Many investigations originating in the Transportation Act of 1920—e.g., the plan of consolidation of railways, and many other similar questions, and in the Merchant Marine Act of 1920, and other statutes, are before the country, aside from the many minor rate cases and readjustments proposed by the carriers. Whoever may comprise your Traffic and Transportation and Classification Committees the ensuing year should diligently follow up these subjects, especially those of such known primary importance as are referred to herein. There are many opportunities for great and irreparable harm through a passive or contrary course in dealing with the subjects, from the standpoint of the public.

Your Committee desires to bring to your attention the recommendation of the Transportation and Classification Committee for the year 1920-21 that an appropriation of \$2,500 be made to cover the traveling expenses of the Committee. While a great deal of traveling has been necessary the past year, we believe this sum more than necessary, but would recommend that each Association appropriate annually \$500, or a total of \$1,500, for the industry to defray these expenses.

Your Committee desires to extend to the Secretary their grateful appreciation for the invaluable aid rendered and the courtesies extended by him in their labors in behalf of our industry.

Respectfully submitted,

Paint Manufacturers' Association of the United States—Traffic Committee:—

W. H. LYONS, E. A. LEVEILLE,
O. VAN BRUNT, E. J. BURNS,
WILLIAM J. PITT, Chairman.

National Varnish Manufacturers' Association—Traffic Committee:—

H. C. CAFFREY, E. A. LEVEILLE,
W. F. SCHMIDT, WILLIAM J. PITT, Chairman.

National Paint, Oil & Varnish Association—Transportation and Classification Committee:—

C. W. BRIDGER, L. C. STEPHENS,
M. B. McNULTY, E. A. LEVEILLE,
WILLIAM J. PITT, Chairman.

Mr. Pitt:—Mr. President, if I may have a few moments, I would like to call the attention of the members to something which seems to be of a great deal of importance to our industry and to the country at large, and that is the condition of the carriers as reflected in the last reports obtainable.

Under the order of the commission in the Advance Rate Case of 1922, they fixed the statutory return at 5% per cent. The September reports show that the carriers have only earned 2.83 per cent., and for the nine months ending September 30, they have only earned 3.86 per cent. The earnings for September were \$59,000,000. That is \$59,000,000 short of the necessary amount to yield the statutory return which Congress has mandated

to the commission as the basis upon which freight rates should be fixed.

In the matter of equipment the carriers spent \$120,000,000 for maintenance of equipment in September. That is unusually large; it is out of proportion to net income. The equipment of the carriers is in bad state today. We have not made progress in supplying equipment. Carriers should have added at least 100,000 cars every year. There are 500,000 freight cars in this country. About 964,000 of those cars are coal cars; about 700,000 are box cars. Of course we are more dependent upon box cars than the others.

Comparing 1921 with 1921, the rate of decrease in 1921 in the matter of locomotives was 60 per cent. When I say

"Locomotives" I mean power, bearing in mind the difference in size. It was 60 per cent. less in 1921 than in 1907, and in the matter of box cars, 65 per cent.

Not only have we not kept pace in constructing equipment, but we are actually declining. The figures I have given you as to the locomotives and freight cars on the line—the latest reports of the Commission—will show how grievous the situation is. Every railroad president in the United States is on the stump today trying to drive into the American people the fact that their transportation system is deteriorating and that there is bound to be a breakdown.

It seems to me that it calls for patience in the matter of these rate adjustments, and so long as rate adjustments are not accompanied by discrimination, undue prejudice and disadvantage, I think we ought to go very slowly in challenging the inherent reasonableness of those rates.

Our classification ratings, I think, are fair today. There are one or two inconsistencies that I would like to have straightened out: for instance, varnish in bulk, and matters of that kind. But on the whole the transportation classification ratings are in harmony with other elements of classification.

But in these freight rate advances the carriers are working night and day to secure increases, and I am fearful that the trend is toward imposing an undue burden upon less than carload traffic. That feature of our business, which comprises most of the tonnage we furnish the carriers, is in favor of carload traffic. Every one recognizes the distinction between the handling of carload and less than carload traffic. It is based upon the question of cost. They have complained for many years that less than carload traffic is so much more expensive to handle than carload. We admit that on the basis of one hundred-pound charge, but when it comes to disregarding entirely the comparative cost in dealing with less than carload versus carload traffic, we think the carriers are on the wrong track. There are many evils which are bound to follow any such policy. You cannot destroy the less than carload traffic without destroying the trade. You would cer-

tainly localize it. The freight rates today on less than carload traffic, to my mind, are a little too high. It is the heavy traffic that ought to pay more revenue. I think that this question of transportation which is so serious today, ought to be given thorough consideration by every one of our members. There were over one hundred bills in the last Congress dealing with transportation, and you don't see any report of it in the press unless you follow the Congressional record or keep in touch with Washington, and you don't know just what the substance of those bills is. Some of them are radical.

Right now there is going on an investigation for the consolidation of railroads, a tendency toward government ownership which all would decry. I think this organization ought to go on record as opposing any move that is in the direction of government ownership of railroads.

I thank you, Mr. Chairman. (Applause.)

President Trigg:—What is the board's action in connection with this report, Mr. Secretary?

Secretary Hogan:—The Board of Directors expressed themselves, in connection with this report, as believing that it was one of the most complete and comprehensive reports ever presented to our association by a similar committee. A special vote of thanks was extended to Chairman Pitt.

In regard to the recommendation contained in the report, it was voted to recommend to the convention that the N. P., C. & V. A. approve the recommendation, but that in view of the fact that it is a joint report addressed to the three associations, the matter of the request to the two other associations should be referred to the Boards of Directors.

President Trigg:—Is there a motion to approve the recommendation of the board?

Mr. W. H. Crawford:—I so move.

(The motion was seconded and carried.)

President Trigg:—I will now call upon Mr. W. H. Crawford, chairman of the Naval Stores Committee, for the report of that committee. Mr. Crawford, chairman of the Naval Stores Committee. (Applause.)

Mr. Crawford presented the report of this committee as follows:—

fine not exceeding \$5,000 or by imprisonment for not exceeding two years, or both, in the discretion of the court.

To provide that the act become effective ninety days after date of passage thereof.

A committee with authority from the Savannah conference to introduce, foster and secure passage at the next session of Congress is seeking to accomplish desired results with as much dispatch as conditions so far permit.

Thus a resolution introduced at the Minneapolis convention by the Pittsburgh Club, nine years ago, is about to become a reality.

But it will not be a reality until it is enacted into a law, so your committee requests that every member of this great organization, together with the loyal trade press, continue to bestow that co-operation which alone is responsible for the progress your committee is enabled to report to this convention.

Respectfully submitted,

F. L. COLBY,

J. H. McNULTY,

R. S. WESSELS, Vice-Chairman;

WILMER H. CRAWFORD, Chairman.

Mr. Crawford:—Mr. President, I would like to take this opportunity, with your permission, to give personal expression publicly before this convention of my appreciation for the courtesy and co-operation which was extended by the naval stores trade at the Savannah conference. That co-operation, with a clear understanding of what the word means actually, is largely due to the leadership of Mr. J. C. Nash, president of the Columbia Naval Stores Company of Savannah, and also president of the Savannah Paint Club.

The bringing together of your Naval Stores Committee and the naval stores trade of the South—who maintained the reputation of the South for its hospitality, courtesy and everything that goes with it, at those meetings (and those that were present know to what I refer)—is due entirely to that diplomat, R. S. Wessels, then Southern Regional vice-president. Your committee was entirely in the hands of these two gentlemen.

To them is due the credit of the success of this work. (Applause.)

President Trigg:—The president thinks that some of us may include somebody else in that list of those entitled to credit for its success, Mr. Crawford.

What is the action of the Board of Directors, Mr. Secretary?

Secretary Hogan:—The Board of Directors approved the report of Mr. Crawford.

ford's Committee and suggested that the convention reaffirm the association's approval of the proposed Naval Stores Bill; and it requests that the Executive Officers be authorized by the convention to send a telegram to Senator Pat Harrison at Washington along those lines.

Of course, that resolution carries with it again this year a special vote of thanks to our able, efficient and untiring chairman, Mr. Crawford.

President Trigg:—Is there a motion to approve of the recommendation of the board?

G. C. Morton:—I so move.

(The motion was seconded.)

Mr. Heckel:—In connection with the proposed telegram, the approval of the Paint Manufacturers Association of the United States and the National Varnish Manufacturers Association should be included. Both of those unanimously expressed approval of the bill.

President Trigg:—Thank you for bringing this in. We will be very glad to include that and make it a message from the three associations. I am very glad you mentioned it.

All in favor of the motion will say "aye"; contrary-minded, "no."

(The motion was unanimously carried.)

President Trigg:—Report of the Paint Trade Mutual Fire Insurance Committee, R. O. Walker, chairman.

Mr. Walker presented the following report:—

Report of Naval Stores Committee

At the last convention the time seemed propitious to seek a conference with the opponents of proposed Federal legislation with a view to harmonizing differences of opinion, and to that end the then regional vice-president, Southern zone, Mr. R. S. Wessels, was requested to arrange such a conference.

A meeting was held in the city of Savannah, Ga., March 7 and 8, followed by a second meeting August 17, 18 and 19, resulting in an agreed bill, purporting: To regulate commerce in Naval Stores among the several States and with foreign nations.

To define within the meaning of the act—turpentine and rosin.
To establish official Naval Stores grades of the United States.
To prevent fraud and deception in Naval Stores transactions.
To provide a penalty for willful violations of the provisions of the act by

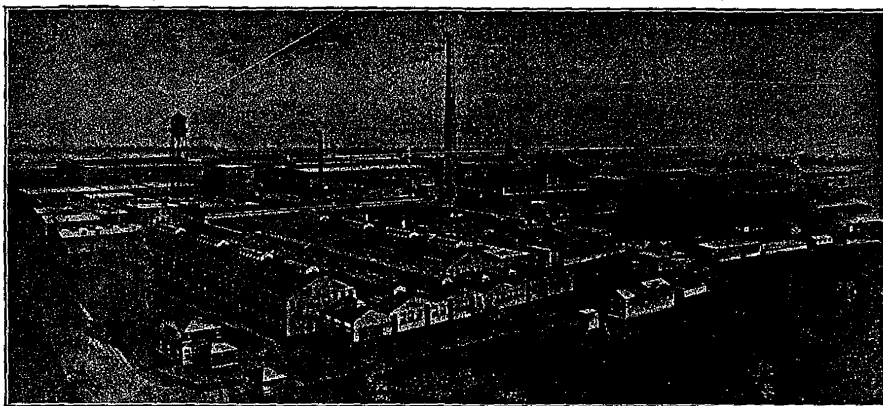
Report of Committee on Fire Insurance

Your Joint Committee on Fire Insurance respectfully reports that at the meeting of the Board of Directors of the Paint Trade Mutual Fire Insurance Company, held November 15, 1922, it was unanimously resolved to discontinue that organization. This action no doubt will come as a surprise to our members, but the Chairman of your Committee is, as you doubtless know, also the presi-

Bromo Fluorescein and Eosine (All Shades)

Erythrosine Phloxine Rose Bengale
Lake Scarlet - Naphthol Yellow L Conc - Alkali Blue

All Other Colors for the Lake and Printing Ink Trade



Works in Newark, N. J.

THE HELLER & MERZ COMPANY

Boston

Chicago

New York

Philadelphia

dent of the Paint Trade Mutual Fire Insurance Company, and he speaks with full understanding of the entire situation when he tells you that the outcome is a natural culmination of an evident lack of trade support for the Mutual Fire Insurance Company idea.

Naturally our members who are carrying policies in the Paint Trade Mutual Company will want to know what will be done with respect to those policies. Your Committee has been advised that notices will be mailed today, November 16, to all policyholders, telling them of the dissolution of the Company, advising that they replace their insurance at once and return to the Company, at its headquarters in Philadelphia, such policies as they may now have in the Paint Trade Mutual Fire Insurance Company, for cancellation, on or before November 28, 1922.

Your Committee has been advised that the Company will pay in full any pending losses, and that the Company confidently expects to return to policyholders on or before January 1, 1923, any unearned premiums.

Briefly, as a matter of historical record, may we take this opportunity to say that the Mutual Insurance Company's idea was fathered years ago by our



R. O. Walker

revered former President, Milo S. Clapp, and it was due to his persistence that the paint and allied trades agreed to organize a mutual company?

For twelve years various committees representing the National Paint, Oil and Varnish Association, the Paint Manufacturers' Association and the National Varnish Manufacturers' Association labored with the officers and directors of the Paint Trade Mutual Fire Insurance Company in an effort to secure support for the Company. But the support given was not sufficiently adequate to permit the Company to grow as it should.

Those in the industry who have given substantial support to the Paint Trade Mutual will regret to hear of its discontinuance.

Your Committee is not unmindful of the great value of a committee on fire insurance to trade associations, and we strongly recommend that a committee on fire insurance be continued for the purpose of keeping in touch with matters pertaining to fire prevention and insurance matters generally, and that such reports be made to the association annually.

Respectfully submitted,

J. B. LORDE,

National Varnish Manufacturers' Association.

MARCH G. BENNETT,

Paint Manufacturers' Association.

R. O. WALKER, Chairman,

National Paint, Oil and Varnish Association.

President Trigg:—I think we would all like to applaud in the sense of appreciation of the work Mr. Walker and his committee have done, but the sense of very great regret with regard to the apparent inevitable is such that we cannot find much enthusiasm.

Now, the recommendation of the board, Mr. Secretary, please.

Secretary Horgan:—The Executive Committee in considering this report of Mr. Walker, delegated March G. Bennett and S. Marshall Evans to draft a resolution which was submitted to the Board of Directors at their meeting on Tuesday evening, approved by the board and referred to the convention for its consideration. I will read the resolution:—

Whereas, It appears after over ten years of experience and earnest effort that the paint and varnish industry cannot be sufficiently interested in co-operative fire insurance to build up a mutual company of commanding strength; and

Whereas, The Directors of the Paint Trade Mutual Fire Insurance Company have, for this reason, voted to dissolve that company; and Whereas, This experience has shown that the Paint Trade Mutual Fire Insurance Company has nevertheless performed very great service in the special study of paint trade risks and that reduction of paint trade hazards by improving the standards of fire prevention in one industry, and in protecting the whole trade against the possibility of the imposition of excessive rates; be it therefore Resolved, That in order to preserve for the industry the greatest possible value gained by the experience of the said Paint Trade Mutual Fire Insurance Company that the president be instructed to select the members of the Fire Insurance Committee for the coming year from the present membership of the Board of Directors of the Paint Trade Mutual Fire Insurance Company.



Eugene Merz

Directors of the Paint Trade Mutual Fire Insurance Company.

President Trigg:—What is your pleasure with respect to the recommendation of the board? Mr. Morton (Boston):—I move it be adopted. (The motion was seconded and carried.) President Trigg:—Is there any discussion on this subject? Does any one desire

to say anything? All in favor of the motion as duly seconded, will please say "Aye"; contrary, "No." It is so ordered. Now, Mr. Merz, the chairman of the Tariff Committee, if you please. (Applause.) Eugene Merz presented the report of the Tariff Committee as follows:

Report of Tariff Committee

Tariff revision was started in the first week of January, 1921, with hearings held by the Committee on Ways and Means, and was completed after more than twenty-one months of legislative effort in the House and Senate by the President's prompt approval on September 21, 1922. The Underwood-Simmons Act, from which all thought of a protective principle was eliminated by its framers, is now superseded by the Fordney-McCumber Bill, which by design is fundamentally a protectionist measure.

The United States has never had a fixed tariff policy. In the numerous tariff revisions since the first tariff act of 1789 there are fifteen tariff revisions, each of which is a reversal of the then existing tariff policy. We can say that the average life of a fixed tariff policy has been nine years.

It is worthy of comment that with all this experience of our own and with the accumulated experiences of foreign countries the United States is still in the experimental stages of tariff making. Among the economists, statesmen, near statesmen, college professors and the citizens on the streets it seems still a debatable question whether we prosper better under a protective measure than under a tariff for revenue only. Our method of drafting a tariff bill is crude. After popular clamor has determined at an election that the tariff policy is to be changed, the party in power, true to its pledges, will proceed to change the tariff to a protection measure or to one for revenue only, as may have been determined by the popular voice. The policy having been determined, the rates are fixed by a system of log-rolling that makes the tariff look like a local issue.

Great hope was centered in the Tariff Commission, but to the present it has functioned as an advisory body, collecting statistical information, publishing periodical reports and giving special information on the request of Congress. It has been repeatedly suggested that the powers of the Commission be extended to actual rate making. This generally has been resisted by the legislative branch of the Government on the plea that it would be an unconstitutional delegation of its power and responsibility. Be this as it may, the legislative branch has no desire to let pass from its hands the great vote-getting power of rate making. There is some force to the argument that an existing tariff commission with rate making powers might maintain a tariff at variance with the views of a newly elected Legislature especially instructed by the people at the polls in regard to tariff. Acceptance of this argument concedes the right of the people to determine our tariff policy, and our tariff policy must always remain the football of politics.

The New Tariff Law

The average rate of duty on all commodities affected by the new law is estimated to be 36 per centum. The average duty on all imported articles, free as well as dutiable, is estimated at 13.6 per centum. The revenue of the new law is estimated at \$400,000,000 per year.

Under the Underwood-Simmons law for the years 1919 and 1920 (1921 statistics are not yet available) the imports, returns of revenue and percentages were as follows:

	1920
Free imports	\$3,115,958,238
Dutiable imports	1,985,865,153
Total imports	\$5,101,823,393
Revenue	325,645,563
Average rate on dutiable imports.....	16.40 per cent.
Average rate on total imports.....	6.38 per cent.
	1919
Free imports	\$2,711,462,069
Dutiable imports	1,116,221,362
Total imports	\$3,827,683,431
Revenue	237,456,679
Average rate on dutiable imports.....	21.27 per cent.
Average rate on total imports.....	6.20 per cent.

The wide divergence of the years 1919 and 1920 shows that estimates of the effect of the new law are crude at best and cannot be accepted with reliance. For convenient comparison we give a tabular statement of the principal articles of interest to our industry, showing the rates of duty which applied under the law of 1913, together with the rate of the law of 1922:

	Dutiable List	McCumber-Fordney Act	Underwood Act
Acids, acetic, not over 65% (lb.).....	34c		Free
Arsenic (lb.)	3c		Free
Barium carbonate, precipitated (lb.).....	1c		15%
Chloride (lb.)	14c		34c
Chalk or whiting, dry (%).....	25%		1-10c lb.
Cobalt oxide (lb.)	20c		10c
Sulphate and linoleate (lb.)	10c		15%
Cellulose esters, collodion, etc. (lb.).....	35c		15%
Casein glue	25%		1c to 25%
Lead and lead compounds, N.E.S.....	30%		20%
Acetate, white (lb.).....	24c		14c
brown, gray, yellow (lb.).....	2c		1c
Animal oils—N.E.S.....	20%		15%
Sod, herring, menhaden (gal.).....	5c		3c
Whale (gal.)	6c		5c
Seal (gal.)	6c		3c
Sperm (gal.)	10c		8c
Fish oils, N.E.S.....	20%		3c

	McCumber-Fordney Act	Underwood Act
Expressed oils—N.E.S.	20%	15%
Castor (lb.)	3c	12c gal
Hempseed (lb.)	1½c	3c gal
Linseed or flaxseed (lb.)	3-10c	10c gal
Olive oil, N.E.S. (lb.)	6½c	20c gal
Poppyseed (lb.)	2c	6c gal
Rapeseed (gal.)	2c	6c gal
Coconut (lb.)	2c	Free
Cottonseed (lb.)	3c	Free
Peanut (lb.)	4c	6c gal
Soya bean (lb.)	2½c	Free
Hardened oils or fats (lb.)	4c	(Same as basic oils)
Chemically changed oils and fats, N.E.S.	20%	20%
Pigments, artists' colors, unassembled	40%	15%
Paints, colors, stains	25%	15%
Barytes, crude (ton)	\$4	15%
Blanc fixe (lb.)	1c	20%
Blue pigments (lb.)	8c	20%
Ultramarine blue (lb.)	3c	15%
Bone black	20%	Free
Chrome colors	25%	20%
Black pigments, N.E.S.	20%	15%
Lead pigments, N.E.S.	30%	25%
Litharge (lb.)	2½c	25%
Orange mineral (lb.)	3c	25%
Red lead (lb.)	2½c	25%
White lead (lb.)	2½c	25%
Ochers, siennas and umbers, crude (lb.)	¾c	5%
Iron oxide, N.E.S.	20%	10%
Satin white (lb.)	¾c	20%
Varnishes, N.E.S.	25%	10%
Vermillion reds (lb.)	28c	15%
Zinc oxide—Dry (lb.)	1½c	10%
In oil or water (lb.)	2½c	15%
Lithopone (lb.)	1½c	15%
Potassium—Chromate (lb.)	2½c	1c
Ferricyanide (lb.)	7c	2c
Ferrocyanide (lb.)	4c	1½c
Chromate and dichromate (lb.)	1½c	¾c
Ferrocyanide (lb.)	2c	¾c
Nitrite (lb.)	3c	¾c
Gypsum, ground or calcined (ton)	\$1.40	10%
Clays or earths, crude (ton)	\$1.00	50c
China or kaolin (tons)	\$2.50	\$1.25
Fuller's earth, crude (ton)	\$1.50	75c
Silica, crude, N.E.S. (ton)	\$4	Free
Pigment, N.E.S. (ton)	\$7.50	Free
Talc, soapstone, crude (lb.)	1c	Free
Graphite, amorphous	10%	Free
Lump	20%	Free
Flake (lb.)	1½c	Free
Glass, cylinder, crown and sheet, unpolished—		
Not exceeding 150 sq. inches (lb.)	1½c	¾c
Above 150 and not over 384 sq. inches (lb.)	1½c	1c
Not over 720 sq. inches (lb.)	1½c	1½c
Not over 864 sq. inches (lb.)	1½c	1½c
Not over 1,200 sq. inches (lb.)	2c	1½c
Not over 2,400 sq. inches (lb.)	2½c	1½c
Above that (lb.)	2½c	2c
Polished—		
Not over 384 sq. inches (sq. ft.)	4c	3c
Not over 720 sq. inches (sq. ft.)	6c	4c
Not over 1,440 sq. inches (sq. ft.)	12c	7c
Above that (sq. ft.)	15c	10c
Fluted, ribbed, rolled or rough plate (with or without wire netting)—		
Not over 384 sq. inches (sq. ft.)	¾c	¾c
Above that (sq. ft.)	1½c	1c
Cast, polished, plate glass, finished or unfinished, unsilvered—		
Not over 384 sq. inches (sq. ft.)	12½c	6c
Not over 720 sq. inches (sq. ft.)	15c	8c
Above that (sq. ft.)	17½c	12c
Smalts, frostings, ceramic and glass colors, fluxes, glazes and enamels, ground or pulverized	30%	15%
In any other form	40%	15%
Bronze powder (lb.)	14c	25%
Powdered aluminum, foil, tin, brocades, flitters and metallics, manufactured (lb.)	12c	25%
Bronze, Dutch metal or aluminum leaf (100 leaves)	6c	25%
Flaxseed (56-lb. bushel)	40c	20c
Soya beans (lb.)	¾c	Free
Cottonseed (lb.)	1-3c	Free
Bristles, sorted, bunched or prepared (lb.)	7c	7c

Free List

Bristles, crude, not sorted or bunched.

One cannot foretell the effect of the new law on the prosperity of the country or on our several lines of industry. Past experiences do not now serve as a basis for predictions. Never before have our foreign competitors been plunged into the deep state of depression that now prevails among them. Never before have so many of the foreign consumers of our products simultaneously suffered the disturbances to which they are now subjected. Since the outbreak of the great war the United States has profited from the unfortunate conditions of the war-torn countries. We prospered even though our conditions were not fundamentally sound.

Will the struggle for revival among our foreign competitors and the struggle for existence between them and us lead to a destructive competition? Will their low money value and their low wage rates bring European depression to this country, or will our protective tariff be an adequate barrier—a quarantine, as it were—against the spread of their diseased conditions to our shores? The best answer now can be but a guess. Let us be patient; let us be hopeful, and above all let us insist that we bring the profit of this experience to the next tariff revision.

The opponents of the Fordney-McCumber Bill predict sad things—its rates are too high; the cost of living will be increased in the United States; the restriction of our imports is predicted to lead to a restriction of our export trade. Great stress is laid by the opponents of the new law on the fact that the high rates of duty introduced by the Senate did not meet with the approval of some of the Republican members of the House.

The advocates of the law say that these fears are groundless; that they are usually uttered before and immediately after the enactment of a distinctly protective measure. The warmest supporters of the new law admit that it contains some defects. Senator Smoot said that no law was ever enacted that could not have been improved the day after it was passed.

It is frequently stated that we cannot expect to export unless we import in equal measure. This sounds plausible, and has been repeated so often that it has almost come to be believed. Our export trade does not depend on our import trade. Trading passed beyond the stage of mere exchange of goods when money was devised. Trading is no longer the reciprocal exchange of goods between individuals. Each now buys and sells where he can do so to the best advantage. Nations do not buy as nations; their people buy and sell as individuals or as corporations. They buy what they need where they can get it to the best advantage. Payment is made in money or by the purchase of credit. It would be an odd coincidence if two individuals could balance their transaction in mere merchandise. The money a German merchant pays to an American probably originated in Brazil or in China so far as the German is concerned, and if it is Brazilian money it probably originated in the United States so far as the Brazilian is concerned.

In nine years ending June 30, 1922, the merchants of the United States bought of South American merchants products valued at \$4,187,801,048. In the same period we exported to South American countries goods to the value of but \$2,583,891,257. In no one year for the period covered did the United States sell to the South American countries anywhere near the amount of our purchases from them. With an unfavorable trade balance against us of \$1,604,090,211, we continue to buy from South America what we require of their products, and they continue to buy their requirements of our products, and yet the exchange never balances. Trade relations between Cuba and the United States are similar. The trade reports of the United States are so detailed and complete as to the commodities and the countries involved in our import and export trade that this analysis could be easily pursued for further statistical proof that our export trade and our import trade are quite independent.

The United States is the greatest copper producing country of the world, and the rest of the countries will come to us when they need copper. They will come because they must. Our cotton crop is an important factor in the world supply. Our cotton will be bought by other countries so long as they need it and cannot buy it elsewhere to better advantage, and so it will be with wheat and other products of which we have an excess.

Can we hope for any export trade in items with a high percentage of labor cost so long as we pay \$5 per day for common labor and \$10 to \$15 per day for skilled mechanics when other countries pay one-tenth as much for a longer and more productive day? The United States can never hope for an extended export trade except where our natural resources give us a controlling advantage or where our skill and organization outweigh the difference in wage scale.

Is there an American who wishes to acquire an export trade at the cost of reducing the American wage scale and standard of living to the European level?

On the annexed chart the imports by the United States are shown graphically by the dotted line, the exports by the solid line, and the balance of trade by the shaded area, for the ten years from 1913 to 1922. The large shaded area shows how our export trade grew under war conditions and how it fell off on the revival of European competition in the post-war period.

The growth and the shrinkage took place during the period of the Underwood Simmons Bill. An actual excess of imports over exports occurred soon after the enactment of the Underwood-Simmons revenue-only tariff. This diagram shows clearly that our export trade was not related to our tariff law.

Flexibility of the Tariff Act

The framers of the new law recognized that the unsettled European labor and industrial conditions might make readjustment of our tariff desirable or even imperative. To this end the President is authorized, whenever he shall find that the duties fixed by the act do not equalize the differences in costs of production in the United States and in the principal competing countries, to change by proclamation the classifications or the duties. It is provided that the total increase or decrease of duty shall not exceed 50 per centum.

If the President finds that he cannot by this procedure equalize the differences in costs of production, he shall then cause the duty to be assessed on the American Valuation of the imported article. It is also provided that in this case the rate of duty given in Title I of the act shall not be decreased by more than 50 per centum, nor shall it be increased. These regulations are stated in detail under Title III, Section 315.

The flexibility provided by the discretionary powers vested in the President should render groundless the fears entertained on the one hand by those alarmed by thoughts of over-protection or, on the other hand, by the dread of under-protection. Experience alone will tell how effectively this flexibility will adjust the tariff to changing conditions.

Unfair Competition

When conditions of unfair competition tending to destroy or substantially injure an industry or to restrain or monopolize trade or commerce in the United States are found to exist, the President shall impose penalties or refuse entry. Under this section the Tariff Commission is changed from a mere advisory body to one with judicial functions.

American Valuation

At the last convention of the National Paint, Oil and Varnish Association the plan of using American Valuation as the basis of ad valorem duties was indorsed. The House adopted American Valuation; the Senate rejected it and adhered to foreign valuations. In conference the Senate system of foreign valuation prevailed except that American Valuation is used as the basis on a vast number of chemical products included in the coal tar paragraphs of Title I. Again, American Valuation is specifically adopted in the Presidential Powers under Title III. American Valuation is defined in the administrative sections, and it is provided that when appraisers are not satisfied as to foreign valuation they may adopt United States values. American Valuation is introduced into three titles of the tariff act.

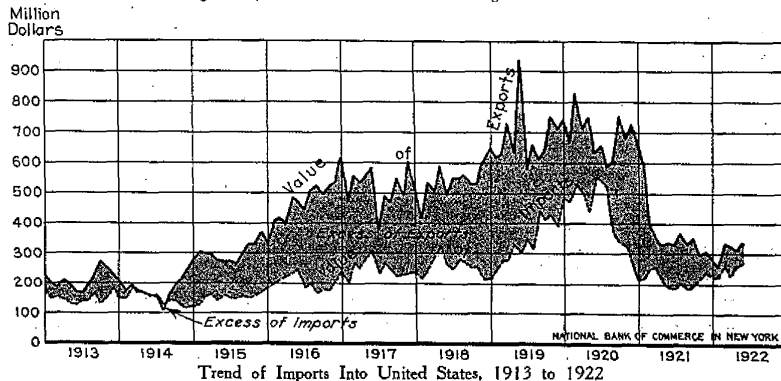
The working of the American Valuation principle wherever adopted in the new law will be carefully watched to see whether it will vindicate itself in the application of the law.

Protest by American Producers

Of great importance to American producers and wholesalers is the right granted them of ascertaining from the Secretary of the Treasury the classification of and the duty paid on an entry and of making an appeal or protest leading to a trial before a proper court if the American producer or wholesaler believes that the proper duty has not been collected.

Interim Legislation

The Tariff Commission under President Wilson's administration suggested, under the title of "Interim Legislation," the enactment of laws making the



rates of duties on imports retroactive to the date of first legislative effort at revision. An importer making an entry after tariff revision had started became liable for the full duty when finally determined upon by the enactment of the new law. The importer was to be bonded for the possible excess duty, and all contracts carry this liability from the importer to the purchaser from him. We have just passed through an interim period of practically twenty-two months. It is an opportune time to hold up to ridicule a system of laws which would force an importer to collect or to attempt to collect a duty for the first time determinable twenty-two months after the date of importation.

Foreign Tariff Policies

We must naturally be interested in the tariff policies of foreign countries. There is hardly an issue of the Daily Commerce Reports which does not bring news of one or more radical changes in the tariff laws of foreign nations. To make note here of them all would be impractical.

Great Britain, the great free trade country, has changed its policy. Having discovered the relation between industrial and military preparedness, an embargo was placed on dyes, stuffs and intermediates. Optical and chemical glassware, together with about six thousand items, were given 33 1-3 per cent. protection. The tariff policy of Great Britain has three phases; first, that of protection; second, that of revenue producing; and third, the Imperial or Colonial policy, namely, that of making such high rates of duty that preferential rates may be extended to the Colonies. Free-trade Great Britain has passed from the scene.

France: All French rates were specific. The first increases were made by the addition of surtaxes. Then coefficients were used to raise the duties by multiples rather than by additions. The object of the coefficients was to compensate for the relatively low ad valorem equivalent of the established specific rate growing out of the rise in prices. Subsequently many ad valorem rates with highly specialized schedules were enacted, the object being to afford protection against German competition and German debased currency, as well as to raise revenue.

Germany has had a consistent tariff policy since 1879. All rates were specific. The revision undertaken by a commission in 1897 was completed in 1902. It was undoubtedly highly scientific. The rates were high and were designed to allow for reciprocity treaties. The law was not at first entirely satisfactory to the German manufacturer or to the agriculturist. Each thought the other favored by undue protection. But they preferred the law to another tariff upheaval, and in due course the benefits of trade treaties became apparent. Germany has increased her rates by multiples which at last reports had amounted to 1,900 per cent. of the pre-war rates. Germany has also protected herself against her own depressed currency by centralized control of export prices.

Italy has followed the footsteps of France in her tariff policy and revisions. The minor countries of Europe, namely, Norway, Sweden, Denmark, including Belgium to a lesser degree, and excluding Holland, have all increased their rates of duty.

The Future of the Law of 1922

The President had hardly signed the law before farmers organized to investigate the tariff with a view to demonstrating its unfairness to their interests. They promised to start an early revision to be effective in less than two years.

A Senator long experienced in tariff making expressed the opinion that the new law would not last more than four years.

Whatever the fate of the new law, whatever our experiences under it, let us look forward to the future hopefully and confidently. Let us learn from our experiences. Let us apply our knowledge toward the building of a stable tariff policy that will be consistent with the magnitude of our natural resources and with the energy and enterprise of our producers and merchants.

Respectfully submitted,

For the National Paint, Oil and Varnish Association, Inc.:

J. W. COULSTON,
J. W. DANIELS,
J. P. THOMY,
C. K. WILLIAMS,
EUGENE MERZ, Chairman.

For the Paint Manufacturers' Association of the United States:

L. P. MOORE,
A. D. JOYCE,
LUDINGTON PATTON, Chairman.

For the National Varnish Manufacturers' Association:

R. W. SAMPLE,
M. F. EMRICH,
JAS. S. WOLF, Chairman.

Secretary Horgan:—This report of Mr. Merz contained no specific recommendations. It was along informative lines; the board approved of it and referred it to the convention for their action.

President Trigg:—Is there a motion to approve that course?

(Upon motion duly made and seconded it was voted that the above course be followed.)

J. H. McNulty:—Is the association on record in favor of a permanent tariff commission?

President Trigg:—The secretary replies "No."

C. B. Heckel:—I beg the secretary's pardon. This association is on record some time in the past as having proposed the formation of such a commission.

President Trigg:—At some time in the past, it is apparent, we are on record. We will be very glad to look it up and get the further particulars.

J. H. McNulty:—I think it is important that this large association should be strongly on record in that connection. I would like to have that looked up.

President Trigg:—The president announced earlier the appointment of the Nominating Committee, which he will now repeat.

(President Trigg reread the Nominating Committee appointments.)

President Trigg:—We are now on the subject of Business Promotion. The president, however, is going to reverse the order and will call first upon the "Clean Up and Paint Up" Committee, J. P. Thomy, chairman. I understand that Mr. Atwood, in the absence of Mr. Thomy, will make the report for him.

Mr. Atwood:—As Mr. Trigg has explained to you, I am to make the report in place of Mr. Thomy, who is unavoidably absent.

The report follows:

Reports of Clean Up and Paint Up Campaign**Finance and Audit Committee**

This has been a wonderful year for the "Clean Up and Paint Up" Campaign, in its service to the trade and the public. Never before has this movement enjoyed such recognition or greater co-operation by the public. Fire Prevention week gave it wonderful publicity, and the Safety Council movement also has effected its alignment with "Clean Up and Paint Up," which joint work was originally and so successfully launched at Louisville.

The publicity obtained for the trade this year through the Clean Up and Paint Up Campaign, and to a value in excess of \$2,000,000 at the least, unquestionably has been responsible to a very large degree for the 1922 volume of business in the paint industry.

The most important development of the year is the Bureau's demonstration of the fact that its fall and indoor months campaign can be made equally as great and successful as that of the spring. If properly used, this campaign will equalize the distribution of the trade's products, for the manufacturer of the raw materials and of the finished articles, by creating and sustaining consuming demand all the year round.

The interest expressed in the fall campaign, and supported by several contributors, therefore encouraged our committee to forward the Bureau's work of last summer to put on this fall's campaign which is accomplishing such notable results. For economy's sake, some preparations and expenditures for the 1923 campaign were also included in this work. This largely accounts for the \$6,875.33 deficit shown in the Bureau's financial report, accompanying the treasurer's report, herewith.

These reports show, in the accounts payable, that administration expenses have not been paid since April 1, \$5,000 being due thereon; also that Mr. Clark advanced \$2,500 cash with which to pay the Bureau's September expenses. Since the close of the fiscal year covered by this financial report, Mr. Clark has paid out of his own pocket about \$2,700 additional for current expenses.

It also should be said that Mr. Clark visited Los Angeles and San Francisco Paint Clubs, and addressed the Portland convention of the Western zone of the National Paint, Oil and Varnish Association last summer in behalf of the national campaign, and has declined to accept reimbursement for any part of his traveling expenses. Nor has any member of your committee made any charge for such expenses, or for other expenses, which in some cases have been quite considerable.

Meetings of your committee have been held at frequent intervals throughout the year, in the Bureau's headquarters, and every member of the committee

has been in almost daily touch with the work—as indeed most of them have been for the past eight years.

With this intimate knowledge of the Bureau's opportunities and needs in the service of the trade, and with the remarkable demonstration of the trade's interest and approval on the occasion of the tenth anniversary of the Bureau last spring, your committee was encouraged to an action that had long been deemed necessary. This is fully set forth in the resolutions adopted by your committee on September 12, 1922 (see Exhibit C, herewith), and in pursuance of that policy and objective, W. T. Stott was employed as executive secretary of the Finance and Audit Committee, to represent the committee in the field.

The present lack of adequate financial support for this work, by the trade at large, shows that the trade is not fully cognizant of the situation. So much emphasis has been given to the absurdly low cost at which the results have been achieved that there seems to exist the idea that a live and steadily growing national campaign, reaching into the many thousands of communities, besides the paint club cities, can take care of its necessities and opportunities with an income that has averaged barely \$1.50 per day per State the past year.

That idea is wholly wrong, and the real situation should be faced while this opportunity still exists.

Respectfully submitted by

THE FINANCE AND AUDIT COMMITTEE,

JOHN P. THOMY, Chairman.

Treasurer's Annual Report

Mr. J. P. Thomy, Chairman, St. Louis, October 6, 1922.

Finance and Audit Committee,

St. Louis, Mo.

Dear Sir: I beg leave to submit report covering the fiscal year ending October 6, 1922.

Receipts

Balance on hand October 1, 1921.....	\$1,090.03
From Contributors	26,157.50
Sales of Supplies by National Bureau.....	7,003.27
Interest on Bank Balance.....	59.03
	\$34,309.83

Disbursements

Allen W. Clark, Chairman, National Bureau.....	\$34,000.00
Treasurer's Bond	17.50
Stationery, etc.	25.00
Exchange	7.48
	\$34,049.98
Balance in Treasurer's Hands October 6, 1922.....	259.85

Yours very truly,

\$34,309.83

WM. J. PHELAN, Treasurer,

Finance and Audit Committee.

Financial Statement

For Year October 2, 1921—October 6, 1922

Mr. J. P. Thomy, Chairman, Finance and Audit Committee,

National Clean Up and Paint Up Campaign,

St. Louis, Mo.

Dear Sir: I herewith submit financial report of this Bureau for year October 2, 1921—October 6, 1922, with certificate of audit:

Receipts

On hand beginning of fiscal year.....	\$446.37
Checks from Treasurer Finance and Audit Committee.....	34,000.00
Check from Allen W. Clark, cash advanced.....	2,500.00
Check uncleared and restored to cash.....	2.20
	\$35,948.57

Disbursements

Printing	\$5,888.61
Press Service.....	5,509.01
Display Service	3,879.35
Labor	8,205.89
Postage, Freight and Express.....	3,851.71
Press Clippings, etc.....	1,359.86
Affiliation	112.00
Telegraph and Telephone Messages.....	211.23
Traveling	472.68
Office Supplies and Incidentals.....	492.63
Addressograph Expense	166.40
Exchange and Refunds.....	33.67
Finance and Audit Committee.....	139.85
Administration:—Six months, October 1, 1921, to April 1, 1922, including services of Chairman Allen W. Clark, Assistant Chairman Charles Allen Clark; also Bookkeeping, Rent, Office Facilities, etc.....	5,000.00
	\$35,323.90

Balance on hand October 6, 1922.....

624.67
\$35,948.57

Financial Condition, October 6, 1922

Cash Disbursements	\$36,323.90
Accounts Payable:—	
Administration April 1—October 1.....	\$5,000.00
Money Borrowed	2,500.00
	7,500.00
Cost of Year's Campaign.....	\$43,823.90
Total Receipts	36,948.57
Deficit	6,875.33
	\$43,823.90

Respectfully submitted,

ALLEN W. CLARK, Chairman.

Resolutions Adopted by Finance and Audit Committee

Whereas, This tenth anniversary year of the National Clean Up and Paint Up Campaign has been marked by greater success in this work than ever before, and by a recent and pronounced awakening of the trade to the results and value of this campaign, and

Whereas, There is substantial and growing evidence of the trade's belief that the time is ripe for establishing the facilities that will enable the bureau, to function with the fullest efficiency in the fields where its much greater success with such facilities is assured by the results already realized; be it

Resolved, By the National Campaign Committee in a regular meeting of September 12, 1922, attended by every member and representing the National Paint, Oil and Varnish Association, the Paint Manufacturers' Association of the United States, the National Varnish Manufacturers' Association, the National Association of Paint Jobbers, and the International Association of Master Painters:—

That we hereby record and publicly express:—

1. Our gratification in this expressed interest and desire of the trade, and that we pledge our personal efforts, and invite the efforts of every member of the trade, in all the proper means toward crystallizing this feeling into the tangible form or funds necessary for the broader and more efficient conduct of this trade promotion work.

2. Our conviction that, almost with bare hands, the National Campaign Bureau in St. Louis has opened for the trade an inexhaustible mine that now should be worked with the proper facilities; and that all thoughtful members of the trade will agree with their representatives comprising this committee, that such facilities for all the year round operations will require an annual budget of at least a hundred thousand dollars.

3. Our determination to bring home to each member of the associations represented by this committee, and by personal presentation of the details wherever possible, the results already achieved, the work to be done, and the ways in which each contributor's money is used for this work; in order that each member may really know and understand the spirit and scope of this campaign, the benefits it is bringing to him and his concern, and the opportunities for multiplied benefits which it is placing within easy reach of every contributor.

We deem it our duty to all whose interests we represent in this work to present to them as business men these facts about this business proposition so that, in accordance with their knowledge and understanding, they may extend in this necessary advance step of this campaign, their proper investment and co-operation.

Signed:—

H. P. FRITSCH, representing Paint Manufacturers' Association of the U. S.

E. H. DYER, representing National Varnish Manufacturers' Association.

J. W. BRAY, representing National Association of Paint Jobbers.

JOHN W. LANE, representing International Association of Master House Painters and Decorators of the U. S. and Canada.

JOHN P. THOMY, chairman, representing National Paint, Oil and Varnish Association.

Certified:

Mr. Atwood:—I want to say a few words to clear up some misapprehensions that has gained some currency.

Some of our members have gotten the impression that the Save the Surface Campaign in its proposed local activities was lapping over and assuming functions that properly belonged to Clean Up and Paint Up, and a useless duplication of effort and expense was feared.

In view of this situation, a joint conference of both the Clean Up and Save the Surface Committees was held and the whole matter was threshed out in a frank and friendly discussion. As a result, it was found that there was no real conflict, but that each campaign, in its proper place reinforced and strengthened the other.

Both committees are in full accord, but it was thought advisable in order to clear up the situation in the minds of those who have been under a wrong impression to prepare a formal statement of the policies of the two campaigns in their relation to each other, where there is anything like contact. In presenting this statement, I am glad to say that it was unanimously approved by both committees.

At a joint conference of the National Clean Up and Paint Up and Save the Surface Campaign Committees in Atlantic City, November 14, 1922, an agreement was reached which comprises three cardinal features, as follows:

1. The Clean-Up and Paint-Up campaign and the Save-the-Surface campaign have both proved themselves effective in increasing the interest of the public in paint and varnish, and are different enough in their nature and appeal to warrant and require separate existence and

separate and adequate financial support by the industry.

2. Both movements are of so great value to the industry that neither should knowingly allow the impression to exist that it embodies or represents the whole of the promotional activities of the industry.

3. Each recognizes that the other must be allowed to organize every arm of the paint and varnish industry, both national and local, for the furtherance of its own particular line of effort, but owing to the peculiar impersonal character of the Clean-Up and Paint-Up movement, we believe that outside the paint trade the organization of community effort through civic and other bodies should be left entirely to the Clean-Up and Paint-Up Committee.

President Trigg:—What is the recommendation of the board, Mr. Secretary?

Secretary Horgan:—The Board of Directors approved the report and submitted it to the convention for their action.

President Trigg:—Is there a motion to approve this recommendation?

Member:—I so move.

(The motion was seconded.)
President Trigg:—The proposition is open for discussion. We will be very glad to hear from any one who wants to speak on it.

Dabbling Condemned

G. C. Morton:—I hope that there will be a very full and free discussion on this question. In attending these different conventions where we have discussed the Clean Up and Paint Up Campaign, it has seemed to me that there was a comparatively small number of our members who have been taking the lead on this thing

branches of the construction industries, and in volume.

branches of the construction industries, and in volume.

to a higher level in 1921 than other branches of the construction industries, and 1922 promises to be our greatest year in volume.

The constant use of the year's objective, "Make 1922 the Greatest Paint and Varnish Year," by the manufacturers to their distributor dealers and salesmen and by them to their customers, the master painters and the public, caused it to become an obligation for fulfillment by all who have any part in our industry.

The satisfaction of accomplishment is ours, and no small credit is due to those who had the vision and set the mark.

Contributing activities to the accomplishment of the objective have been many.

The Advisory Committee and Educational Bureau met at frequent intervals to discuss plans and authorize expenditure of the funds in hand to most effectively accomplish results.

The national magazine advertising has been the backbone of the campaign from the beginning. It has been more efficient this year than ever before. The advertising copy has been convincing: Much more could be accomplished by the more frequent appearances of the advertisements.

Local Save the Surface Committees have been appointed to date in the following cities: Atlanta, Baltimore, Birmingham, Buffalo, Chicago, Cincinnati, Cleveland, Columbus, Dallas, Detroit, Duluth, Fort Worth, Houston, Kansas City, Los Angeles, Louisville, Milwaukee, Mobile, New England Club, New Orleans, New York City, Philadelphia, Pittsburgh, Portland, Ore.; Richmond, St. Louis, Salt Lake City, San Francisco, Toledo and Wichita.

The committees had charge of the 1922 Save the Surface activities in their territory. It was by their effort that new investors for the campaign were secured, mass meetings were held, the Save the Surface film was shown and the organization of local Save the Surface Salesmen's Clubs accomplished that the industry has been able to move forward.

Supporting and supplementing the national advertising during 1922, there have been many intensive local Save the Surface Campaigns in various cities, also conducted under the guidance of local Save the Surface Committees and the Save the Surface Salesmen's Clubs, during which a total of \$47,000 has been spent in sales promotion work, paid entirely by the local interests, without any support from the national campaign. While the national advertising is selling the broad idea to the public, the primary purpose in a local campaign will be to sell the products carried by the dealer and services of the painter.

These intensive local Save the Surface Sales Campaigns should not be confused with nor interfere with the conduct of local Clean Up and Paint Up Campaigns, which campaigns are invaluable to the industry.

The advertising managers and sales managers' conference for the discussion of subjects pertinent to the accomplishment of the desires of the industry was held this year and plans for further meetings made.

Stories have been released by the Save the Surface Information Bureau which have appeared in newspapers and magazines throughout the country on various phases of the paint and varnish industry.

The National Association of the Save the Surface Salesmen, composed of eight clubs, with a total membership of 731, has been unusually faithful in promoting the local activities of the campaign.

There has been an increased use of the Save the Surface slogan on the part of the trade in 1922, showing an appreciation of the industry of its great value.

Side by side with the Save the Surface Campaign in the United States there has been conducted by the Canadian industry a similar campaign. Through their advertising, window display and other contests, group meetings and other activities, they have been reaping the benefits of co-operation in the same way as the paint trade in the United States.

Plans for 1923 are under way, and the national magazine advertising should be continued in greater volume.

Local Save the Surface Committees will function more ably because of greater knowledge of what we desire to accomplish, and the Save the Surface salesmen will do their part more effectively because of the more thorough understanding.

The new film, "Brushin' Up," which you will see for the first time at this convention, will do its part toward a more comprehensive understanding of what we are endeavoring to accomplish among the salesmen and dealers.

The prize contest for stories of American landmarks and shrines will create additional interest among the public.

These and many other activities show the determination of our allied industries to go forward.

Future Investment Plan to Double the Industry in Five Years

Those close to the campaign have realized that some plan equitable to all should be accepted by the industry and the investment made uniform and on a base that is just alike to the small and large manufacturers.

You all know of this plan, which has been approved by the Advisory Committee, and which follows:

Choice No. 1—The Classification Plan

Class	Investment per Year for 5 Years	Total Domestic Sales
No. 1.....	\$15,000	Above \$15,000,000
(Plus one-tenth of 1 per cent. on business above \$20,000,000)		
No. 2.....	\$15,000	\$10,000,000 to \$15,000,000
No. 3.....	10,000	7,500,000 to 10,000,000
No. 4.....	7,500	5,000,000 to 7,500,000
No. 5.....	5,000	2,500,000 to 5,000,000
No. 6.....	2,500	1,000,000 to 2,500,000
No. 7.....	1,000	500,000 to 1,000,000
No. 8.....	500	250,000 to 500,000
No. 9.....	250	Under 250,000

In subscribing on this classification basis, a company indicates the class to which it belongs and makes its investment contract accordingly on the basis of five years.

Choice No. 2—The Percentage Plan

Inasmuch as so many companies have indicated that the most businesslike way to conduct a co-operative advertising campaign for the industry would be on a definite percentage basis, Plan No. 2 suggests investment on the basis of one-eighth of 1 per cent. of total domestic sales for the previous year. On this basis the investor will pay to the trustee annually for the period of five years one-eighth of 1 per cent. of his annual sales in the United States of products manufactured by him for painting and varnishing purposes.

One-eighth of 1 Per Cent. of Total Domestic Sales

This plan seems equitable to many because of the fact that a company's investment is measured by the amount of business done.

Jobber Contract

(Based on 1-25 of 1 Per Cent. of Sales)

Having accepted the objective to double the industry in five years, let us provide the funds to do it in the bigger way, everyone in proportion to the benefit derived based on the volume of business done.

Your committee, therefore, desires to present to the convention for consideration the following resolutions:

1. Whereas, The Save the Surface Campaign has been an important factor during the past four years in increasing the sales of paint and varnish products; and

Whereas, The previous method of financing this campaign was inadequate and the necessity of some uniform plan or plans of investment is apparent; therefore, be it

Resolved, That this convention recommends that each manufacturer invest in one or the other of the two plans recommended by the Educational Bureau and Advisory Committee of the Save the Surface Campaign as follows:

A five-year investment contract with the choice of one-eighth of 1 per cent. of sales of the manufacturer, or

The classification base as shown in detail in this report, and

A five-year investment or contract for the jobber based on 1-25 of 1 per cent. of sales, making possible the accomplishment of the goal to "double the industry by 1926" as previously accepted by these associations.

2. Whereas, The national advertising of the Save the Surface Campaign has proved of incalculable value to the industry; and

Whereas, It is of the utmost importance that this advertising shall be maintained in its full scope and intensity; and

Whereas, The funds for this purpose must necessarily be supplied chiefly by manufacturers and jobbers; and

Whereas, The immediate and direct benefits of local Save the Surface sales activities are derived by the retail interests and painters; therefore be it

Resolved, That while this convention does not desire to dictate as to the policy of individual manufacturers and jobbers, we believe that the cost of financing local co-operating advertising and selling activities should be borne by the retail interests and painters locally concerned, the participation of manufacturers and jobbers being limited to advice, personal assistance, and similar co-operation.

3. Whereas, The paint, oil and varnish clubs in thirty cities have during the past year appointed Save the Surface Committees whose work has been beneficial to the trade; therefore, be it

Resolved, That each club be urged to pass a resolution authorizing its president to appoint a Save the Surface Committee to have charge of the Save the Surface activities in its territory.

4. Whereas, The industry through its several associations last year accepted the objective to "Make 1922 the Greatest Paint and Varnish Year as the First Step Toward Doubling the Industry by 1926"; and

Whereas, Adoption of this objective by all branches of the trade has proved very effective in securing greater sales during 1922; therefore be it

Resolved, That the National Paint, Oil and Varnish Association, the Paint Manufacturers' Association of the United States, and the National Varnish Manufacturers' Association, in convention assembled, November 16, accept as our objective, "Make 1923 the Greatest Paint and Varnish Year as the Second Step Toward Doubling the Industry by 1926."

Respectfully submitted,

For the National Paint, Oil and Varnish Association, Inc:

C. DUNNING FRENCH,
T. F. MONYPENNY,
E. J. ALLEE,
CHAS. J. ROH, Chairman.

For the Paint Manufacturers' Association of the United States:

N. T. CHAPIN,
F. L. SULZBERGER,
G. E. FELTON,
O. A. HASSE,
S. B. WOODBRIDGE, Chairman.

For the National Varnish Manufacturers' Association:

HOWARD ELTING,
CARL J. SCHUMANN,
J. H. McNULTY,
LUDINGTON PATTON,
J. B. LORD, Chairman.

Mr. Roh:—Mr. President, can I have the opportunity of stating a few of my experiences as chairman?

President Trigg:—Please do, Mr. Roh.

Mr. Roh:—I was asked by Mr. Trigg to act as the chairman of the National Save the Surface Campaign and I was very enthusiastic about it. I had been coming to these meetings for six years and had heard Mr. Trigg and others talk about the Save the Surface Campaign and felt that here was a live job. I was impressed with the spectacular part of the work because you know anything that lends the industry out—and we feel that we want to be a part of the industry and do all we can for the industry—appeals to me personally.

This gave me something to talk about to our men. It was a subject that we all had in common. It was a great big thing, bigger than any individual concern. I thought it was a fine job; I thought it was a nice job too, because I had sat here (never said very much) and listened to all the prominent people in the industry tell how much they thought of the Save the Surface Campaign.

I wrote for the reports of the two previous chairmen of the Save the Surface Committee because I wanted to get a line

on what they had done. I read them over and said, "This isn't so bad; it is a pretty nice job." Then the first thing I knew along came a letter and said that this year the job of the Save the Surface chairman was to raise funds for the campaign. I thought that was pretty easy, too.

I had been appointed chairman of the Committee of the New York Paint Club. Having received a list of all the investors and the non-investors, why, I thought that the way to do it was to go around and allot these names to the individual committeemen as suggested. I picked about 20 for myself. Well, I went around and saw a lot of the big New York people and my bubble was pricked. Every one believed in it; every one thought it was the greatest thing in the world; it was the biggest thing in the world; it was the biggest thing the industry had ever done; it was fine; it was dandy—but they wouldn't invest as they did in the past.

So I went back to the office and thought a little about the proposition and got in touch with Mr. East; then with certain members of the Educational Bureau and made an analysis of the investors and I found that while we all agreed that it was a great thing from the spectacular side, from the side of selling more paints and varnishes, when

South Carolina

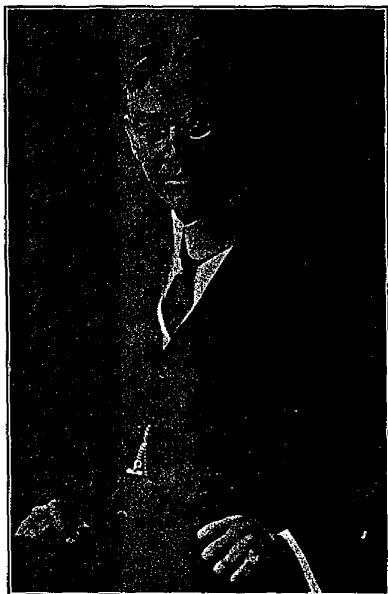
brand of paint offered for sale in the State. After a rather turbulent career this bill was finally defeated.

Virginia

A situation developed in the State of Virginia of a very serious character, and one that has been a source of considerable concern to your Committee. A Formula Labeling Bill with the usual provisions, and a tax clause, was introduced and its passage favored by the Hardware Dealers' Association. So much objection was raised against taxing paint offered for sale in Virginia that the feature was eliminated and a further apparent compromise was affected by inserting after the definition of paint the following words:

"This Act applies to building, fence and structural paint only."

While this is apparently a concession in so far as it eliminates colors in oil, and paints used for other than the purposes described above, in the mind of the Committee it presents a very complicated situation. It will depend upon the attitude of the enforcing officer as to the interpretation that might be put upon "building, fence or structural paint." The question also arises as to whether any firms selling any kind of paint in Virginia will adopt the policy of



Arthur S. Somers

having a double set of labels for use in accordance with the law. We are not impressed with this limitation, and honestly believe that the bill will prove to be an out and out Formula Labeling Bill in effect.

Section 4 of the Virginia Bill provides that the weight avoirdupois shall be given on the label in the case of "paste and semi-paste paint."

Your Committee has had considerable correspondence with the Commissioner charged with the enforcement of the law in an effort to have the requirement removed as far as semi-paste paint is concerned on the ground that paint in that form is always sold by measure and not by weight, and while our request appeared to be reasonable the Commissioner advises your Committee very properly that he has no authority to amend the law, and in a letter addressed to the Chairman of the Committee under date of September 9, 1922, he writes as follows:

"Just at this time there is a strong possibility that the Virginia Assembly will be called into session shortly to consider road matters, and if this is done we will be glad to consider the advisability of trying to make the desired change in the law at that time, provided the Assembly does not restrict its business to road matters."

There is some belief that the Virginia Legislature will be called in session during the month of December, and in that case your Committee will endeavor to have an amendment adopted affording the relief requested.

Although strong opposition was offered against this bill, we found ourselves unable to combat the attitude of the hardware dealers referred to above. The local Paint Club also accepted the bill in its amended form and rendered our efforts toward its defeat useless.

It is to be regretted that a spirit of antagonism was displayed by the hardware dealers in the State of Virginia toward paint manufacturers generally, and aspersion cast upon the integrity of reputable manufacturers that led to considerable violent discussion. With that, of course, your Committee could not contend more than to register its protest that it should be necessary even for the purpose of securing the legislation upon which we might honestly divide to indulge in bitter reflection upon the honesty and integrity of firms whose reputations for square dealing have survived many conflicts and who are respected throughout the country.

This is a method of attack with which your Committee had not heretofore had any experience, and we hope it will not be repeated. We cannot too strongly urge, though we may differ upon a principle, that we confine our discussion within the limitation of good temper.

In addition to the legislation discussed your Committee has had to deal with numerous questions arising from time to time in various parts of the country, all of which were disposed of satisfactorily, and that need not necessarily form part of this report.

This year marks the sixteenth year of your Committee's activity in at-

tempting to defeat the passage of legislation contrary to the principle adopted at the Cleveland conference held in 1908, and while our attitude with regard to the principle involved is unchanged, and we believe, as firmly as ever, that there are certain legitimate rights that ought to be preserved even against Governmental inquiry, the fact that many firms have adopted the policy of Formula Labeling, even in States where no such legislation has been enacted, brings us face to face with a question that ought to be determined at once and mark our policy for the future. That is, whether in view of the fact that formula labels are used very extensively, even where not required, opposition to Formula Labeling laws should be continued, or whether a National Law should be approved applying alike in all States, thus rendering local legislation unnecessary.

No attempt is made to criticize the action of such firms as have adopted a universal label, as we can readily understand the confusion that would arise if different labels were used in different States. It is our opinion that at this convention, when the three Associations are meeting conjointly, the subject be discussed generally and frankly, and a definite policy adopted. We are reluctant to make any specific recommendation, but for the purpose described above we recommend the consideration of the following questions:

First—Does Formula Labeling as required by law serve as a useful purpose?

Second—Is there a demand for this kind of legislation for the consumer or dealer?

Third—Regardless of whether there is a demand, is it desirable, in view of the practice adopted by many manufacturers, of using one label universally, that the Association go on record as favoring a uniform National Law that will confine itself to the broad question involved and oppose all State Legislation in conflict therewith?

Fourth—Should a Committee composed of Paint Manufacturers, Varnish Manufacturers, Master Painters and Jobbers be appointed by the President of the National Paint, Oil and Varnish Association for the purpose of conferring and if possible agreeing upon a Formula Bill representing the views of all these interests, and to report such proposed bill for consideration at a special meeting of each Association to be called by the President?

Fifth—If such a Committee be appointed, and their recommendation approved by the Associations, shall this carry with it a pledge to aid said Committee in securing the passage of such legislation?

We strongly urge the consideration of the foregoing propositions and cannot refrain from emphasizing the hope that if the Joint Committee suggested be created it include the representatives of the Master Painters' Association.

In making these suggestions we do so because of the confidence we have in the integrity and genuine honesty of the men who have been your Committee's adversaries almost from the beginning.

It is a pleasure to note that throughout our discussion and our contention there has been no animus and no selfish motive apparent. On the contrary, a feeling of good will and confidence in each other has always dominated our discussions, and where we have divided it has been an honest division upon a principle viewed from two strong sides.

We realize that these suggestions are somewhat revolutionary in the light of your Committee's past record, but perhaps revolutions are healthy if they will lead the way toward progress, and more especially if this utterance is the voice of the majority.

In submitting this report we cannot refrain from expressing our deep appreciation for the splendid help given your Committee through the year by various firms and individuals who exerted themselves without stint to serve most faithfully. It has been a pleasure to be so splendidly assisted, and our regret is that we cannot manifest our gratitude in a more substantial way than a mere word of thanks.

A report received from the Treasury indicates that the expense incurred during the past year amounted to \$1,403.29, \$446 of which was for the printing of one thousand copies of a booklet containing the various Paint Laws now upon the statute books.

Respectfully submitted,

ARTHUR S. SOMERS.

After reading his report, Mr. Somers offered the following resolution:—

Resolved, That the president of the National Paint, Oil and Varnish Association be and he is hereby authorized and empowered to take such action with respect to paint legislation as may be indicated by the action taken by the Varnish Manufacturers' Association and the Paint Manufacturers' Association in convention assembled after conference with the presidents of these organizations.

That throws the whole matter into the hands of your President, to deal with it in such manner as the three associations who are vitally interested indicate. (Applause.)

(The motion was seconded.)

David Yarnall—I noticed, Mr. President, that the Hardware Association, probably local, was somewhat instrumental in passing the bill in Virginia. My recollection is that also in North Carolina the Hardware Association took an active part in putting that bill through originally. It seems to me that if we could enlist on that committee some members of the National Hardware Association, it might be of benefit.

Mr. Somers—I might say, Mr. President, that that was all contemplated. I didn't care to go into the various kinds of organizations that there are, but we emphasize them all under the term "jobbers." We assumed that the president of the association would take care of that.

President Trigg—Mr. Yarnall's suggestion is undoubtedly a very excellent

one, and I might just say, as having a bearing on that subject, that through the work of our Simplification Committee, of which Mr. Hesse is the chairman, we are establishing or have established as an industry an official relation with the National Retail Hardware Dealers' Association, dealing first with the question of standardization of sizes of containers, number of colors, etc., in various lines. This also creates a situation which will enable us to talk directly from time to time with the National Retail Hardware Dealers' Association and work out some of our problems through mutual discussion, that otherwise perhaps we couldn't do nearly so well.

If there is no further discussion on the subject, all in favor of the motion will please say "Aye"; opposed, "No." It is adopted.

President Trigg—Next on the program, Item 4 is the Flax Development, by C. T. Nolan, of New York. Mr. Nolan. (Applause.)

C. T. Nolan—Mr. President, this is the formal report that we have made, and it has been suggested that after it is finished, if it is desirable, I make a few remarks on consumption and the supply and demand conditions; that is, if you wish me to.

President Trigg—If you please, we will be glad to have you do that. Mr. Nolan presented his prepared report on Flax Development as follows:—

Report on Flax Development

As in the past your Flax Development Committee has functioned through its relationship with officials and scientists of Northwestern Agricultural Colleges and Experiment Stations. It is with no little pleasure that we state the relationship has been most cordial and as well very beneficial to your interests. We feel that you through your Committee have the unmeasured confidence of those at the Agricultural Institutions who in turn educate and co-operate with the farmers by their improved methods of flaxseed growing. It is deemed unnecessary in presenting this report to attempt a description of the educational and co-operative work that is carried on in the mutual interest of the flaxseed-producing farmers and the linseed oil consumers in the United States.

During the past crop year our Committee has held two general meetings at

Fargo, N. Dak., with several representatives of each of the Northwestern flaxseed-producing States, as also several other meetings of a few individuals, the first general meeting occurring last spring and the second early this autumn.

At the spring meeting in the general discussion there was emphasized the desirability and advantages of farmers more generally practicing early sowing of flaxseed. That suggestion of your Committee was favorably received and acted upon by the distribution of official bulletins and advice in the news columns of country newspapers emanating from the Agricultural Experiment Stations, resulting in a larger proportion of the flaxseed area being sown earlier this season than probably in any former year, with harvesting results that were quite uniformly satisfactory and will, we believe, lead to the establishment of a practice of early sowing, at least so over a considerable expanse of territory where the risk of late spring frosts after the early growth of the flaxseed plant may not be great or often recurring.

With the exception of unfavorable conditions affecting the flaxseed crop in a few districts, this season has been rather more favorable than any of four or five years past, and the early sown flaxseed, even in the affected districts, fared quite well and produced an average crop. Some of the late sown flaxseed was damaged by a period of drought in August, whilst in Northeastern Montana—the most promising flaxseed district of that State—the crop suffered material loss through the scourge of grasshoppers attacking the flaxseed plant just before the season for its ripening and destroying the crop there. Much of the early sowing was done on old lands in the Red River Valley country. As an instance of the continued return to the growing of flaxseed in the older farming sections it may be observed that in Northeastern and Central Eastern North Dakota, being the Red River Valley section of that State, the flaxseed acreage this year increased over last year by 57%. The flaxseed acreage in the entire State of North Dakota increased this year over last year by 35%.

At our meeting this autumn in Fargo there was discussed among many phases of flaxseed production the matter of conservation of ample supply of best quality and strains of flaxseed for sowing next spring. Action in this direction has already been taken by the State Seed Commissioner of North Dakota, and we are hopeful of similar steps being officially taken in other States. In some sections, particularly in the comparatively new farming districts, bulletins will be prepared and distributed to the farmers during the coming winter, as also other means adopted, such as moving picture exhibitions of the proper methods of flaxseed-growing, in order to afford the new farmers and to the young primary instructions and illustrations how and when to prepare the soil to sow flaxseed and to gather and thresh the crop.

Although the average price for flaxseed since the beginning of the present marketing season has been 25 cents to 50 cents per bushel lower than the average market price of flaxseed during the sowing period last spring, it nevertheless is a fact that to the farmers in the Northwestern flaxseed-growing States the return per acre of flaxseed sown has thus far this year been quite remunerative, and in comparison with other products of the soil the flaxseed crop has been by far the best paying. Since many farmers are largely governed in making and carrying out their plans to sow relatively more or less of one crop than another by the financial return to them for their last preceding crops, the price that obtained this autumn for flaxseed augurs well for a materially increased acreage being sown of flaxseed next season.

A very encouraging outlook for increased and improved production of flaxseed in this country is, it seems, soon to be realized. In Goodhue County, Minnesota, and other territory in the immediate vicinity of Red Wing, Minnesota, it has been the practice of numerous farmers to produce mixed crops of flaxseed and wheat with results so good and so satisfactory to the farmers there that flaxseed production as a mixed crop with wheat is a yearly crop under a system of rotation with other crops.

Through the initiative of Mr. Ludington Patton and others connected with the Red Wing Linseed Oil Co. and your Flaxseed Development Committee co-operating, representatives of the Department of Agriculture at Washington and of several Northwestern State Agricultural Colleges and Experiment Stations have made personal observations and exhaustive study of this method of flaxseed growing and are quite as a unit in the conclusion that along with the results of recent years' research and experimental work in the improvement of flaxseed growing as a single crop the practice of mixed growing of flaxseed and wheat may well be extended over much of the present flaxseed-growing area and as well into other large farming areas where cereals for the market are largely produced. Our Committee has the assurance that varied experimentations are to be made this season at State farms, as also strong efforts by State Agricultural Officials, to procure co-operation of many farmers in scattered localities in making practical tests of such mixed cropping next season for the first time.

We would dwell here in greater detail on the subject of mixed cropping of flaxseed and wheat were it not that you are to be addressed by Dr. A. C. Dillman, Agronomist in charge of Flax Investigations, Bureau of Plant Industry, Department of Agriculture, who has given the matter close study, and with full intelligence will inform you thereon.

Respectfully submitted,

L. T. MINEHART,
J. W. DANIELS,
S. R. MATLACK,
E. H. SMITH,
L. P. NEMZEK,
C. T. NOLAN, Chairman.

Bigness of Linseed Oil

Mr. Nolan:—I have compiled some statistics from official sources, thinking they would be of interest to you. They are on the linseed oil that has been consumed in the United States in the last twelve months, ending September 30. I haven't any doubt that these figures are closely accurate. They show that during the twelve months ending September 30, 1922 (532 firms reporting to the Department of Commerce), there were 9,280,150 gallons of linseed oil on hand. The flaxseed crushed in the United States during those twelve months amounted to 25,276,000 bushels, producing 69,242,000 gallons of oil. The linseed oil imported into the United States during that period was 22,435,000 gallons. The total of the available supply, therefore, was 91,157,220 gallons.

There is to be deducted from that total

the linseed oil exported during the period, amounting to 97,217 gallons, and the stock reported on hand by 655 producers, jobbers and consumers of linseed oil, on September 30, this year, which was 9,204,000 gallons, making a deduction from the 91,157,220 of 97,217 gallons, showing the 91,157,220 of 9,302,104, showing the net linseed oil consumed in the United States during those twelve months as 81,855,725 gallons. These 81,855,725 gallons, calculated at two and a half gallons per bushel of seed, show a yield of 32,742,290 bushels of seed. The yield of oil per bushel of seed crushed in this country was 15.77 pounds of oil per bushel, or two and a half gallons and a slight fraction. The 82,000,000 gallons of linseed oil consumed in those twelve months, gentlemen, at just about 25 per cent. over the ten-year average of 50 previous decade, if this linseed oil consumption in the United States is a fair barometer of

what has been consumed by the industries that are represented here, then our average was probably 25 per cent. over our ten-year average.

I thought that would interest you because it puts the linseed oil consumption in the shape of a barometer, and tells us all what we have been doing.

Mr. Edgerly:—May I interrupt? Mr. Nolan to ask how many gallons are likely to go into the linseed and table cloth industry? Can you give some rough guess at that?

Mr. Nolan:—Some years ago, with the assistance of several in those industries, it was calculated that about 12,000,000 gallons of oil went into the linseed and table cloth industry; but they have also been doing a very good business this last year and it wouldn't be surprising to me if that figure had reached upward of 20,000,000 gallons. One thing to be said about the present linseed oil situation is that in all probability the world, on September 30—and even now—was shorter, in the aggregate supply of linseed oil as such, than ever before, at least our time; not will we be out of the woods, in that respect, for a while, I think. There isn't any locality where the world that I know of where the linseed oil is in excess of its demand—and we have got to treat with world conditions as we look into the future. However, some evidence has come to light in the last few weeks that there is a little hoarding and piling up of seed. For instance, India has exported in the last three weeks 1,300,000 bushels. That would be at the rate of 22,000,000 bushels a year, and that is a record-breaking production. But how much more she has unexported, it is difficult to say. I wouldn't be surprised if her imports as exports at this time were due to the prospect of a very large crop coming from the Argentine.

Argentine Outlook

As to the Argentine prospects, the government issued an official estimate about ten days ago of 61,240,000 bushels. Deducting 6,000,000 for home requirements, which is chiefly for sowing, leaves an exportable surplus of 55,240,000 bushels. There are some skeptics and there are also some believers in those figures. I am one of the believers, and I will tell you, because I believe that you are all interested in the prospects for linseed oil in 1923, or let us say commencing in the early spring.

In 1918, the crop of linseed in the Argentine was a complete failure. On an acreage of about 2,800,000, they produced about a bushel and a half to the acre, or a net result of 102,000 tons. But they exported that year 130,000 tons, meaning obviously that they had carried over from the preceding year. The crop of 1917 and 1918, on about 2,300,000 acres, was 20,000,000 bushels, of which about 16,500,000 were exported, so that crop was pretty accurately measured, because of the fact that the exports confirmed the production report.

In 1918-1919 (meaning the 1919 exports), the production was 781,000 tons—about 32,000,000 bushels of which they exported nearly 31,000,000. In 1920, we had flaxseed at as high as \$6.30 a bushel in our own domestic markets. So it is fair to assume that more of that crop was held back in the Argentine.

Now, we come to the two important years of 1920 and 1921, and it is fair to combine those two crops to show the possibilities of flaxseed production in the Argentine. The acreage reported—and I will refer to the acreage a little bit later for 1923, which would be 1920 exports—was 3,200,000 acres, with a production of 42,700,000 bushels, which would mean

13 1/2 bushels per acre; and the exports were 42,000,000 bushels. We went into that year undoubtedly without a carry-over in the Argentine, so from 42,700,000 they exported 42,000,000. They wound up that year with no carry-over, as they needed that difference of about four and a half million bushels for sowing. Then in 1921 they had an acreage reported down there of 3,482,000 acres; they produced, according to their figures, 40,969,000 bushels, and they exported 4,000,000—so there was another crop that evidently was not only raised, but moved out, and the proof of its production is the exports.

That would indicate that they had the incredible figure of 17 1/2 bushels to the acre. Now, they produced the flaxseed and they proved that by the exports, but they haven't proved to me that they raised 17 1/2 bushels to the acre. But I am satisfied that their acreage report was far too low.

If that is the case, we may jump over last year, because they certainly could not have exported much more than 45,000,000 bushels of seed out of 61,000,000 in 1921. We will also pass over the last year's production—that is the 1921 production and the 1922 exports—because we are pretty well satisfied that they are clearing out that crop, and go back to those two years of seemingly small acreage and high yield—12 1/2 bushels one year and the next 17 1/2. I can only conclude that they have more acres down there. They had the bushels, because they have come into existence and have gone out of existence. They must have had more acres. Seventeen and a half bushels yield of linseed on an average for a country is incredible, and I would say almost impossible.

Therefore, the reports of a crop of 61,000,000 bushels this year and 55,000,000 exportable are not an impossibility. I believe that instead of having 4,000,000 acres of flaxseed in the Argentine, they have 5,000,000 or more, and I have known of crops in the Argentine that have actually averaged 14 bushels to an acre.

So I say that with all the glowing reports—the private reports showing that the acreage in the Argentine, without giving figures, is probably as large if not the largest they have ever had; with the officials saying there is something like 10 acres more than last year (and undoubtedly the official acreage of last year was greatly under-estimated), I can see the possibility of 55,000,000 bushels exportable from Argentine, and more besides.

Europe will have received by the end of this year, or will have had shipped to it, about 25,000,000 bushels of seed (that is the net figure), because they exported to use during the crop year under review more than 7,000,000 bushels of seed in the shape of linseed oil. So we leave to the Old World 20,000,000 bushels for their 1922 supply.

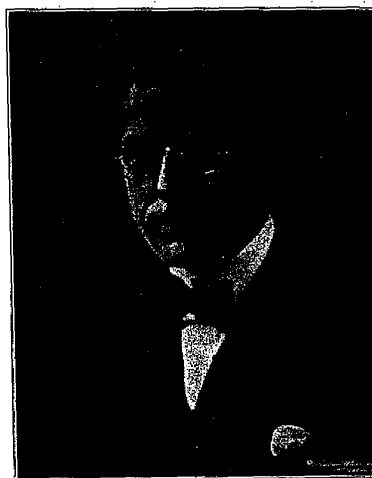
If Europe does not want more seed this coming year than last year, you may subtract your 25,000,000 from what? Let us say 25,000,000 from the Argentine, now in prospect, and certainly 12,000,000 from India—that is 70,000,000. So we get 41,000,000 bushels that America may call. If America today raised 15,000,000 and we needed 30,000,000 or 38,000,000, which is just as much more as you wish to make it over the normal of 26,000,000 over the past decade, why we would have in that case at least enough linseed for Europe to represent a 60 per cent. increase over its supply of 1922. And that 1922 supply of about 25,000,000 bushels is being shipped at the ratio of say one-third from India and two-thirds from Argentina.

As I said before, we are not out of the woods on the supply of linseed oil, and we won't be for some months, but unless something calamitous happens to the Argentine crop, it looks as if none of us need worry very much about the linseed oil supply during eight or nine or ten months of 1923. (Applause.)

President Trigg:—Now I will call on Mr. Ludington Patton of Milwaukee, who will speak to you on the subject, "Flax and Wheat, a Combination Crop." Mr. Patton. (Applause.)

Flax-Wheat Crops

Ludington Patton:—Mr. Chairman and Gentlemen:—Before touching on the subject which has been assigned to me, "Flax and Wheat, a Combination Crop," I would like to outline for a moment what the



Ludington Patton

supply of linseed oil means to every man in this room, whether he is a paint manufacturer, a varnish manufacturer, a tin can manufacturer or a raw material manufacturer. It is the one raw material in the industry which we cannot do without. Everyone is dependent upon it. It is true that there have been some substitutes brought out in the last few years, but they can only be used to a moderate extent without detriment to the product, so that our entire industry, as I see it, is dependent upon our supply of linseed oil. The history of the growing of flaxseed is well known to you, but nevertheless you must realize that the flaxseed crop of the United States, starting in the East, grad-

ually moved westward, and the crop is now being raised in the Northwest. The flaxseed crop of the United States, starting in the East, grad-

I think the thanks of the association are doubly due to Mr. Nolan for the work he has done in helping to develop and forward the growth of flax in this country.

try, which is such an essential part of the business we are all interested in. (Applause.)

Mr. Gregg:—Mr. Nemzek also made a trip to North Dakota in connection with this work of Mr. Patton's.

Mr. Patton:—I think I owe an apology to Mr. Nemzek. He is the one man who has done this work and put his time and energy into this thing, but he has been so modest about it that we have overlooked him.

President Trigg:—Won't Mr. Nemzek come up here and stand before the meeting so that everybody can see him, and say something to us? (Applause.)

Mr. Nemzek:—One reason why I have not attempted to make a report today is that, acting in co-operation with Mr. Nolan and as chairman of the Flax Development Committee for the Paint Manufacturers' Association and also the National Varnish Manufacturers' Association, the report is being printed in the form of an educational bureau circular which will be distributed to you after the meeting. The information has been given to you in the report by Mr. Patton and in the remarks made by Mr. Dillman, so there is some reason for all this much-vaunted modesty. Thank you. (Applause.)

President Trigg:—Mr. Daniels, if I may use a slang expression, has beat the Board of Directors to it in the suggestion he has just made with regard to an expression of appreciation to Mr. Nolan and the Flax Development Committee. I will now put the motion of appreciation to Mr. Nolan and his committee for this very fundamental work that they have done. All in favor of this will please signify by rising.

(The motion was carried by a rising vote.)
H. S. Chatfield was called on to make



H. S. Chatfield

the report of the Committee on Alcohol, which was as follows:—

Report of Committee on Alcohol

Alcohol as a raw material, and placed this year under the heading of "Raw Materials Development," is entitled to somewhat different consideration than has been accorded it in the reports of the committees of preceding years.

The utilization of alcohol as a chemical raw material is occupying the attention of many at the present time who never before realized its industrial importance. As a result, a number of new uses for the product are being developed, and some of them give promise of becoming vitally important; that is, as far as the public is concerned.

The increased consumption of gasoline as a fuel for internal combustion engines and the possibility of the supply becoming decreased rather than increasing over the next few years have directed considerable thought to the development of an internal combustion engine fuel composed in whole or in part of alcohol.

Numerous inventions have been made in order to more perfectly utilize these mixtures, and many ingenious compositions have been devised in an attempt to solve the problem.

That some progress has been made is evidenced by the fact that motor fuels containing alcohol have been successfully developed.

The use of alcohol in our own industries has been subject to very gradual development. One of the outstanding features concerning its use has been the difficult and onerous procedure required by the Treasury Department in securing adequate supplies for lawful purposes.

Not only is it becoming difficult to secure adequate supplies, but the incidental delays are such as to oftentimes cause great inconvenience and expense.

Your committee believes that because of the difficulties experienced, not only by our own members, but by representative manufacturers throughout the chemical field, the association should pass a suitable resolution and forward copies of this resolution to the authorities in Washington, D. C.

As a suggestion, the following resolution may meet with your approval:

Promotion of Industrial Use of Alcohol

Whereas, Since the passage of the National Prohibition Act governmental restrictions surrounding the manufacture, distribution, sale and use of alcohol for industrial purposes have become so onerous as to seriously handicap the chemical industries, and

Whereas, The members of the National Paint, Oil and Varnish Association, in convention assembled, appreciate the consequences to not only our own industry, but to the chemical industry in general, if such restrictions are carried out in the future; therefore be it

Resolved: That the National Paint, Oil and Varnish Association, in convention assembled, believes that the administration of legislation concerning the use of alcohol should be in a separate department under the jurisdiction of the Commissioner of Internal Revenue, but entirely separate from the department now enforcing the Prohibition Law, in accordance with Section 13, Title III of the National Prohibition Act; and be it further

Resolved: That this resolution be transmitted to the Secretary of the Treasury and also the Commissioner of Internal Revenue.

For the benefit of the members I quote section 13, title III, of the law referring to the methods of handling denatured alcohol, to wit:

"The commissioner shall from time to time issue regulations respecting the establishment, bonding and operation of industrial alcohol plants, denaturing plants, and bonded warehouses authorized herein, and the distribution, sale, export and use of alcohol which may be necessary, advisable, or proper, to secure the revenue, to prevent diversion of the alcohol to illegal uses, and to place the non-beverage alcohol industry and other industries using such alcohol as a chemical raw material or for other lawful purposes upon the highest possible plane of scientific and commercial efficiency consistent with the interests of the government, and which shall insure an ample supply of such alcohol and promote its use in scientific research and the development of fuels, dyes and other lawful products."

You will see from the reading of the above section that it is not only mandatory for the Commissioner of Internal Revenue to issue reasonable regulations, but he is particularly instructed to insure an ample supply of alcohol and to promote its use in the development of all lawful products.

Respectfully submitted,

H. S. CHATFIELD, Chairman.

Mr. Chatfield:—Just a word in addition to that, because I see it is getting late. Alcohol is as essential to many lines in our industry as linseed oil, but unfortunately alcohol for industrial purposes has simply been set aside. All the efforts of the government have been put into the catching of possibly a few bootleggers. It is just as much a part of that law that I have quoted to you that they

promote the scientific use; it is just as mandatory for them to supply it to commerce as it is to prevent its use as a beverage.

I hold no brief for or against the Volstead act, but the wholesale drug trade, the chemical dye industry, have been so retarded in their efforts it has taken the most responsible, the most reliable and the most honest manufacturing chemist and distributors months and months to get a few barrels of alcohol from the Department of Internal Revenue only for the reason that there was no one there to do the work, for every regulation that was issued read not only in the lines but between them that that firm wanted this alcohol to use to break the prohibition law.

The articles appearing in the New York Evening Post have given us very many actual facts and illustrations of how the business houses have been retarded, and there are many big houses in New York whom I know personally, who have told me, "We didn't dare let the New York Evening Post publish our names or we would have been harassed more than we have been and our business absolutely stopped."

Isn't it a crime that one department of our government can, under the guidance of a lot of fanatics (and I use the word advisedly), be so cowed that they

can pick out one part of the law to enforce and another part to ignore?

If you gentlemen agree, I am desirous of having this resolution sent to the Commissioner of Internal Revenue, to the Secretary of the Treasury, so that denatured alcohol may absolutely be separated from beverage alcohol altogether. (Applause.)

President Trigg:—The action of the board, Mr. Secretary?

Secretary Horgan:—The Board of Directors approved the report of Mr. Chatfield's committee, including the resolution which you have just heard, and referred it to the convention for their action.

President Trigg:—It is moved and seconded that the report and resolution be adopted. Is there any discussion? If not all those in favor will please say "aye"; opposed "no." The motion is carried.

The next report will be the report of the Committee on Miscellaneous Oils, G. S. Knapp, chairman.

President Trigg:—Were there any recommendations in Mr. Knapp's report?

Secretary Horgan:—No, it is just informative. The report was as follows:—

Report of Committee on Miscellaneous Oils

China Wood Oil

The consumption has been very heavy so far this year, with no present signs of receding. The shipments from the primary market have been the largest on record, with practically no accumulation of stocks in America unsold and very small supplies in the primary market to draw from until the new crop comes down from the interior, which ordinarily is not received in any large volume until April or May. Consequently, we have at this writing a very strong market for spot and nearby futures. Without attempting to predict the outlook for prices in the distant future, it is reasonable to assume that if the present rate of consumption continues in the future we can hardly expect to see a lower range of prices next year than that which prevailed this year. Furthermore, in looking into the future on wood oil one must take into consideration the possibility of political disturbances.

Menhaden Fish Oil

The menhaden fish oil production this year was slightly below the previous season, but the demand has been steadily growing larger month by month. Prices for the light cold pressed oil were as low as 45 cents per gallon in tank cars during the early part of this year, and as the soap industry came into the market and purchased considerable quantities during the early summer the price advanced to 54 cents per gallon. The bleached and blown grades advanced in proportion. Prices are based on f. o. b. New York.

At this writing it would appear the total production of menhaden oil for the 1922 season will be about 110,000 barrels, of which about 30 per cent. was consumed by the soap and leather industries. About 6,000 barrels of oil were exported to Europe.

At this writing the total unsold stocks of menhaden oil in first hands or held by producers are practically nil; the amount of oil carried by the few large refiners and wholesalers is much less than usually carried for the winter and spring trade.

The price of menhaden oil will not likely decline during the next six to eight months, due to the nominal supply, even if linseed and other vegetable oils should decline.

Perilla Oil

Perilla oil is one of the minor oils used in the paint and varnish industry so far as volume of production and supply is concerned, but during recent years this oil has been recognized by many of the leading men in the industry as being far superior to other oils for many purposes, and especially so for the manufacture of certain grades of varnish and enamels.

The government does not issue any data as to the importation of this oil, but from the best and most reliable unofficial information the committee could secure we find that the importation of this oil during 1921 was about 10,000 barrels, and for the first eight months of 1922 the importation was about 12,000 barrels.

As the amount of oil to be shipped to the United States during the last four months of 1922 will be necessarily small, due to the exhaustion of supply of last season seed, and the scarcity of new made oil until the harvest of new seed is in during November and December, we cannot expect to see more than a very nominal quantity of this oil arrive before January 1.

The prices on this oil have advanced quite sharply, due to the new uses discovered for it, and as high as 17 cents per pound has been paid for the oil in wholesale quantities, basis f. o. b. New York.

It is too early to predict or estimate the maximum production and importation of this oil for the season of 1923, but by all cable and letter reports we have we should judge the total imports into the United States will not exceed 14,000 to 15,000 barrels.

The prospective user of perilla oil should not be disappointed with this oil because of some previous test and experiments of a crude fair average quality oil. We understand the oil is now being refined and processed to meet the most exacting requirements of the buyers.

Soya Bean Oil

The imports of soya bean oil for the first eight months of 1921 were 17,282,607 pounds; for same period 1922, 14,571,579 pounds.

The very high duty that has been put on the imported soya bean oil has curtailed the importation and necessarily raised the price of this oil to almost the same level of linseed oil.

It may be of interest to know of the big falling off in the importation of soya bean oil during the calendar years as follows:

1919 imports were.....	195,808,421 pounds
1920 imports were.....	112,213,750 pounds
1921 imports were.....	17,282,967 pounds

At the time of writing pressed soya bean oil is quoted at 9 cents to 9½ cents per pound in tank cars basis, New York, duty paid; the market is firm, and as European markets will likely consume the bulk of this oil for edible purposes, we are not likely to see any important recession in the price of this oil.

The high duty of 2½ cents per pound assessed against this oil will naturally shut out of the United States a large volume of soya bean oil; likewise, the same condition will help to divert this oil to Europe.

We take this opportunity to state that an expression of appreciation is due the Bureau of Raw Materials and Mr. Arthur Davis of the Standard Varnish Works and Mr. S. H. Gillespie of L. C. Gillespie & Sons and those who worked with them for the time given and the efforts put forth in behalf of the paint and varnish industry by appearing before the various tariff committees and submitting facts which, while not successful in all instances, were successful in keeping china wood oil and perilla oil on the free list.

Respectfully submitted,

GEORGE S. KNAPP, Chairman

We will now hear the Trade Mark Committee, Mr. Edgerly, chairman. (Applause.) Mr. Edgerly presented the report of the Committee on Trade Marks as follows:—

Report of Committee on Trade Marks

Today a weak spot in the chain from the manufacture to the sale and the use of a product is vital and a trade-mark is one of the important links. A moment's consideration will show that a good trade-mark can be a firm binding force between the ultimate consumer and the manufacturer. Modern business methods have brought about several changes, and among them the change to long range advertising and national distribution has set a pace which is followed in a lesser scope for the smaller territorial distribution which applies to the greater number of concerns in our industry.

For many years questions of exclusive, limited or territorial rights of use of a mark did not seem important. The number in use was not so large as to give rise to much dangerous infringement or make it difficult to select a good exclusive mark. So concerns have kept on selecting and using marks largely for their commercial value, without giving any particular attention as to what really constitutes a good mark or as to its legal status. Within the past five years particularly there has been an increasing use of trade-marks and more attention has been given to the matter of infringement. This has impressed upon concerns the necessity of a proper selection of new marks as well as a survey of the use of old marks as to both their legal and their commercial status.

With these new business conditions there was put into effect, late in 1919 in our Trade-Mark Bureau, several important changes which embody practically everything that a private bureau can have for the assistance of its industry. Some of our members have apparently misconstrued the purpose of our bureau, particularly in regard to our registration and as to the kind of advice we can give.

From the results of the development of the past several years and to make clear what is possible from our bureau, your committee judges this a proper time to report in brief what the bureau does.

The general functions of our Trade-Mark Bureau are:

1. To continuously obtain some information as to all marks in use in our particular industry.

Our bureau obtains some information about marks in use by circularizing the whole industry from time to time. For example, during the past year we asked for such information from 1,700 concerns, through direct notification by concerns, by observing trade paper advertisements, and by U. S. Patent Office registrations. Copies of marks registered in the U. S. Patent Office in the paint and painters' material classification are received when issued and kept on file.

One thousand concerns, approximately, in our industry are using some thousands of trade-marks. Of these many marks, and in our judgment our bureau has some information on most of them, only about one-fourth are registered at Washington. Our file records, therefore, have some information about more marks in use in our industry than any other bureau.

Any information about a mark, complete or incomplete, is listed for quick reference use and is called "Card File Listing." Such listing is available, without cost, to anyone in our industry, member or non-member of the association. The placing of all marks on this public record is a common sense proceeding for any concern to do. Owing to the adoption and use of many new marks this year, notice should be sent at once to our bureau at the time such a mark is put into use.

It is now well known in the industry that our Trade-Mark Bureau is the central place from which to obtain information as to marks in use. Having your mark on our card file list tends to prevent innocent adoption of such marks and will thus often avoid the trouble and legal expense the rightful owner would be put to to protect his mark, as well as the expense which the innocent adopter has been put to for labels, advertising and sales expense before he has to cease using the mark and adopt another. It is also evident that having such a card file list any concern cannot very well unwittingly adopt and use a mark that is already in use by others. Ignorance of the law or failure to obtain necessary information excuses no one, and, in fact, acts against them.

2. To make a detailed report as to same or similar marks in form, sound or significance.

This is called a "Search Report" and this service is one, if not the most valuable, feature of the bureau. It is open for the use of both members and non-members. As considerable time and some direct expense to the association office is entailed, a moderate fee is charged. Upon application on a special blank a detailed report, as far as our records show, is made.

The tendency is to select a mark and put it into use before obtaining a search report from any bureau. A report is particularly desirable and should be obtained before adopting a new mark; it is of distinct value in giving information about marks already in use, and it is of assistance to your attorney in presenting available facts upon which he bases his advice. Our report, giving both marks registered at Washington and not so registered, covers a wider field than can be obtained from any other source.

The beginning of the report notes the following remarks and they are quoted as they give concise trade-mark advice.

"There are certain fundamentals which one should not ignore as to trade-mark rights, among them the following:

(a) Generally speaking, the first to use a trade-mark on goods in trade is entitled to its exclusive use. One also desires absolute right of ownership, as it is a valuable asset. We therefore advise careful consideration of such matters and that one adopt and continue in use marks that are clearly distinctive from others.

(b) If any of the marks on the list has been in continuous use by another before you adopted your mark, and yours is so similar thereto in sound, appearance or significance as to be likely to deceive purchasers or cause confusion in the trade, it may be that you are infringing on the rights of another.

(c) On the other hand, if any of the marks on the list was adopted after you adopted your mark, and is so similar thereto as to be likely to deceive purchasers, it may be that your rights are being infringed.

(d) Marks which are descriptive, geographical or deceptive, and marks consisting of proper names and coats of arms and flags of the States and United States are not usually good trade-marks under the United States trade-mark statutes, and one is generally not entitled to protection of such marks, although there are exceptions, and many of such marks are entitled to certain protection under the common law. By adopting such marks as will pass the United States Patent Office regulation one is more certain of having a mark of value.

(e) The legal status of a mark is of as much importance as its commercial value. It is therefore advisable to consult competent trade-mark counsel on the above points before adopting or continuing the use of a trade-mark which you are not sure about. A moderate expense at the beginning will often save great expense in the future. The remarks of this bureau can only indicate in a very general way some of the qualifications of your mark."

The report, therefore, is a plain statement of whatever details our records show as to any other same or similar mark. The remarks of the bureau are not in any way legal advice, but simply emphasize some of the salient facts. A trade-mark counsel only is really competent to give advice of a legal nature.

3. To issue a registration certificate for a mark in use.

This service is available only to members of the association. Before such a certificate is issued a detailed search report is always made which gives the information on which one bases their conclusion whether to drop the mark, or put it in use, or continue its use. The certificate is issued only for marks in actual use in trade and for the purpose of formally recording the use thereof and claim thereto.

The word *register* means an official written account for preservation or for reference, also a record. Thus if one thinks of the term recording certificate it will clearly indicate what is issued.

The certificate contains a statement of the available facts and a photograph of the label or stencil imprint, showing the form of the trade-mark as used. A duplicate copy of the certificate with the original correspondence is retained in the bureau's files. Public notice through the Association Bulletin and in the trade papers of the use of the mark is made.

The value of this registration is that of the formal recording of a claim to and the use of any mark in a trade-mark bureau recognized as headquarters in our industry, and issuance of a public notice to our whole industry that such a mark is in use, and the filing of valuable data which in later years may be of great value with some outside office.

Comment has been made that our bureau will issue a certificate to two different concerns for very similar marks or for apparently the same mark. In fact, we issue a certificate for any mark in use by our members where we have made a search report. The reason for this is that our bureau records claims to trade-marks, but obviously cannot guarantee or decide as to the legal rights of any mark, no matter how evident infringement appears to be. Like any other property right, the rightful owner must, if necessary, protect his property in legal ways. The determination to what extent any concern has rights of use in a mark depends upon the facts presented and substantiated. Our industry is very favorable to a common sense solution of infringement problems, and your bureau has aided in a number of such cases.

We have presented to us for report and registration marks which undoubtedly appear to have a commercial value to the applicant. It is our belief that in most cases concerns consider only this phase of a trade-mark and have not looked into the question of its legal value; that is, whether the mark is legally one capable of being a good mark, or of exclusive rights of use, or maybe it has only divided rights of use or local rights or partial rights. We must conclude that the one using it judges that he has some rights of use. We endeavor to give the most complete data available with suggestions for making sure that the mark is all right before money is expended in using it. Concerns will adopt and will use all kinds of marks and the bureau cannot stop them.

The publication of a mark so registered, among other things, gives an opportunity for other concerns to know of its use if they are intending to select the same or similar mark, and also the opportunity of finding out at an early date whether its use is detrimental or legally unfair as regards other marks, and action can be taken before serious damage is done. This is of commercial and of legal value to both sides.

A few remarks on U. S. Patent Office registration may be of value. In referring to federal registration we are only considering registration under the act of 1905, which is the principal one of actual value.

The later act of 1920 was passed primarily for the purpose of registering any mark in use and thus making possible the obtaining of registration in foreign countries. At the present time such registration of any mark for use only in this country is of doubtful value.

Under the rules of the U. S. Patent Office certain kinds of trade-marks are not registrable, among them, for example, descriptive or geographical names. There are limits, therefore, of the kind of marks that can be so registered. The Patent Office only investigates their own list of registered marks when passing on one presented for registration to find out if a same or similar mark is already in use. The certificate issued is their formal way of acknowledging the recording of the marks that pass their rules and regulations.

Among the things gained by the specific law passed for trade-marks by which the registration of the mark in the designated office and coming under the formulated rules is a necessary part is that (a) the statement made under oath by the registrant of the first date of use is accepted in court without further proof, although any plaintiff has the right to disprove this, but usually such is very hard to do, and (b) the right to use the federal courts in any action for infringement, which is a valuable consideration in such a large territory as the United States.

Your committee advises and recommends U. S. Patent Office registration so that whatever aid for the protection of a trade-mark that is conferred through such registration may be used when and if required. We, however, advise using first the association Trade-Mark Bureau research report, with its accompanying registration of the mark if it is actually in use, for its several valuable aids.

It should be clearly understood that any registration does not add any rights of ownership, nor does it take away property rights which another may have in the mark. The common law right of ownership precedes any rights under special trade-mark laws.

Now there are in use throughout the country many marks that are not capable of being registered under the rules of the U. S. Patent Office. Many of these are now good marks and many of them have practically exclusive right of use. This is largely through years of use over a considerable area of territory, and by long continued publicity the mark has been impressed on the minds of the purchasing public. This has been possible in the past years and it may be possible in the future, but in your committee's opinion, with the growth of trade-mark use, particularly evidenced within the past ten years, the chances are very much against many of such type of marks making good. Too much is now involved in advertising and salesman expense to take chances.

4. To publish a list of marks in use in our industry.

From time to time a pamphlet is published by the bureau giving the names only of marks in use. At the present time we have the "1919 Trade-Mark List" and the "1920 Supplement." Another supplement should be published during the coming year. The particular object in view is that anyone desiring to select a new mark may have at hand a ready reference list which will act as a guide and preliminary aid in the selection of a mark different from others and so eliminate infringement. As many new marks are put into use each year, it is impossible to have such a publication up to date.

Our old 1914 book contained other information; for example, the name of the concern using the mark and the product it was used on. This information is of interest when one desires to find out who makes goods having a certain mark, but is no additional aid as far as a selection of the mark itself is concerned. Such detailed information can be obtained from the Trade-Mark Bureau by telegraph or letter. The large number of marks now in our records and the constant addition do not warrant the cost of publishing such complete data.

5. To give general information on trade-mark matters.

This is through articles, reports and correspondence. The amount of correspondence of the bureau with various members has been very large during the past two years. It clearly indicates that general information should be disseminated to the industry as to the proper selection, the rights of use and the protection of marks. To this end a pamphlet on trade-marks is now being compiled and will be issued as soon as time permits.

Respectfully submitted,

F. P. CHEESMAN,
J. V. REARDON,
D. W. EDGERLY, Chairman.

President Trigg:—What was the action of the board on this report?

Secretary Horgan:—The Board of Directors received the report of the Trade Mark Committee and passed a special vote of thanks to the committee for its work, and submitted it to the convention for their action.

R. S. Wessels:—I move the action of the board be concurred in.

(The motion was regularly seconded and carried.)
President Trigg:—We will go into tomorrow morning's program a little because we have such a full day tomorrow. The secretary will make the report in connection with Item No. 13, "Allied Industries Committee," of which Mr. Gates, of New York, is chairman.

Secretary Horgan:—Mr. Gates, being engaged today in some of the other activities of the convention and not expecting to present his report until tomorrow, is not here this afternoon, but he told me that if he was not here when his report was called for to say to you all that this is a carefully compiled report in which he had the co-operation of the various groups which I will mention—brushes, colors, lead products, linseed oil, lithophone, petroleum products, window and plate glass and zinc.

It is all purely informative matter, giving a resume of the conditions in those branches of the industry during the year, and it is accompanied by no recommendations.

The report follows:—

Report of Allied Industries Committee

Since the inauguration of the Allied Industries Committee, composed of representative men in their respective lines of industry, it has been merely for your Chairman to get these reports together and submit to your attention for information and thought. Preliminary reports were made at the Mid-Year meeting of the Executive Committee and we beg to submit this as our report for the year 1922.

You all have realized the handicap under which every industry has worked owing to the coal and rail situations. Consumers of the various products mentioned in this report have suffered greatly from delayed shipments, coal shortage, and the many other vital situations that made business clamoring for a chance to leap forward, so uncertain of its step. If these conditions have passed, or are successfully passing, let us thank God and pray that no other conditions may arise to overthrow the advancements and improvements that surely are ours if we are but left untrammelled.

Your Committee feels that its report should include some mention of the splendid co-operation the business interests of the country are receiving through Governmental Agencies. Especially should business men everywhere be proud of Herbert Hoover, under whose able leadership and direction the United States Department of Commerce is functioning. Secretary Hoover has shown an intimate appreciation of the needs of business interests by having a department in the Capital of our Nation to which business men, through their trade associations, might submit their problems and obtain helpful advice. It is our hope that this Convention will pass suitable Resolutions expressing to President Harding and Secretary Hoover our thanks for all that has been

done and for the splendid constructive business program which is being worked out to the benefit of American manufacturers and merchants.

Brushes

1. Today finds practically every brush manufactory running to capacity, the increasing consumption of paint and varnish demanding tools for their application. With little difficulty in securing raw materials and increasing demand for its output, the industry is in a satisfactory condition.

2. There is an increasing supply of bristle from Russia and an improvement in the quality of this bristle; although prices for this raw material are still way above pre-war levels, there is reason to believe they will work downward, even though slowly.

3. The Chairman of this Sub-Committee, as on many former occasions, again urges the manufacturers of paint and varnish to give more consideration to the application of their products and to the use of better brushes for doing so. Cheap, unsuited brushes being sold by so many dealers through



Hoskinson Gates
(Also Golf Chairman)

their ignorance of the importance of the brush in proper application is responsible for many a non-successful paint or varnish job, and restricts the greater consumer demand for such products. Just to see the advertising of our national distributors, with the sort of brushes too frequently suggested in their illustrations, is to realize the importance of the consideration of this subject. Why should not the paint and varnish manufacturers, with the directions for the use of their products, in their general advertising literature lay stress on the importance of a good, suitable brush for a good job? There is probably as much profit for the manufacturer in poor brushes as there is in the better ones, but much less satisfaction in their use.

4. With some of the paint and varnish manufacturers failing to appreciate the value in trade organization, it has not been possible to secure among the consumers the benefit of a universal education in the use of better tools, although a number of the manufacturers have in their several ways been doing splendid work in their efforts to educate the painters, particularly to the use of better brushes and the sensible care of them.

5. China bristle, the most important raw material the brush manufacturer buys, is bought on a market re-established each year, and under the old conditions influenced the price of brushes sold to the consumer in many instances fifteen to eighteen months after the establishment of those brush prices, but during the year just passed an effort was made to establish a universal opening date for brush prices based on the season's bristle market, it being contended that doing so would, in the elimination of speculation as to what might happen in brush prices and when, tend to stabilize conditions, protecting the interest of consumers, manufacturers and jobbers alike. Just what success attends that effort remains to be seen. Your Committee hopes that it will come to pass.

JOHN HENRY COON.

Colors

From the standpoint of the manufacturer, the situation as regards colors appears to be more satisfactory at present than at any time since the serious business depression of 1920.

Previous to the war the color business left much to be desired. During the war there was a very great expansion which raised the question as to whether there would not be a greater over-production when times became normal than had formerly been the case. However, due to the shortage of dyestuffs, colors were substituted for many purposes and gave results which proved to be so superior that their use has become permanent. This, together with the general expansion of our manufacturing industries and the general increase in paint consumption, due, no doubt, to advertising and educational work showing the importance of painting, has evidently created a permanent market for a much larger consumption of materials.

Some manufacturers are complaining very strongly regarding the tariff which has imposed a very high duty on raw materials and fear that it means a resultant increase in price of all colors, including those made from coal tar products.

On the other hand, we hear the manufacturers of coal tar products complaining bitterly that the tariff will destroy their business. Beyond doubt the raw material market will temporarily, at least, be materially affected by the

tariff and in consequence will justify an increase in price on yellows, greens and blues. On the other hand, there has been a constant decrease in the price of colors made from coal tar products since the termination of the war, even in the face of an embargo, and there would seem no reason at the present time to anticipate an increase in these particular lines.

The prospects appear to be excellent for record business for the year 1923, and the question of whether prices will be higher or lower will depend largely on the raw material market. From the present outlook the opinion seems to be general that prices will tend strongly towards a higher level.

One feature in connection with the color trade stands out very prominently and should be a matter of much interest and pride. This is the fact that domestic products today command the highest market prices and that imported colors which have reached the market in considerable volumes have been able to do so only at materially lower prices, due to the quality in general not being up to that of standard domestic manufacture.

CLARE H. HALL.

Lead Products

Conditions in the Lead industry have greatly improved during the past year, as was predicted it would do by your Committee in its report at our last Convention. It took several months of rather an inactive market before the lead producer began to feel the reviving conditions that were bound to come.

Pig Lead.—Pig Lead production and prices remained dormant for several months; mines could not operate at a profit at the then current prices; consequently they were closed down completely. From October, 1921, until March, 1922, there was no change in the official price of Pig Lead. Since March, and until this report was written, in October, there have been steady advances. From October, 1921, until March, 1922, the price of Pig Lead remained at \$4.70 per 100 pounds for Common Lead. Since March, and until October, the advance has been steady with no declines, until today it is \$5.50 per 100 pounds. This advance has been largely due to the fact that a large percentage of the mines and smelters were closed; consequently no stocks were accumulating. The demand soon depleted such available stocks as were on hand, and while many mines and smelters began to operate again, the demand increased faster than the production; therefore, the price moved upwards. The smelters are sold well in advance and there still are no heavy stocks on hand; therefore, there are no indications of immediate reductions in Lead Ore or Pig Lead. In considering the fact of low stocks of Pig Lead on hand, when the demand came, please bear in mind that our domestic production of 1921 was over 100,000 tons short of that of the year 1920.

Dry White Carbonate and Basic Sulphate.—While Pig Lead has advanced .018 cents per pound during the past year, Dry Carbonate and Basic Sulphate have advanced but $\frac{3}{4}$ cents per pound and are now selling on a very narrow margin when you consider that the manufacturer of Dry White Lead must pay from \$2 to \$3 per ton over the price of Common Lead as published for Lead suitable for Corroding. The demand since March has been, and still is, very good. Industries using these two White Leads have shown marked improvement.

Oxides.—While there have been greater advances in the prices of Litharge, Red Lead and Orange Mineral than in White Leads, it has not been unduly considering the high prices of Pig Lead from which they directly originate. The manufacturers have been taxed to capacity to keep up with the demand from the many industries depending upon these products in manufacture.

Lead in Oil.—In October, 1921, the base price in hundreds for Lead in Oil was 12 $\frac{1}{4}$ cents per pound. In May, 1922, it advanced to 12 $\frac{3}{4}$ cents per pound, and in September, 1922, to 12 $\frac{3}{4}$ cents per pound, showing, therefore, but slight advances in spite of the heavy advances in Pig Lead. In comparison to the advance of Pig Lead of \$36 per ton, Lead in Oil has shown only an advance of \$10 per ton. The demand has been good. The building industry has shown much improvement throughout the country, even though certain sections have been handicapped by the closing down of industries due to industrial conditions.

The cost of manufacture of Lead Products has been increased rather than decreased during the past year. While there have been slight decreases in freight rate, the coal situation has acted as an offset. The cost of material and manufacturing costs are such at the present time that the manufacturers of paints, varnishes and other users of Lead Products in any form should look to their supplies rather than towards prices. A. E. COLE.

Linseed Oil

Since the last meeting of this Association the Linseed Crushing Industry has had hard sledding. You probably will recall a paper presented by the Tariff Committee of the Crushers, outlining the then present situation, and it does not seem necessary to repeat arguments which would answer as well today as then.

As you all know, due to the insistence of the Farmer Representatives in Congress, the import duty on flaxseed was fixed at 40 cents per bushel. The compensatory duty on linseed oil to fully protect the grower of seed and the producer of oil with a duty on flaxseed of 40 cents per bushel is indicated as 26 $\frac{1}{2}$ cents per gallon. However, the Conference Committee agreed upon 24 $\frac{1}{2}$ cents, and it was so written into the Tariff Bill.

Leaving aside any argument as to the effect the proposed increase in the duty on flaxseed might have had on the flaxseed farmer during the planting season of this year, the fact remains that the flaxseed crop of this year in the United States is estimated at over twelve million bushels, as compared with seven millions last year, an increase of over 71 per cent. It is interesting to observe that flaxseed has been selling at about \$1.25 over wheat, and with present protection and the maintenance of this spread the crop of 1923 should be double that of 1922.

The effect of largely increased supplies on prices, unless there is a correspondingly increased demand, is obvious.

A comparison of the world's flaxseed supplies for crushing purposes this year with last indicates more than a 50 per cent. increase. From some well posted sources the crop of the Argentine for export is estimated at sixty million bushels. This, with our crop of twelve millions, Canada's six millions and a prospective crop in India of at least twelve millions, precludes any fear of short supplies and consequent increased prices for linseed oil.

It is true that oil prices are higher than at this time last year, but this is

manifestly due to the uncertainties of the tariff, which made unwise the accumulation of either seed or oil in anticipation of the present season of strongest demand, and as a consequence most crushers are hard put to make their usual prompt deliveries.

The demand for linseed oil seems largely in excess of the usual requirements at this season of the year, indicating a prosperous outlook for Paint, Varnish and Linoleum lines. However, receipts of flaxseed at primary United States markets are daily increasing, and with the movement of the new Argentine crop somewhat earlier than usual crushers should soon be in a much easier position. F. K. QUINE.

Lithopone

Last year our convention was held in the midst of a great industrial depression. To give us courage we adopted the slogan, "Make 1922 the Greatest Paint and Varnish Year." Probably, in the bottom of our hearts, few of us thought we really could do it, but it gave us something to strive for—and we have striven and done our best. It is, therefore, with a feeling of the greatest satisfaction that the announcement can be made that it looks as if records of the consumption of Lithopone will be broken in 1922.

Please bear in mind that few statistics are available. The Government's figures will not come into sight for nearly a year, and in default of any other clearing house for information we can only use such fragments of knowledge and circumstantial evidence as we can pick up and piece together. According to the United States Geological Survey, from a little more than 30,000 tons in 1914, the amount of Lithopone produced in this country increased by about 10,000 tons per year to 90,000 tons in 1920. In this period imports were negligible. In 1921 production fell to 55,000 tons, imports amounted to 5,000, making a total consumption of 60,000 tons. In 1922 consumption appears again to have reached the high water mark of 1920 of 90,000 tons, of which 80,000 were produced in this country, 10,000 imported.

Now it should be borne in mind that this was accomplished in spite of very unsettled conditions. In olden times the larger part—indeed, nearly the entire business—was done on one-year contracts. In 1922 sales were made partly on shorter term contracts and partly from hand to mouth—often by telegraph for immediate shipment. If 1922 was so big in spite of the spotty character of the demand, and in spite of what seems a general slackness, we feel that 1923 will see a great increase, surpassing all previous figures, taxing the producers to the utmost.

The price of Lithopone has been very uniform, at 6-cent base since August, 1921, when it fell from 7 cents. The factors that influence price are moving upwards; Zinc, Barytes, Coal and Labor—the four largest single items of cost—are all advancing, Metallic Zinc especially having advanced 65 per cent. over its low mark; advancing also are many of the smaller items, so that it does not seem unlikely that higher prices will obtain. The larger production will tend to reduce the items of fixed costs, but probably not enough to offset the influence of the many items that are advancing.

The difficulties of construction and changes during the war period deterred not only expansion, but also alterations and improvements, so that nearly every manufacturer had accumulated a long list of things he wanted to do to better his plant. The past two years have afforded this opportunity. Nearly all Lithopone factories have been improved and some have been enlarged, so that the producing capacity should be equal to the demands that will fall upon it in the ensuing year.

The quality of Lithopone of American manufacture has been greatly improved; whiteness, covering power, texture, permanency, grinding properties have been very greatly bettered. The progressive paint grinder, always on the lookout for something new or better, has found many new uses in new formulae and many opportunities to better old formulae, so that in 1923 more Lithopone should be used in greater variety of paints, outside as well as inside, than ever before. A. S. KREBS.

Petroleum Products

The paint and varnish trade during the past year has materially increased their requirements for Petroleum Spirits and business has now reached such a volume that these manufacturers are vitally interested in the operation and the detail that surrounds the Petroleum industry.

For some years past large quantities of Crude Oil have been imported from Mexico into America, principally to the Atlantic Seaboard refineries. The supply of the Mexican Crude has been greatly depleted and forced these refineries to look for other types of Crude Oil. During the present year large fields of Crude Oil have been opened up near Mexia, Texas, and approximately 30,000 barrels per day of this Crude is now reaching the large refineries on the Atlantic Seaboard, replacing the depleted Mexican Crude.

In addition to the new Mexia production the Oklahoma field has continued to increase its production over this year, which, together with all fields in America, give a total daily production of approximately 1,500,000 barrels. The production of Crude Oil has gained on the refiners during the past year on account of depression in business, both at home and abroad.

This detail is supplied to lead up to the manufacture of Gasoline, principally for automobile consumption, for the reason that Mineral Spirits are in the same manufacturing class as Gasoline. During 1921, 9,500,000 automobiles and trucks were in operation in this country, and 10,500,000 during 1922. It is estimated that 2,000,000 cars, trucks and tractors will be manufactured in America during this year, and in 1923 we will have close to 12,000,000 motor vehicles in operation, which will necessarily bring increased demands on the Petroleum industry for motor fuel. The Mineral Spirits are produced by a special cut while the gasoline or motor spirits are in the course of manufacture and the paint and varnish makers' interests are improved on account of the automotive demands.

The daily publication of Crude Oil prices during the past year will show that there have been wide fluctuations, and it is the opinion of many in the trade that the demands for all types of Petroleum products are daily increasing on account of conditions improving, both at home and abroad, and that Crude Oil will recover the price losses referred to.

At this writing premiums of 40 cents to 50 cents per barrel are being paid over the posted price, the price of Pennsylvania Crude being \$3 and the producer of it refusing to sell unless he obtains from \$3.40 to \$3.50 at the well. This condition would justify the expectation of the Crude Oil advance referred to. W. A. SMILEY.

Window and Plate Glass

In regard to Plate Glass, prices have advanced. It is hard to get, and the only expression I can make for the jobber who has a good stock is to demand his price. I believe there will be further advances made by the manufacturers, due to the high cost of materials and labor, which is entering into the cost of manufacturing.

Plate Glass manufacturers at this time are unable to take care of jobbers' requirements, not taking into consideration the demand by the Automobile Manufacturers, Show Case Manufacturers and Mirror Manufacturers. There is an acute shortage, and the jobber should not sacrifice his stock, regardless of competitive prices.

In regard to Window Glass, from what we hear from the large manufacturers their costs are advancing and there is a possibility of them advancing their selling prices. They are from sixty to ninety days behind on their shipments. The popular sizes are in great demand, and what glass is held in the jobber's stock should command a price that will show him a fair return on his investment and not sacrifice to meet some of the low competition that we get in different sections. There is a good demand for window glass and I believe it will continue for the balance of the year. Some of the hand factories have started to operate, but do not have their full quota of men, so this will give very little relief to the Window Glass market.

CLARENCE BLEYLER.

Zinc

The year 1922 has been on the whole a satisfactory one for the Zinc industry after the long period of deflation, when the market for many Zinc products, including slab Zinc (Spelter), held below the cost of manufacture for many months.

During the current year there has been a steady increase in consumption in all trades; stocks which were of abnormal size twelve months ago have been absorbed and the production rate has been expanded until all departments, with the possible exception of the metal, are approaching full capacity, and shipments keeping pace with output.

The price for the metal has risen steadily since December; in fact, the market really turned during mid-summer of 1921. Each succeeding month since that time, with rare exception, has shown a decrease in stock and consequent enhancement of values.

Zinc Oxide prices held steadily for the lead-free types, both American and French process, until August, when a reduction of $\frac{1}{2}$ cent a pound occurred for the former grade. This was attributed largely to the greatly increased scale of production which had been reached, with a consequent decline in costs, and in part to the reduction of freight rates.

The leaded varieties declined in price during the first half, when they apparently touched bottom, a check that may be attributed to the rise in the Zinc ore market, while the French process pigment has held firmly throughout the year in view of the advancing price for the metal.

Export has experienced but little betterment during the year, notwithstanding improvement in exchange, and but little business has been done abroad, although an exception to this should be noted in respect to Canada, where a fair trade has been possible.

Tariff.—Naturally the effect of the new Tariff Bill arises in the minds of everyone, but it is hazardous to prophesy as yet what results will follow.

Future.—Possibly the most serious aspect of the twelve months ahead is the question of labor supply. Due to the strikes in the rail and coal industries, a temporary dislocation of the steady improvement has occurred which may take a few months to overcome, but which all hope will be adjusted so as to provide for a reasonable flow of traffic and at least a coal supply sufficient to continue operations on the present scale throughout the winter.

It may not be amiss, however, to point out that while traffic movement, which was exceptionally good during the early months of the year, together with ability to make prompt shipment from stocks, gave the customer a service which justified him, perhaps, in allowing ordinary reserves to become depleted. The changed conditions due to recent traffic disturbances which have resulted in congestion and embargoes on many of the railroad systems of the country have created a situation which may continue at least troublesome for some months to come. The prompt movement of last spring and winter can therefore no longer be relied upon, and the desirability of lodging specifications for all supplies in ample season to allow for delays, which are unavoidable, is apparent.

That we are facing another period of higher wages and increased costs is probable. A firm confidence in the year ahead, however, appears to be justified once these temporary difficulties are behind us.

H. GATES, General Chairman.

ALFRED W. DODD,

Secretary Horgan:—The board received this report with approval and directed that it be submitted to the convention for action.

Mr. Bennett:—I move the action of the board be approved.

(The motion was regularly seconded and carried.)

President Trigg:—Mr. MacGregor, we will ask you for your report for the Membership Committee, if you please.

J. R. MacGregor presented the report of the Membership Committee, as follows:—

Report of Membership Committee

Your Committee on Membership begs to submit the following report covering the activities and results secured during the past year in its endeavor to add to the already large roll of the National Paint, Oil and Varnish Association membership.

The membership in this association now covers practically every large paint center in the United States and Canada. Previous Membership Committees have worked so thoroughly that there were few places where clubs could be organized. The natural growth of the paint and varnish business, however, is always making possible the formation of new clubs, and the present committee is pleased to report the following clubs which have been added to our membership:

Golden Gate Paint, Oil and Varnish Club, San Francisco, Calif.
Terre Haute Paint, Oil and Varnish Club, Terre Haute, Ind.
Washington Paint, Oil and Varnish Club, Washington, D. C.

Grand Rapids Paint, Oil and Varnish Club, Grand Rapids, Mich.
British Columbia Association, Vancouver and Victoria.

Mobile Paint, Oil and Varnish Club, Mobile, Ala.

The following new individual memberships have been secured:

Maloney Oil & Mfg. Co., Scranton, Pa.

Meridian Paint Mfg. Co., Meridian, Miss.

Morgan Co., Vincennes, Ind.

Rinker-Deas Paint Co., Augusta, Ga.

Moline Paint Mfg. Co., Moline, Ill.

Stewart Bros. Paint Co., Alliance, Ohio.

British America Paint Co., Ltd., Victoria, B. C.

Jenkins Paint & Oil Co., Norfolk, Va.

Our total membership reported at last year's Atlantic City convention was 1,405, divided as follows:

Club membership	1,324
Individual membership	81

Total 1,405

We now report a total membership of

Club membership	1,417
Individual membership	70

Total 1,487

Resignations during the year are 43.

Five resignations of individual memberships are:

National Cooperage & Woodenware Co., Peoria, Ill.

Jas. Bradford Co., Wilmington, Del.

Special Products Co., Hopewell, Va.

Tweedy Co., San Francisco, Calif.

Beaver Mills, Keene, N. H.

A record of membership follows:

	1921	1922	Increase	Decrease
Atlanta	21	25	4	..
Baltimore	28	31	3	..
Birmingham	7	6	..	1
British Columbia Association	..	13	13	..
Buffalo	25	25	..	..
Central New York	20	12	..	8
Chattanooga	9	8	..	1
Chicago	118	125	7	..
Cincinnati	70	72	2	..
Cleveland	75	78	3	..
Colorado	13	14	1	..
Columbus	15	16	1	..
Dallas	7	6	..	1
Dayton	11	11	..	..
Detroit	36	35	..	1
Duluth	6	6	..	..
Fort Worth	6	5	..	1
Golden Gate	..	21	21	..
Grand Rapids	..	12	12	..
Houston	9	9	..	..
Indianapolis	19	19	..	..
Jacksonville	5	11	6	..
Kansas City	29	27	..	2
Los Angeles	13	12	..	1
Louisville	20	22	2	..
Memphis	11	12	1	..
Milwaukee	19	19	..	..
Minneapolis-St. Paul	44	44	..	..
Mobile	..	9	9	..
Nebraska	17	14	..	3
New England	78	79	1	..
New Orleans	20	21	1	..
New York	264	254	..	10
Philadelphia	56	64	8	..
Pittsburgh	38	41	3	..
Portland, Me.	5	6	1	..
Portland, Ore.	16	18	2	..
Richmond	16	16	..	..
Rochester	19	19	..	..
St. Louis	71	76	5	..
Savannah	10	..	..	..
Seattle	15	..	..	..
Terre Haute	..	5	5	..
Toledo	16	15	..	1
Utah	10	11	1	..
Washington, D. C.	..	11	11	..
Wichita	9	7	..	2
Toronto	28	30	2	..
Individual	81	70	..	11
Total	1,405	1,487	125	43

While there is seemingly a decrease in individual memberships, we have secured actually fourteen new individual firms. In explanation, in the cities of Washington, Grand Rapids, Terre Haute, Mobile and San Francisco, memberships previously listed under the individual class have since been transferred into local clubs which have been organized in those cities.

Due to the efforts of our Western vice-president, F. M. Brininstool of Los Angeles, two new clubs were recently formed in the cities of Fresno and San Diego, Calif.; it is hoped and expected that these clubs will accept an invitation to affiliate with the National Association.

The Membership Committee has been fortunate in having enthusiastic friends of the National Paint, Oil and Varnish Association located in the various towns where these paint clubs were organized, and it was in a very large measure due to the activities of these individuals that the different clubs

were organized. The Membership Committee wishes particularly to thank Mr. Fred Gunkle of Indianapolis, Mr. Marion Riley of Baltimore, Mr. J. F. Ford of Grand Rapids and Mr. L. C. DeMerrall of Vancouver for the valuable assistance they rendered the Membership Committee.

The committee was able to do practically nothing in the South because of the business conditions during the last two years. However, it seems as though some new Southern clubs can be brought into the association, viz.: Tampa, Fla.; Norfolk, Va.; San Antonio and El Paso, Texas. The Membership Committee is especially pleased with the fact that the British Columbia Association has joined with us because this will increase the efficiency of our association in dealing with North American paint problems.

The incoming Membership Committee will be furnished by the retiring committee with list of prospects which have been under way for some time.

In closing the Membership Committee wishes to extend its thanks to the entire membership for their co-operation in increasing the enrollment.

Respectfully submitted,

J. B. KEISTER,
GEORGE W. WEST,
FRANK PENBERTHY,
C. A. OMMANNEY,
J. R. MacGREGOR, Chairman.

Secretary Horgan:—The board approved of the report of the Membership Committee and expressed its appreciation of the splendid work done by Mr. MacGregor and his associates during the year. It was also suggested that Mr. Briminstool report on the development work of membership on the West Coast.

President Trigg:—What is your pleasure with reference to the board's recommendation?

P. P. Cheesman:—I move that it be concurred in.

(The motion was regularly seconded and carried.)

President Trigg:—We will now hear from R. B. Robinette, of Cleveland, chairman of the Adulterated Oils and Turpentine Committee. Mr. Robinette.

Mr. Robinette presented the report of the committee as follows:—

Report of Committee on Adulterated Oils and Turpentine

During the year that has passed since the committee filed its last report there has apparently been little or no adulterated linseed oil offered for sale, except where it was plainly stated that it was adulterated oil, although there have been one or two instances where claims have been made with reference to the quality of the oil which could not be fact, and such cases have been brought to the attention of the Federal Trade Commission.

Your committee at the present moment has under way a case involving the sale of adulterated turpentine and still another involving the sale of adulterated



R. B. Robinette

shellac, both of which will shortly be placed in the hands of the Federal Trade Commission, but the committee does not consider it advisable to give further facts regarding these cases at this time.

Your committee feels that the fact that there has been so little for it to do is a decided tribute to the activities of the association, as previous to the appointment of this special committee the practice of selling adulterated linseed oil and turpentine as pure was quite common.

While there has been little for this committee to do in the past year or two, still your committee feels that the present condition of things can only be maintained by constant watchfulness and continued effort, therefore recommends that this special committee be continued and that the members of the association be urged to promptly bring to the attention of this committee all matters that should be investigated in connection with offering for sale adulterated oil or turpentine.

Your committee appreciates very much the co-operation and support that it has had from association members, and in the event that the committee is continued hope for a continuation of that co-operation.

Respectfully submitted,

R. C. McKAY,
CHAS. L. SULLIVAN,
R. B. ROBINETTE, Chairman.

Mr. Robinette:—I just want to say I neglected to mention this year in the report a thing that I have done on previous occasions, and that is to acknowledge the assistance and co-operation the committee has had from Mr. MacDonald in Washington, which has been very helpful, indeed. (Applause.)

President Trigg:—What is the board's action, Mr. Secretary?

Secretary Horgan:—The board approved of the report of this committee, and I will say that while this committee was originally designated as a special committee, its work became so important that it was

made one of the regular committees, so it will be continued; and since this convention assembled there has been one matter brought to my attention which will be referred to that committee.

Mr. Wesels:—I move that the action of the board be concurred in.

(The motion was regularly seconded and carried.)

President Trigg:—Mr. Brown, the chairman of the Master Painters Committee, has asked the secretary to present his report.

Secretary Horgan presented the report of the committee as follows:—

Report of Committee on Master Painters

Your Committee appointed by President Trigg to represent this Association at the Convention of the International Association of Master House Painters and Decorators of the United States and Canada, held at the Muehlbach Hotel, Kansas City, Mo., February 7th to 10th last, has pleasure in submitting the following:

A place in the first part of the Convention program was accorded the members of our Committee. The Chairman addressed the Convention briefly and exchanged greetings, also evidences of mutual co-operation between the two Conventions was expressed.

The Convention was well attended, many practical papers for discussion were presented by various committees and apparently much is being accomplished by this International Association to establish the members and the painting industry upon a solid business basis.

Your Committee recommends the continuance of sending a delegation from our Association to these meetings.

Respectfully submitted,

J. K. WENHAM,
J. S. STEWART,
ADDISON BROWN, Chairman.

Secretary Horgan:—This report was approved by the board and submitted to the convention for action.

Mr. Wesels:—I move that the action of the board be concurred in.

(The motion was regularly seconded and carried.)

President Trigg:—We will go back now to the report of the Arbitration Committee.

Mr. Morton presented the report of the committee as follows:—

Report of Arbitration Committee

During the past year there has been but one case submitted to your Committee on Arbitration for its consideration. This case was between the Louisville Varnish Co. and the Unkefer Varnish Co., and arose out of the similarity of two trade-mark names used by these companies.

Upon submitting the case to us the parties agreed, in writing, to abide by the decision of our committee. Each made a deposit and agreed to pay one-half the cost of the arbitration. The Trade-Mark Bureau at Washington agreed to accept the decision of our committee. The arbitration was held June 21 at New York City.

Unfortunately, Messrs. Howard Elting and Richard Moore were unable to act as arbitrators, so, with the consent of both parties, Messrs. F. P. Cheesman and Frank Waldo acted in their places.

Each of the parties presented his side of the case in the form of a brief, accompanied by various exhibits, and the decision of our committee was based on the statements so submitted.

Your Board of Arbitration were open-minded and unbiased. The facts submitted by each side were carefully weighed and points of law and trade-mark practice were also considered, and the verdict rendered was in favor of the position taken by the Louisville Varnish Co.

A copy of the decision of the committee was sent to both parties and the decision was accepted by each party in a spirit of friendliness and good will.

The cost of holding this arbitration was \$79.82, each party paying one-half that amount, or \$39.91. If this controversy had been submitted to the courts it would have taken two or three years before a verdict would have been handed down, and the expense would have amounted to a considerable sum. How much better this method is than taking such cases into the courts.

The 1922 convention voted that our committee take under consideration recommending to this association that it go on record as favoring compulsory arbitration on contracts between its members.

Webster's Dictionary defines the word "Compulsory" as meaning "the act of forcing or compelling." We do not believe that it is wise for this association to try to force its members to arbitrate their differences. Such a policy is contrary to the long established custom of this association, which has always relied on moral suasion and education as its means of improving trade conditions. We desire to have our members arbitrate commercial disputes because it is the best thing for both parties, and not because they are forced into it.

In conclusion we recommend the adoption of the following rules of procedure under which commercial differences between members of this association may be submitted to future Committees on Arbitration:

Rules of Procedure for Arbitration

1. At the time of asking for an arbitration, the parties thereto shall forward to the chairman of the Committee on Arbitration their written agreement to abide by the decision of the Arbitration Committee. They shall deposit with the treasurer of the National Paint, Oil and Varnish Association a sum of money designated to defray the expenses of the Committee on Arbitration, including traveling expenses to the place where hearing is to be held and all expenses incident to the hearing. The amount of this deposit in excess of such expenses will be returned pro rata. If first deposit is insufficient, the parties to the controversy shall pay the additional amount, same to be divided equally between them.

2. When the parties to the controversy have complied with Rule 1, the chairman of the Committee on Arbitration shall confer with his associates and fix a time and place where the arbitration is to be held and notify both parties.

3. Unless otherwise agreed between the parties to the controversy, each party shall submit to the Arbitration Committee his side of the case in form of a typewritten statement, which shall present his position and contain his arguments in support of same and cite any precedents bearing on the case. This

shall be accompanied by original papers or exhibits referred to in the statement.

4. No person shall sit as a member of the Committee on Arbitration at a hearing who is interested in any manner in the subject matter of the dispute or who has previously expressed an opinion on the merits of the particular controversy or who would be subject to any common law disqualification of a judge to hear and determine such controversy.

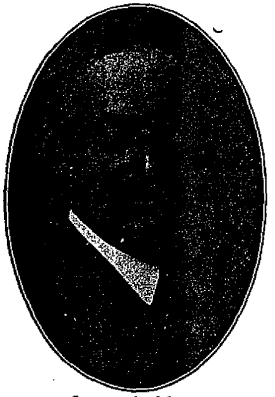
5. A majority of the Committee on Arbitration shall be necessary to constitute a quorum empowered to hear and determine the matter in dispute, and such majority may, if it desires, select substitutes for other members of the committee who are unable to attend. Such substitutes shall be members of the Association and qualify under Rule 4 and shall serve only in connection with the controversy for which they have been selected.

6. The record of the action of the committee shall be made in triplicate, one copy of which shall be given to each of the contending parties, and one copy sent to the secretary of the National Paint, Oil and Varnish Association, but no report of the same shall be published or made a matter of permanent record.

Respectfully submitted,

E. J. CORNISH,
HOWARD ELTING,
S. MARSHALL EVANS,
RICHARD MOORE,
GEORGE C. MORTON, Chairman.

Secretary Horgan.—It is an interesting report, gentlemen, because while the Arbitration Committee has been in existence for a number of years, this is the first year that they have really been called upon to serve the membership. The board voted that No. 6 under "Rules of Procedure for Arbitration"



George C. Morton

should be changed to read, "No report of same shall be made public."

The board voted to recommend to the convention that the convention officially invite the Paint Manufacturers' Association, the Varnish Manufacturers' Association, and the Jobbers' Association, as well as any other associations concerned, to take advantage of the machinery of this Arbitration Committee of the National Paint, Oil and Varnish Association, thereby getting the benefit and advertising value out of it, and at the same time

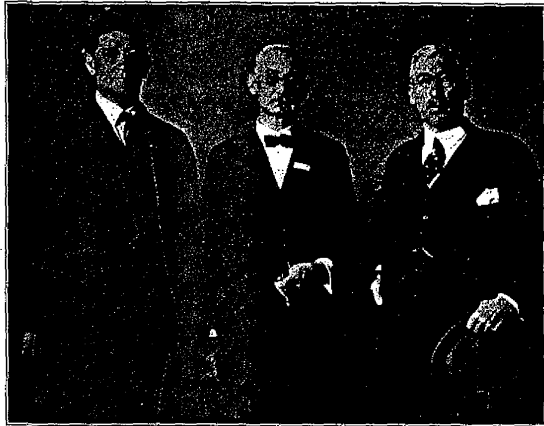
A. H. McGahn.—On behalf of the Master Painters' Association, I would like to say you may not have time to take up our particular affair tomorrow and I would like you to note that there is a textbook to be taken up relative to our textbook, and I would ask you to pay attention to what we, the mechanical end of the Master Painters' Association, are trying to do: educate not only the master painter and the boy who is trying to get into our trade but also, gentlemen—and I think this is more immediately relative to your own affairs—educate your salesmen. There is a prevalent ignorance throughout the industry of the technical points of our trade.

We have compiled this textbook with the object of teaching painting from our viewpoint, the mechanical viewpoint. If you please, Mr. President and gentlemen, when the subject comes up tomorrow, adopt the resolution, and help us, the mechanics—the mechanical end of the paint game—and please don't let your endeavors drift too far into the industrial end, but remember that we are a very large and a very important part of the game; that is, the industrial part of the painting industry.

When the matter comes up tomorrow we ask your earnest consideration, and we ask before the resolution is even presented, that you adopt it in full and complete recognition of the importance of the mechanical end of the painting industry. (Applause.)

President Trigg.—I think you can be assured, Mr. McGahn, that everybody in the industry is concerned mutually with the International Association in the problem of getting an adequate supply of capable, skilled workmen to apply the products which the other branches of the industry produce. Our interests are so absolutely mutual that it is hardly possible, it seems to me, to refer to one branch of it as "they" and another branch of it as "us." It is all "us" together. So I think you can be assured that that matter will be given very careful consideration.

Before we leave the room, this morning the question was raised as to whether or not the National Association ever recorded itself with respect to a permanent tariff commission. Upon asking the secretary if that had been done, he was not sure; he thought it had not. Mr. Roddel, however, called attention to the fact that



Delegates from International Association of Master House Painters and Decorators

Frank M. Schultz, A. H. McGahn, John Dewar

getting their co-operation in this work and using this machinery for the good of the industry.

The board also approved the resolutions which have been read and submitted them to the convention for action.

President Trigg.—What is your pleasure, gentlemen?

Mr. Wessels (Atlanta).—I move the action of the board be concurred in. (The motion was regularly seconded and carried.)

he thought we had gone on record some time in that respect. On looking the matter up at the request of Mr. McGahn, who raised the question, we find that the association had on record in favor of a permanent tariff commission, but it was twenty-five years ago. Mr. Horgan was quite a small boy so it may be that this important question should now be given renewed consideration, and unless there is objection someone thinks of a better way of handling it, the matter will

automatically be referred to the Incoming Executive Committee with the suggestion that the subject be studied under their direction by the new Tariff Committee of next year, with the idea of report-

ing a year hence some definite recommendations. Is there objection to that plan? If not, it will be considered your wish that it be handled in that way. (The meeting adjourned at 4:30.)

Friday, November 17

Fourth Session

Friday Forenoon

The fourth session convened at 10

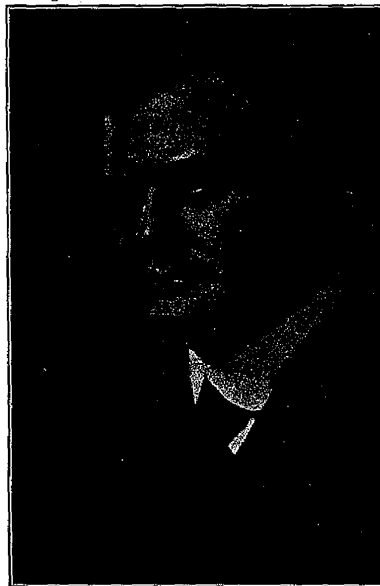
o'clock Friday forenoon. President Ernest T. Trigg presiding. We will first have the report of Mr. Cornish, chairman of the Statistical Committee. Mr. Cornish presented the following report—

Report of Statistical Committee

On the 12th day of April, 1922, your committee responded to the invitation of Secretary Herbert Hoover of the Department of Commerce to attend a meeting at his office in Washington of those interested in trade statistical reports. President Trigg and Secretary Horgan were also present.

At that meeting your chairman read a paper which, as a matter of record, is herewith made a part of this report:

"In the great mobilization of industry during the war many manufacturers found themselves, in company with their competitors, arguing that theirs was an essential industry—properly entitled to coal and transportation. They also found themselves submitting cost sheets on forms approved by government officers, and reporting location and capacity of their plants, annual output, stock on hand, sales and prices. There was no preconceived plan to form a trade association—it simply took form and became. Everyone's secrets (if anyone had any secrets) were of necessity communicated to his competitors—the only ones from whom he desired to conceal them. Everyone was surprised to learn that his competitor was not a liar or a crook (as he had frequently been represented to be by salesmen), but, on the contrary, was a gentleman imbued with the same ideals of business ethics as himself, and very companionable by reason of their mutuality of interests. What was more inter-



E. J. Cornish

esting and surprising was that they found that the disclosures of their innermost secrets did not prove to be damaging, or rather they found that secrets of real value were already known to their competitors.

At the close of the war the associations were naturally continued because they had proved injurious to none, advantageous to all. The advantages of the associations are:

First—It enables each one to know the basic facts of his own and kindred industries, so that in forming his own business policies he may act intelligently and safely.

Second—It raises the standard of trade ethics. No man ever does that of which he is ashamed if he knows that in the near future he will meet a gentleman whose good opinion he desires who will know of the shameful act.

Third—It gives stability to business. As Judge Carpenter expressed it, "It enables one to sleep at nights." This not as the result of an agreement or understanding, but because—where all of the important facts are known—reasonable men are not likely to draw therefrom radically different conclusions as to what their business policy should be.

Fourth—It permits those countless economies and advantages possible to voluntary co-operation where each one retains complete freedom of action. Among these are research and educational work, gathering of trade statistics and information, co-operative trade promotion and advertising, standardization of products and containers, co-operative insurance, reformation of trade practices, transportation and classification charges, protection of industry from the evils of adulteration, deceptive advertising and other frauds, etc.

It has been generally understood that such associations are not illegal if there is no agreement or understanding fixing prices, limiting output or dividing territory, and that the information given as to prices and stocks was statistical, referring to past and present facts that could not then be changed.

The criticism of these associations has been that they resulted in higher

prices, tending to increase the cost of living, and that the good features of the associations were mere camouflage to hide illegal combinations in restraint of trade.

Of course, in so far as the associations brought competitors into each other's presence, they created an opportunity to make illegal agreements or understandings. The same would be true of a convention, or dinner, or any other occasion where competitors meet. Probably the number of illegal combinations has been greatly exaggerated. Such illegal agreements are not at all necessary to the usefulness of the associations. The fact that most of them invited attention and criticism by sending minutes of their meetings to the Federal Trade Commission indicates a belief on their part in their own innocence.

There is absolutely no evidence that prices have been unduly increased by these trade associations. There are no companies, members of such associations, whose published statements indicate that they have been making undue profits. Many associations ceased to function in the spring of 1920, when their legality was questioned by the Attorney-General. Prices of manufactured articles have not declined since then to any greater extent than can be adequately accounted for by the decline in the costs of doing business. High compensation to laborers, office force, salesmen and managers, high rents, increased freight rates, high and uncertain taxes—these facts account for high prices and high cost of living without attributing crime to anyone. However, the belief that trade associations are simply price-fixing associations in disguise is so prevalent that suggestions are multiplying as to the means of preserving the advantages of such associations without the possibility of any of them degenerating into illegal combinations in restraint of trade.

Three remedies have been proposed: First, the repeal of the Sherman law. Without doubt, the Sherman law has removed two of the most frequent inducements to price-cutting. Under free conditions competitors do not cut prices just to be competing; they do so because they believe it to be advantageous. One frequent inducement to price-cutting is to reduce the profits in the industry to such an extent that a competitor's properties can be bought at less than their value. Another inducement to price-cutting is to demoralize business to such an extent that competitors will buy out the price-cutter—not at the proper value, but at the "nuisance value" of his properties. The Sherman law effectively removes these two inducements to price-cutting. In like manner, everyone desires that inasmuch as he himself cannot buy the properties of a competitor, anyone who does so shall pay the highest price obtainable therefor so as not to have a new competitor embark in the business at a reduced capital investment. The Sherman law, therefore, furnishes an inducement to the stronger competitor not to reduce prices to a point that would cause the lesser competitor to fail. Of course such reasoning is shallow and short-sighted. Sherman law or no Sherman law, sooner or later every company will learn by experience that to give permanency to its profits its prices must be so low that new capital will be deterred from embarking in the business—even though the aggregate of the small profit, per unit, makes the total profit of the large established business satisfactory. Inasmuch as the public believes the Sherman law advantageous, and both large and small companies look upon it as a protection, and the farmers and laborers have been exempted from its operation, no one actively seeks its repeal—except students of political economy who have only a general interest in it. Its repeal, therefore, is not likely to be seriously considered, notwithstanding the very able arguments appearing in the press.

Another proposed remedy is to empower the Federal Trade Commission to license and regulate all trade associations and prescribe definitely and clearly what such associations may or may not do, and prevent all associations not so licensed. This plan has been highly commended by many, and may prove to be the least objectionable solution of the trouble. The criticisms of it are that it is essentially socialistic. It is another form of State control and State interference with business freedom. The commission might come under the influence of the people to be regulated, or might become tyrannical and demagogic and influenced by political considerations. It is impossible to state at this early date what the reaction of the public to this plan will be. Diminishing profits and the tendency of States to find ways to tax and impose restrictions and espionage on corporations engaged in interstate commerce are inclining many business men to favor federal incorporation or federal licenses to do interstate business. While such centralization of power in any governmental body is theoretically objectionable, it might be much more satisfactory than to be subjected to the interference of several federal departments and of many States.

The last proposed remedy is to permit trade associations to gather the information desired, so that the members may have comprehensive, authentic and timely information as to the basic facts of their business, subject to the restrictions of the laws against agreements and understandings in restraint of trade as developed by the courts, and subject also to the provision that such information shall at the same time be tabulated and published, and made available alike to producers and consumers. The National Paint, Oil and Varnish Association has for five years recommended this to the several sections of the paint and varnish industries included in its membership. It is believed that the advantage of knowledge of all essential facts which each one must give regarding his own business in order to get similar information from others and make the aggregate statistics accurate and useful would be sufficient to induce everyone to contribute his quota of information. Publicity would prevent any association doing anything deserving of censure. This remedy requires no new laws. It leaves business relatively free.

At one time it was believed that the Federal Trade Commission had jurisdiction to receive reports and take appropriate action in case it found an agreement in restraint of trade existed. If publicity had been required there would probably have never been criticisms of a trade association. The information gathered by trade associations is necessary to the efficiency of the Secretary of Commerce and the Federal Reserve Banks, and I sometimes think that the legislative and judicial departments of the government would act with greater wisdom if the statistical information gathered by these associations were published and accessible. Every trade paper seeks it. Every writer on economics must have it. As stated, it needs no new law, but simply to educate the courts and legal departments of the government and States that there is a good reason for such trade associations other than the opportunity they present to form agreements in restraint of trade.

Said paper was printed in the published reports of said meeting and was reproduced in a bulletin issued by the secretary of the National Paint, Oil and Varnish Association and by the trade press.

Later Secretary Hoover sent out requests for statistical information. At-

tached hereto is a copy of the forms prepared by the Department of Commerce. It is hoped that everyone answered these inquiries accurately and promptly. Experience will demonstrate the value of the information so furnished and the desirability of additional information.

Mr. George B. Heckel, Secretary of the Paint Manufacturers' Association of the United States and the National Varnish Manufacturers' Association, should be commended, both for his influential presentation of the need for such statistics to the Secretary of Commerce and his assistance to the Department of Commerce in preparing the blank forms of reports.

The high standing of President Trigg in the commercial world has also greatly assisted in securing attention to the matter.

The growing demand for timely and accurate information regarding the fundamental facts of one's business is rapidly overcoming the demagogic assertion that a demand for such information is simply a pretext to engage in a criminal conspiracy in restraint of trade.

It is now generally accepted that publicity of trade statistics will prevent rather than assist illegal combinations or agreements in restraint of trade. This has been the position taken by the National Paint, Oil and Varnish Association during the last seven years.

Respectfully submitted,

O. MCG. HOWARD,
FRANK WALDO,
M. M. MARKS,
S. M. EVANS,
E. V. PETERS,
H. S. CHATFIELD,
J. W. DANIELS,
D. W. FIGGIS,
W. H. CRAWFORD,
GEO. E. MARTIN,
J. H. McNULTY,
C. J. CASPAR,
JOHN HENRY COON,
S. B. WOODBRIDGE,
G. B. HECKEL,
E. J. CORNISH, Chairman.

STATISTICAL FORM

W. M. Stewart, director, Bureau of the Census, Department of Commerce, Washington, D. C., has sent out the following notice:

"Upon the request of representatives of the paint and varnish manufacturers of the United States, Secretary Hoover has instructed me to collect and publish statistics of the production of paint and varnish.

"I accordingly send you the inclosed schedule upon which to make the report for your establishment. This schedule has been prepared with the co-operation of committees representing the Paint Manufacturers' Association of the United States, the National Varnish Manufacturers' Association and the National Paint, Oil and Varnish Association. A duplicate copy is inclosed for your files.

"It is hoped that you will find it convenient to give this matter prompt attention, as the totals for the commodities will be published as soon as it is possible to assemble the schedules for tabulation."

Paint and Varnish

Confidential Report to the Department of Commerce

The following classes of establishment are asked to report: Manufacturers of pigments, paints and varnishes. All answers will be held absolutely confidential. No publication will be made disclosing the name or operations of individual establishments in any particular. The act of Congress provides that the Bureau of the Census shall not permit any other than sworn employees of the bureau to examine the individual reports.

Name of establishment.....
Name of owner or operator.....
Location of plant.....
(If this report covers more than one plant, give location of each)
Post office address of general office.....

Quantity Production of Paints and Varnishes

	1920	1921	Jan. 1. to June 30, 1922
Paints:			
White lead in oil.....pounds.....			
Zinc oxide in oil.....pounds.....			
All other paste paints.....pounds.....			
Ready mixed and semi-paste paints, including wall paints, "mill whites" and enamels.....gallons.....			
Varnishes, japans and lacquers.....gallons.....			

(Minor specialties to be disregarded)

This is to certify that the information contained in this schedule, furnished for statistical purposes only, is correct and complete to the best of my knowledge and belief.

(Signature and official title of person furnishing the information)

1922.....

(Address)

Who Should Collect Data?

Mr. Cornish:—Attached to this is the form of reports being asked by Secretary Hoover.

In the first place, it was very gratifying to me to find that when our committee went down to attend Secretary Hoover's meeting, where there were several hundred people in the hall, when the president of the National Paint, Oil

and Varnish Association, Mr. Trigg, went to Mr. Hoover and told him there was a committee there appointed by this organization that would like to be heard, he succeeded in getting us a hearing easily and attentively.

It was a good illustration of the influence that the National Paint, Oil and Varnish Association, through its officers, have with all of the officers of the United States Government.

I want also to speak a word of praise for Mr. Meckel, who has been able to give to the Department of Commerce and Federal Trade Commission, and everybody else that wanted it, accurate statistical information of the paint and varnish industries such as no other man but Mr. Meckel could produce, and we should comment on that.

Now then, Mr. President, you all know that I personally conceived the idea and became wedded to it—if I can mix my metaphors in that way—that the various industries connected with the National Paint, Oil and Varnish Association should gather their own statistics, present them to the secretary of the National Paint, Oil and Varnish Association, and have them published so as to become generally known not only to the members of the industry but to the entire world. That has been approved for seven years by the National Paint, Oil and Varnish Association.

There is a feeling that when members of any branch of our industry get together, no matter why they get together—it may be to play golf or it may be at a dinner, or it may be in an association, or it may be in gathering statistics—our purpose in getting together is to fix prices, prevent competition, restrain trade and commit criminal acts. That has been emphasized by demagogues all over the country. Unfortunately, in a few cases there have been combinations in restraint of trade. Many others have been investigated and found that it is not true. Everybody knows that we should have this statistical information. I think it will be found that if the members of an industry report to each other their reports will be more accurate and more timely than the Secretary of Commerce or the Federal Trade Commission can make them. I state that because if reports are made—well, for instance, to the National Lead Company, the tin can manufacturing industry, if any person should make a misstatement of fact we wouldn't need any evidence to show that it is the misstatement was true. I have no doubt that would be true of the paint manufacturers—if an individual should claim that his tonnage was unusually great, or if he thought he could build up a reputation by exaggerating the facts, I think it would be detected by us right away. But if the government would rather get information from the people who were interested in the reports one or two months later.

That, I think, would be one of the defects of the government gathering of statistics. However, I see nothing else before us. The demagogue is abroad and always has been and always will be. We must bow to him to a certain extent. At this time Secretary Hoover is taking steps to try to give us the most timely information regarding the basic facts of such industries. Therefore, we should get behind him. That is our first step. Later on, we may supplement that to make the reports more timely. But at this time I think that the work of your Committee on Statistics is finished. I see no reason why we should continue to try to get reports made to the Secretary of this organization, to be published by him. That I think will come later. But now we would like to get behind Secretary Hoover and assist him to get timely statistics regarding our industries.

I think that I think that is proper course to pursue. I thank you. (Applause.) President Trigg:—What is the action of the board?

Secretary Horgan:—This report as you have heard it contained no special recommendations. The board, therefore, approved it as presented and referred it to the convention for their action.

President Trigg:—Don't you think, the president is not quite clear as to whether you intended your last remarks to mean recommending the discharge of the committee.

Mr. Cornish:—That is really what I mean. This is a special committee, not a regular standing committee. There is a standing Committee on Statistics which has been very efficient. There was a special committee started for the purpose of having reports made to Secretary Horgan by all of our industries and published by him. I think it was a great idea.

President Trigg:—Is there another committee, Mr. Secretary?

Secretary Horgan:—There were originally two committees. The work was gradually all cleared itself through Mr. Cornish's special committee. Mr. Cornish's committee has become more the standing committee than the original one.

Mr. Cornish:—There should be a Committee on Statistics, but I have always considered that this committee is a special committee.

Secretary Horgan:—You are correct in your understanding that it was appointed as a special committee.

President Trigg:—Don't you think, Mr. Cornish, that there is very great need for a Statistical Committee?

Mr. Cornish:—Absolutely so.

President Trigg:—And, therefore, in view of the fact that we have no other statistical committee, and that the committee that you have been working with has become in reality, if not in name, the standing committee, perhaps your recommendation implying the discharge of the committee might be waived at this time.

Mr. Cornish:—I didn't make that recommendation in my printed report. I told you that at the present time I am not trying to help out the scheme that we have been working on for several years to have industries report direct to Mr. Horgan.

President Trigg:—The point you are making is the difference between having the figures come into our secretary's office and having them brought into Washington. Back of either plan, however, is the salient thought of getting figures. So long as the Washington avenue seems to be the only one available (at least at this time) because of the fact that we have quite a way yet to go before this collecting of statistics upon the part of Washington is in entirely satisfactory shape, it does seem as though we must have someone in our organization helping to guide it.

The statistics that are now being collected, the form of which is originally into five classes as it is, is intended or has been thought of merely as an enter-

ing wedge, a start in this work, and with the feeling that as the work progressed, the government on one hand understood it better and as the members of our industry understood what we were doing and commenced to appreciate the value of it, it could gradually be broadened out into further subdivisions and made more perfect and complete picture of what the industry is doing. By all means this organization should and must be the guiding hand.

Mr. Cornish:—I don't know as I made myself quite as clear as I should have. Here comes Secretary Hoover, who is preparing to give very full statistics, and he sees that his department cannot be so accurate unless he gets more information to the public and he is seeking to do it. We must support him in that. I am the Federal Reserve banks that are asking all of us, I presume (certainly the National Lead Co.), for very full and complete information regarding our business all the time. We must assist them.

Personally I believe that if we could send that information in to Mr. Horgan's office, or the secretary's office, and have him prepare it and send it to the government and send it to the Federal Reserve bank and send it to the trade press and the general press in proper form, it would be more accurate, more timely, more useful and better than it would be otherwise. But I don't see that that is quite possible now. We have not succeeded in that. Mr. Chairman, but we can help the Federal Reserve Bank. We can help Secretary Hoover. That is the line of action that I think we should take. I think you need a statistical committee, and I think the organization will come back to this original plan yet, because it is the only way to get efficiency. Personally I have very little confidence in the government doing anything well that can possibly be done by private individuals. I think that we could do it a great deal better than the government will do it, but we may be open to prosecution if we do it, and the government may be commended if it does it. (Laughter.)

Mr. Casper:—Mr. Cornish is correct, and I think Mr. Horgan also mentioned the fact that the present statistical committee is an outgrowth of the original statistical committee. Mr. Cornish has recommended that the present special statistical committee be discharged, which would put us back on the by-laws. The by-laws very clearly recite that there shall be a statistical committee of whom, however, I think there should be some modifications. The Statistical Committee under the direction of the Executive Committee through the secretary shall create a Statistical Bureau to collect, disseminate and disseminate statistics vital to the association to serve as a basis of legislative and tariff activities and to give at all times knowledge of the scope and extent of the current commercial af-



Howard Elting

fairs of our industry. This committee shall maintain the closest possible relationship with the statistical departments of the federal government. That is from the by-laws.

From what Mr. Cornish said, it seems to me this must be modified because we have no statistical bureau. We attempted to organize one. I think that the Statistical Committee as a standing committee should continue with some slight changes perhaps in the by-laws.

Secretary Horgan:—That was written into the by-laws. Mr. Casper, two or three years ago, when we were contemplating a statistical bureau, as Mr. Cornish recalls.

President Trigg:—There does not seem to be any specific motion or action before the committee other than the report itself. If Mr. Cornish wishes to make a motion it might be well, because of this possible confusion in the by-laws, to merely call it to the attention of the executive committee so that the thing can be looked into in advance of other information.

Howard Elting:—Just one point that I think perhaps may be in your mind that I would like to call attention to is that the present action of the committee provides for, at least in practice, a representation of each of the allied industries on that committee, and I think it is very desirable that that form should be maintained because the great part of the work of the Statistical Committee must be to extend the general knowledge of the industry as a whole, and as its branches, and therefore, it is quite important that every one of the different branches which constitute the industry should be included in the committee, which is the way it is at present, but is not the way in which it is originally created.

Mr. Casper:—The by-laws say a Statistical Committee of three. The special

committee is one composed of all the industries, so there must be a change in the by-laws or some action taken in order to change it.

President Trigg:—We will refer that to the Executive Committee, Mr. Casper, if that is satisfactory?

President Trigg:—The report, which is informative, is before you with the recommendation of the board that it be approved. Is there a motion to that effect?

Upon motion duly made by Henry Stewart, and seconded, it was voted that the report be approved.

President Trigg:—Howard Elting, National Councillor of the National Paint, Oil and Varnish Association to the Chamber of Commerce of the United States, will report.

Mr. Elting presented the following report:—

Report of C. of C. U. S. A. Councillor

The following report summarizes the principal activities of the Chamber of Commerce of the United States during the last year. In those activities the Chamber has had the constructive co-operation of its organization members. The work of the Chamber is effective largely to the degree that its membership responds to calls for co-operative effort. It is because the Chamber is known to express the views of American business as represented in the organizations in its membership that the plans and policies which it advocates are received with respect by Congress, by executive officials and by the public.

The Mid-Year Meeting of the National Council

Important developments in the Chamber's work led the Chamber's Board of Directors to call upon the National Councillors for their advice, and accordingly a meeting of the National Council was held in Washington February 8 and 9, 1922. This meeting was attended by representatives of organization members, including their presidents and secretaries, who were invited to attend together with the National Councillors. Mr. H. B. Davis of Baltimore acted as our councillor at this meeting. The paint industry was also represented by our president, E. T. Trigg, he being a director of the Chamber, and our secretary, George V. Horgan.

At this meeting the councillors were addressed by Mr. A. C. Bedford, chairman of the Executive Committee and vice-president of the Chamber, who discussed the importance of the co-operation of the organization members of the Chamber, and particularly the duties of National Councillors. A thorough description of the new method of nominating directors was given by the resident vice-president.

The most important business before the National Councillors, however (in fact, the occasion for their assembly for advice), were reports from the Chamber's Committee on Railroads and a report from the Committee on the Metric System.

The Chamber's Railroad Committee, in a report submitted in January, 1922, outlined a plan for the creation of a Commissioner-General of transportation to serve as a representative of the public in transportation matters before the Federal Government and as the personal appointee and agent of the President.

The report of the Committee on the Metric System set forth the arguments in favor of and against the metric system and recommended that the questions involved be submitted to referendum.

At the February meeting of the National Council both of these reports were placed on the program and were thoroughly discussed from every angle. It was the final conclusion of the Council that further action should not be taken on either report at the present time, and in this advice the Board of Directors concurred.

The New Building

The Board has given much attention during the year to questions related to the new building. Progress has been made in the completion of the building fund, and while the entire amount required is not yet in hand, it has seemed wise to begin the actual work of construction.

The plans of the building were accordingly finally approved at a meeting on November 15, and on February 7, 1922, specific authorization to build was given to the Building Committee, whose membership was then increased by adding the President, chairman of the Executive Committee, Treasurer and Resident Vice-President. At the same time the Board directed the Building Committee "to provide that the actual construction of the building is to be upon the American plan, or open shop basis; that is, that union and non-union men shall be employed without discrimination." Within a short time thereafter the wrecking of the buildings upon the site of the Chamber's new home began and the cornerstone was laid on May 17, 1922. Excavation work is completed and the land is now ready for actual building work.

The Railroads

As was perhaps to have been expected, attacks have been made upon certain provisions of the Transportation Act, the enactment of which the Chamber advocated as the result of action by its organization members through referendum and declarations at annual meetings. In October, 1921, the Senate Committee on Interstate Commerce began hearings on two bills, one to repeal those provisions of the Transportation Act which laid upon the Interstate Commerce Commission the duty to fix such rates as would provide an adequate return to the roads, and the other to repeal those provisions which increased the authority of the Interstate Commerce Commission over intrastate rates.

Both of these provisions of the Act of 1920 were in accordance with principles adopted by large majorities in the referendum on Remedial Railway Legislation, and the Chamber's officers and Railroad Committee were convinced that the passage of either of these bills would be extremely injurious to the railroads and detrimental to the public good. Accordingly, in November, the entire situation was laid before the Chamber's membership and their co-operation in opposing these bills was requested. The response was generous and neither of these bills has made progress.

The Chamber was also directly instrumental in arranging for the appearance of the Secretary of Commerce as the spokesman of the public before the Interstate Commerce Commission in its investigations and hearings on railroads and revenues in February of this year. Following preliminary correspondence with Secretary Hoover, a formal request was addressed to the Chairman of the Commission, and on February 3 Mr. Hoover appeared before the Commission and there outlined the situation of the railroads from the point of view of the Department of Commerce. His statements gave an unusually effective picture of conditions and contained important suggestions of broad principles designed to solve the problem.

The Railroad Strikes

In the fall of 1921 threat of a nation-wide railroad strike and all that it implied received immediate and vigorous attention. The Chamber's position was placed unmistakably before the public by the President of the Chamber. As the Chamber's position was based on earlier and repeated action of constituent members through referenda and at annual meetings, it was to be expected that the membership would give its strong support. This expectation was abundantly fulfilled.

The strike of the railroad shopmen against decisions of the United States Railroad Labor Board, which went into effect on July 1, 1922, has had the closest attention of the Chamber's officers and directors. On July 10 President Barnes sent to all the members of the Chamber a statement prepared by the Railroad Bureau of the Chamber's Transportation and Communication Department giving the outstanding facts regarding the questions at issue and the controversy between the railroad unions and the Railroad Labor Board. On July 13 the Board of Directors' meeting in Washington adopted a declaration commending the statement of President Harding making clear the issues involved in the strike and called upon the business organizations of the government "to take such leadership as shall crystallize public sentiment in upholding the President—and for such local protection and community public order as will assure every man his right to work without intimidation." From the President Mr. Barnes received under date of July 13 a letter expressing the President's appreciation of this declaration of the Board and of "the interest and influence of your great organization in maintaining the rule of law and a state of order which is becoming this republic."

The Coal Strike

The coal strike has also occupied much of the attention of the Chamber's officers since it began April 1, 1922. Even before the strike was declared, but while it was being agitated, the Coal Bureau of the Natural Resources Production Department, after exhaustive studies, issued a special report on the coal situation with reference to the possibility of a strike. In this pamphlet a full account was given of the labor conditions under which both anthracite and bituminous coal are mined and of the supplies on hand and the rate of production necessary to maintain necessary supplies for the nation's industrial and domestic life.

With the progress of the strike a series of bulletins has been issued by the Coal Bureau describing actual conditions throughout the country, both as to production of coal and stocks on hand. These publications have proved of genuine interest to the Chamber's members and have been in great demand.

The proposals of the President for solution of the controversies between the operators and the miners received the unanimous support of the Chamber's Board of Directors at its meeting in Washington in July, 1922. Following the reflection of the President's suggestions by the mine workers, the President of the Chamber in July addressed a letter to the entire membership of the Chamber briefly outlining the situation, stating the action taken by the Board of Directors and referring to the call by the President of the United States for resumption of the production of coal to meet the country's necessities. Following the policies to which the Chamber had been committed by formal declarations of the Chamber's organization members, President Barnes urged that the Chamber's members carefully consider the situation and suggested several steps which might be taken by organization members. These included the appointment of committees of representative men " * * * both to preserve free and fair opportunity of employment for those desiring work, whether in production or transportation, and also to support readily any effort leading to a fair and permanent solution," securing an expression of the views and convictions of members of different organizations on the question raised by the President of the right of free men to work without intimidation, conveying these views to governors and local officials with pledge of support and reporting to the National Chamber for presentation to the appropriate Federal authorities any situation with which State and local officials could not deal. The services of the National Chamber were offered to all organizations in carrying out the above suggestions.

Merchant Marine

In two referenda the National Chamber has become committed to certain policies relating to the upbuilding of an American Merchant Marine. The recommendations of the administration for the disposal of the remainder of the government-owned fleet of merchant vessels and the extension of government aid hereafter to private operators of American vessels have brought the situation sharply to public attention. Reports have been submitted to the Board from the Merchant Marine Committee, and as suggested by the Board, representatives of the Chamber hope to appear at an early date before the appropriate Congressional Committees in support of the policies to which the Chamber is committed and which are embodied in the administration Merchant Marine Bill. In the meantime the committee is authorized to report such further recommendations as it may reach as to other policies to which the Chamber is not yet committed, and it is in recognition of the vital importance of shipping problems at this time that the merchant marine was one of the main topics of discussion at the tenth annual meeting.

Other Transportation Questions

Through the Transportation and Communication Department much attention has been given to highway development, including the policy of the Federal Government and its relations to State activities. Throughout the year from National Councilors of several organizations the Chamber has received the suggestion that it should consider and determine upon a policy with reference to the projected Great Lakes-St. Lawrence waterway. In the proper development of our waterways the Chamber has consistently shown its interest through declarations of general policy adopted at several annual meetings. In recognition of the increasing importance of the question at the present time, the Board of Directors recently authorized the appointment of a special committee, to include three members of the Transportation and Communication Department Committee, to study the whole problem of a national system of waterways, and report, if possible, by the end of September upon the more important issues.

Taxation

Regarding the policy the Federal Government should follow in taxation, the referendum of the Chamber, which closed on January 31, 1921, committed the Chamber to advocacy of a number of changes, including the repeal of the excess profits tax, the levying of new excise taxes upon some articles of wide use, but not of first necessity, and decentralized administration of income taxation.

As a result of a declaration adopted at the ninth annual meeting, a new referendum on forms of taxation supplementing the first referendum was submitted to the membership. Through this referendum, which closed July 22, 1921, the Chamber's program regarding new forms of taxation was made complete. This program now includes, among other things, the repeal of the excess profits tax, the repeal of war excise taxes levied in relation to particular businesses, including transportation and communications, the adoption of a sales tax on all turnovers and the decentralization of income tax administration.

The measures as finally enacted in the law met to some extent the views of American business as expressed through the Chamber. The new system of Federal taxation, however, still falls short of the principles to which the Chamber is committed. There is continued agitation both in and out of Congress for further remedial legislation, and for this legislation the Chamber will continue to work as opportunity presents itself.

Tariff Principles

The report of the Chamber's Committee on Tariff Principles was submitted to referendum on December 7 and closed on January 21, 1922. Of the eight recommendations made by the committee, the Chamber became committed to six, including legislation permitting, in the event of changes of economic factors, adjustment of tariff rates by administrative authorities within limits prescribed by Congress for the purpose of maintaining a consistent tariff policy, creation of a tariff adjustment board to administer adjustable rates and reasonable protection for American industries subject to destructive competition from abroad and of benefit to any considerable section of the country.

On the proposal favoring continuance of the present system of valuation and on the question of postponement of tariff legislation, the votes were almost evenly divided. Since a two-thirds vote is necessary to commit the National Chamber either for or against the proposal in the referendum, the Chamber is not committed in respect to these matters.

On the other proposals outlined, the Chamber has a broad program of tariff principles. It has placed the result of the referendum in the hands of all members of Congress and of executive officials of the government especially interested, and has called upon those organization members who agree with these principles to support the program.

I am glad to say that the principle of adjustable rates was incorporated in the bill and on the President is placed the responsibility of determining changes in rates necessary to meet differences in cost of production between domestic and foreign products wherever the rates in the bill are found to be inadequate to equalize such costs. The present valuation basis is written with some modifications.

I will refrain from making further comment on the tariff, as your Tariff Committee will make its own report.

National Obligations to Veterans

By declarations adopted at the eighth and ninth annual meetings, the Chamber has been committed to the support of generous treatment of veterans of the World War. Due in part, at least, to these activities, the President on August 9, 1921, signed the Sweet Bill centralizing authority and bringing about the consolidation of governmental agencies for veterans' welfare.

At the same meeting declarations were adopted in opposition to the granting of an indiscriminate cash bonus. The Chamber was accordingly very active for a number of months in opposition to legislation providing for such a bonus, which, it will be remembered, was postponed in August following an appeal from the President of the United States to the Senate favoring such postponement.

At the meeting of the Board of Directors November 16, 1921, consideration was given to the Chamber's program in this matter, and as the result questions relating to treatment of veterans of the World War were submitted to referendum, which closed February 21, 1922.

The result of the referendum vote again committed the Chamber definitely in opposition to the cash bonus for ex-service men. In this case the vote against the cash bonus or certificate plan was 72 per cent. and came from business organizations in 375 cities, 46 States, the District of Columbia, Alaska and Hawaii, and by American Chambers of Commerce in Cuba and Mexico. Both classes of the National Chamber's organization membership, local Chambers of Commerce and trade associations recorded themselves against the cash bonus or certificate plan by a more than two-thirds majority. Of the 38 referenda that have been taken by the Chamber, the number of organizations voting against the cash bonus was the largest recorded with the exception of three.

The referendum, besides calling for a vote on the cash bonus or certificate plan, asked an expression by the Chamber's membership on three other propositions contained in the so-called Veterans' Bill pending in Congress. The result as shown by the ballot puts the Chamber on record for a national system for reclamation for the benefit of ex-service men and for vocational education for ex-service men. A two-thirds majority, necessary to commit the Chamber on a proposition, was lacking on the question of governmental appropriations to enable ex-service men to build homes. The fate of the bill you well know. President Harding vetoed it after passing both the House and Senate.

Government Operations

Very largely through the work of the National Chamber, ever since its organization in 1912, an act has finally become law establishing a budget system for a national government. You will remember our organization, through Mr. Chas. J. Caspar, chairman of the Budget Committee, aided materially in securing the establishment of this system. The Chamber is closely following the operations of the new system, which, if successful, will mean much for the economical administration of the National Government.

Other questions relating to government operations which had the attention of the Chamber are problems relating to the government employees and reorganization of the machinery of the National Government. In the former the Chamber has become committed to advocacy of several principles intended to reform the government personnel policy, which principles are to a considerable degree recognized in a bill which passed the house on December 15 and is now before the Senate. Questions relating to government reorganization are now being studied by the Chamber's Civic Development Department and the Chamber's Committee on Budget and Efficiency. These questions are almost sure to be acted upon through legislation as the result of the organization of a congressional joint commission on reorganization.

At the request of the Secretary of Commerce, the Board of Directors in March, 1921, authorized the appointment of a committee to work with the department and representative business organizations. The results already obtained promise decided benefits and the growth of the department along lines for which it was originally cast.

Commercial Arbitration

Following the satisfactory development and the extension of the Chamber's activities in commercial arbitration agreements in foreign trade, the Board of Directors directed that the executive officers undertake the formulation of a plan for the adjustment, by definitely organized machinery within the National Chamber, of commercial disputes by arbitration in domestic as well as foreign transactions.

The plan which has thus been formulated encourages arbitration proceedings under the direct auspices of member organizations of the Chamber and the conduct of arbitration proceedings under certain circumstances by the National Chamber itself. Resort to arbitration of the National Chamber is, in all cases, to be purely voluntary, but the Chamber will be equipped, when it desires, to arbitrate in international disputes as well as inter-organization disputes, i. e., whenever two parties to a controversy are not members of the same organization member having its own arbitration machinery. Full details of the plan have been placed before organization members so that each may consider its part and assist the Chamber in promoting business men's methods of determining controversies in business matters. It will be developed as time goes on so as to encourage more frequent resort to commercial organizations and for the extension of the usefulness of the National Chamber without infringing on the rights of organization members or the assumption of undue authority by itself.

Conference on Limitation of Armaments

In connection with the Conference on Limitation of Armaments a committee was appointed in November, 1921, which followed all the important developments in the conference.

At the meeting of the Board of Directors on November 16, 1921, a resolution was adopted by the Board of Directors expressing its earnest desire that the conference "formulate and agree upon plans which will not only reduce the great burdens which the people of the world now bear in supporting armies and navies, but will result in the substitution of arbitration and law in the settlement of disputes between nations and the removal of the menace of war with its attendant evil and suffering."

Soon after the completion of the work of the conference and while the Four-Power Treaty was awaiting ratification by the Senate, the Chamber's Committee on Foreign Affairs issued a report in which the committee urged ratification of the treaties prepared in the conference as designed to accomplish those purposes which the Chamber has supported. A careful analysis of all the treaties was printed in this report, which was distributed to the Chamber's membership. At the same time this statement of the committee was laid before all members of the Senate.

The International Chamber of Commerce

The Chamber of Commerce of the United States has been conspicuously active in the organization of the International Chamber of Commerce. The organization has been completed with headquarters in Paris. An administrative commissioner of the United States, resident in Paris, has been appointed and is on duty. The American section of the International Chamber has been organized, with headquarters in the office of the National Chamber. Several meetings of the Council of the International Chamber have been held. The first annual meeting, held in London in June, 1921, was devoted to the theme of "The Restoration of World Commerce." The United States was represented not only at the meeting in London, but also at the meetings of the Council. The next meeting of the International Chamber will be held in Rome in March, 1923.

Report on European Conditions

Following the meeting of the International Chamber in London in June, 1921, a committee consisting of President Defrees, Mr. John H. Fahey, a former president of the National Chamber; Silas H. Strawn, chairman of the Board, Montgomery Ward & Co., and Robert P. Lamont, president, American Steel Foundries Co., and the manager of the Chamber's Finance Department, visited Continental Europe for the purpose of observing conditions. The committee was given exceptional opportunities for obtaining from governmental and business bodies in the Central European countries information as to existing economic conditions. Upon its return the committee submitted a report to the Board of Directors, which was published early in October under the title of "European Problems and Their Relation to American Business." The report is regarded as an exceptionally comprehensive and sound review of the present situation.

Trade Associations

On behalf of trade associations in the membership of the Chamber, close attention has been given to discussions of their functions. Consideration of the great usefulness of trade associations to individuals engaged in their respective fields and the public is not new with the Chamber, having in earlier years been given much prominence. All the current questions, including the activities of the Secretary of Commerce on behalf of trade associations, have been closely followed and placed before the entire membership. The whole subject of trade associations and the services they can perform is now before

a representative committee, which, in due course, will undoubtedly submit a report.

Government Control of Industry

At both the Eighth and Ninth Annual Meetings of the Chamber declarations were adopted warning against tendencies in Congress to enact measures which would have resulted in injecting the government into fields of private business. During the last year the Chamber, in accordance with those declarations, has opposed measures in Congress intended to provide for a system of monopolistic workmen's compensation insurance in the District of Columbia operated by the national government and also a bill to amend the Postal Savings Act, which would undoubtedly place the government in the savings business in competition with a large number of banks. Neither of these bills has made much progress.

The Tenth Annual Meeting

The Tenth Annual Meeting was held in Washington May 16, 17 and 18, 1922. The general subject for discussion was "European Conditions and Their Effect on American Business." A collateral subject was "A Merchant Marine." The three days were given over to general and group sessions, all discussions revolving around these two allied topics. Notable among the addresses were addresses by the President of the United States, the Secretary of State and Secretary of Commerce. From this meeting came declarations from the delegates in attendance, favoring official representation of the United States on the Reparations Commission, participation by our government in the International Court of Justice, prompt settlement of war claims, confidence in the principles of the Federal Reserve System, aid from the government essential to the maintenance of an adequate privately owned and privately operated merchant marine under the American flag, continuance on the statute books of the basic provisions of the Interstate Commerce Act until there has been more opportunity to test the law by experience under more normal conditions than yet exist, indorsement of the work of the Conference on Limitation of Armaments and Far Eastern questions, advocacy of flood control by public works at federal expense, etc.

Seventeen vacancies on the Board of Directors were filled at this meeting under the new procedure for nomination of directors adopted through referendum during the war. The Board at a meeting immediately following this election chose as president Mr. Julius H. Barnes of Duluth, Minn., to succeed Mr. Joseph H. Defrees, who had been president for two years.

The New Departments

The reorganization of the Chamber has been completed on a departmental basis. The great cross sections of American business are now represented in the following departments: Insurance, Natural Resources Production, Foreign Commerce, Fabricated Production, Domestic Distribution, Finance, Transportation and Communication, Civic Development. The activities of the departments have steadily grown in scope and value. The departments are manned with specialists and equipped with adequate facilities to furnish, as they have already in many instances furnished, individual business men or firms, expert assistance and information bearing on their peculiar problems.

Committees

In addition to the operations of the various departments, the Chamber has had the benefit of the services of numerous committees, including the Committees on Ocean Transportation, Fire Waste and Insurance, Free Zones, Par Collection on Checks, Forestry Policy, Immigration, Industrial Relations, Business Legislation, Business Ethics, Junior Chambers of Commerce and Refunding of War Debt. The activities of these committees have consisted in studies of problems in their particular fields, co-operation with government agents and information service to the Chamber's members.

National School for Commercial Organization Secretaries

A national school for commercial organization secretaries has been established under the joint auspices of the National Chamber, the National Association of Commercial Organization Secretaries and the Northwestern University School of Commerce. The first session was held at Northwestern University, Evanston, Ill., July 17 to 31, 1921. Instructions were given by regular members of the university faculty and by leading commercial organization secretaries. The session was well attended by secretaries and others from widely scattered parts of the country. The session this year was held from August 21 to September 2.

Membership

The membership on August 17, 1922, numbered:

Organization—1,347.

With an underlying membership of 760,243 corporations, firms and individuals.

Associate—6,503½.

Individual—6,688.

Referenda

Referendum No. 37 on the Report of the Committee on Tariff Principles was referred to the Tariff Committee of our organization and handled by them at that time, as I was in the hospital for an appendicitis operation.

Referendum No. 38 on the bonus question, as voted on in the "affirmative" on paragraphs 1, 2 and 3, and in the "negative" on paragraph 4.

Referendum No. 39, report of the Committee on Par Remittance for Checks, was favorably voted upon.

Those are the only referenda submitted during the year, excepting the one on the amendment of the by-laws of the Chamber.

Your councillor again urges that those who have not taken out individual memberships in the Chamber do so this year, as the literature that will come to them will be invaluable in many ways, not only for keeping you in touch with the activities of the Chamber, but with the activities of Congress as well, and with business, generally, throughout the United States. It will also serve to give you an opportunity of making your opinion known when it comes to the referenda submitted by the Chamber.

It is next to impossible for the Councillor to get the opinion of the industry

unless more of our members are willing to read the reports of the Chamber and to vote through the Councillor on various propositions submitted.

I do not know of anything in the way of an organization that will give you more for the money than a membership in the Chamber of Commerce of the United States. Respectfully submitted,

J. B. LORD,
C. B. WOODRUFF,
JOSEPH BURGE,
HOWARD B. FRENCH,
HOWARD ELTING, National Councillor.

Mr. Elting.—During the ten years of the existence of the Chamber of Commerce, only three referenda have been submitted. So you see the importance of those questions.

I would like to read from the by-laws something in reference to the referenda. In Article XIII of the by-laws, it says in Section 1:—

All subjects considered or acted upon by this Chamber shall be referred to the members in a timely and general application to business and industry.

Section 6. Referendum.—A subject to be submitted to referendum shall as soon as practical be referred to a committee for report. If the report when received is in proper and adequate form for submission to the membership, the board of directors shall order it to be incorporated in a referendum pamphlet without committing itself in favor or against any of its recommendations; but if not in proper and adequate form, it shall refer it back to the committee or appoint a new committee to report on the subject. The referendum pamphlet shall contain in addition to the report itself a brief of the major arguments against the recommendations of the committee and such other matter as the board may deem advisable. If the subject has been submitted by a member organization, said organization shall have the privilege of inserting in the pamphlet a brief of such length as the board may determine. The pamphlet shall also contain a ballot upon which the member organizations may register their votes respecting the questions submitted.

Section 7. The pamphlet in the form in which it is approved by the board shall be transmitted to the Chamber in good standing, and simultaneously the secretary shall mail a copy to the national councillor representing each organization member.

I want to speak of that particular question, gentlemen, because your councillor and members of the committee in the past have had a very difficult time in securing a vote on the referendum submitted by the chamber. In every instance, we have tried in our various cities to obtain the opinion of the Chamber of Commerce locally, or the citizens, and in that way have sent in our vote to the secretary.

Each organization is entitled to a vote; that is, an organization up to 25 is entitled to one vote and over 25 to two hundred members is entitled to another vote, with a maximum of ten. As I understand it, Mr. Secretary, the Chamber is entitled to about eight votes with 1,400 members.

In discussing this subject it has been thought wise, in order to get an expression of opinion from all over the United States, as far as our industry is concerned, that we should have the various directors of the National Paint, Oil and Varnish Association examine the referendum, or each referendum, and make a recommendation, if necessary, at the Paint Club meeting, which would make a very interesting meeting, and get the opinion of the Chamber of Commerce in their local cities; and after going into the question very thoroughly, vote on the referendum and send such vote to Mr. Horgan, the secretary. From that, he might compile a vote which would represent more clearly the opinion of the industry.

Study of Referenda Urged

Toward that end, Mr. President, I would like to submit a resolution:—

Whereas, The Chamber of Commerce of the United States was established for the purpose of keeping Congress and the public informed as to the wishes and views of American business men; and

Whereas, Such opinion is obtained through votes of constituent organizations upon the referenda submitted from time to time by the Chamber of Commerce; therefore be it

Resolved, That as members of the Chamber it is our duty to fully co-operate in a nation-wide expression be secured. It is hereby directed that the members of our board of directors receive, through the secretary, copies of referendum submitted, and it shall be the duty of each director to ascertain what may be the opinion in his community, which opinion may be secured from the local chamber of commerce and the local paint club, said census of opinion in the form of a vote being forwarded to our national secretary whose duty it shall be to compile from such vote sent to him the final vote of our association.

President Trigg.—What is the action of the board on that, Mr. Secretary?

Secretary Horgan.—The board approved of the report of the National Councillor and suggested that Mr. Elting be requested to draw up such a resolution as he has just presented.

Mr. Morton.—I want to ask the chairman of that committee regarding this Civic Development that has been suggested, whether that department is going

to take up the matter of studying improved methods of collection and disposal of waste that we have in connection with our city clean-up campaign. The reason I am asking the question is that the Boston Chamber of Commerce has recently appointed a very strong committee to make a study of this subject, with a view to improving the conditions in our city, and I thought if a department of this kind had been organized in connection with the United States chamber, that our local committee might secure some valuable assistance in that direction.

Mr. Elting.—I think that President Trigg could inform you better than I can exactly what the activity of that work is going to be.

President Trigg.—I am sorry I can't try to keep in as close touch with the work of the National Chamber as possible, but it is not possible to be familiar with the details of all of the different branches of the work. Mr. Morton's question, it seems to me, might be considered a very good suggestion to pass along to the Civic Development Department, Mr. Elting, of the National Chamber, as a suggestion to them to undertake this work if they are not now planning or actually doing so. Unless there is objection, our councillor will be asked to handle it in that way. Hearing no objection, you are so requested, Mr. Elting.

President Trigg.—What is your pleasure, gentlemen? It is moved and seconded that the report, including the resolution as presented by Mr. Elting, be adopted.

All in favor, please say "aye"; contrary, "no." It is adopted.

Mr. Cheesman, will you report for the Constitution and By-Laws Committee?

By-Laws Change Voted

Mr. Cheesman.—While the printed copies of the report are being distributed, Mr. President, following the resolution presented by Mr. Elting, I would like to present a resolution to the effect that the



F. P. Cheesman

incoming Committee on Constitution and By-Laws be authorized to advance Article VI, Section 7, which is the article relating to the Chamber of Commerce Committee, to comply with his resolution, as it reads quite differently now. I present that resolution for adoption, Mr. President, first.

Mr. Elting.—I would like to second that.

President Trigg.—This has not been before the board. Therefore, in order to clear it up before we go along, we should not on that before we hear the balance of the report.

Is there any discussion? All in favor of this motion will signify by saying "aye"; contrary, "no." It is adopted.

Mr. Cheesman.—The committee is glad to report that they have not found it necessary to make any very radical changes in the constitution and by-laws of the association this year.

The report follows:—

Oil and Varnish Association, Inc., may become a member of this Association upon subscribing to the Constitution and By-Laws and payment of dues, provided there be no local club affiliated with the National Association in the community in which the applicant is located.

ARTICLE III

SEC. 4. Vice-Presidents: Five (5) Vice-Presidents shall be elected either from club membership or individual membership of the Association, one each in the five (5) zones comprised of units as follows:

EASTERN—Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Delaware.

SOUTHERN—District of Columbia, Maryland, Virginia, West Virginia, Kentucky, North Carolina, South Carolina, Tennessee, Georgia, Alabama, Florida, Mississippi, Louisiana, Texas.

CENTRAL—Ohio, Indiana, Michigan, Illinois, Wisconsin, Minnesota, Iowa, Missouri, Arkansas, Oklahoma, Kansas, Nebraska, North Dakota, South Dakota.

WESTERN—Washington, Oregon, California, Nevada, Idaho, Montana, Wyoming, Utah, Colorado, Arizona, New Mexico.

DOMINION OF CANADA.

In the event of a Vice-President resigning, removing from his zone, or leaving the industry, a successor shall be elected from the same zone within thirty (30) days, by a majority vote of all votes cast, by the Executive Committee.

NEW CONSTITUTION

ARTICLE II

MEMBERSHIPS

SEC. 3. Individual Membership: Any individual, firm or corporation engaged in the manufacture or wholesale distribution of paint, oil, varnish or allied lines, upon written application approved by the President, Treasurer and Chairman of the Membership Committee, may become a member of this Association, upon subscribing to the Constitution and By-Laws and payment of dues; provided there be no local Club affiliated with the National Association in the community where the applicant is located.

ARTICLE III

SEC. 4. Vice-Presidents: Five (5) Vice-Presidents shall be elected either from club membership or individual membership of the Association, one each in the five (5) zones comprised of units as follows:

CENTRAL—Arkansas, Colorado, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Wisconsin.

EASTERN—Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont.

SOUTHERN—Alabama, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Texas, Virginia, West Virginia.

WESTERN—Arizona, California, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming.

DOMINION OF CANADA.

In the event of a Vice-President resigning, removing from his zone, or leaving the industry, a successor shall be elected from the same zone within thirty (30) days, by a majority vote of all votes cast, by the Executive Committee.

OLD

ARTICLE I

DUTIES OF OFFICERS

SECTION 1. Duties of the President: It shall be the duty of the President to preside at all meetings of the Association, Board of Directors and of the Executive Committee, to make such appointments as are provided in Article VI of the By-Laws, also those required by action of the Association. He shall present at the first session of the annual convention a report upon the affairs of the Association, together with such matters and recommendations as he may deem of interest. He shall approve for payment all authorized expenditures that may be incurred for the benefit of the Association. He shall perform such other executive duties as the Board of Directors of the Association may direct.

SEC. 2. Duties of the Vice-Presidents: In the absence of the President it shall be the duty of a designated Vice-President to perform his duties; selection of the Acting President to be made by the Board of Directors from among the Vice-Presidents available, by a two-thirds vote of the votes cast, as specified in Article III, Section 10, of the Constitution.

SEC. 6. Duties of the Executive Committee: The Executive Committee shall receive for consideration and action at their meetings, as provided in Article V, Section 5, all reports, resolutions and communications presented by the Officers, Board of Directors, Chairmen of Committees and members, which in the judgment of the Executive Committee require immediate action, the benefits and effectiveness of which, if held over for the action of the Convention, would be seriously impaired or entirely destroyed, except as provided for in Article XV of the By-Laws.

They also shall consider and take action upon the expenditure of any funds for current needs not provided for in the Constitution and By-Laws, or by authorization of the Association. However, all expenditures of unusual character, which are not provided for in the Constitution or the By-Laws, or by authorization of the Association, shall, after approval by the Executive Committee, be submitted by the President, through the Secretary, to the Board of Directors for their approval; provided that the total expense, including all disbursements of the Association, do not, during one year, exceed the total revenue of the Association for said year. The expenses of the Secretary's office shall take precedence over all other expenses of the Association.

SEC. 7. Board of Directors: Except as otherwise provided in Article XII, Section 1, of the By-Laws, the Board of Directors shall receive for consideration all reports, resolutions and communications before their presentation to

Report of Committee on Constitution and By-Laws

Your Committee on Constitution and By-Laws submits the following recommendations to the association for their approval.

Respectfully submitted,

FRANK WALDO,
F. P. CHEESMAN, Chairman.

OLD

CONSTITUTION

ARTICLE II

MEMBERSHIPS

SEC. 3. Individual Membership: Any individual, firm or corporation in the paint, oil, varnish or kindred business, upon approval of the President, Treasurer and Chairman of the Committee on membership of the National Paint,

meetings of the Association, and shall, through the Secretary, submit them to the Association with their recommendations.

The Board of Directors is empowered to pass judgment and final decision on all questions presented by the President through the Secretary for their deliberation when the Association is not in Convention, provided the subject requires immediate action or is not, in their judgment, of sufficient importance to be submitted to the members.

All vacancies occurring in elective offices, except as provided for in Article III, Section 2, of the Constitution, or on the Board of Directors, shall be filled for the unexpired term by a majority vote of the votes cast by the Board of Directors.

They shall elect at their meeting, held the day before the Convention, three members of the Board to act as Auditors.

NEW

ARTICLE IV

DUTIES OF OFFICERS

SECTION 1. Duties of the President: It shall be the duty of the President to preside at all meetings of the Association, Board of Directors and of the Executive Committee, to make such appointments as are provided in Article VI of the By-Laws, also those required by action of the Association. He shall present at the first session of the Annual Convention a report upon the affairs of the Association, together with such matters and recommendations as he may deem of interest. He shall see that each Club belonging to the Association is visited annually either by himself or the Vice-President of the Zone in which each Club is located. He shall approve for payment all authorized expenditures that may be incurred for the benefit of the Association. He shall perform such other executive duties as the Board of Directors of the Association may require.

SEC. 2. Duties of the Vice-Presidents: In the absence of the President it shall be the duty of a designated Vice-President to perform his duties; selection of the Acting President to be made by the Board of Directors from among the Vice-Presidents available, by a two-thirds vote of the votes cast, as specified in Article III, Section 10, of the Constitution.

At the request of the President it shall be the duty of the Vice-President of each Zone officially to visit any Club in his Zone.

SEC. 6. Duties of the Executive Committee: The Executive Committee shall receive for consideration and action at their meetings, as provided in Article V, Section 5, all reports, resolutions and communications presented by the Officers, Board of Directors, Chairmen of Committees and members, which in the judgment of the Executive Committee require immediate action, the benefits and effectiveness of which, if held over for the action of the Convention, would be seriously impaired or entirely destroyed, except as provided for in Article XV of the By-Laws.

They also shall consider and take action upon the expenditure of any funds for current needs not provided for in the Constitution and By-Laws, or by authorization of the Association. However, all expenditures of unusual character, which are not provided for in the Constitution or the By-Laws, or by authorization of the Association, shall, after approval by the Executive Committee, be submitted by the President, through the Secretary, to the Board of Directors for their approval; provided that the total expense, including all disbursements of the Association, do not, during one year, exceed the total revenue of the Association for said year. The expenses of the Secretary's office shall take precedence over all other expenses of the Association.

The Executive Committee shall decide at least four months before the Annual Convention the time and place where the Annual Convention shall be held.

BY-LAWS

OLD

ARTICLE V

CONVENTION PLACE

At each Annual Convention the Association shall provide by vote for the place where the next Annual Convention shall be held, as provided in Article XIII of the By-Laws. Commencing with the Convention of 1922 at least two out of five Annual Conventions shall be held at neutral points.

ARTICLE VI

SEC. 3. Nominating:—The President shall appoint at the first business session of the Annual Convention a Nominating Committee consisting of five members, two of whom (and not more than two) must be Ex-Presidents of the Association, which Committee shall, at the third business session, report a ticket to be placed in nomination and recommend a place for the next Annual Convention.

SEC. 9. Special and Sub-Committees: The President shall appoint, when the exigency may arise, and when in his judgment it may be required, special or sub-committees to whom the President shall refer or delegate to investigate, support or confer on subjects not within the scope of the duties assigned to other committees and provided for in this Article. Committees appointed under this Section shall be governed by Sections 10, 11 and 12 of this Article, and expenses incurred by such committees shall be as provided for in accordance with Article IV, Section 6, of the Constitution.

SEC. 10. Duties: It shall be the duty of all committees, unless otherwise specified, to receive for consideration all subjects involving the interests represented by said committees; to formulate such recommendations as may seem to serve the best interests of the Association, for presentation in such form and manner as are prescribed for committee reports in Section 12 of this Article.

SEC. 11. Communications: All communications relating to or affecting any interests covered by committees shall be referred by the Secretary, upon the approval of the President, to the Chairman of such committee, who shall make reply or return same with such recommendations as his committee may indicate.

SEC. 12. Reports: All committees shall submit through their Chairman, to the Secretary, at least thirty (30) days before the Annual Convention for presentation at the said Annual Convention a written report, with their recommendations, if any, on the subjects assigned them.

ARTICLE VII

RESOLUTIONS AND AMENDMENTS

SECTION 1. Resolutions: All resolutions, reports, or recommendations presented in meeting, not pertaining to matters that have been before the Board of Directors, shall be referred to a special Resolutions Committee of five to be appointed by the President from the membership of the Board of Directors for their consideration and recommendation, unless otherwise determined by a majority vote of those present.

SEC. 2. Amendments: The Association shall have the right by majority vote to adopt, reject or amend any resolutions, reports or recommendations made through or by the Board of Directors, or substitute therefor any resolutions or recommendations upon the same subject matter.

ARTICLE X

ENTERTAINMENT

The Assessment for those registering at the Annual Convention shall be fifteen dollars (\$15.00) for each man and ten dollars (\$10.00) for each woman.

ARTICLE XIII

NOMINATION

SECTION 1. Nominating Committee Report:—The report of the Nominating Committee with their recommendation for place at which the next Annual Convention is to be held, shall be received at the third business session of the Annual Convention, and shall be voted upon at the last business session of the Convention.

SEC. 2. Other Nominations:—Other nominations for Officers, members of the Board of Directors, or place at which the next Annual Convention shall be held, may be made from the floor at the first business session succeeding that at which the Nominating Committee makes its report, by any one having voting privilege, and shall be voted upon at the last business session of the Convention.

NEW

ARTICLE V

CONVENTION PLACE

The Executive Committee, in accordance with Article IV, Section 6 and Article V of the Constitution, shall select the place and time for the Annual Convention. Commencing with the Convention of 1922 at least two out of five Annual Conventions shall be held at neutral points.

ARTICLE VI

SEC. 3. Nominating Committee: Preceding the Annual Convention, the President shall appoint, subject to the approval of the Executive Committee, a Nominating Committee consisting of seven members, two of whom must be Ex-Presidents of the Association, in attendance at the Annual Meeting, one of these to be elected Chairman of the Committee, and the remaining five members to be selected one from each of the five zones. The names of the Nominating Committee shall be read at the first business session of the Annual Convention and the Committee shall at the third business session report a ticket to be placed in nomination, in accordance with Article XIII, Section 1, of the By-Laws.

SEC. 9. Resolutions Committee: The President shall appoint from the membership of the Board of Directors at its annual meeting a Committee of three (3) to be known as the Resolutions Committee. In accordance with Article VII, Section 2, this Committee shall consider all reports, resolutions or recommendations presented in sessions of the Annual Convention pertaining to matters that have not been before the Board of Directors. They shall submit to the convention such resolutions and reports with their recommendations. When necessary they shall draft and submit to the Convention resolutions on subjects requiring action.

Present Section 9 shall be made Section 10.

Present Section 10 shall be made Section 11.

Present Section 11 shall be made Section 12.

Present Section 12 to be omitted.

ARTICLE VII

REPORTS, RESOLUTIONS, COMMUNICATIONS AND AMENDMENTS

SECTION 1. Reports: All Committees shall submit through their chairman to the Secretary at least thirty (30) days before the Annual Convention, for presentation through the Board of Directors to the Convention, a written report, accompanied by recommendations, if any, on the subjects assigned said Committee.

SEC. 2. Resolutions: All resolutions, special reports or communications shall be forwarded to the Secretary at least ten (10) days before the Annual Convention for the consideration of the Board of Directors before presentation to the Convention. Any resolution, report or recommendation presented in Convention sessions pertaining to matters which have not been before the Board of Directors, before action, shall be referred to the Resolutions Committee for consideration and recommendation. Such resolutions, reports or communications must be submitted prior to the final business session of the Convention.

SEC. 3. Amendments: The Association shall have the right by majority vote to adopt, reject or amend any resolutions, reports or recommendations made through or by the Board of Directors, or substitute therefor any resolutions or recommendations upon the same subject matter.

ARTICLE X

ANNUAL CONVENTION REGISTRATION

The Assessment at the Annual Convention shall not exceed Twenty Dollars (\$20.00) for each person attending the Convention; the amount to be determined by the Executive Committee prior to opening of the Convention.

ARTICLE XIII

NOMINATING

SECTION 1. Nominating Committee Report: The report of the Nominating Committee shall be received at the third business session of the Annual Con-

vention, and shall be voted upon at the last business session of the Convention.

Sec. 2. Other Nominations: Other nominations for officers and members of the Board of Directors may be made from the floor (by anyone having voting privilege) at the same business session at which the Nominating Committee makes its preliminary report, or any following session, and shall be voted upon at the last business session of the Convention.

Mr. Cheesman:—Article II, Section 3: The change proposed in this particular article is in one short paragraph at the commencement of it:—"Any individual, firm or corporation engaged in the manufacture or wholesale distribution of paint, oil, varnish or allied lines." That is the only change that has been made. It was to clarify that particular section that the change was made.

I think, Mr. President, it has been the custom to vote upon these various paragraphs as presented, and, therefore, I move the adoption of Article II, Section 3.

President Trigg:—Mr. Cheesman moves the adoption of the proposed change in Article II, Section 3. Is there a second to that motion? This has been before the Board of Directors and it recommends your approval of it. All in favor of the motion will signify by saying "aye"; contrary, "no." It is adopted.

May I say here, just to save repetition, that all of these proposed changes which will be presented by Mr. Cheesman, have been before the Board of Directors and their approval and come to you with their recommendation for adoption.

Mr. Cheesman:—Article III, Section 4, of the constitution has been the transfer by request of Colorado from the Western zone to the Central zone. The only other change has been the arrangement of the zones in alphabetical order instead of as heretofore.

President Trigg:—All who approve that change will signify by saying "aye"; contrary, "no." It is adopted.

Mr. Cheesman:—On page 7, Article IV, Section 1. The only change in this section under the Duties of President has been a new paragraph:—

"He shall see that each club belonging to the association is visited annually either by himself or the vice-president of the zone in which each club is located."

President Trigg:—Is there any discussion on that before putting it to a vote? If not, all in favor of the change will signify by saying "aye"; contrary, "no." It is adopted.

Mr. Cheesman:—Section 2. This is an addition:—"At the request of the president it shall be the duty of the vice-president of each zone officially to visit any club in his zone."

President Trigg:—That is really an extension of the other section, is it not?

Mr. Cheesman:—Yes.

President Trigg:—All who are in favor of that will signify by saying "aye"; contrary, "no." It is adopted.

Mr. Cheesman:—Section 3. The only change in this section is the addition of the last paragraph:—

"The Executive Committee shall decide, at least four months before the annual convention, the time and place where the annual convention shall be held."

President Trigg:—All in favor of that change will signify by saying "aye"; contrary, "no." It is adopted.

Mr. Cheesman:—Article V, Convention Place. The Executive Committee, in accordance with Article IV, Section 3 and Article V of the Constitution, shall select

the place and time for the annual convention; commencing with the convention of 1922 at least two out of five annual conventions shall be held at neutral points. That is the new section.

President Trigg:—All in favor of that change will signify by saying "aye"; contrary, "no." It is adopted.

Mr. Cheesman:—Article VI, Section 2. Several changes have been made in this article.

President Trigg:—All of those who favor this change in the by-laws will signify by saying "aye"; contrary, "no." It is adopted.

Mr. Cheesman read the new Section 9 (Resolutions Committee).

President Trigg:—All in favor signify by saying "aye"; contrary, "no." It is adopted.

Mr. Cheesman read Article VII, section 1.

President Trigg:—Does that represent a change?

Mr. Cheesman:—Yes, that is almost new.

President Trigg:—All who approve will please say "aye"; contrary, "no." It is approved.

Mr. Cheesman read Section 2.

President Trigg:—All who favor, this will please say "aye"; contrary, "no." It is approved.

Mr. Cheesman:—There has been no change made in Section 3. Article IX, Annual Convention Registration, has been revised.

President Trigg:—Is there any discussion on this subject? All who are in favor of the new provision will please say "aye"; contrary, "no." It is adopted.

Mr. Cheesman read Article XIII, Section 1.

President Trigg:—All who approve will please say "aye"; opposed, "no." It is adopted.

Mr. Cheesman:—Section 2. Other Nominations. One or two changes have been made in this.

President Trigg:—All who favor, that change will please say "aye"; contrary, "no." It is adopted.

Mr. Cheesman:—That completes the report and I ask for the adoption of the report as a whole.

President Trigg:—It has been moved and seconded that the report as a whole be now adopted by your action. All in favor will please say "aye"; contrary, "no." The report in full is adopted.

We will go on now to item No. 15, Credits and Collections Committee, Robert Simons, chairman.

Before Mr. Simons starts with his subject I would like to ask the sergeant-at-arms, Mr. Graves, to be good enough to notify Mr. Hesse, who is attending a group meeting in the room next, that he will be called upon after this report is presented; and also notify Mr. Earn who, I think, is in the same meeting, that he will follow Mr. Hesse, and we would like to have that whole group come in, if they will.

Mr. Simons then presented the report of the Committee on Credits and Collections as follows:—

and sound policy to pursue and as a means to efficient and profitable administration of business antagonism between salesmen and credit departments has been entirely eliminated in all progressive organizations, and the former now realizes that instead of the credit department being a visionary barrier to his success, the salesman finds it to be one of his greatest assets, for he now believes in the value of team work.

We review with indignation the many insolvencies and the tremendous credit losses of the past 20 months; a little more thought and closer analysis at the inception of credit risk no doubt would have averted at least a part of this frightful aftermath.

At the end of 1921 we found the total number of insolvencies to be 19,982, with liabilities of \$750,202,221; of these figures the paint and oil industry suffered 20 failures with liabilities of \$943,241, or only 12½ per cent. of the total commercial failures. For the first eight months of this year the total insolvencies are 16,851 with liabilities of \$454,006,369, of which the paint and oil industry suffered by 13 failures, representing \$276,997 in liabilities or .059 per cent.; a very creditable showing in comparison with the total commercial failures.

In our own industry it will be noted that the number of failures for the first eight months of this year are the same as they were last year (i. e., 13), but the liabilities were considerably less. The reason for this is that April, May and June of 1921 were \$454,621 on five failures, while in 1922 for the same months the liabilities were \$119,343 on seven failures.

In the reports of previous Committees on Credits and Collections submitted to our association a great deal of reference has been made to the credit interchange bureaus of the National Association of Credit Men, particularly as regards the splendid service rendered in the interchange of credit information.

No doubt quite a number of our members are subscribers to the credit-bureau service of the National Association of Credit Men, and there are many who are not affiliated with it, believing that an exchange of credit information would not be beneficial to them unless all of their competitors were members.

Your committee believes that the National Paint, Oil and Varnish Association is big enough to support a credit interchange bureau of its own whereby all of our members may participate in the benefits to be derived through co-operation with the bureau.

The plan herein proposed by your committee will be operated similar to the bureau of the National Association of Credit Men, except that the service we propose to render will be national in scope. We shall not attempt to render local service, preferring to leave this part of credit interchange to the credit bureaus of local clubs, many of whom are now holding semi-monthly or monthly meetings, at which credit information is discussed.

Some of our members may not approve of national service, but the fact should not be overlooked that it is not where we do business, but where our customers are buying, that is the determining factor. It will therefore become necessary to obtain information from the territory in which the customer buys if we are to maintain a successful bureau.

In order to obtain sentiment regarding the feasibility of the proposed plan of your committee, a questionnaire was sent to all presidents of paint and varnish clubs under the caption

Paint and Varnish Club Questionnaire

The questions were prepared in a manner of simplicity with the purpose of eliminating unnecessary correspondence by the recipient:

1. Do you have a Committee on Credits and Collections?
2. If so, is it affiliated with your club?
3. Or is it a separate organization?
4. Name and address of chairman.
5. Do they hold weekly, semi-monthly, monthly or other periodical meetings?

6. Does the committee publish a list of delinquent debtors for the exclusive and confidential use of its members?
7. Would you favor a plan of credit interchange of information with members of clubs affiliated with the National Association?
8. If so, would you prefer to exchange credit information direct with the club secretaries or through the office of the National Association?

Remarks:

The questionnaire was sent to 44 clubs and 68 per cent. responded with replies compiled as follows:

- 13—Maintain a Committee on Credits and Collections.
- 15—Do not have a committee.
- 2—Report general discussion of "Credits and Collections" at the regular meeting of the clubs.
- 12—Publish a list of unsatisfactory and doubtful accounts for the exclusive use of its members.
- 18—Do not report or publish names of delinquents.
- 12—Favor the interchange of credit information with members affiliated with the National Association.
- 18—Do not favor the plan for various reasons.

It is not the purpose of the plan to furnish credit information or ledger experience where initial orders are involved, but to extend reciprocal credit information on open accounts, especially for the purpose of reviving credit files and where a change in the method of payments has been noticed and for any other purpose that will enable its members to safeguard their accounts. By following the "Sign Posts" we can materially reduce the tremendous waste through doubtful accounts.

Your chairman is reliably informed that a certain class of trade who are in the North in the summer and during the winter drift down to the Sunny South, and many from the East, both North and South, go out to the coast where climatic conditions are more favorable, thus continuing their operations during the entire year. It is this class of trade that quite often leave behind unpaid accounts, and in this respect the plan, which your committee proposes, would be of material benefit to the members of affiliated clubs in the West and of reciprocal value to members in the East. There is a restless throng of this class going out to the West, not by the hundreds, but by the thousands, and they could easily be traced to their Eastern homes as to their integrity.

It may be well to have but two, or possibly three, interchange bureaus, one in New York City to take care of the Eastern and Eastern portion of the Mid-

Report of Credits and Collections Committee

We deem it rather difficult at this time to note any important change in general of the industrial and economic situation, as conditions are very much "spotted." However, there is no doubt that the progress now being shown in the adjustment of labor controversies will have a decided tendency in stimulating confidence, which will benefit conditions generally. Reports from excellent authority reveal more general activity in business. The demand for railroad equipment is one of the promising features, building construction and the employment of labor are activities most encouraging.

We anticipate an early return to normal of transportation facilities, as reports indicate heavy purchasing of rolling stock by the railroads. These will have a decided effect upon increased industrial activity.

That business men in general have more confidence in the outlook than a year ago is plain from statistics showing that during August of this year building awards in 27 Northeastern States were \$322,007,000, as compared with August, 1921, of \$221,000,000. The coal output for September is estimated at 40,000,000 tons, as compared with September, 1921, of 34,538,000 tons; 664 new companies were formed during September having a capital of \$100,000 or more, an aggregate capital of \$564,000,000, against 669 companies with an aggregate capital of \$498,846,000 for the same period last year.

For the nine months of this year new companies floated have total capital of \$6,125,955,000, against only \$5,889,057,000 for the corresponding months of 1921. However, the first nine months of this year's figures are still below 1920 or before the after-the-war inflation blew up. For the first nine months of 1920 the capitalization of new companies was \$11,765,644,000.

A freight car shortage of 107,664 cars was reported for the week ending September 23, an increase of 21,760 over the previous week. This compares with several hundred thousand idle freight cars standing on sidings a few weeks ago. So far this year orders have been placed for 113,000 freight cars, according to figures available October 1, against only 28,300 for the full 12 months of 1921.

Credit conditions were never more favorable. Loans of the Federal Reserve System are 85 per cent. below what they were in the fall of 1920 and 60 per cent. less than in 1921. However, collections are not generally good, lapsed accounts are noted throughout the coal field territories and a co-operative spirit must prevail for a few more months at least. Payments of rents and personal necessities must have first consideration, after which will follow a lesser tension on collections in general.

The past nine months have tested the nerve and ability of credit departments; never before were keen thinking and vigilance more necessary; the next three months will determine if we have emerged better equipped for future tasks.

One of the most inspiring influences of the credit department is unselfish co-operation. Sales departments have realized this essential as being a safe

[illegible]

rect information which might lead to a suit being brought against us, or what would be the legal liability if we should put a name on the delinquent list of black-list incorrectly, thereby possibly causing injury to some one which might lead to a suit.

I think that in some state associations they have had trouble on that account. They have been sued and judgment has been rendered against them in some cases, but possibly those associations have been incorporated. I am not clear on that point, but it would be well to have the incoming committee look into this matter and make a statement in regard to it in their report.

President Trigg:—That is a very good point, Mr. Morton, and that will be included in the memorandum to the committee.

Is there a motion to approve the recommendation of the Board of Directors?

Mr. Morton:—I move it be approved. (The motion was seconded.)

President Trigg:—Is there any further discussion? It is a very exhaustive report and a very important subject to all of us. If not, all in favor of the approval of the recommendation of the board will signify by saying "aye"; contrary, "no." It is carried.

The report of the special Committee on Simplification was not read. The text thereof follows:—

Report of Committee on Simplification

The Committee appointed by the National Paint, Oil and Varnish Association to study and recommend a simplification of practices in the paint and varnish industry begs leave to report:

Meetings have been held at various times by this Committee independently and in conjunction with the Department of Commerce at Washington. The Committee has been working closely in harmony with Secretary Hoover of the Department of Commerce and his assistant, Mr. Durgin, head of the Simplification Division of the Department of Commerce, with the end in view of presenting a concrete program which will have the backing of the paint and varnish industry, of the dealers and of the jobbers.

A similar Simplification Committee was appointed by the National Retail Hardware Association, which Committee has been working in harmony with our own Committee. In addition a Sub-Committee was appointed by the writer, of the advertising managers of the paint and varnish industry, this Committee being composed of Messrs. John Graham, H. C. Bursley, Roy C. Sheeler, H. C. Menagh and C. F. Brown, which will make its report prior to the Atlantic City meeting with the end in view of simplifying advertising practices in the paint and varnish industry.

As a result of the collaborative work of these various Committees and of the Department of Commerce, a program has been worked out closely paralleling the simplification work put in force during the war in our industries. This definite program will be presented to the Paint Manufacturers' Association, Varnish Manufacturers' Association and the National Paint, Oil and Varnish Association in Atlantic City in November, at which time the support and approval of our various industries will be asked, and if obtained will be put into full force.

Respectfully submitted,

W. A. ALPERS,
L. F. COLLISTER,
A. D. GRAVES,
J. B. LORD,
E. H. HANCOCK,
S. R. MATLACK,
O. A. HASSE, Chairman

President Trigg:—We will go on to Item No. 17, Special Committee on Better Advertising to Architects. O. C. Harn will report for it.

Mr. Harn presented the report of the above committee as follows:—

Report of Committee on Better Advertising to Architects

Your committee, appointed to represent the association in the recent deliberations looking to the improvement of advertising to architects, has the following to report:

In November, 1921, President H. H. Kendall of the American Institute of Architects, at the instance of the Structural Service Committee of the Institute, called a conference of architects and representatives of manufacturers of building materials at Indianapolis to see what could be done toward eliminating waste due to inappropriate and therefore ineffective advertising sent to architects. So much interest was shown at this meeting that a Continuing Committee was appointed to study the subject further and report at the time of the general meeting of the Institute in Chicago in June. The National, Paint, Oil and Varnish Association was invited to appoint two members of the Continuing Committee.

The committee met in June in Chicago prior to the meeting of the Institute and outlined a practical mode of procedure for accomplishing the object for which the original conference was called.

This plan was crystallized into a resolution which was presented first to the Board of Directors of the American Institute of Architects and by them unanimously approved for adoption by the Institute. The latter body adopted the resolution and thereby created the producers' section of the Structural Service Committee of the Institute.

The resolution adopted appears in the journal of proceedings of the 55th annual meeting of the American Institute of Architects and reads as follows:

Whereas, The Joint Conference on Better Advertising to Architects between the Board of Directors of the American Institute of Architects and the Building Materials Producers of the United States, and reported in the journal of the A. I. A. of April, 1922, and the conference in Chicago, held June 5 and 6, 1922, have demonstrated the great desirability of a better understanding among architects and producers as to their common interest in the characteristics, presentation and appropriate utilization of products entering into construction; be it

Resolved, By the American Institute of Architects, in 55th annual convention assembled, that the Structural Service Committee of the American Institute of Architects be authorized to create a producers' section of the Structural Service Committee as a sustaining body to collaborate with the committee in the following duties:

(a) To advise and counsel with manufacturers, who may so desire, on the character of their advertising as to size, form and content.

(b) To assist in furthering the use, by architects and producers, of the standard construction classification adopted by the American Institute of Architects.

(c) To promote sincerity and reliability of statement in advertising.

The Structural Service Committee immediately took steps to carry out the terms of the resolution, the chairman, Mr. Sullivan W. Jones of New York, appointing the following Executive Committee for the producers' section:

T. D'A. Brophy, Anaconda Copper & Mining Co.

F. P. Byington, Johns-Manville, Inc.

Lyman Clark, General Electric Co.

O. C. Harn, National Lead Co.

A. J. McComb, Otis Elevator Co.

C. W. Peelle, The Peelle Co.

F. W. Walker, Associated Tile Mfrs.

Ray Young, Stanley Works.

The committee has held several meetings with the Executive Committee of the Structural Service Committee and has prepared a statement of purposes followed by an invitation to join the Producers' Section. This will be sent to all manufacturers of materials used by architects in the construction and decoration of buildings. The annual membership fee is \$200, which covers a certain amount of service rendered to members on demand. If members require more time of the committee than their annual fee covers, the extra time devoted to the members will be billed to the member at cost, according to a schedule arranged.

The statement of purposes and service to be rendered to manufacturers is attached to and made a part of this report.

Your committee feels that an important forward step has been taken in the organization of the Producers' Section of the Structural Service Committee. The new section opens to manufacturers of paints and varnishes opportunity to place before the architects of this country information about worthy materials in an effective manner and without waste of time and money, which ineffective advertising and selling effort entail. We commend the subject of membership in the Producers' Section to the earnest consideration of members of the paint and varnish industry who have any product which they desire architects to specify.

Respectfully submitted,

O. C. HARN,

W. H. HENDRICKS.

Statement of Purpose—Producers' Section of the Structural Service Committee, American Institute of Architects

The Producers' Section of the Structural Service Committee of the American Institute of Architects is the outcome of an effort to eliminate waste—waste of time on the part of architects and of money and time on the part of manufacturers—in the business relationship of manufacturers to architects.

The purpose for which the Producers' Section was created is to provide an agency (the Structural Service Committee) through which manufacturers of materials and devices specified by architects may secure from the architects themselves guidance and advice in regard to the best methods of reaching architects with a view to:

- (a) Making of advertising a medium for conveying to architects authoritative information with respect to the products they must use.
- (b) Influencing architects to specify the product in question.
- (c) Reducing the cost of selling architects.
- (d) Securing, through architects, market recognition of the quality and serviceability of products.
- (e) Insuring the proper use of the product.

Architects are willing to give this aid to the members of the Producers' Section because of the reciprocal advantages to all concerned.

To accomplish this common object machinery created jointly by the producers and architects and controlled by the American Institute of Architects has been established to render at cost to those producers who wish it the following contemplated advertising and sales data intended to influence architecting service:

Review contemplated advertising and sales data intended to influence architecting service:

These opinions will cover the following questions:
In Connection with the Presentation of Printed Information (Advertising)

1. Substance of the Message

Does the document present the facts which architects are likely to demand?
Has a diagram or tabulation been omitted which would help, or has one been included which means nothing?

Is an example of the use of a material or testimonial or report to test badly selected?

Has a vital question sure to arise in the architect's mind remained unanswered?

Has a claim been made which is likely to leave a bad impression?

Has a claim been made that is worthless without supporting evidence?

2. Expression

Are the literary style and terminology employed appropriate to the subject and the audience?

Is the statement clear?

Is it general when it should be specific, or vice versa?

Is it flippant when it should be serious?

Are the thoughts expressed likely to arouse architects' hostility because they imply the assumption of unjustified knowledge or authority?

Does it indicate a knowledge of the architect's fiduciary relation to the client?

3. Appearance

Is the periodical advertising or piece of printed matter attractive enough, measured by architects' standards, to capture their attention and obtain a reading?

Does a pictorial illustration offend good taste?

Has the printed matter color when it should not have?

Is it elaborate and garish when it should be simple and businesslike?

Does it convey the idea of cheapness when it should suggest quiet elegance?

4. Size and Form

Is the size convenient to handle and file?

Is it correctly indexed for filing under the A. I. A. standard classification?

Is the form suitable to architects' needs?

Is the paper or cover too bulky to be retained in a crowded file?

Is the arrangement of information such as to facilitate reference and ready comprehension by architects?

In Connection with Verbal Presentation of Information (Personal Salesmanship)

1. What does the architect want from a salesman?

2. What type of man is most likely to be persona grata in architects' offices?

the, and which they will soon discover are common and must be solved, both working with an ever-increasing measure of co-operation. Thank you, gentlemen. (Applause.)

(Vice-President March C. Bennett, of Boston, took the chair at this point.)

Chairman Bennett:—I am sure we are all very grateful to Mr. Jones for coming here and giving this very illuminating address, showing the progress that has been made by the architects endeavoring to get into contact with the manufacturers of their product. I also assume that this convention would wish to pass a vote of thanks to Mr. Jones for coming here. Those in favor of such a vote will please manifest by saying "aye." It is carried unanimously.

President Trigg resumed the chair.

President Trigg:—We will go on now to

the paper by Dr. Gardner, the report of the Special Committee on Spray System of Paint and Varnish Application. Gentlemen, this is a mighty important subject and something that is vital to the interest of all of our businesses. Dr. Gardner, are you ready to report?

H. A. Gardner:—I don't know why I was selected chairman of this committee. I was chairman last year. I presume that the spray painting manufacturers should have been members of the committee and possibly chairman, but possibly due to the fact that I have been much interested in spray painting for several years, and we have in our Educational Bureau done a lot of experimental work with spray systems, I was appointed chairman of the committee.

Dr. Gardner then presented this report:—

Report of Committee on Spray System

Spray Painting by Compressed Gas

During the past year several developments in the application of paint and varnish products with the spray gun have been of interest. One of the most interesting of these is the use of cylinders of compressed carbon dioxide or nitrogen where compressors are not available (see Fig. I). It is understood that a tank of carbon dioxide is sufficient to operate a spray gun for a period of several hours. Considerable application has been made of this method for the decoration of scenery and other interior surfaces.

Woven Wire Fence Painting

Another application of interest has been the use of the spray gun for painting woven wire farm or factory fencing. Two men operate the equipment, one with the gun and the other on the inside of the fence to move the shields and touch up the supporting pipes. By spraying against a shield at an angle of 45 degrees



FIGURE I.

USING CYLINDER OF CARBON DIOXIDE GAS AS FORCE FOR SPRAY PAINTING

the paint rebounds and coats both sides of the wire at the same time. It is understood that twenty sections of fence, 10 by 7 feet, and including the barbed wire above, can be painted in one eight-hour day by two men, including setting up and cleaning the equipment. The entire cost in one instance, including paint and labor, figured three-fourths of a cent per foot of fence (see Fig. II).

There are given below some instances of economical painting through the use

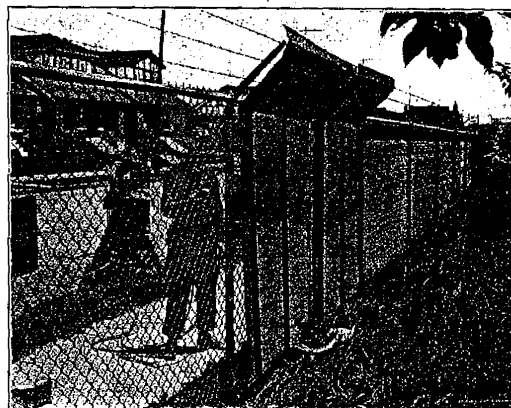


FIGURE II.
SPRAYING WIRE FENCE

of the spray gun that have either been witnessed by the writers or that have been recently brought to the Committee's attention by various spray gun manufacturers.

Spraying Interior Flat Paint

1. In one practical painting job six men (two operators, two men to strain paint, etc., and two men to move scaffolding) applied in two days sufficient flat interior paint to cover 58,000 square feet of surface. The cost of application (not including the cost of paint) figured about \$0.0013 per square foot of surface. (See Fig. III.)

Spraying Ship Bottom Paints

2. A test of hand versus spray brush painting on a job in which viscous

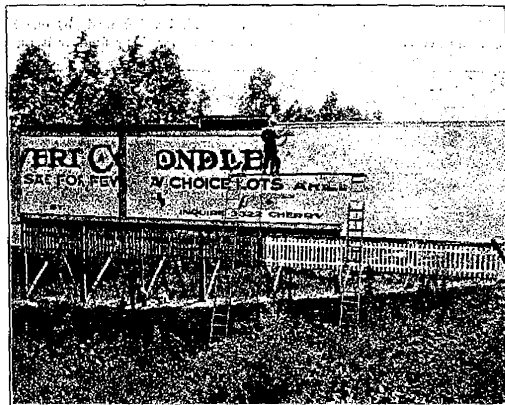


FIGURE III.

OBLITERATING A SIGN WITH ONE HEAVY SPRAY COAT OF PAINT

anticorrosive and antifouling compositions made of shellac were used is of interest. The figures obtained by careful observers were as follows:

	Hand brush	Spray brush
Time in minutes.....	12,000	215
Labor rate per hour.....	\$0.70	\$0.70
Total labor cost.....	\$140.00	\$2.40
Material use (gallons).....	156	19
Material cost per gallon.....	\$1.25	\$1.25
Total material cost.....	\$195.00	\$23.75
Total material and labor cost.....	\$335.00	\$26.15
Surface painted (square feet).....	48,900	6,350
Average number of sq. ft. per gal.....	313.46	334
Time and material cost per sq. ft.....	\$0.0068	\$0.00412
Average number sq. ft. painted per minute.....	4.007	29.6

Antifouling

Time in minutes.....	9,060	60
Labor rate per hour.....	\$0.70	\$0.70
Total labor cost.....	\$97.80	\$0.70
Material use (gallons).....	140	7.5
Material cost per gallon.....	\$2.25	\$2.25
Total material cost.....	\$315.00	\$16.875
Total material and labor cost.....	\$412.80	\$17.575
Surface painted (square feet).....	54,664	3,468
Average number sq. ft. per gal.....	390.45	462.4
Time and material cost per sq. ft.....	\$0.00755	\$0.00506
Average number of sq. ft. painted per minute.....	6.033	57.8

Spraying Ship Bottom Paints

3. In another test of painting ships, one man, starting at 10 o'clock in the morning, painted 496 square feet of boot topping, 3,650 of anticorrosive and 3,468 square feet of antifouling. He cleaned his machine and was off the job at 4 o'clock, having no outside assistance. (See Fig. IV.)

Painting Stucco

4. The very rough, coarse surface of cement stucco, such as is used for the finishing of certain types of buildings and dwelling houses, is of such a

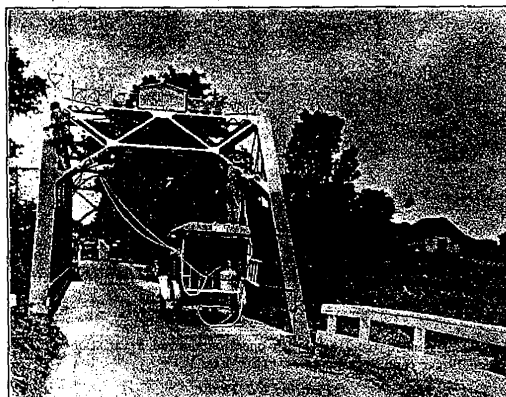


FIGURE IV.

SPRAYING COUNTY BRIDGES WITH TRAVELING EQUIPMENT

nature that hand brushes often cannot be used satisfactorily. The brushes are easily cut and the application greatly retarded. In such instances the spray painting machine has proven most useful. In some cases as high as five

gallons of paint can be applied in forty minutes by one operator and one man to take care of the tank. The cost may run as low as \$0.001 per square foot.

Increasing Use of Spray Machines

5. There are at the present time over 50,000 air brushes made by one individual manufacturer in operation in the United States. This number is rapidly

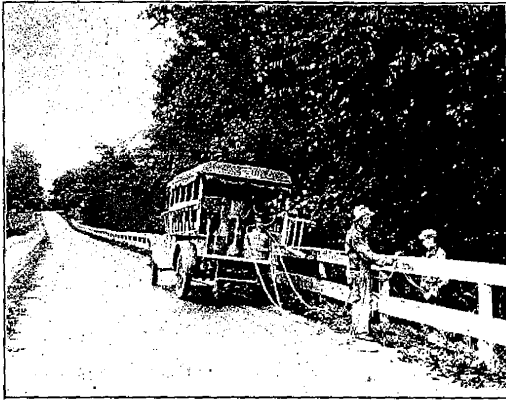


FIGURE V.
"ILLUMINATING" HIGHWAY GUARD RAILS TO MAKE
NIGHT MOTORING SAFE

increasing day by day due to the unlimited possibilities with equipment of this type. For instance, one large distributor of paints is using over three hundred air brushes for the application of paints and finishing materials on buildings.

Spraying Metal Paints

6. The use of the spray gun for applying two different types of metal paints has proved very efficient, as will be noted from the results charted below:

Red Lead Paint

	Surface Area, Sq. Ft.	Paint Used, Gals.	Time 1 Man, Hours
Spray machine	2,208	6	1.86
Hand brush	2,208	7 1/4	16

Red Oxide Paint

	Surface Area, Sq. Ft.	Paint Used, Gals.	Time 1 Man, Minutes
Spray machine	1,170	1 3/4	16
Hand brush	1,170	2 1/2	150

Uniform Composition of Sprayed Paints

7. One manufacturer of spray guns has made an interesting experiment to show the constancy of composition of paint as it leaves the nozzle of the gun. In the test with a certain paint containing a rapidly settling pigment, the machine (with air agitation) was stopped at three different periods and samples were taken from the nozzle. Three different paints were used in each test, making nine samples in all. Analysis of the paint showed a variation between pigment and vehicle of an approximate average of one-tenth of 1 per cent.

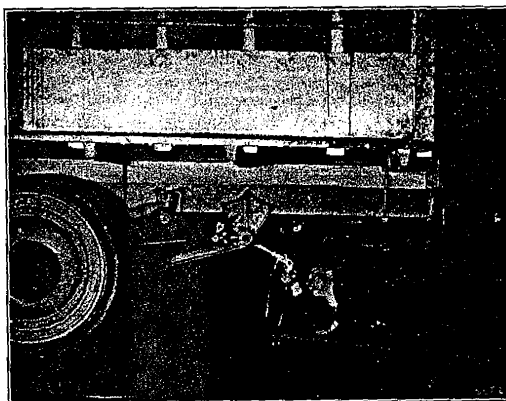


FIGURE VI.
SPRAYING TRUCK IN GARAGE

Similar samples taken from the brush operator showed a variation of slightly more than 19 per cent. in some cases. (See Fig. V.)

Painting Oil Tanks

8. In the painting of oil tanks a comparative test of hand brush versus spray painting was made with the following results:

	Surface Area, Sq. Ft.	Paint Used, Gals.	Time, Hours
Brush	67,641	124.25	413
Machine	67,641	82.6	20.5

Comparative Cost

	Material at \$3 per Gal.	Labor at \$1 per Hour	Total Cost, Labor and Material	Total Cost per Square of 100 Ft.
Brush	\$372.75	\$413.00	\$785.75	\$1.16
Machine	247.80	20.50	268.30	.40

Oil Tank Car Painting

9. In another instance an oil company recently submitted the following figures, showing a reduction in the cost of painting by the use of spray-painting equipment from \$15 per car to \$4.17. (See Figs. VI and VII.)



FIGURE VII.
SPRAYING A SCENIC RAILWAY

Method	Type of Car	Number Painted	Material Used	Time Required	Appearance
Brush	Tank Car	3	21 gallons	42-48 hrs.	Fair
Spray	Tank Car	3	10 gallons	5 hrs.	Fine

The material was a scrap enamel, rather difficult to apply by brush. It pulled, and to overcome this the brush painters applied a heavier coat of mate-

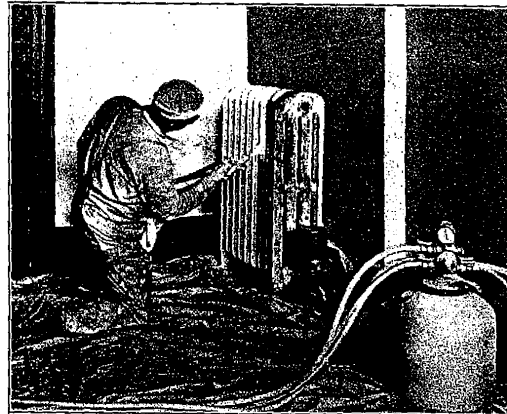


FIGURE VIII.
SPRAYING RADIATOR WITH FLAT WALL COLOR

rial than was actually necessary. No trouble was experienced in spraying the material. (See Fig. VIII.)

Electric Street Car Painting

10. A saving both on labor and material is the experience of one large transportation system. The following figures comparing the brush and spray application of one coat are evidence of the reduction in costs

Method	Part of Car	Time to Coat	Material Used	Finish
Brush	Lower body	6-8 hours	1 gallon	Required sanding
Spray	Lower body	1/4 hour	1/2 gallon	No sanding necessary

Car trucks which heretofore had taken 45 minutes to an hour to brush paint are now given a coating by spray method in 5 to 10 minutes. Places inaccessible to the brush are easily reached with the spray. (See Fig. IX.)

Another important feature in connection with this class of spray work is that the operator of the spray gun finds his job a cleaner and more pleasant one than when brushing.

Painting School Rooms

11. One school board tried out painting of their buildings and found it worked very satisfactorily. Three men were able to scaffold, putty, paint and clean up two 25x30 classrooms and three cloakrooms in an 8-hour day, giving these rooms a spray application equivalent to two brush coats. The following figures show the advantage of the spray on this class of work:

Method.	Kind of sur-	Material ap-	Time, one	Total cost.
Brush (two coats 10 class. room Rough plaster. 175 gals. Two 1,352 hours. \$1,214.00.	face, pilled.	plied. Two coats.	man.	
Spray (one coat 10 class. room Rough plaster. 145 gals. One 852 hours. \$584.00.	face, pilled.	plied. One coat.	man.	

Spray-painting of school houses has proved itself to be the method by means

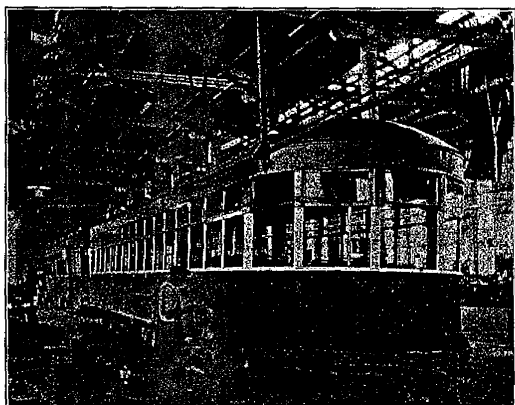


FIGURE IX.
RAPID DECORATION OF STREET RAILWAY CARS

of which the painting season can be prolonged without the necessity of a large force of men. (See Fig. X.)

Painting Houses

12. Without a doubt the largest established field for further development of spray-painting is that of exterior painting. There are hundreds of thousands of buildings of all descriptions painted on the exterior yearly. This field, so far as spray-painting is concerned, has hardly been touched. House-painting by the spray method is in many cases practicable. A coating is applied that is fully as durable as by brush painting. This has been determined after six years of experimental work.

Every town of 10,000 inhabitants has enough exterior painting (particularly houses) to make a paying proposition out of spray-painting. Should work run low in the city, the rural section is close at hand. There are probably no buildings more in need of surface protection than those in the rural section.



FIGURE X.
SPRAYING LIGHT REFLECTING COLORS IN SCHOOL ROOM AFTER HOURS

Here one usually can find a group of buildings to paint on one premise. House painting, more than interior factory painting, requires the knowledge of an experienced painter, one who really understands the proper mixing of paint and the proper application.

Respectfully submitted,

R. W. LINDSAY,
H. W. RICE,
S. C. SCHORNDORFER,
HENRY A. GARDNER, Chairman.

(Vice-President Bennett took the chair.) Dr. Gardner:—That brings me to one point that I think would be of interest to us all at this time. While it does not require a long time for the average laborer to learn spray painting, it does require a careful study of the machines and knowledge of how to work the ma-

chine who could go from one town to another and who would be thoroughly skilled in the use of the spray gun. It seems to me that that would be very much in line with the education of the painter that is being contemplated by the International Association of Master House Painters. Their ideas probably have not gone to the spray gun at this present time, but if they would include in their education the use of the spray gun as well as the hand brush it would mean ten to one. Instead of taking ten men to wield the brush, if they would get one man to use the spray gun they would immediately set free that very large volume of labor that is demanded in the application of paint.

Chairman Bennett:—What was the action of the Board upon this report, Mr. Secretary?

Secretary Horgan:—The Board of Directors expressed its appreciation of this very illuminating report of Dr. Gardner and submitted it to the convention for action.

Chairman Bennett:—Is there a motion with reference to this report?

President Trigg:—I move approval.

The motion was seconded and carried.

H. L. Wilkinson:—I would like to inquire of Dr. Gardner about the use of the spray gun in places that are inaccessible to the brush. Also, what effect does the vapor from the spray application have upon the operator and what is the best mask to use under those conditions?

Dr. Gardner:—The best type of mask that has been developed so far on a very reasonable scale is that made by Bauer & Black, of Chicago, sold at a cost of ten cents. That is for ordinary work with the spray gun. There are, of course, places where more elaborate types of masks must be used. That is on interior work in the hulls of ships and confined spaces, but for ordinary work this simple mask made by Bauer & Black is very efficient and in quite wide use throughout the trade for that purpose.

The amount of mist or vapor coming from a spray gun is largely theoretical. That is, the volume of cloud of mist that you see on a damp day looks very great, but as a matter of fact in many cases it is not more than one or two per cent. of the portion of the paint. It simply is a colloidal mist which mixes with the damp atmosphere and produces this cloud.

(President Trigg resumed the chair.) President Trigg:—Item No. 87, Varnish Manufacturers' Committee, Mr. Hancock, chairman. The secretary will report for Mr. Hancock.

Secretary Horgan:—This report is one of the several reports that are informative in character. It contains no specific recommendations and unless someone desires to hear it read we will pass it on to the convention with the approval of the Board of Directors.

Mr. Robinson (Cleveland):—I so move. (The motion was seconded and carried.)

The text of the report follows:—

Report of Varnish Manufacturers' Committee

The varnish industry during the past two years has successfully weathered the most serious depression that it has ever experienced. The combination of circumstances was unprecedented, and under the conditions that prevailed losses were unavoidable. Since the beginning of the present year, while the industry still found itself confronted with many problems of readjustment, there has been a growing demand for varnish products and the volume of business has steadily increased, until at present every manufacturer is operating at about normal capacity. This, with the more economical cost of production learned from the experiences through which we have passed, will make 1922 a profitable year for all, and the prospects for business were never better, and apparently the industry generally was never in such a sound condition.

The present market on raw materials rules very firm and the continued strong prices for these commodities, of necessity, may be reflected, although reluctantly, in the price of the finished product. However, it would be very much better for the stability of the business if prices could be held approximately where they are, as the results that must follow a second period of inflation are quite obvious.

There has been considerable discussion relative to the advantages to be had by the practice of certain simplified methods of production and distribution in the varnish industry. It has been the conclusion of many that a considerable saving can be made by the manufacturer in the cost of production and distribution by the elimination of certain non-essential colors and sizes and by packing practically all varnishes, from quart sizes down, in round cans, and the distributor will likewise be greatly benefited by the decrease in the amount of stock necessary to be carried, with the accompanying decrease in capital invested and the resulting increase in turnover. However, it is a very difficult task to offer a program of constructive simplified practices that will meet with the approval of everyone; nevertheless, it is earnestly hoped that this subject will have the thoughtful consideration of every member of the varnish industry, both manufacturers and distributors.

A careful survey of the present prosperous condition of our industry cannot but impress every member, both manufacturer and distributor, with the great benefits to be derived from their hearty support of the two magnificent sales helps being conducted by the "Save the Surface" and the "Clean Up and Paint Up" campaigns, each having its particular field, and it is earnestly hoped that every varnish manufacturer and distributor will not only support these campaigns with their financial investments, but also by connecting up their own individual advertising campaign with those of the "Save the Surface" and the "Clean Up and Paint Up" wherever possible.

Respectfully submitted,

C. F. EHLE,
W. R. CARNEGIE,
E. H. HANCOCK, Chairman.

President Trigg:—We will now have the preliminary report of the Nominating Committee. Mr. Cornish.

Preliminary Nominations

E. J. Cornish:—Mr. Chairman: Your Nominating Committee has been in session all this morning, and I am prepared to make a preliminary report which I believe is in proper form.

I think it is proper to state that your own administration has set a pace that makes it difficult for us to find a successor. (Applause.)

President Trigg:—You mean the whole industry has set the pace. Mr. Cornish:—We have, therefore, canvassed the entire trade, and we had standing out pre-eminently for service a gentleman who, when the government was looking for a man who could do things in a way that would satisfy the public and all interested parties—has made good on everything he has undertaken to do. We recommend Mr. Lewis R. Atwood of Louisville as your next president. (Applause.)

The vice-presidents will be expected during the next year to do a great deal of work. We have promised the president in every zone the vice-presidents will be active and they will all be men perfectly competent to be president of the association. We have all admired the magnificent entertainment that we have had in Atlantic City. We know the gentleman who is active in that, and who has demonstrated wherever he has been that he is a man who can do whatever he is called upon to do. Therefore, in the Eastern Zone we are recommending Mr. E. V. Vetter as vice-president. In the Central Zone the committee met with much difficulty because that takes



H. J. Kuhne
New Southern Vice-President

In many cities of great importance. We have felt that strategically placed areas of the Committee of St. Louis should at this time be made the vice-president for the Central Zone.

In the Western Zone reports have come of the magnificent work done by Mr. Sydney Rasmussen of Rasmussen & Co., Portland, Oregon. No other name has been suggested, and no one has been praised more for the work done during the last year in assisting President Trigg than Mr. Rasmussen.

In the South the committee is recommending Mr. H. C. Kuster, of the Paint & Varnish Works of Houston, Tex. In the Canadian Zone Mr. George Henderson of Brandon-Henderson Co., Ltd., exporters of white lead and manufacturers of prepared paints of Montreal.

The committee is not yet prepared to report on the position of treasurer, and we will ask leave to consider that later in the supplemental report.

We have here a list of directors whom we are prepared to recommend, as follows:

Atlanta, A. P. Tripod; Baltimore, Milton Hirschberg; Birmingham, K. Y. Benson; British Columbia Association, L. C. McDermall; Buffalo, H. J. Rolfe; Central New York, P. L. Miller; Chattanooga, W. G. Gilman; Chicago, H. A. Melum; Cincinnati, W. H. Crawford; Cleveland, H. O. Gibson; Colorado, H. Pickett; Columbus, H. C. Deary; Dallas, T. S. DeForest; Dayton, John G. Low; Detroit, H. S. Boutell; Duluth, F. R. Beatty; Fort Worth, C. A. Bennett; Golden, Gate, S. Reider; Grand Rapids, W. Kuster; Houston, E. D. Griffith; Indianapolis, M. B. Emley; Jacksonville, J. H. Gay; Kansas City, C. B. Bale; Los Angeles, E. A. Bradley; Louisville, J. F. Kurfurst; Memphis, John J. Farrell; Milwaukee, Walter F. Mayer; Minneapolis-St. Paul, J. W. Daniels; Mobile, H. R. Luscher; Nebraska, G. D. Cunningham; New England, Charles B. Robbins; New Orleans, W. B. Ulley; New York, H. Brenner; Philadelphia, H. Bowen; Pittsburg, L. C. Buckner; Portland, Me., H. B. Foster; Portland, Ore., C. C. Patterson; Poughkeepsie, S. H. Richmond; St. Louis, J. C. Hendricks; Savannah, J. C. Nash; Terre Haute, C. W. Frederick; Toledo, Fred E. Pitt; Toronto, T. J. Penberthy; Utah, Claude S. Erb; Washington, Albert Flynn; Wichita, Eugene Waugh; Individual, H. W. Rice.

I can state that we have not asked these gentlemen whether or not they would consent to be members of the Oil and Varnish Association is the highest honor that any man can receive, our association can receive at our hands. We don't want to be put in the position of seeking men to render service, but the way for them to receive honor is to be glad of the opportunity to render service, and I am sure all the names we have here will be glad to do what they can.

(Applause.)

President Trigg:—This is in the form

of a preliminary report which calls for no action on the part of the session this morning. It will come before the session this afternoon in the form of a final report.

(The meeting adjourned at 12:30 p. m.)

Fifth Session

Friday Afternoon

The meeting convened at 2:30, President Trigg presiding.

President Trigg:—We will first have the report of the Export and Foreign Trade Development Committee, Mr.

Cornish.

Mr. Cornish:—Gentlemen, the board

voted its approval of the report of the committee and recommends its adoption and refers it to the meeting for discussion.

Mr. Cornish:—Mr. Chairman, I don't know whether you are rushed for time or not.

President Trigg:—We will be very glad to give you what time you can use, Mr. Cornish.

Mr. Cornish:—

Working with the Jobber

Mr. Cornish:—I would like to make a few comments on what our friends have said to believe that if we could dispense with the middlemen, it would be advantageous.

Today every person has learned by experience that the middlemen perform a service for which they should be paid; that they are actually economical, and all statements that the work performed between the manufacturer and the consumer is so much waste, that could be saved to the world, is simply narrow and misleading.

Now, however, we are met with another situation that our friend did not mention and that is, that when manufacturers make allowances for the expense of middlemen, the expense of distribution, the wholesaler and the retailer, we find service in the way that is advantageous to all parties.

The greatest evil is the custom that has grown up to take well-advertised brands as leaders to advertise, and to follow them at a cheap price and thereby draw people into the stores. The effect of that is very injurious to the manufacturer; it is a fraud upon the public. There seems to be no way to protect ourselves from such frauds as has apparently endorsed the idea that it is advantageous to the public, that any man shall have a perfect right to sell goods for less than cost in order to persuade people that they are selling all their goods at less than cost, or at least cheaply, and that any effort on the part of the manufacturer to prevent such fraud and deception justifies the Federal Trade Commission in filing complaints against them for such conduct.

I don't know that this is the time to bring it up; I don't know that this is the convention where it should be brought up. I am quite certain that I am not the man who can properly bring it up, because I happen to be connected with a company that is already the subject of complaint by the Federal Trade Commission. But I can't help among my friends here, saying that when you are spending large amounts of money to make your goods known, to build up your brands and your trade marks, to put your character behind your goods, that if at all you have succeeded in establishing a reputation for yourself and your brand, some person can come along and sell your goods cheaply and selling them for less than cost in order to attract the public, it will be forcing your other customers to sell your goods at a price that is below cost. We are building up in the United States, then, a system of fraud, sanctioned by Government officials; we are injuring all the work that is being done and some time the business men of this country must unite in saying that that ought not to be. (Applause.)

President Trigg:—If the president may make a suggestion to the meeting, he is very much impressed with the importance of the remarks made by Mr. Cornish. I think perhaps some of the rest of us may have felt the pinch of just the same sort of thing.

A question for the minute the advisability of this meeting today, in the absence of some previous careful deliberation, taking any definite stand itself on the subject, but I would like to suggest for your consideration the advisability of referring the matter to be couched in such language as Mr. Cornish or such other person or committee as you might wish to have do so, think best—to the National Chamber of Commerce as a matter which affects all business in the United States. That being the national machinery which business men as a whole have available for the consideration of just such subjects, it would seem to be the logical place to have it talked out and perhaps some final action taken.

I submit that to you for your consideration. Mr. Cornish, do you think that would be well?

Mr. Cornish:—I think it might be very good, indeed, Mr. Chairman. I don't feel as though I personally would like to be further connected with the transaction. I am under complaint now by the Federal Trade Commission, and our sole offense has been that where people were selling our brands of lead at less than they were

of doing business, and speed up turnovers, because the two are inseparable. Slow turnovers increase the overhead cost of doing business, while quick turnovers reduce it. Merchandise which sells on a small margin of profit can be turned into profitable lines by speeding up the turnover, and so on all along the line.

If there are any suggestions in this report which will be of benefit to any of our members present, we shall be more than pleased to hear these points discussed and adopted. We do not make any recommendations, but we believe that there are enough manufacturers and distributors present today to give this report more than its mere adoption without discussion.

Respectfully submitted,

W. F. STOLLBERG,

C. F. WATTER,

G. J. MICHEL,

C. KESKE,

W. H. HARRIS,

R. McC. BULLINGTON, Chairman.

RAYING to us, while not absolutely refusing to sell it, yet when we were short of lead and could not fill all of our orders promptly, we did not feel that that class of buyers were entitled to preferential treatment. (Applause.)

That is a fact, and that is a fact of course, that we will have to admit when the time comes, but I am not taking my individual law suit into this body to get any assistance from you. We can take care of that ourselves when it comes.

I was, simply as a member of this organization, calling attention to an evil and a grievance that will be your evil and grievance unless sooner or later some remedy is found.

President Trigg:—When I referred to the fact that so many of us might feel the pinch of that sooner or later, I had in mind a very similar situation which was created locally in the Philadelphia market, and affected the company with which I am myself connected.

Philadelphia, selling paint, advertised in the Philadelphia papers last spring our goods at our prices. We have a good many dealers in the city of Philadelphia who are selling our goods, and they complained, and complained bitterly. We went to this department store, talked to the principals of the company, and they said they were very sorry, but that was their way of doing business; they were sorry they had to hurt any reputable concern, but they did that sort of thing deliberately; they planned it all in advance; that other seasons of the year they did the same thing with the products of other manufacturers in other lines of business, and that was the way they built up their business to have leaders.

They said, "Now, you may refuse to sell us your goods, but we will get them anyway."

We did not fill their orders, but they continued to get our goods, and we found that they were placing orders with small dealers around the city of Philadelphia for our products, giving these dealers as big orders as the dealers would handle, and paying the dealers a profit of ten cents a gallon over the price they paid us for our paint to get it for them. Gentlemen, they sold it at a price substantially less than that which they paid for it. The burden was put on us of checking up every dealer's order to see that they weren't really buying goods for the account of this particular department store.

We consulted our attorneys and were advised that there was no action which we could successfully bring in the situation. I think that is practically the situation Mr. Cornish is discussing.

I can see no harm in our putting this matter up, properly expressed, to the National Chamber of Commerce. The course there would be that it would be considered by its Board of Directors in its national aspect, as applied not to the products of our industry specifically, but as to the products of all industries of the United States, and if it seemed to that board that it was a matter which was proper that they should take up some way of preventing it forcefully before Congress.

Relations to Be Studied

Mr. Bullington:—If it is in line, sir, I

would like to make a motion that the Chair appoint a committee from this body to take the matter up with the National Chamber of Commerce.

I would like to say in behalf of the association that I represent that we are absolutely in accord with Mr. Cornish and any other manufacturer along lines of that kind. Our slogan is a square deal all around, as you know, from manufacturer to consumer, and I think that the manufacturers are entitled to consideration along this line, and I would like to make such a motion, if it is in order.

(The motion was seconded.)

President Trigg:—The chairman understands the motion to be that the incoming president will appoint a special committee to prepare this subject and to see to its proper presentation to the Chamber of Commerce of the United States. Is there further discussion? All in favor will please say "aye"; contrary, "no."

(The motion was carried.)

Now there is a motion to approve the recommendation of the board, that this report be accepted, in order.

R. S. Wessels:—I move the action of the board be concurred in.

(The motion was seconded and carried.)

President Trigg:—Now the last report, Paint Manufacturers' Committee, S. R. Matlack, chairman.

On motion, the reading of this report was dispensed with. The text thereof follows:—

Report of Paint Jobbers' Committee

There are several important points with regard to the distribution of paints, varnishes and allied lines which your committee desires to present for your serious consideration.

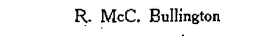
It was felt when the world's war was over that business would generally go back to normalcy, but we find during the present year business interests have been facing critical conditions; strikes and labor troubles all over the country have presented an unlooked for condition which has necessitated the distributor to carry larger stocks than he otherwise would have carried, which slows down his turnover and increases his overhead cost of doing business.

The distributor of paints and varnishes occupies just as important a position in the paint industry as the distributor does in any other industry, which is the economic manner for a manufacturer to distribute his goods over a large territory. It should be kept in mind that the distributor carries a large stock of merchandise representing the products of the leading manufacturers. The dealer in his surrounding territory is able to secure immediate delivery of almost anything he requires. If it were necessary for these orders to be sent to the manufacturer it would require considerable time for delivery of the merchandise and would slow down business generally. Business conditions during the past decade have speeded up just as much as our method of transportation has been increasing, and therefore distributors occupy a logical position in our commerce.

The distributor's trade is a more desirable customer than the average dealer trade. This gives quick returns and large sales, which reduces the manufacturer's cost of doing business. We do not mind saying that the distributor's average overhead cost of doing business is over 20 per cent, and distributors handling certain lines, such as paints, glass and wall paper, their overhead cost runs up as high as 25 per cent. Therefore, merchandise which is bought on a discount basis of 10, 12½, 15 or 20 per cent. with a slow turnover, actually shows the distributor a loss of profits. Such items as ready mixed house paints, floor paints and porch paints should be sold to the distributor on a basis that would pay the distributor a profit, rather than show a loss. These figures are not guess-work, but represent definite information.

We believe that there is a service that the distributor should render, and that distributors of all lines of merchandise are only waking up now to their real position. The distributor renders a service, but this service must be improved. A salesman must be a salesman, and not an order-taker. It should not be a question of how many towns a salesman can make in one day, or how many customers he can call on during the week, but rather showing the dealer how he can increase his efficiency, increase his sales, cut down his overhead cost of doing business, and when the salesman shows the dealer this he will not have to work very hard to put in new lines or to take orders for fill-ups. These come of themselves.

The paint salesman of the future for the distributor must turn himself into an efficiency expert and educate the dealer trade along the lines indicated above if he is going to be of any real service and value to his house. There is room in the paint business for a tremendous amount of education among dealers and master painters. This work should be started by the distributors and carried on among the dealers in order to properly perform the functions of a distributor. It may be a slow process for the distributors to wake up and adopt this method of doing business, but we predict that if they are going to be successful and maintain their prestige in their respective localities they will sooner or later arrive at this point. All of this will cut down the overhead cost



R. McC. Bullington

Hasse, chairman. Mr. Hassé has wired that he could not be here. The reports of the dealer trade show no report from that committee.

Mr. Bullington will present the report of the Paint Jobbers' Committee.

Mr. Bullington presented the following report:—

Report of Paint Manufacturers' Committee

Out of a friendly call of one paint manufacturer on another back in 1898, when the country's business was in a topsy-turvy condition and a mad scramble as a result of war's turmoil, has sprung an organization with a wonderful record of friendly co-operation, "The Paint Manufacturers' Association of the United States."

We have been told that the manufacturer who was making this call had ranking in his breast the idea that the underhand methods being practiced were not in keeping with good business; that they were not only retarding the growth of the manufacturers of paint, but they were keeping these manufacturers far in the rear of the procession of manufacturers of other commodities; that the methods being used were fast destroying the credit and the usefulness of the paint business, the exchange of stocks of paint in the placing of new dealers resembling the barter and the trade method of the old time horse trader.

These things were talked over, and out of this friendly conversation and visit has grown our organization, an organization which has been cited by the official family of the President of these great United States as not only being an organization of merit and an aid to ourselves as manufacturers and distributors, but an organization of which the country can well be proud.

Our action last fall in adopting the goal of making "1922 the Greatest Paint and Varnish Year as the First Step Towards Doubling the Industry by 1926" was taken, we are sure, while many of us were possibly pessimistic as to its outcome. Making "1922 the Greatest Paint and Varnish Year" has been accomplished. "Doubling the Industry by 1926" is going to be accomplished just as surely.

The work of the "Save the Surface" Committee has contributed largely to the wonderful growth of our business in the past two years, and the thought that has been given by the heads of this committee and by its advertising and promotion men in developing the great movement for the use of more paint and varnish in the mind of the public at large has brought about, statisticians tell us, the most wonderful result of any advertising campaign ever attempted.

Along with these statistical reports we have felt this result ourselves in a very large way. The distributor, the retail dealer and the painters in their reports say they have gained materially by it.

Backing the "Save the Surface" Committee, and giving them the much needed and expert advice at all times, is the Educational Bureau of the Paint Manufacturers' Association. Since its inception the work has gone on untiringly with the most complete co-operation between the Paint Manufacturer, the Distributor and the Master Painter. Since its first marked success, immediately after the agitation brought about by legislation in North Dakota, the building of the test fences in Atlantic City, Pittsburgh and Fargo, and the small test fences built at other points in the United States, these things being brought to the notice of the general public in a modest way has placed our Educational Department in an enviable position with manufacturers of other commodities. Not only has this work proved that we are solely intent upon giving to the users of Paint and Varnish the best that there is to be had, but it has proved the fact that we are making advances in our line unselfishly; that every move is open and above board.

The bulletins that have been issued by the Educational Bureau, some seventy-six in number, are of the utmost value to Paint and Varnish Manufacturers, and to the Distributor, Painter and ultimate consumer of Paint and Varnish, and a great number of them are of incalculable value. They must, however, be read and studied to be thoroughly appreciated. Engineers and technical consumers have used these papers in a great many cases as specifications on their work.

The Technical and Publicity staff of the Bureau is always available for lecture work, the preparation of technical and popular articles for the press, the preparation and presentation of special papers for schools, colleges and organization meetings. In the course of this work either Mr. Gardner or Mr. Heckel, or both, have addressed the student bodies of some twenty or thirty leading schools, colleges or universities, some of them repeatedly. This work has been carried on not only by delivering special addresses before these bodies, but they have been illustrated with stereopticon slides and moving pictures. This work, thoroughly tied into the "Save the Surface" Campaign, has proved without doubt that not only property, but manufactured articles, will consume quantities of Paint and Varnish that none of us have ever thought of manufacturing or selling.

The great amount of time spent by Mr. Gardner and his assistants in laboratory work, the testing of each article, pigment or vehicle that comes to the notice of Mr. Gardner, the working out of combinations, the untiring work that he has done for each of us, the enviable place he now holds in the eyes of all of those in the employ of the Government at the Bureau of Standards, the "burning of midnight oil" in the compilation of his last two books that we might have at all times, for ourselves and our employees, works that were authentic as to all of the newer vehicles and oils, the method for their proper treatment, the new pigments, their reinforcers, and the proper method of grinding, his papers on bulking values, his work in co-operation with the best hospital authorities on proper colors for hospital wall surfaces, his more than scientific study and his paper on "Paint as an Aid to Proper Acoustic Conditions," his study on the practicability of spray painting, his papers on the same that are being asked for and read and then used as guides by the best of our Master Painters, represent just a part of his work and the work of the Laboratory. Nights of travel and days of work has Mr. Gardner put in, all in order that we as an association of manufacturers should be fortified against possible mistakes and at the same time be placed before the general public as the one body of manufacturers in the United States that are not only seeking out the best for themselves, but co-operating with all other manufacturers in the proper solution of their problems in surface protection. We should never, for one moment, forget that the laboratory in Washington offers assistance of a kind not comparable with any other in the world today.

Probably no body of men in any industry in the country or the world has achieved so much for the general good, both of manufacturers and consumers throughout the world, and throughout the world it is looked upon by technologists as the final exemplar of how such things should be done, and the final authority.

These special features of great educational value in the hands of such men as are handling the work of the "Save the Surface" Campaign is going on and on to an ultimate result that will, in the end, give the industry credit for having saved for America her greatest asset, her greatest wealth, her natural materials.

A committee that has, from its first appointment, helped materially to place our Association in an enviable light before other manufacturers is the

Flax Development Committee. From time to time this Committee has placed itself and the Association as a whole before the people as one of America's greatest conservationists.

Had it not been for the work done by these men, our crops of flax in the Northwest and in Canada would today be nil. Their methods of sowing and treatment of soil for the growing of flax, for the eradication of flax wilt, have been taught to the farmer who was fast growing tired of failure. These methods have kept the Northwest and Canada with an acreage that fifteen years ago we would have said would have been impossible in 1922. The Paint and Varnish Manufacturer could, with the farmer, see nothing but failure before this Committee got down to the real cause of the trouble. Their work benefited the Paint and Varnish Manufacturer, the Linoleum and Floor-Covering Manufacturer, the Manufacturer of Imitation Leathers, the Soap Manufacturer and many others who are looking to our Association as leader of leaders in progressive conservation.

In our opening paragraph we mentioned the visit out of which was born that conversation that had to do with business done with the dealer. There was yet an outcropping sin—it may have been a sin of omission, or a sin of commission, but, whatever it was, it is being corrected in a most diplomatic manner. Sinners are brought before the bar and then forgiven. M. Q. McDonald, in charge of the Unfair Competition Bureau of the Paint and Varnish Industry, is doing most admirable work in this line.

This Unfair Competition Bureau means much more than its name implies. Quietly and not unlike a secret service, its eye is always out for mislabeled or misbranded goods. Warnings are sent out; the chance is given. If not heeded, look out. The hammer falls. Commercial bribery has so well been handled that we are all but free of it in our industry. Where there is a salesman that so lowers and besmirches himself as to offer bribes there is a superintendent or boss that has taken it, but who has the fear of God so thoroughly inculcated in him by the Federal Trade Commission that they are both cured.

The high prices of certain commodities that we manufacture and sell has been to some a temptation to adulterate and misbrand. This practice is fast going into limbo and but few shreds of it will last through the coming year. Shellac is Shellac. Shellac and Rosin are Shellac and Rosin. There is no such thing as "American" Shellac. A point that Mr. McDonald has always taken is: That a statement to the Federal Trade Commission should be well founded. His complaint was always as nearly perfect as it could be before the complaint was registered. The representations made by him to the Federal Trade Commission are accepted at face value. In a recent address before the Refractories Accountants' Institute, Commissioner Thompson of the Federal Trade Commission, mentioning commercial bribery and misbranding, stated that the Paint and Varnish industry, instead of resisting any attempt to clear up the situation, with a most commendable spirit did the right and honorable thing and went so far as to create the Unfair Competition Bureau. He further stated that the co-operation they had received from the Bureau had been remarkable. In another address, delivered within the month, he again pointed to the Paint and Varnish industries as an example of what had been and should be done. In a report by the Commission to the Senate, published in the Congressional Record, the Commission, referring to Mr. McDonald's Bureau, stated "This Bureau has more than justified its existence."

So far-reaching has been the work of our Unfair Competition Bureau that it has attracted the attention of the Harvard University Graduate School of Business Administration. Mr. McDonald addressed the school. It is a privilege that is offered to few.

Other committees, such as the Traffic Committee, which is at all times on the lookout, keeping an eye out lest we be imposed upon with unreasonable charges, and to see that freight regulations and freight charges are built up and framed so that they are fair to all. The Fire Insurance Committee at all times is putting at our disposal the best of rules for the prevention, not only of fire, but of conditions which may result in causes of fire, and then placing before us insurance of our own at such a rate that we are justly complimented by other manufacturing industries not having such a mutual at their disposal.

Our Cost Accounting Committee, which is continuing the work, bringing it up to a higher standard than any standard we have had in ten years, putting before each of us a perfected system, a system the result of much study, a system that glistens with money-saving features, a system which has been adopted by many of our best concerns and which has most beneficially modified the existing systems of many more.

All of this work being done, with but few exceptions, by men without pay or compensation, showing a devotion to association work many times in detriment to their own interests. Hours of study and concentration upon the subject at hand, then committee meetings in distant cities, while their own desks piled up with work that was left undone and impossible of doing by other heads and hands than their own. Such devotion is what has made us what we are today, without any doubt, the greatest of all trade associations.

Respectfully submitted,

JOHN IRWIN,
A. C. CLERIHUEW,
N. T. CHAPIN,
G. D. WHITE,
S. R. MATLACK, Chairman.

President Trigg:—The board approves of the report, and therefore in voting upon this please understand that you are voting upon the acceptance and approval of the report and the recommendation of the board. All in favor will please say "aye"; contrary, "no."
(The motion, as stated, was carried.)

Joint Meeting in 1923 Planned

President Trigg:—There is one other thing, gentlemen: the president would like to ask your action upon. The National Varnish Manufacturers' Association and the Paint Manufacturers' Association of the United States have both passed resolutions authorizing committees to handle the question of the time and place of meeting for another year, the thought being that for decision in this matter as to the place of meeting for 1923, we will again have a conference committee which will function in the situation somewhat similarly to the manner in which the Conference Committee functioned during 1922.
Does some one wish to offer a resolution that the National Paint, Oil and Varnish Association appoint a committee to confer with these other two committees, with respect to the time and place of the meeting for 1923?
(It was voted, upon motion duly made and seconded, that a committee be appointed to confer with the other associations' committees with respect to the time and place of the meeting for 1923.)

Statistical Service

Convention of Technologists

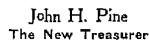
Educational Work

Shellac Labeling

Mr. Matlack:—It was.
Mr. Zininger:—We feel that is of the

namment, also a vote of thanks to the Northfle.
Country Club for the courteous use of the
clubhouse and course for both the ladies' and
the men's tournaments.

President Trigg:—Gentlemen, you have heard the motion of the chairman of the



Truthful Labeling

Mr. H. B. Gates for his work in arranging and supervising the details of the golf tournament, also a vote of thanks to the Northfield Country Club for the courteous use of the clubhouse and course for both the ladies' and the men's tournaments.

President Trigg:—Gentlemen, you have heard the motion of the chairman of the

Nominations and Election

President Trigg:—Gentlemen, you have heard the motion of the chairman of the

heard the motion of the chairman of the

Nominating Committee. Is there a second to it?"

(The motion was seconded by Mr. Chasman.)

President Trigg:—Are there any further nominations? If not, the motion is to instruct the secretary to cast one ballot electing the full ticket as nominated by the Nominating Committee. Are you ready for the question? All in favor will please signify by saying "aye"; contrary, "no." Mr. Secretary, will you cast the ballot?

Secretary Horgan:—The ballot is cast.

New Officers Installed

President Trigg:—Now, it becomes the very pleasant duty of the ex-president to invite Mr. Atwood to the platform. Mr. Cornish will see that he is properly escorted to the chair.

(The members arose and applauded.)

President Trigg:—Mr. Atwood, before you say anything, and gentlemen, may I remind you new president and you of something which I said in my address on Wednesday evening? I want to say it to you again just like it was. I said,

"While the duties of president have been called for time and effort that were sometimes exacting, this has all been compensated for by the inspiration of close contact with the men of the industry, and by the opportunity for serving in so fine a cause. I want here to express my very deep gratitude for the support given the office of president this year. I have not too greatly regarded this as personal, proud as I am to have had a measure of your good will and respect; I have felt rather that this support came from a growing recognition of an ideal for our industry. After all, true leadership is not found in men, but in ideals. Men can serve only to give words to ideals."

"I believe that this spirit of co-operation has become widespread, and fills this office symbolizes and speaks for that spirit. I ask that you give to my successor an even greater measure of support than you have given me. He will have much to do because the industry has much to do, and I bespeak for him

your enthusiasm, your energy and your best thought. He will give his best to you, to give him your best and I can say to him that at the next convention as he stands as I do now, his period of contact with the industry for the industry will be a deep and abiding satisfaction which he will carry throughout his life. Good luck!" (Applause.)

President-Elect Atwood:—Gentlemen of the Convention—I find myself standing here today with very mixed feelings. This morning when your Nominating Committee came to my room and told me of their action, I was appalled with a solemn sense of responsibility as to this job. It is such a big one and it has been made so big by the men who have just turned it over to me and those who preceded him.

I have doubts and fears as to whether I will be able to do it right, but I think I will, with the men who are to help me. If it wasn't for them I couldn't. I am going to have Mr. Trigg, I am going to have all these vice-presidents, and the Board of Directors, and I am going to have all of you. I am going to help you. I know you want me to do well, and I am going to give you the best there is in me.

My other feeling is one of pride and personal gratification. I think this is the greatest honor you can do a man. It is a very great honor to be president of the greatest trade association in the United States, for that is what I believe this is. As Mr. Trigg says, ideals are the thing, and our ideals that we have been living up to and reaching up to higher and higher every year, has made our organization what it is—the model of all others.

I am not going to make a long speech. I mean to thank you from the bottom of my heart. I appreciate it deeply and I am going to do the best I can. (Applause.)

Mr. Peters, can't we hear from you? (Applause.)

President-Elect Peters:—Gentlemen, I appreciate the very great honor and confidence which you have imposed in me in electing me vice-president of this

great association, and I promise to give you the best that I have to deserve this honor. Thank you very much. (Applause.)

President-Elect Atwood:—Mr. Kuhn,

from the Southern zone.

Mr. Kuhn:—Mr. Peters has expressed my feelings in the matter very well. I feel that my short connection with your association over the last couple of years makes me doubly appreciative of the confidence you have placed in me. In thinking that I can in any sense take care of the great responsibility of the South in helping our worthy president, I will give you the best I have, and I hope that I will prove worthy of your trust. (Applause.)

Mr. Pine:—I have been a soldier in the rear ranks here for twenty years, and didn't expect an honor of this kind. I don't know but what the association is taking some chances in my handling the money, but, Mr. President, I certainly will try to support you and get this money and disburse it to the best of my ability. And I am certain that I am applying to the Committee with yourself inasmuch as we have had an acquaintance from boyhood on, and I am sure that I can make your administration the best ever. (Applause.)

President-Elect Atwood:—I would like to ask the directors to rise and let the meeting see them as their names are called.

Secretary Horgan called the roll of the newly elected directors. The following gentlemen rose and were greeted with applause: Golden Gate, Mr. Kester; Milwaukee, Mr. Marks; New York, Mr. Erling; Philadelphia, Mr. Zowen; St. Louis, Mr. Henniges; Savannah, Mr. Nash; Toledo, Mr. Pike.

President-Elect Atwood:—Gentlemen, I am sure if that Board of Directors will help me out, it will be all right.

Greetings to Former Presidents

Mr. Cornish:—Mr. Chairman, it has been a custom, that we have already adopted in part for this meeting, to send a message of greeting and good will to

our ex-presidents who cannot be here. I therefore move that the secretary be instructed to send appropriate messages (that the secretary can word so well) to ex-presidents W. H. Andrews, John M. Peters, Charles E. Field, William Waterfall and Howard B. French.

I know that Mr. Andrews and Mr. Peters are not here because of illness. The absence of Charles E. Field is absolutely inexcusable. (Laughter.) As for the other gentlemen, I don't know, and therefore will not condemn them.

President-Elect Atwood:—Is there any further discussion of the motion? Are you ready for the question?

(The motion was carried.)

Mr. Monvenny:—Mr. President, if I may be allowed, I can't permit this occasion to pass without expressing my appreciation for the courtesy that was shown to the Canadian delegates. I overheard a remark made by a gentleman at the opening session; he asked his friend who was sitting beside him why they had the Union Jack placed alongside of your Stars and Stripes. His friend replied that it was a courtesy to the Canadian delegates.

Gentlemen, I wish to say on behalf of the Canadian delegates that we appreciate that courtesy very much. As long as those two flags fly together, it speaks well, sir, for the good will and peace of the whole world.

I also, sir, if I may be permitted, would like to make a suggestion to the committee who are going to arrange for the next convention. We have two splendid convention cities over in Canada—Toronto, where I come from, and Montreal, in the Province of Quebec. One of the manufacturers of a very delicious amber fluid of Intercolonial (laughter) came out not long ago with a full-page ad in one of the daily papers showing the Statue of Liberty, and on top of the Statue of Liberty was a bottle of his particular brand; and at the bottom, the only wording that was in the ad, "Quebec, the land of liberty." (Laughter.)

When you come to Montreal, gentlemen, you will be in the land of liberty. (Upon motion duly made and seconded, the convention adjourned at 3:30 p. m.)

Entertainment Features One Round of Pleasure

Annual Banquet and "Million-Dollar Night," Along with Men's Golf Tournament, Form High Lights in a Continuous Program of Social and Athletic Events That Tax the Pleasure Absorbing Capacity of Those Attending

Arrangements Committee

To the chairman of the Committee on Arrangements and Entertainment, E. V. Peters, and his energetic and hard-working associates and nondutifuls, should be accorded the highest praise for the happy and most successful manner in which the numerous social and sporting events outlined in this report were carried out. Their praises were sung on every hand, but not one whit more than they justly deserved.

The members of the Entertainment Committee were:—Mr. and Mrs. E. V. Peters.



E. V. Peters
New Eastern Vice-President
Chairman of Committee on Entertainment and Arrangements

Peters, chairman; Mr. and Mrs. G. M. Breinig, Mr. and Mrs. H. D. Ruhm, Mr. and Mrs. C. Dunning French, Mr. and Mrs. Leonard A. Boale.

One of the arduous tasks of convention routine is the conduct of the Registration Bureau, which calls for a high degree of usefulness service in both time and effort from those who carry on its work. The men responsible for its smooth and speedy working were C. A. Stegman, Norris B. Gregg, Jr., George B. Heckel, Jr., Frank F. Hockett and T. P. Darcy.

One other task of uncommon degree was the preparation of the seating arrangements for the banquet, and the publication thereof, a task to which the fol-

lowing gentlemen gave up an entire day:—G. M. Breinig, D. D. Ederger, Carl H. Black, H. Howard, G. O. Walker, H. G. Shiebottom, W. A. Aiders, Dudley W. Fligis and Harry J. Schnell.

Dinner by President

The first item on the program of entertainment of the National Paint, Oil and Chemical Association convention was President Trigg's dinner, which was held in the ballroom of the Ritz-Carlton on Tuesday, November 14, at 6 p. m., and was attended by fifty persons.

The dinner was followed by the meeting of the Board of Directors, at which were considered the secretary and treasurer's reports, and the reports of the various standing committees with their resolutions.

Get-Acquainted Party

At 8 p. m., on Wednesday, November 15, a tea and "get-acquainted" party for the ladies was held in the Palm Court of the Ritz-Carlton, which proved a success from every viewpoint. About 200 of the ladies were present.

The outstanding feature of the party was the appearance of Khaidah, the mind reader. He held the attention of the ladies continuously by his uncanny ability to read their minds. He drew pictures of the persons whom certain members of his audience had in their minds. Another feat was to ask members of the audience to think of some song, and without further ado he had the piece played.

A musical program was also provided, and tea was served. Mrs. E. V. Peters welcomed the ladies who are new in the realms of N. P. O. & V. A. conventions.

Aquatic Exhibition

An unscheduled feature of Wednesday's entertainment program was a diving and swimming exhibition, given in the Ambassador pool in the morning by J. A. Miller, secretary of the Detroit Yacht Club. Mr. Miller is a diver and swimmer of marked ability, and has won several medals for his proficiency.

In his exhibition Mr. Miller performed about ten dives, four of which are compulsory under the rules of the American Underwater Club. These dives included the jack-knives, and six optional dives of an acrobatic and tumbling nature.

President's Reception

Wednesday evening occurred the reception to President and Mrs. Trigg, also in the Palm Court. A large proportion of the menfolk and their ladies in attendance at the convention took advantage of the opportunity to shake hands with the president and his wife, and to wish them happiness and long life for many years to come. The reception was followed by dancing, indulged in long after the midnight hour.

Ladies' Golf Contest

The entire day Thursday was pretty well taken up with entertainment taken as far as the ladies were concerned. Shortly after breakfast the ladies assembled at the golf course of the Northfield Country Club. Various golf and putting events had been arranged for players, near-players and nonplayers. Afterward a luncheon was served at the club.

The prize winners were as follows:—Low gross score, 18 holes, Mrs. S. D. Weil, 109—10—89. Prize—Silver center plate, donated by National Lead Co.

Low gross score, 9 holes, Mrs. F. G. Eryer, 58—20—38. Prize—Wrist watch, donated by G. D. Pushtee.

Low net score, 18 holes, Mrs. S. S. Taylor, 138—14—124. Prize—Silver basket, donated by J. H. McNulty.

Low net score, 9 holes, Mrs. Clarence Roush, 65—6—59. Prize—Miss Coffee set, donated by American Can Co.

Driving contest, Mrs. W. R. Morphet. Prize—Traveling bag, donated by Arthur S. Somers.

Approaching and putting contest, first prize, Mrs. George A. Martin. Prize—Mah Jong game set, donated by E. R. Smead & Co.

Approaching and putting contest, second prize, Mrs. H. C. Dean. Prize—Golf bag, donated by Kansas City Paint and Varnish Club.

Putting contest, first prize, Mrs. Carl H. Black. Prize—Feather fan, donated by Krebs Pigment & Chemical Co.

Putting contest, second prize, Mrs. S. M. Evans. Prize—Silver candlesticks, donated by Feusche Laubert Co.

Putting contest, third prize—Mrs. R.

W. Murray. Prize—Traveling clock, donated by Devoe & Reynolds Co. Inc.

More Water Sports

An unusual and attractive entertainment was offered the convention members on Thursday afternoon, when the Ambassador Swimming Club gave an exhibition of expert and amateur swimming stunts. This was the first time that many of the visitors had ever seen mermaids in action, though they had often read about them, and, according to popular acclaim, the published accounts fail to do them justice.

Several champions were featured, foremost being Miss Ethel Biehl, world's greatest woman swimmer, who showed just how easy it is when one knows how. Miss Betty Becker, national diving champion, was another favorite with the 200 spectators. Miss Essie Egan, former national champion over the 50- and 220-yard courses, won generous applause. Miss Helen Fennepacker, for six years Middle Atlantic District diving champion, gave a demonstration of her speed. Miss Dorothy Huchman, another diver fourteen years old, proved a popular member of this splendid team. Pat Kelly, former Middle Atlantic champion, kept everyone in uproars with his comedy stunts.

Other amphibians who took part were Miss Olive Flier, Miss Virginia Benkoll, Miss Ruth Thomas, Miss Hazel Freeman, Miss Edie Edwards, Miss Edith Leeds, aged ten; Craigie Mickie, eleven; Bobbie Smith, twelve; Miss Ellen Spieler, Miss Millan Brown, Miss Aubrey Parry and Miss Corbett Keating.

That "Million Dollar Night"

After many weeks of expectation and speculation as to what the Entertainment Committee had up its sleeve for the widely heralded "Million Dollar Night," when every one who journeyed to the convention was invited to become a millionaire for the time being, that memorable night arrived on Thursday the 15th. The place was the ballroom of the Ritz-Carlton.

When the hundreds of men and women entered the large room they were transported to the halls of the Casino at Monte Carlo, and readily imagined they had become habitués of that famed European gambling resort. On entering the place they stopped at the cashier's desk and received packages containing \$1,000,000 in bills of \$1,000 denomination. Passing on to the side rooms off the corridor they discovered all kinds of gambling devices and games of chance in operation, in charge of professional operators who had been hired by the Casino City by the Entertainment Committee.

The scene that was disclosed would have delighted the heart of the famous gambler. There were roulette wheels, splendid boards, horse racing devices, black and white, faro, Klondike, Big Six, craps and other layouts too numerous to men-

tion. Those who did not know the methods of operation were speedily enlightened by the croupiers, dealers and other men in charge of the games, who showed the spectators how to place their bets and how to run up their money into amounts beyond the dreams of avarice.

Steady and unbroken crowds of folks, as well as the venturesome and sportily inclined, became imbued with the spirit of the occasion, and a wild scramble ensued to convert their million into multi-millions, all in the course of one short evening. The pleasure of the game was not the only thing everybody had all the thrill and excitement of winning and losing thousands without any afterthought of regret for themselves or the other fellow. Everybody was a "millionaire" for one night and did not care who knew it.

When it was all over, each "gambler" left his tied-up package of winnings at the cashier's cage, where the results were counted and those having the largest amount above the original million were awarded the handsome prizes which had been on display in the lobby of the Ritz, according to the list of prize winners announced by the toastmaster at the annual banquet.

While the orgy of speculation was going

think and how little we reflect on what it is that makes it for us, and who makes it for us. Your worthy president just referred to the human element.

My thought now goes right back to that Committee on Entertainment and Arrangements that has worked night and day for weeks to bring about the perfection and the carrying out of this wonderful convention that you have had this week. Little do you know what they have gone through and the troubles they have met with, and I will suggest before we do anything further that you state

cause of the heavy burdens and public duties, as well as Mrs. Hardier's illness, it is not possible for him to be away from Washington at this time. He asks me to express to you his best wishes for a notable, successful convention. Sincerely yours,

George B. Christian,
Secretary to the President.

We all regret that Mr. Trigg in opening this meeting made special reference to the human factor entering into industrial relations. He touched on a very serious problem. It is to those who have anything to do with operating, whether it is factory or whether it is merchandising, that troubles are not what they seem to those on the outside, and that inasmuch as we have had our serious troubles in our factories, it is beginning to appear in many homes. I think it was there probably long before I found that out. I thought occurred to one of the speakers tonight that it would be well for him to say something of this human factor as it relates to the homes and to industrial plants. They have gone to great pains to select a man able and well prepared to talk to you, and I am now going to introduce to you Dr. Willard Scott, of Boston. Dr. Scott. (Applause.)

Human Factor of Industrial Relations

By Dr. Willard Scott

I feel somewhat like the dog in the baggage car who chewed up his tag after this introduction, rather lacking in identification, so I may as well identify myself as a clergyman out of a job. That is to say that I have been out of a pastorate about a dozen years and I am not a clergyman. (Laughter.) When I got out, it broke my health and my heart and my courage. I thought there was a different way to live for, and then the Boston Jewelers Club invited me to a banquet like this. I liked the food better than they had at my church festivals. (Laughter.) The ladies were more attractive, and I saw them as I see them at this dinner, together. I liked it, and I have kept doing that thing ever since by preference.

There are some advantages in being a clergyman out of a job. You get invitations which otherwise wouldn't be likely, and besides you are rather free in what you may say. Now, there was a place where they decided that no clergyman should ever stop on the premises. One day a man who looked like a clergyman is said to have knocked at the door. The caretaker said, "No, sir; you can't come in here."

He said, "What the hell do you mean?" "Why, come in here, sir." (Laughter.) These gatherings are among the most important in the economic world. For the time being you are in the center of the routine of business; for the time being you are attached to the greatest thing in the world, and you are in the center of organizations of Rotary, Kiwanis, Lions, Merchants and the rest, these gatherings of competitive industry and commerce. The element gets opportunities for planting and growth, are extremely valuable, among the most valuable things that I know in our modern ethical life.

I am not a business man, I am neither a saint nor a sinner. (Laughter.) I am like the boy who asks another if he had ever been stung by a bee. He said no, but he had had hives. (Laughter.)

I sometimes had an enthusiasm that I could do business and be a minister. I decided it was simply a rash and not the real thing. (Laughter.) But the gathering together of these men and women, their ladies is extremely auspicious, a dinner, yes, because that is the basis of all comradery.

Man wants but little here below. When he's eating, he's eating. When it's a table d'hôte he wants it all right from the start. (Laughter.)

By all means a dinner, but that isn't the main thing. The main thing is to get the men to eat that counts, it's the men you sit by. (Laughter.)

Now, about this human factor. It has always had a place, but today it has a place paramount, and it is of peculiar importance because of the demand for it. We live. One grown to be as old as I am (though I am not as old as I shall be tomorrow), and the great difference between the past and the present. The old times were relatively easy to manage because they were so settled. Everyone wanted things settled. If they got unsettled they sat on them and settled them. That was the mood of the time.

People never expected to change their opinions and they seldom did. Whatever they lived in the past, they were moved from; whatever business they engaged in they never expected to change; whatever girl they married they stuck to as long as she would let them. (Laughter.) Dignified, but monotonous! (Laughter.)

All that has changed. We change our minds as often as we hear another speech. We change our minds as often as we hear the rent; our business as often as we can make more in another, and our wives as often as the judge will allow. (Laughter.)

Unsettled Condition Popular

We like things unsettled and they are unsettled anywhere. And we are unsettled when they put a bomb under them and unsettle them. Just think of it in two or three periods of our modern life. Nothing has been more settled than family life as I knew it and as I first experienced it. I remember that I was another a long while. I have always believed in long engagements because at least you got the man and you knew another a long while. I have always believed, they settled down. That is just the direction they did in the past. I think that in that direction as long as they lived. There was no romance in married life after the minister got them together. Now there is romance all along.

Engagements are made on slight promises and oftentimes. At Bryn Mawr the girls ask, "How much is he worth?" At Mt. Holyoke they ask, "How much does he make?" At Smith they ask, "Where is he?" (Laughter.)

Well, you get started like that and anything may happen. I heard of a man receiving a note telling him that if he didn't report \$6,000 in a certain time, his wife would be kidnapped. He replied that he hadn't the money, but the proposition appeared to him. (Laughter.)

The whole atmosphere has changed. I couldn't help thinking about the women last night as I was in the room in Commonwealth Avenue, Boston, remembering the old Easter parades, the demure parades of other times, very extremely demure they were. In those old days we used to look at their hats. (Laughter.)

Well, so much for the human relation in the family. Now, the human relation in the school. There was no human relation par excellence in the school. It was absolutely standardized—reading, writing, arithmetic in the earlier grades; Greek, Latin, mathematics in the higher grades. The whole was cultural. When I went, college no one supposed that I could learn anything that I could make a dollar out of. That showed my education. I was successful. We were sent to college to get background, but you can't get background unless you have it. But one thing I learned in school that I have ever used since, and that came in the department of education. I didn't know what to do with myself when making a speech, I didn't know what to do with my hands. I have never found out since. (Laughter.)

Professor Raymond taught me a gesture. He said, "That is a nice gesture. That is the only thing I learned in college that I have ever used since. But when you get out of college and go to college, indeed, it took two in your case—I said to her, 'Sit, what are you going to do?' You cost me an awful lot of money."

"I would like to be secretary to a big man," he said. "That is a nice gesture. She isn't doing it yet, but I liked the spirit of her answer. (Laughter.)"

I was in the city of New York and a girl of twenty to a finishing school; when she got home she had an opening day, and she showed the market. (Laughter.) You can't settle them now; they won't settle. They want a job. My daughter has just finished her college. I don't know the other afternoon for tea. I knew all the girls. Every one of those eighteen years ago is in the city of New York, or social world. Four of them are married, but they weren't paying much attention to that; they were in the market. Manual training in the basement; millinery on the third story, and Greek in the back yard. It is all settled and settled. One outside the realm can do nothing.

One came one day and sought help from his father. He said, "Dad, how much is a million dollars?" His father replied, "It is a hell of a lot of money." He wasn't particularly interested in the boy. At night he said to him, "How now did you get along at school today?"

Not very well, Pop; you didn't give me a million dollars. (Laughter.) We scramble for marks in school. People now want to make a mark in the world. The world is a different world. Sometimes we of the older set are amazed at the indifference of children to academic studies. I remember one boy who said, "I hear you are at the foot of the class. I and you ought to be ashamed of yourselves."

The boy replied, "Dad, what difference does it make? I am at the same level at both ends." (Laughter.)

Human element—that has come into education and it has come into church relation. The old time church was academic to a degree. The buildings were ancient, but the people in the pews were there only once in the week. He was invisible during the week, and he was invisible on Sunday (laughter); no one understood what he said and every one believed every word he said. He was ex-cathedra; he walked with God; he couldn't know his neighbors; he functioned in the invisible and the academic. The one knew was a magnificent scholar throughout in all the particulars of known education then, but he was unapproachable. The human element practically at the vanishing point; yet he was influential then because that was the mood of the time. The pulpit was as high as that chandelier, all of the upholstery was on the pulpit; there wasn't a dime in the pews. They were all velvet on the pulpit. When he stood up there he was regal. My father's pew was the second pew in front of one of those great pulpits. It was reaching up after that gospel that gave me this shape. (Laughter.)

Human Element Enters

That has all been humanized. Our pulpits are for the most part platforms. The minister stands out without unnecessary barriers. He has his hands in his pockets and his shoes shined because he is so evident and visible, and he begged me to be ordained. We have just called into Eastern Massachusetts a coadjutor from New York City. Looking the country over for some time, he was associated with Bishop Lawrence, whom have they chosen? A man, a scholar? Yes. But a man chosen for this prominence that in the old deserted neighborhood of Greenwich Village, New York, he had been a pastor and a friend of the whole outcast community of those artists and artisans, the help and the outcast. He came to Massachusetts to take up that same relationship among those people.

The human element has come into religion and so the human religion has gone into the world. I remember that on Sunday into the six days of the week, into the relationship of men with men and women, and it has been a great help. It was discouraging to the minister who does not see as many before him as he used to. He has to be a minister in the world, to church they noticed it; now they notice him if he does. There is religion in people.

A minister said to a boy once, "Where is your father?" "He is around."

"Does your father fear God?" "Yes, dominie, he fears God all right. He has roses in his garden but what he takes his gun." (Laughter.)

Then the human element has come into the club life of the community. The old family was the only club, two senior members and certain junior members, and they had a session every night. Well, they did splendid service until those limited conditions. Now in Brookline where I live when a man gets back in business from his Boston office his wife hasn't got back from her bridge or what. When she wishes to retire, her husband hasn't got back from pool. The children don't know that they have two parents that are related to one another. You have got daylight saving and midnight spending. (Laughter.)

A woman asked another what her husband's average income was. She replied, "About twelve o'clock." (Laughter.) Then there is unsettlement in politics. You were a Republican or Democrat formerly and you were one of the other. There were no traits between the parties. They rode back and forth between each election; they rode one way in 1920 and they rode the other way in 1922.

What are you going to do about it? We have got blocs of all sorts. I don't know what is coming of it. But there is a lot of fun to be had in it. I haven't got anything invested in it. (Laughter.) There was a dinner of the Associated Industries of New York, at Syracuse, the other night and Senator Moses, a rampant Rooseveltian, sat beside me and we fell to chatting about the old Rooseveltian times, especially about that time when Roosevelt came up with all his cohorts to nominate State officers, to throw Eugene and the other autocrats out from Albany and put things in proper hands up there. We recalled the incident, which is in my heart, of how they met in the great convention hall and sang "Onward, Christian Soldiers," and nominated a Jew for governor. (Laughter.)

The human relation has come into politics. And then there is the cost of living, the everlasting comrades of us all. I grew up on the low cost of living. I don't see what I got. When I see the cost of living makes a man like your grand leader here, Mr. Trigg, or Mr. Conwell here, it is worth all he costs—there is no question about that. We are whimsical about it.

Years ago, when a woman wanted a pair of gloves she used to ride down to a jewelry store, buy the gloves, pay for them and carry them home; she got them at a price. Now if she wants to get a pair of gloves she phones out to a garage for her high priced car and high priced driver; she buys the gloves and orders them charged and sent. The second day a big motor truck drives up to her door and the gloves are handed in. She pays for what she gets, don't you know she shouldn't. That is the way we like to be served.

It is just so everywhere. Out in the West where they raise wheat they have got farming standardized. The farmer says, "You are quite right. We have to build gymnasiums out on the farms to give the farm hands exercise." (Laughter.)

That raises the cost of a bushel of wheat and of a barrel of corn. For the fact that comes all the way down to Boston.

A friend of mine is trying to cross a strawberry and a milkweed so as to grow strawberries and cream without keeping a cow. I don't know if he has had any success? We have got lots of them.

That is the mood of the times. They are all in a new mood. The small things are all sprung up; they have got more money than manners. Burbank is trying to raise a new kind of tomato and are trying to eat them without rolling off their knives.

It is worth it, I say. That is like the young couple who had been absent from the world for nine minutes in a tunnel. He remarked to her, "This tunnel cost eight million dollars."

"Well," said she, "it is worth it." (Laughter.)

Back to Settled Times

Now, ladies and gentlemen, what about it? Hadn't we better go back to settled times? I don't know. I don't know the direction? When you set me off in a ministry of thirty years ago it was as settled and dignified as the pulpit was that ever lived. Wouldn't we be better back in those times? Or would we better build the times which I have had talking about, these last fourteen years, up against the union every single day up against the economic problem all the while, the revolution of affairs? Is the one wholesome of the other?

All I can say is this—I am not a preacher. I quit it long ago. There was nothing in it. But I say for my own self, having been left suddenly by a terrifying illness with a family to educate and with about as much as a minister usually has who has been generous to his church, I have been a great deal of a trouble world, I say to you these fourteen years have been a fine thing. I have had the opportunity for the cultivation and the enlightenment of every ideal I ever cherished, for every ideal I ever had in the economic realm, and it is finer for idealists than anything I ever knew in the academic world. I am a man in the very center of opportunity for the very best things of mind and heart and character. I have never had in this working out of the problem of the ideals in human relation, the vast and uncertain and terrible world, I say to you these fourteen years have been a fine thing. 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Atlantic City, November 14 and 15

regard to the passage of the new tariff and the

Bureau Favored

Votes of thanks were given both Mr. Sulzberger and Mr. Lazarus.

Third Session

The report follows:—

The status and importance of a large industry, as it is measured possibly by govern-

that they will be available in permanent form. A sufficient response was obtained this year to justify the binding of several hundred titles.

A suggestion by L. P. Moore that the Educational Bureau be asked to consider

on flaxseed prices in our own Northwest, but a lack of reserves with the crushers and the slowness with which

Wednesday Afternoon

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Exposure Tests.—In addition to laboratory investigations, field tests are also under way, both directly under the supervision of the

of the Educational Bureau besides the Research department, such as fostering the growth of the soya bean plant in this country and work in scientific

(Letter II-4-22 from E. C. Warner, President.)
We are quite willing to admit your judgment
and that of your members as to the future price

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J. H. McNulty was of the opinion that there was not enough propaganda disseminated to the salesmen, and that while the trade was pursuing good business ethics, any varnish manufacturers who were misbranding shellac should be brought up with a round turn.

and the members of this committee for the co- operation and assistance they have rendered him in carrying out the work. It is also op- portune to express our appreciation to the several manufacturers who have donated the time of their representatives to the work and meetings of this committee.

Monday Afternoon

provision for a duty of 2 1/2 cents per pound on less than 100 pounds of 30 cents a bushel on flaxseed and 5 cents a bushel on flaxseed hulls. The committee received very short notice of the fact that a hearing would be held by the Senate Finance Committee on the proposed China wood oil duty, and in view of the serious nature of the situation, the committee decided to make an immediate and forceful protest in person, and as there was not sufficient time to get together a representative committee of the association, Arthur Davis, president of the Standard Varnish Works, consented to appear before the Finance Committee to present the association's case.

Mr. Davis appeared before the committee on December 22, 1921, submitted a brief, copy of which is attached, and so impressed the committee with the justice of the arguments against the duty on China wood oil that this article was restored to the free list.

In the meantime, at the instance of the farmers and crushers, the proposed duty on flaxseed and linseed oil was increased to 40 cents a bushel and 84 cents a pound, respectively.

As the time for a final vote was approaching and no vigorous action had been taken by the paint manufacturers opposing the increased duties on flaxseed and linseed oil, your committee felt that it was necessary to protest against these excessive duties. Consequently a committee composed of Arthur Davis, J. H. McNulty, John J. Nicholson, Harry A. Hall and A. L. Phillips went to Washington to present

Committee Reports



Officers and Directors
 Wm. A. D. Graves, J. B. Lord, Arthur Davis

Carnegie, H. L. Calman, C. J. Roh, G. B.

wood oil on the free list and imposes a duty of 40 cents a bushel on flaxseed and 3 3/10 cents a pound on linseed oil.

Technical Legislation

Charles T. Ellis, chairman, reported as follows for the Technical Legislation Committee:

The summation of the work of this committee can best be recorded by a report of the proceedings of its last meeting, held at the Institute of Industrial Research, in Washington.

Tariff Committee Report

institute of industrial research, in Washington, on October 20, 1921. This meeting was the final one of a number of conferences which have been held during the previous year to discuss the several State varnish laws which had been

The outcome of the meeting is the following set of regulations, to which all present agreed with the exception of Dr. W. S. Allen, of North Carolina, as his State has since re-

These rulings apply to all varnishes, varnish stains, varnish enamels or paints containing more than 15 per cent. of varnish or Japan colored varnishes, asphaltums, shellac, shellac substitutes, dammar varnishes, metal coaters, shingle stains and similar products, whether paste or liquid. They do not apply to acid

The label shall bear the name and address of the manufacturer and the purpose for which the product is to be used. The formula shall contain the following information: Total volatile content, percentage by weight. Resins, total percentage by weight. Total vegetable oils, percentage by weight. Volatile content of the resins, percentage by weight. Turpentine, percentage by weight. Mineral spirits, percentage by weight. Approximate setting time at 70 deg. F. Approximately drying time at 70 deg. F. Flammable point, degrees Fahrenheit. The percentages of the ash if the ash is more than 10 per cent.

Mineral oils (Paraffin oil, etc.) when used must be included in the non-volatile and the percentage given separately. Volatile coal tar derivatives are classed as mineral spirits, viz. benzol, benzenes, coal tar, naphtha, etc. The limits of tolerance are as follows: 24 per cent., both above and below on non-volatile content and on percentage oils and resins present. On volatiles 5 per cent. above and below on the individual constituents.

It was agreed that the above regulations cover all the information that can, in the present state of the patent law, be ascertained, verified with certainty by examination and analysis, and it is believed that no State can enforce a more detailed statement.

Copies of the regulations were sent to manufacturers of kettles in the States of Rhode Island. The chairman of this committee also prepared some examples of formula labels calculated from the kettle formulae of several different types of kettles, and sent them to the manufacturers as guides in getting up their labels.

Since completing the work on the State laws, with the results outlined above, no new work has been assigned to this committee.

Very respectfully,
J. H. Merriam, Chairman.

P.S. I am glad to take this opportunity to thank Mr. H. Merriam for his interest in this work.

Oil Statistics

This meeting was called as a result of several conversations between the Department of Commerce and the commerce relations committee of the Interstate Cottonseed Crushers' Association, at which conferences it was shown the importance of reliable world-wide statistical information regarding the production and consumption of oil seeds and oils and at this time the commerce relations committee through the Department of Commerce, requested the appointment of authoritative representatives of the Paint Manufacturers' Association of the United States and the National Varnish Manufacturers' Association and at this time the above data.

Louis N. Geldert, of the commerce conservation committee, asked Mr. Barnes of Procter & Gamble, to make a statement of the program. Mr. Barnes stated that the interstate Cottonseed Crushers' Association had long felt that the public would be benefited by information regarding fats and oils, and while in the past such information was obtainable through the Department of Commerce, the department obtaining this figure from quarterly seminars, annual reports, and other sources, and these were compiled and printed for distribution to the public as quickly as possible, but rarely did they reach the public under six months, and

By this time they were useless. Mr. Montgomery was then asked to express his views in the matter and unanimously concurred in the opinion that the information desired would be very valuable to all consumers of fats and oils. Mr. Gelder suggested that the Department of Commerce should investigate the Interstate Cottonseed Crushers' Association, he thought it would be advisable to have Mr. Montgomery, in the name of the Department of Commerce, send a representative to the association and appoint one in fats and oils, requesting that they appoint one representative to a General Committee on Fats and Oils to co-operate with the Department of Commerce and assist in whatever way possible in the investigation of the problem.

New Officers

The election for officers resulted as follows: President Henry L. Calman, E. M. Calman & Co., New York; vice-president, Charles J. Roh, Murphy Varnish Co., Newark, N. J., and W. R. Carnegie, c. Berry Bros., second vice-president.

The new board of directors is as follows: A. D. Graves, Pratt & Lamber Inc.; R. W. Levenhagen, Glidden Co.; J. V. Pulsifer, Valentine Co.; Wells Martin, Martin Varnish Co.; James B. Lord, Boston Varnish Co.; Arthur Davis, Standard Varnish Co.; E. H. Hancock, Louisville Varnish Co.

Those Who Attended

Z. E. Martin, Martin Varnish Co., Chicago
F. S. Green, Pittsburgh Plate Glass Co., Pitts-
burgh; F. Woolsey, C. A. Woolsey Paint
Co., New York City; Charles R. Cook, Cook
Paint & Varnish Co., Kansas City
Dyer, Glidden Co., St. Louis; E. H. Hancock,
Louisville Varnish Co., Louisville; Clare R.
Hall, Pittsburgh Plate Glass Co., Milwaukee
William W. Hodgson, Phoenix Paint & Varnish
Co., Philadelphia; J. A. Fueglin, Louisvill
Varnish Co., Louisville; Philip J. Whitewash
Co., New Haven; J. & Co., Inc., Philadelphia
W. S. Mather, Glidden Co., St. Louis

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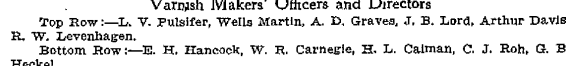
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Very respectfully,
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that if this condition continues there would likely be something of a decline in the general market prices of all petroleum products.

Federation of Paint and Varnish Production Clubs' First Meeting

The first annual meeting of the Federation of Paint and Varnish Production Clubs, which includes in its membership the superintendents and plant managers of paint and varnish factories, convened at the Ritz-Carlton Friday afternoon, November 10. The chair was occupied by Edgar W. Fasig, of Lowe Brothers Co., Dayton, Ohio, who was elected president for the coming year. George E. Heckel, of Philadelphia, was made secretary-treasurer.

A principal order of business was discussion pertaining to the preparation of specifications for China wood oil. It is expected that these specifications will be ready for presentation to the members by the end of the year. Co-operation in this and other matters was offered by the Scientific Section of the Educational Bureau, and valuable suggestions were offered in reference to the wood oil specifications by Henry A. Gardner and Charles V. Bacon.

The federation recommended to the Scientific Section the collection of standard samples of wood oil and distribution to the members for the purpose of running check tests.

The federation adopted the following resolution, to be presented to the Paint and Varnish Manufacturers' Association:

Resolved, That the Paint and Varnish Manufacturers' Association use every effort to promote the passage of the Harmon joint naval stores bill.

Among those present were:—William B. Sullender, Felton, Sibley & Co., Philadelphia; Fred L. Theurer, Patton-Pittsford Division of Pittsburgh Plate Glass Co., Cincinnati; J. B. Wagner, Glidden Co., Cleveland; Frank M. Schumann, Hilo Varnish Corporation, Brooklyn; Kenneth J. Howe, Thibault & Walker Co., Long Island City, N. Y.; E. W. Fasig, Lowe Bros. Co., Dayton, Ohio; L. B. Logan, John A. Steen Varnish Co., Chicago; Thomas F. West, Felton, Sibley & Co., Philadelphia; Geo. E. Matlack, G. D. Wetherill & Co., Philadelphia; H. A. Reddy, Du Pont & Co., Philadelphia; William F. Werner, Peoria Paint Co., Philadelphia; J. G. Einswanger, Thomson Wood Finishing Co., Philadelphia; Charles V. Bacon, New York; G. W. Darrow, Benjamin Moore & Co., St. Louis; George B. Heckel, Philadelphia; Henry A. Gardner, Washington.

The Federation of Production Clubs was organized to afford a means through which the technical and practical men of the factory may express their ideals, which result from an honest and honorable effort to promote the general welfare of the industry. This is expressed in Article II of the By-Laws, which is as follows:

Article II—The objects of this Federation shall be:

1. Interchange of non-competitive, practical and technical information and experience look-

ing to improvement of practice and elimination of wasteful methods.

2. Service to consumers by the consequent improvement of products and reduction of unnecessary expense.

3. Service by co-operation with individuals and technical associations interested in raw materials for the manufacture of paint and varnish and in the use of paint and varnish products; with public authorities charged with the enforcement of laws relating to these products; and with governmental and other agencies interested in specifications for paints and varnishes.

Sales Managers' Council Meeting

Members of the Paint and Varnish Sales Managers' Council at a luncheon meeting, at the Ritz-Carlton, November 14, declared it would be their aim to carry out the policies outlined in the



R. W. Levenhagen

conventions of the three national associations.

They endorsed the idea of simplification in the industry and expressed a willingness to aid in selling the value of this important movement to the paint and varnish sales forces. They recommended the use of the new paint manual, "Ele-

mentary Studies in House Painting and Decorating," issued by the International Association of Master House Painters and Decorators, and suggested not only that salesmen read it, but that they be encouraged to sell it to the local paint trade.

The next meeting of the Sales Managers' Council will be held in New York, January 11, 1923, when a definite pro-



Members of Sales Managers' Council

Left to right:—S. B. Woodbridge, A. M. East, W. H. Donaldson, R. W. Levenhagen, F. S. Green, Charles J. Roh, Chairman

gram will be prepared for a conference of sales managers of the entire paint trade, to be held some time next spring.

The members of the Sales Managers' Council are:—Charles J. Roh, Murphy Varnish Co., chairman; R. W. Levenhagen, Glidden Co., Cleveland; F. S. Green, Pittsburgh Plate Glass Co., Pittsburgh; W. H. Donaldson, John Lucas & Co., Philadelphia; A. D. Graves, Pratt & Lambert, Inc.; S. B. Woodbridge, Du Pont Co., Philadelphia, Pa.

Educational Bureau Reviews

Activities of the Past Year

Saturday morning, November 11, the annual meeting of the Educational Bureau was held at the Ritz-Carlton, N. H. Gregg presiding. The work of the bureau during the past year was gone over, but no announcement was made as to the details of the proceedings.

Those present included:—Norris B. Gregg, chairman, National Lead Co.; E. T. Trigg, John Lucas & Co.; L. R. Atwood, Pease-Gaulbert Co.; Dr. D. A. Knorr, Lowe Bros. Co.; S. L. Sulzberger, Enterprise Paint Mfg. Co.; W. H. Phillips, Devos & Reynolds Co., Inc.; Ludington Patton, Patton Paint Co.; Herbert W. Rice, U. S. Gutta Percha Paint Co.; John W. Masury, Jr., John W. Masury & Son; D. E. Breinig, Breinig Bros. Inc.; Thos. Neal, Acme White Lead & Color Works; O. A. Hesse, Glidden Co.; Carl J. Schumann, Hilo Varnish Corporation; James B. Lord, Boson Varnish Co.; J. H. Mc-

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