

BOARD OF OPERATIONS - 1103rd MEETING

July 15, 1940

Present:

A. W. Steudel
H. J. Main
R. E. Van Stone
V. Ellis
G. B. Coolidge
W. R. Dieplein
T. A. Stanton
G. H. Griffiths
J. B. Prescott
E. C. Eldwin

Absent:

F. E. Davis
E. E. Ware
T. J. McDowell

Copies To:

G. A. Martin
R. D. Whittlesey
L. W. Wolcott
K. H. Wood
C. A. Campbell
Z. E. Martin
W. H. Stuart
D. A. Zohr
W. A. Gorrell
P. C. Grigsby
D. A. Whittaker
L. C. deMerrall
F. Allen

3985 - REPORT ON FACTORY OPERATIONS:

Sales for the week were 18% ahead of last year with gains in all options except insecticide and transportation sales. Trade and retail store sales showed gains of 10% and 28% respectively.

Production of heavy liquids amounted to 154,000 as compared with shipments of 144,000 gallons and orders received of 124,000.

3986 - REPORT ON NUMBER OF HOURS PLANTS HAVE OPERATED:

Plant	Operating Unit	Operated at 40 hour week
Chicago	P&V	" " 32 " "
Newark	P&V	" " 32 " "
Cleveland	P&V	" " 40 " "
Oakland	P&V	" " 32 " "
Los Angeles	P&V	" " 40 " "
Dallas	P&V	" " 32 " "
Chicago Lacquer		" " 24 " "
Dry Color		" " 24 " "
Flushed Color		" " 32 " "
Acme		" " 30 " "
Lowe Brothers Company		" " 32 " "
Lucas		" " 32 " "
Martin-Senour Company		" " 75% capacity
Chicago White Lead		" " 0% "
Lithopone		" " 30% "
Tin Can		" " 100% "
Coffeyville Lithopone		" " 66% "
Loaded Zinc		" " 100% "
Cleveland Linseed Oil		" " 100% "
Castor Oil		" " 100% "

8987 - LITHOGRAPHED CANS:

Mr. Mills reported that the cost of lithographed square gallon cans is approximately .4¢ lower than the cost of plain cans labeled. Mr. Hain is having a summary prepared of the comparative cost of using the two types of packages for linseed oil and will report further.

It was proposed also that we might also make our own Flo-wax cans since the cost of the gallon cans we are now buying is approximately 2½¢ higher than the cost of lithographed cans quoted above.

8988 - PLANT REQUISITIONS APPROVED TO JUNE 30TH:

Plant Requisitions approved to June 30th were reported by Mr. Stanton

as	925,282
or with carryover from last year	1,130,836
Compared with last year for the same period	591,910
including carryover	768,363

8989 - PLANT ALTERATION EXPENSE:

Mr. Stanton reported that plant alteration expense amounted to \$72,000 up to May 31st. This figure does not include important changes at Cleveland or some \$9,000 expense at Bound Brook. Total for the year will probably be between \$100,000 and \$110,000.

8990 - DEHYDROL BY-PRODUCTS:

Mr. Stanton reported that recovery from sale of by-products of Dehydrol manufacture amounts to only 2¢ per hundred pounds of Dehydrol.

Mr. Coolidge reported that Mr. Van Cleve could sell the entire output of heptaldehyde and suggested that rather than putting in equipment to separate undecylenic acid, we could get the perfume manufacturer to make the separation for us. He will check further and report.

8991 - WRITE-OFF-WHITE LEAD PLANT:

Mr. Stanton reported that the total write-off due to changes in the White lead plant would amount to approximately \$85,000. Every effort will be made to sell the pots and if possible the tan bark on which the write-off would be \$47,000.

8992 - CHINA WOOD OIL CONSUMPTION:

Mr. Mills reported that consumption of China Wood oil for the first 9 months of the year was 32% under the same period last year in spite of an increase of 17% in varnish production. Consumption by S-F factories only was 31% under last year with a 22% gain in varnish production. For March, April and May, decrease in consumption of wood oil was 56% compared with increase in varnish production of 7%.

8993 - SWP LABELS:

The Board decided that a small quantity of SWP labels would be reprinted with no change in the label analysis shown.

8994 - DEVOE AND RAYNOLDS OPERATING REPORT:

Mr. Steudel advised the Board that for the first six months of the year Devoe and Reynolds lost \$112,000 compared with a profit of \$105,000 for the same period last year. This does not reflect a \$900,000 charge to earned surplus resulting from plant write-off. During the same period, sales increased 14%.

8995 - SHERWIN-WILLIAMS ADVERTISING AND MERCHANDISING PLANS:

Mr. Steudel advised the Board that next year's plans are to be based on the known success of the Style Guide with larger distribution of Guides at less cost to the dealer. Distribution of Style Guides will be tied up with dealer stock orders. Increased cost of Guides will necessarily mean that other expenses will be cut.

8996 - CHINA WOOD OIL:

Mr. Schabel reported that we have an adequate supply of wood oil to last until the end of the fiscal year. An effort will be made to reduce the inventory to four or five tanks at the end of August.

8997 - CASTOR OIL:

Inasmuch as our present supply of raw castor will give us enough Dehydrol to last until the end of this fiscal year, it was decided that no more raw castor would be purchased this week.

Mr. Hain suggested that we should install one or two presses for crushing castor beans since based on the current price of beans we could make raw oil for about 7¢ and since the presses could be used for either flax or soya beans if they were not needed for castor beans. Before making a decision, further inquiry will be made about the supply of beans available.

Factory consumption of Dehydrol amounted to about 25,000 pounds last week as compared with production of 188,000 pounds.

8998 - CRANE AT CHICAGO:

Mr. Prescott reported that we have succeeded in selling a crane that we had at Chicago for \$1250. The value at which it is on the books is \$4000.

9000 - COTTAGES--DETROIT WHITE LEAD WORKS:

Mr. Prescott reported that another of the Detroit White Lead Works cottages has been torn down. This leaves only two, one of which will be torn down before the end of the year.

9001 - NEW CHEMICAL PRODUCTS BUILDING--CHICAGO:

Mr. Prescott reported that invitations to bid on the new chemical products building have been sent out and will be returned very shortly. In all probability it will be tile construction.

9002 - ARGENTINE PLANT:

Mr. Prescott reported that machinery for the Argentine plant was shipped on June 22nd and that it would take 22 days in transit. By the time it arrives, the plant will be under roof and ready for installation to be completed.

9003 - REGULATIONS FOR AUGUST 31st INVENTORY:

Mr. Steudel read a letter from Mr. Martin who pointed out that it will be necessary to bring inventories substantially below their present levels in order to have our position satisfactorily liquid by the end of the year.

Mr. Stanton was requested to draft instructions which will make it clear what will be included in inventory and consequently what procedure the purchasing department must follow in order so that we will have adequate supplies at the beginning of the new fiscal year.

9004 - WHOLESALE COMMODITY PRICES:

Mr. Sinclair reported that the downward trend of commodity prices has been reversed and that the general index of wholesale commodity prices has risen from 77.1 to 77.5.

9005 - NEW ORLEANS WAREHOUSE:

Mr. Griffiths reported that the New Orleans warehouse has been moved to a new location with a slightly higher rent but which is on a railroad track so that there will be a saving in cartage costs.

9006 - TRADE SALES LINE:

Dr. Van Stone advised the Board that Martin-Senour's as well as Lowe Brothers' trade sales line is very much smaller than Sherwin-Williams and pointed out that a determined effort must be made to simplify The Sherwin-Williams line.

9007 - BUFFALO WAREHOUSE AND STORE:

Mr. Steudel advised the Board that a new store would be installed in Buffalo within the next 60 days and that the Buffalo warehouse would be discontinued when the lease expires.

9008 - LITHARGE--WEST COAST:

Mr. Steudel advised the Board that an arrangement has not as yet been worked out to give us litharge for Oakland insecticide manufacture at a satisfactorily low cost. Further negotiations will be undertaken to assure us of a co-manufacturer's price.

9009 - DETROIT AUTOMOTIVE:

Dr. Van Stone pointed out to the Board that we are being assessed a double charge on the technical work done in Detroit for automotive business. He will try to have this put on a more equitable basis.

9010 - REPORT OF TRAFFIC DEPARTMENT--RATE REDUCTIONS:

Mr. Steudel showed the Board a report from Mr. Sanford which detailed savings made on rate reductions during the last year. He asked Board members to continue to work for lower rates on all materials over which they have any supervision.

9011 - COMPANY-OWNED TRUCKS:

Mr. Baldwin reported that on the basis of current tonnage between Cleveland and

Chicago, it is apparent that we can make a substantial saving by operating one or more of our own trucks. Further study is to be made before definite recommendations are submitted.

It was reported also that our cost of shipping between Dallas and Houston is altogether out of line with the cost of Cook Paint and Varnish to operate their own truck between these two points.

9012 - NEW RETAIL STORES:

Mr. Staudel advised the Board that we have taken over our dealer's store at Owensboro, Kentucky.

At the store in Cleveland, a hundred new painter accounts have been sold.

9013 - PUBLIC BID:

Since September 1, 1939, 2081 invitations to bid have been received. A total of 1749 amounting to \$4,393,842 have been placed and of this total we have received awards on 219 amounting to \$556,006.00.

8982 - FACTORY OPERATIONS, week ending July 9, 1940
HEAVY LIQUIDS - S-W PLANTS

Total orders received	- 124,202	Total production	- 135,811
Total factory stocks	- 729,443	Inventory Dec.	9,164
CHICAGO	- Orders recd. 70,986	Production	73,898
		Stocks	307,746 gals.
NEWARK	- Orders recd. 21,968	Production	21,087
		Stocks	183,957 gals.
CLEVELAND	- Orders recd. 20,549	Production	22,154
		Stocks	164,192 gals.
OAKLAND	- Orders recd. 10,705	Production	11,672
		Stocks	73,546 gals.

TOTAL PLANT OUTPUT

CHICAGO	P&V	- 121,094 gals.	Operated at 85%
NEWARK	P&V	- 37,756 "	" " 50%
CLEVELAND	P&V	- 36,854 "	" " 72%
OAKLAND	P&V	- 21,358 "	" " 123%
LOS ANGELES	P&V	- 14,013 "	" " 50%
DALLAS	P&V	- 14,718 "	" " 144%
CHICAGO LACQUER	-	54,615 "	" " 100%
DRY COLOR	-	85,141 Lbs.	" " 48%
FLUSHED COLOR	-	25,186 "	" " 48%
CHEM. PRODUCTS	-		" " 77%

<u>BOUND BROOK INSECTICIDES</u>	- Lead Arsenate	145 tons	Paris Green	26 tons
	Arsonic Acid	128 "	Zinc Arsenite	9 "
	Calcium Arsenate	80 "		
	C.P.G.	44 "		
			<u>6 DAYS - 3 SHIFTS</u>	

OAKLAND INSECTICIDES - 5 days - 3 8 hr shifts.

ACME - Produced 5,750 gals. Paint Dept. operated at 9%, Enamel & Lacquer at 51%, and Varnish & Thinner at 0%.

LOWE BROTHERS COMPANY - Manufactured 31,673 gals. with Paint Depts. operating at 66%, Enamel Dept. at 66%, and Varnish Dept. at 16%.

LUCAS - Manufactured 30,304 gals. Operated at 55%.

MARTIN-SEIGUR COMPANY - Manufactured 17,269 gals. Paint Dept. operated at 61%.

8984 - LARGE EXPENSE REQUISITIONS APPROVED:

CLEVELAND

#1441	Replace parts Miehle Vertical Presses - Press Room (P & A)	53.25
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CHICAGO FACTORY

#436	Repair crack in P.P.D. Still - Tobias	109.36
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#438	Rebottom 3 - 38" copper varnish kettles - Varnish	195.00
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#490	Repair forced draft fan #2 boiler - Power	100.10
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#429	Rewind 10HP 1730 RPM motor - "F"	109.50
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CLEVELAND FACTORY

#3338	Building alterations - P & S	2,528.06
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CLEVELAND LINSEED OIL MILL

#776	General plant repairs	6,618.32
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#777	Replace smoke stacks	1,735.00
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TOTAL LARGE EXPENSE REQUISITIONS APPROVED- - - - -		11,448.59
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Total Plant Requisitions approved to date	1,415,720.21
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Total Large Expense " " " "	191,620.24
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ACME - Detroit

BE 397	Recover Awnings - C. Graham, Wichita	138.40
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ES 963	Overhaul Worthington oil meters	87.96
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ES 982	Make steel truck	64.24
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ES 1042	Extend discharge pipe lines to tanks 55-56-57, Bldg #44	53.79
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ES 1063	Install ball mill	227.31
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ES 1065	Replace bent arms on throwout levers, #3-5 roll mill 3rd floor Bldg #46	81.01
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ES 1069	Repair plugged sewer in yard	83.46
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ES 1070	Repair mixer #24 Paint Grinding Dept - Bldg. #2	65.89
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ES 1071	Replace Ultra Violet Quartz Mercury Vapor lamp - Tech Serv.	81.72
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ES 1072	Overhaul sump pump and motor	45.03
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ES 1073	Install steam and gas line - Stack #1	88.49
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ES 1074	Move jar mills Bldg. #3	173.01
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ES 1075	Remove old pump house	100.46
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ES 1076	Replace broken steam line	56.92
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ES 1077	Connections for filling 2-500 gal. tanks and line to machines	67.29
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LOWE BROS. - Dayton

#500 (Chicago reqn)	50 Large depth gauges; 50 small elec. gauges; apparatus	374.41
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MARTIN-SENIOR - Chicago

#319	1940 Plymouth 2 door sedan less trade-in	248.85
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8983 - PLANT REQUISITIONS APPROVED:

CLEVELAND ADMIN. OFFICES:

#1508	3 desks and chairs - General Accounting	165.20
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WESTERN DISTRICT:

#5800	1 - 3 drawer steel letter file - Billing Dept.	38.25
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CHICAGO FACTORY:

#435	Install new motor starter on collector fan motor -Red Lead	41.55
#441	Cover platform with steel floor plates - "H"	124.40
#471	Electric fan, oscillating - Rec. & Stores	12.50
#479	Install new MNPT and Para Cresol equipment -C.P.	153,823.00
#485	Install yard lights over new concrete platform - Lacquer	84.40
#492	Preparing part of present jungle for occupation - General Plant	47,037.10
#494	Dust removal system at Premier Mill - Paint	2,661.00
#495	Two-wheel truck - Varnish	30.25
#502	Venetian blingds - White Lead	25.44
#505	Install blower motor - Red Lead	200.60
#506	Dichlor-Benzidine Sulfate(Process #3) - C.P.	28,384.00
#507	Install new Process Solvent Tobias equipment - C.P.	52,262.00
#511	Construct new building - C.P.	112,700.00

CLEVELAND FACTORY

#3337	1 - Stewart Film Applicator - Tech Service	35.00
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DALLAS FACTORY

#45	1 - Breuer's Ball Bearing "Tornado" portable blower - Maintenance	94.50
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TOTAL PLANT REQUISITIONS APPROVED - - - - -		327,719.19
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