

MINUTES
EXECUTIVE COMMITTEE MEETING
NATIONAL PAINT, VARNISH & LACQUER ASSOCIATION
TRAYMORE HOTEL - ATLANTIC CITY, N.J.
June 26, 1935

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A regular meeting of the Executive Committee of the National Paint, Varnish and Lacquer Association, Inc. convened at 10:00 A. M. Wednesday, June 26th, 1935, in the Traymore Hotel, Atlantic City, New Jersey, with Mr. E. S. Phillips presiding, and with the following in attendance:

W. F. Bennett	M. L. Havey	H. W. Rice
F. M. Carter	Wells Martin	C. J. Roh
W. C. Dabney	S. R. Matlack	F. L. Sulzberger
O. J. S. de Brun	E. S. Phillips	E. T. Trigg
S. C. Dunning	R. A. Plumb	H. E. Webster

GUESTS

Joseph A. Patton	G. A. Martin	H. A. Helum
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ASSOCIATION STAFF

Dr. H. A. Gardner	M. Q. Macdonald	R. W. Elton
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ABSENT

D. W. Figgis	J. B. Lord	William Richter
E. D. Griffin	L. P. Moore	J. Heath Wood

CALL TO ORDER

The meeting was called to order by the Chairman, Mr. E. S. Phillips, who directed the Secretary to call the roll.

MINUTES OF LAST MEETING

The Chairman stated that in view of the fact that the minutes of the previous meeting had been mailed to all members of the Executive Committee, and there being no unfinished business in those minutes not taken care of in the agenda for this meeting, the reading of the minutes would be dispensed with unless there were objection to this procedure. There being no objection the Chairman ordered the minutes approved without reading.

REPORT OF BUDGET AND FINANCE COMMITTEE

Mr. C. J. Roh, Chairman of the Budget and Finance Committee, reported that the Budget and Finance Committee held a meeting at 8:30 this morning, June 26th, and that the Committee found the financial affairs of the Association to be in good order; he stated the Committee had reviewed the "accounts receivable" and reported that with few exceptions the accounts were in good shape. The report of the Committee was accepted without comment.

REPORT OF THE TREASURER

The treasurer, Charles J. Roh, presented a statement of income and expense for the period from October 1st, 1934 to June 18th, 1935, and a balance sheet showing assets, liabilities and surplus as of June 18th, 1935 (copy attached). Mr. Roh reported that the book value of securities is under the present market value, and that the income and expense items are approximately ten thousand dollars under the budget indicating a deficit at the end of a year of between ten and fifteen thousand dollars, which is approximately ten thousand dollars less than was anticipated at the first of the year.

It was moved by Mr. Carter, seconded by Mr. Bennett that the report of the treasurer be approved. Motion carried.

REPORT OF SCIENTIFIC SECTION

Dr. Gardner reported that the Scientific Section is carrying out the program as outlined by the Scientific Section Committee and commented on the various circulars which have been issued or which are under way; he referred to soft lumbang oil, known as Bagilumbang, and commented on a publication issued on this subject nineteen years ago, in which was given the analysis, physical and chemical properties, and the results in varnish making. He stated that a cable message had recently been sent to the Philippine Bureau of Science in Manila to ascertain whether any great quantity of this oil was available, and that the reply indicated there was a very large quantity of ordinary lumbang but no very great quantity of soft lumbang oil; the Bureau of Science advised that they were sending complete information on this subject by mail.

Dr. Gardner then referred to a circular issued in 1921 on Japanese tung oil, and stated that he was following up this matter with the idea of determining the possibilities of this oil; he advised that the seed of soft lumbang and of Japanese tung oil were being imported for planting experiments in southern Florida.

Dr. Gardner commented on the article on tung oil, which was published in the Finance & Commerce Journal of Shanghai, a copy of which had been mailed to each member of the Executive Committee. It was stated in this article that tung oil could be produced in China for 3 3/4 cents per lb., and, referring to the American plantings, suggested that the Chinese should start production of tung oil on a plantation basis and install modern machinery for crushing oil more economically.

Discussion

Dr. Gardner then referred to letters received from the various lumber associations on the West Coast, notably those of the Western Pine Association and the California Redwood Association; these letters indicated that unless a satisfactory definition of the term "high grade mixed paints" was given by our Association, the Western lumber associations would in the future recommend nothing but pure white lead for all painting work on Western species of lumber. Dr. Gardner referred to the conference which he and President Trigg had recently had with Dr. Compton of the National Lumber Manufacturers' Association on this matter at which time Dr. Compton invited our Association to be represented at a meeting of the Lumber Association in Chicago during the week of June 15th, at which the general manager of each individual lumber association throughout the country would be present. It was deemed inadvisable, however, to go before such

a group with any recommendations until the matter had received the approval of the Executive Committee. Dr. Gardner then presented to the Executive Committee a series of statements (copy attached) which he had prepared, regarding methods of selecting quality paints, one a descriptive circular, the other two, colored labels to be used on packages, and he recommended consideration of the possibilities of some step in this direction. Inasmuch as these recommendations were considered by a special committee which will report to the Executive Committee later in this session, no action was taken on this recommendation.

Dr. Gardner then referred to correspondence from the Copper & Brass Research Association giving the results of their tests on painting of dwellings to which copper screens were attached. The results of these extended tests had indicated that Titanium Oxide, Titanox and White Lead combinations were free from staining effects, the best results being given by Titanium. The Research Association asked whether it would be possible to get the members of our Association to market special paints of this character and recommend them for use on dwellings, where copper screens are to be used. Dr. Gardner stated that he had recommended against any change in formulation simply to accommodate copper screening, and that he had again suggested to the Copper & Brass Research Association that they coat all their screens with varnish or very thin paints, since screens thus coated would not give staining effects upon any type of paint.

On motion duly made and seconded the report of the Scientific Section was received and filed.

X REPORT OF COMMITTEE ON FORMULA LABELING

Mr. Phillips, as Chairman of the Committee on Formula Labeling, reported that the Committee had held a meeting Tuesday evening, June 25th, and requested the Secretary to read the following resolution which had been adopted by the Committee at that meeting:

"It was moved by Mr. Melum, seconded by Mr. Patton that this committee report to the Executive Committee that, after due consideration of the subject of National Formula Labeling of Paints, and of the possibility of devising satisfactory Standards of Quality, the proposed procedure does not seem feasible for Association action, and we recommend that the officers of the Association be directed to advise Lumber Associations, Better Business Bureaus and other organizations which request definite information regarding methods for selecting Quality Paints, that the Association cannot furnish such specifications and that this information should be secured through individual manufacturers, and that such inquirers be advised to purchase first quality products from reputable manufacturers." Motion carried. ✓

Dr. Plumb explained that in Detroit H.O.L.C. requires all manufacturers to list their formula on packages of their first line goods if they wish to have their products considered in connection with H.O.L.C. projects; Dr. Plumb stated that H.O.L.C. representatives had expressed the belief that the formula label is of definite value, and that the plan being used in Detroit is very satisfactory.

Following some further discussion of the subject it was moved by Mr. Bennett, seconded by Mr. Dunning that the resolution presented by the Formula Labeling Committee be approved. Motion carried.

Chairman Phillips reported that the Committee on Formula Labeling had discussed the advisability of participation by the Paint Industry in the Forest Products Better Paint Campaign, and requested the Secretary to read the following resolution approved by the Committee for presentation to the Executive Committee:

"It was moved by Mr. Patton, seconded by Mr. Roh that President Trigg be authorized to negotiate with the Forest Products Better Paint Campaign for participation by the National Paint, Varnish and Lacquer Association in the activities of that campaign, and that the finances required for this participation be raised separate from our present budget". Motion carried.

President Trigg advised that the Forest Products Better Paint Campaign is a movement to develop better paint results from the point of view of the lumber men; he referred to the publications issued by the Lumber Associations of the West and commented on Mr. Carter's sympathetic cooperation in the efforts of our Association to clarify these publications in order that they might not appear to recommend the use of white lead in oil to the exclusion of ready-mixed paints. President Trigg further stated that Mr. Carter had suggested that the mixed paint manufacturers should be cooperating in the promotion of the Forest Products Better Paint Campaign.

Mr. Carter stated that from the inception of the Forest Products Better Paint Campaign he had felt that a campaign in which one type of finishing material was recommended would develop some embarrassment and he felt that it would be a mistake for the lumber interests to be involved in any promotion which recommended one type of material to the exclusion of other types of finishing products. He stated the lead in oil and mixed paint manufacturers have a common interest in making available to lumber manufacturers a good paint product, and he stated he would do everything within his power to bring about an amicable arrangement between the interested parties. Mr. Carter stated that the budget of the Forest Products Better Paint Campaign last year had been approximately fifteen thousand dollars.

In answer to a question by Mr. Wells Martin, Mr. Carter stated that the finances for the Forest Products Better Paint Campaign subscribed by the lead interests are made available by members of the Lead Institute prorated on the amount of their dues to the Institute. Mr. Martin suggested that the ready-mixed paint manufacturer's subscription to the campaign be made through the manufacturers' association in a manner somewhat similar to that used by the lead interests. President Trigg stated that any subscriptions to the campaign will be made available through the Association.

It was moved by Mr. Sulsberger, seconded by Mr. Martin, that the resolution as presented by the Committee on Formula Labeling be approved. Motion carried.

REPORT OF LEGISLATIVE COMMITTEE

State Legislation

At the request of the Chairman the Secretary read the following communication from Mr. W. J. Pitt, Vice-Chairman of the Legislative Committee, addressed to President Trigg under date of June 24th:-

"Mr. Elton's wire regarding the Executive Committee meeting on the 26th inst. was relayed to me at New York but this is the first opportunity I have had of giving it attention.

"In our last Committee Report to the Executive Committee, which appears in the Minutes of the Chicago meeting, fairly complete information was given. There isn't much more to be said by way of comment but we are enclosing a summary of the present status of the legislation introduced this year.

"I consider the slate is clean except this Wisconsin Master Painter Licensing Bill and that is really giving us a lot of fight. We have kept you informed of developments. Please note and return the enclosed tally of the vote in the Senate to make this bill a special order. You will appreciate that what the advocates really desired by this move was to fix the time for the vote and stage an impressive demonstration. The motion was lost by a vote of twelve to ten. There are thirty-one members - 11 Progressives, 14 Democrats and 6 Republicans. Party lines did not hold - we seem to have gathered votes from all three groups. Sixteen votes will kill the bill. An analysis of the composition of the membership pro and con and unknown, makes us feel very confident that in the final test the bill will be defeated. No one can safely predict the outcome of the issue but we believe there are far more hopeful signs for us than for our opponents.

"Another matter you may wish to discuss at the Executive Committee Meeting is our recent correspondence regarding the probability of the advocates of such legislation seeking the passage of local ordinances. This Wisconsin affair has required every moment we could spare and every ounce of effort and we would advise awaiting its outcome before we take up the ordinance matter, which is an important phase and should be followed through in due time. It is the hope of our Committee that we shall be able to report 100% success. This Wisconsin affair is the only one left that is really giving us trouble and the final vote may come any day.

"With kind regards and hoping you will have a successful meeting, we remain"

The Secretary read the following communication addressed by Mr. Pitt to Mr. Walter O. Schwarz, representative of the Milwaukee Paint, Varnish and Lacquer Association with regard to the Wisconsin Master Painters Licensing Bill:

"I presume you have seen the correspondence that has passed between Senator Mehigan and the writer relative to Wisconsin Assembly Bill 396-A.

"It was the thought of Senator Morris and Senator Mehigan to resort to 'amending' the bill to death in the Senate and the writer prepared a number of amendments to the bill if that course was to be followed.

"Confidentially, I hope that this 'amending' process does not lead anyone to believe that total defeat of the bill is not the real aim, if that result can be achieved.

"In your discourses with Senator Mehigan, we hope you will stress the desire to defeat the bill. Of course, if defeat of the bill cannot be accomplished, we must be satisfied with 'half a loaf' by ripping out, through amendment, those provisions which would prevent people from painting without a license either on their own behalf or on behalf of others. The ideal result would be to stop this bill from being the first law of this kind we have in the United States - that is the real aim of our efforts.

"We can fully appreciate Senator Mehigan's statement that these contracting painters and their labor allies have done a great deal of work towards passage both before and after its introduction and their success in the various steps towards enactment have demonstrated the force of these efforts. We hope no one will lose sight of the main objective of our joint opposition."

The following statement of the status of State Legislation as presented by the Vice-Chairman of the Legislative Committee was read by the Secretary:

X

"State Legislation - 1935

Master Painter - Journeymen, Examination and Licensing Bills:

Colorado	House Bill	1029	Dead
Colorado	House Bill	645	Dead
Colorado	Senate Bill	257	Dead
Michigan	House Bill	224	Dead
Minnesota	House Bill	575	Dead
Minnesota	Senate Bill	889	Dead
New Jersey	Assembly Bill	333	Dead
North Dakota	Senate Bill	275	Dead
Oregon	House Bill	228	Dead
Pennsylvania	House Bill	12	Dead
Wisconsin	Assembly Bill	396-A	On Senate Calendar. Two hearings held. Hard fight. In the balance but signs of defeating bill are good. Painting Contractor - Wisconsin Federation of Labor coalition have done much effective work before and after introduction.

Paint Tax and Classification or Grading Bills:

Georgia House Bill	889	Dead
" " "	887	Dead

Licensing Spray Finishers and Regulate Spray Painting, exhaust devices, etc.

Connecticut Senate Bill	75	Dead
Illinois Senate Bill	297	Pending. No chance. Consider Dead.

6-24-35

W. J. Pitt,
Vice-Chairman"

Mr. Sulzberger referred to correspondence which he had had with Mr. Pitt regarding the Iowa Chain Store Tax Bill, House Bill No. 311, which exempts chain-lumber yards unless five per cent of their business is in paint, glass, and builder's hardware, in which case they are subject to the law, which provides a gross tax on sales of approximately nine per cent. Mr. Sulzberger read extracts from the bill, and stated that if this type of legislation spreads to other states it would be decidedly detrimental to the interests of the paint manufacturers.

President Trigg stated that because some of the members of our Association are interested in chain store distribution of their products, while other members are opposed to this method of distribution, the Association has purposely kept a hands off policy on the general broad principle of chain store legislation.

Chairman Phillips stated that this Iowa Chain Store Tax Bill should be referred immediately to the Legislative Committee. ✓

Federal Legislation-

1. AAA Amendment: The Secretary read the following two statements prepared by General Counsel M. Q. Macdonald:

(1) "On May 18, we protested the enactment of Section 18 of proposed amendments to AAA, giving the President power to limit the importation of articles competing with domestic agricultural commodities, or to impose such compensating taxes as is found necessary to attain parity. The necessary investigation was to be made either by the Secretary of Agriculture or the U. S. Tariff Commission.

"These proposed amendments have been revised, and it is now provided that such investigations shall be made by the Tariff Commission.

"This is a change of very considerable importance in view of the fact that AAA supported the proposed processing tax on flax-seed, linseed oil and tung oil, whereas the Tariff Commission has pointed out that 'the two oils cannot be regarded as substitutes for each other', and that tung oil presents 'no special tariff problem'.

(There is attached, as a matter of record, copy of "Supplemental Statement in opposition to S 2341, H.R. 6976 and H.R. 6977")

(2) "We are advised that perilla is being planted in this country in an experimental way. This is important for the reason that domestic perilla oil, if it becomes available, will not be subject to the continual threat of a duty, and compensatory taxes on this domestic product would hardly be levied in view of the fact that it makes possible the use of soybean oil.

"We have as yet no details as to the extent of the perilla experiment, but will endeavor to keep in touch with it."

2. Linseed Oil - Zone vs. F.O.B. Mill Point: The Secretary read the following statement prepared by General Counsel M. Q. Macdonald:

"The protest against the adoption of the proposed system of selling linseed oil F.O.B. mills which was approved by the Executive Committee at its last meeting was filed with the Secretary of Agriculture. On April 22, a hearing was held by the Agricultural Adjustment Administration to consider the proposal. The Administration was of the opinion that the Zoning System was inconsistent with the Code of the Linseed Oil Industry, but that the evidence adduced at the hearing was doubtless sufficient to justify an amendment to the Code. Such proposal was to be submitted.

"In view of the fact that the Linseed Oil Code was based on the authority of the National Industrial Recovery Act and administered by the Secretary of Agriculture under an Executive Order covering industries processing agricultural products, it appears that the Code is no longer in effect and that the Linseed Oil Crushers are able to maintain any system of delivery that they wish".

(There is attached as a matter of record a copy of the protest presented by the National Association to the Secretary of Agriculture regarding the establishment of a system for quoting F.O.B. mill prices on linseed oil.)

3. Byrd-Bland Bill: The Secretary read the following statement prepared by General Counsel M. Q. Macdonald:

X "The Byrd-Bland Bill (S. 1891-HR 5854) by which it was proposed to levy a tax on flaxseed, hempseed, perilla, paints, oils, varnishes, pigments and stains in oil, etc., was protested.

"Subsequently, Mr. Bland introduced a substitute measure (HR 7569) eliminating the objectionable features of the first proposal.

"Senator Byrd has not introduced a companion substitute bill, but they are both from Virginia and work in harmony. There is little, if any, chance that even the substitute bill will come up during the present session.

"We have applied for opportunity to be heard if the bill is to be considered by the Committee."

4. 1935 Banking Act: The Secretary read the following copy of a communication addressed by President Trigg to all members of the Senate Banking and Currency Committee in accordance with instructions given by the Executive Committee in a mail vote on the subject:

"Hon. Robert F. Wagner, Member
Senate Banking and Currency Committee
Senate Office Building
Washington, D.C.

Dear Sir:-

"The National Paint, Varnish and Lacquer Association repre-

senting approximately fifty percent of the manufacturing units in our industry and approximately eighty percent of the total volume of products manufactured by the industry, respectfully protests the proposals for substantial changes in the Federal Reserve System as contained in Title II of the pending 'Banking Act of 1935'.

"We urge the separation of the provisions of Title II from the pending bill because of our belief that these provisions would centralize control of credit in a manner which might readily become detrimental to the best interests of depositors.

"We further urge that provision be made, at this session of Congress, which will assure careful, complete consideration for all proposals for changes in the Federal Reserve System.

Very truly yours,

ETT-me

/sgd/ Ernest T. Trigg
President"

5. Alcohol Control: The Secretary read the following statement prepared by General Counsel M. Q. Macdonald:

"HR 8539, the Federal Alcohol Control Bill was introduced Monday, June 18th, and referred to the Committee on Ways and Means which called hearings for the night of the 19th and 20th.

"The Bill provides for administration by the Treasury Department instead of the Federal Alcohol Control Administration.

"It is intended to cover 'distilled spirits' 'for non-industrial use'.

"Although 'non-industrial use' is a term which is subject to interpretation, it was our judgment that it would be unwise to suggest clarification by the Committee. The use of alcohol in our industry is certainly not a 'non-industrial use' and the previous satisfactory regulations of the Alcohol Control Administration will doubtless be carried on.

"The Industrial Alcohol Institute holds the same view. The Legislation is being closely watched, and any dangerous amendments offered on the floor will be open to objection in the Senate Committee".

6. N. R. A.: President Trigg stated that Association headquarters is working with the new National Recovery Administration Board looking to the adoption of voluntary agreements covering such provisions of our Code of Fair Competition under the National Recovery Act as can be included in a voluntary code; he stated that he was endeavoring to secure information which would indicate as to whether or not "terms" "datings" and "consignments" can legally be included in a voluntary code. President Trigg stated that he did not have complete faith in the effectiveness of voluntary agreements but stated he believed it would be

good policy to have such an agreement in order that all possible proper government support could be had in an effort to have members of the industry abide by the provisions of such code as might be adopted. President Trigg stated that the Association has refrained from asking members to continue compliance, voluntarily, with the provisions of our old Code of Fair Competition since it was not known whether or not some of these provisions might be declared illegal.

X 7. Reciprocal Tariff: At the request of the Chairman the Secretary read copies of the statements presented by the Association to the Committee for Reciprocity Information with regard to "Cold Water Paints" and "Whiting", these statements to be used in connection with negotiations with the Government of the Republic of France. (copies of these two statements are attached).

NATIONAL WHOLESALE PAINT ASSOCIATION

President Trigg reported that on June 19th, 1935, the National Wholesale Paint Association's committee on consolidation held a meeting at Association headquarters and adopted the following resolution:

"WHEREAS: During the past two years there has been a marked change in the management of the National Paint, Varnish and Lacquer Association, Inc., with particular reference to Distribution and Trade Sales problems, and further, that since our Secretary has made his official home at Paint Headquarters in Washington, D. C., it has developed the fact that a still closer relationship would be beneficial to our members. With this thought in mind, our Directors approached the officers of the National Paint, Varnish and Lacquer Association, Inc., with a view to ascertaining whether or not they would consolidate our association as a Wholesale Division. The result was that at their Convention October 30, 31, and November 1, 1934, official action was taken to accept our proposition.

"WHEREAS: As publicized in our Bulletin No. 1 at a second conference between our Consolidation Committee and the officers of the National Paint, Varnish and Lacquer Association, Inc., the question of the amount of annual dues was discussed, but no change could be affected. After further consideration of the advantages to be derived by a consolidation as set forth in the accompanying letter submitted to you herewith, it is apparent the new schedule of annual dues is reasonable.

"THEREFORE BE IT RESOLVED: That the committee on Consolidation of the National Wholesale Paint Association, Inc., unanimously recommends to the membership that the consolidation be effected as of August 1, 1935.

Respectfully submitted,

A. F. WINSTEL
E. P. LYNCH
C. F. WATTE

Committee."

President Trigg stated that the matter has now been presented to the members of the National Wholesale Paint Association for a mail vote as to their acceptance of the resolution; there is attached copy of a communication mailed by the Secretary of the National Wholesale Paint Association to the members of that Association.

WAR DEPARTMENT PURCHASES

President Trigg reported that a protest had been presented to the Quartermaster General, United States Army, with regard to a change in system of purchasing certain classes of material, and stated that the matter is now in abeyance awaiting word from the Quartermaster General's office. (copy of the letter of protest is attached).

Mr. Bennett reported that his company had recently received an invitation to bid on a quantity of material to be taken out over a period of time and the size of package to be indicated at the time of taking delivery; this invitation having been received from the Department of the Interior. President Trigg advised this matter would be investigated.

See letter to Bennett.

W. J. S. reports on contract

CONSTRUCTION LEAGUE OF THE UNITED STATES

President Trigg reported that in accordance with the instructions issued by the Executive Committee, the National Paint, Varnish & Lacquer Association had joined the Construction League of the United States on a dues basis of \$300.00 annually pending the addition of other interests to the League. He reported on a meeting of the general assembly of the Construction League which had been held in Washington on June 17th and which was attended by the President, General Counsel and Secretary of our Association, and at which there was authorized the formation of a Trade Practice Council to draw a set of fair trade practices and standards for the construction industry, and at which there was also adopted a resolution urging on the part of the Federal Administration a reconsideration of the plan for administering the works relief fund. (A copy of the resolution is attached).

President Trigg stated that a group of representatives of manufacturers of Building Materials had held several meetings for the purpose of discussing the subject of public works relief expenditures, with the hope of securing for building materials interests the most value out of those expenditures. He reported on a recent meeting with the Assistant to Admiral Peoples, at which time he had presented a protest against the direct purchase by the government of materials to be used by the government in public works relief projects and recommending that the usual sources of distribution be used. President Trigg read a statement which had been prepared following that conference (subsequently presented to Administrator Harry L. Hopkins, Federal Works Relief Administration) and which represented the views of building materials interests. (copy attached)

CONVENTION PROGRAM

The Chairman requested members of the Executive Committee to present in writing to National headquarters their suggestions for the development of a program to be used in connection with the annual convention to be held October 30th, 31st and November 1st in Washington, D.C.

CONVENTION ASSESSMENT

It was moved by Mr. Matlack, seconded by Mr. Patton, that the convention Entertainment Committee be authorized to establish the amount of the convention assessment within the limits as prescribed by the By-laws. Motion carried.

APPOINTMENT OF NOMINATING COMMITTEE

President Trigg reported that he would present to the Executive Committee for a mail vote his recommendation for appointments on the Nominating Committee.

PRODUCT LIABILITY

There is attached as a matter of record a copy of the communication addressed to members of the Executive Committee by the President of the Association under date of June 13th regarding a verdict against the Atlantic Varnish and Paint Company of Richmond, Virginia in an action brought by L. A. Faggan and Sons.

ADJOURNMENT

On motion duly made and seconded the meeting adjourned at 1:30 P.M.

Reuel W. Elton

Secretary