

MINUTES  
EXECUTIVE COMMITTEE MEETING  
National Paint, Varnish and Lacquer Association, Inc.  
Palmer House - Chicago, Ill.  
July 14, 1938

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A regular meeting of the Executive Committee of the National Paint, Varnish and Lacquer Association, Inc. convened at ten-thirty A. M., (D. S. T.) Thursday, July 14th, 1938, at the Palmer House, in Chicago, with the following in attendance:

|               |                    |                 |
|---------------|--------------------|-----------------|
| E. A. Foy     | H. A. Melum        | Ernest T. Trigg |
| E. D. Griffin | J. Vincent Reardon | H. E. Webster   |
| M. L. Havey   | C. J. Roh          | V. Wartele      |
| Wells Martin  | C. N. Seidlitz     | Wm. Zintl.      |
| S. R. Matlack | F. L. Sulzberger   |                 |

GUESTS

|                  |                 |
|------------------|-----------------|
| D. W. Figgis     | E. S. Phillips  |
| George A. Martin | Wayland W. Rice |

ASSOCIATION STAFF

|               |                 |               |
|---------------|-----------------|---------------|
| H. A. Gardner | M. Q. Macdonald | Ruel W. Flton |
|---------------|-----------------|---------------|

ABSENT

|                                    |                               |
|------------------------------------|-------------------------------|
| Howard Kellogg                     | J. B. Lord                    |
| D. A. Kohr                         | Benjamin Patterson, Jr.       |
| de Lancey Kountze - represented by | Herbert Rice - represented by |
| E. S. Phillips                     | Wayland W. Rice               |

CALL TO ORDER

The Chairman, Mr. Frank L. Sulzberger, called the meeting to order with an announcement of the passing of a member of the committee, Mr. E. J. Cornish.

MEMORIAL TO MR. CORNISH

The Secretary read the following memorial to Mr. E. J. Cornish:

"The Executive Committee of the National Paint, Varnish and Lacquer Association, Inc., having been apprised of the death, on May 3, 1938, of their old friend and associate,

EDWARD JOEL CORNISH

hereby record their profound sense of loss:

RESOLVED that in the death of Edward Joel Cornish, not only the industry but the individual members thereof have suffered an irreparable loss. During a third of a century Mr. Cornish has been an exemplar of unselfish service in its behalf, unsparing of his time, interest and advice.

As President of the National Paint, Oil and Varnish Association, as a member of the Educational Bureau, and as a member of the Executive Committee of the National Paint, Varnish and Lacquer Association his contribution to both the practical and moral progress of the industry has been invaluable.

As a fellow worker, we shall miss his wise counsel; as a constructive advisor, we shall miss his sound advice; and as a personal friend, we shall long mourn his absence from our meetings."

The Chairman requested all members of the Committee to sign the memorial, and advised that when the signatures of absent members had been secured, the memorial would be forwarded to Mr. Cornish's sister, Mrs. A. B. Metcalf, in Omaha, Nebraska.

#### ELECTION OF SUCCESSOR TO MR. E. J. CORNISH

The Chairman stated that Section 3 of Article V of the By-laws of this Association provides that:-

"All officers or memberships of the Executive Committee which have been declared vacant by death or by action of the Executive Committee shall be filled by a majority vote of the Executive Committee."

The Chairman called for nominations for election to fill the vacancy caused by the death of Mr. Cornish. Mr. C. J. Roh presented the name of Mr. Harold Rowe, Vice-President of National Lead Company to succeed Mr. E. J. Cornish. There being no other nominations the Chairman called for a vote on the election of Mr. Rowe and Mr. Rowe was unanimously elected a member of the Executive Committee for the balance of the term to which Mr. Cornish had been elected, expiring in 1939. ✓

#### MINUTES OF LAST MEETING

The Chairman stated that the minutes of the preceding meeting had been mailed to all members of the committee, and that the agenda for this meeting would take care of any unfinished business carried over from the past meeting; he stated that if there were no objections, the minutes of the last meeting would be approved without reading. There being no objections, the minutes of the meeting of the Executive Committee of April 5th, 1938, were approved without reading. ✓

#### REPORT OF BUDGET AND FINANCE COMMITTEE AND OF THE TREASURER

The Treasurer, Mr. C. J. Roh, reported that the Budget and Finance Committee met this morning at 8:30 o'clock for the purpose of reviewing the balance sheet as of June 30th, 1938 and the statement of income and expenses for the nine months October 1st, 1937 to June 30th, 1938 (copies attached) Mr. Roh stated that the cash position of the Association is approximately \$4,300 better than it was at this time last year - that accounts receivable are slightly more - that securities have about the same book value and are worth somewhat more at the market value - that inventories are down - that the item for building and fixtures is the same less depreciation - that deferred income is about the same - that all departments of the ✓

association are operating within the budget, and that all bills are paid. Mr. Roh pointed out that at the beginning of the current year the committee had predicted an increase in dues of approximately five per cent whereas the actual increase to date was approximately eight per cent. Mr. Roh reported that the Budget and Finance Committee considered the association to be in good financial condition and the records in good shape. He expressed the belief that the statements indicate that the association budget is under excellent control.

Mr. Sulzberger suggested that it might be helpful to members of the committee if in the future pages one and two of the statement covering the balance sheet, and the statement of income and expense might carry comparative figures for the similar period of a year previous. Mr. Roh stated that on the next statement this information would be given.

It was moved by Mr. Wurtele, seconded by Mr. Matlack, that the report of the Treasurer and of the Budget and Finance Committee be approved. Motion carried. ✓

#### REPORT OF SCIENTIFIC SECTION

Dr. Gardner presented the following report for the Scientific Section:

Since the meeting of the Executive Committee on April 5, 1938, the following Scientific Section Circulars have been issued:

No. 558. Studies on Mildew Prevention. This circular presents the results of extensive tests at Panama and in Florida. It is accompanied by a brief pink circular which can be used by salesmen in handling complaints.

No. 559. Preventing Nail Rust Stains on Painted Siding. Staining of painted siding due to rusting of nails is described and methods indicated for preventing these stains in order to secure much more satisfactory appearing jobs.

No. 560. Avoidance of Paint Peeling on Air Conditioned - Insulated Dwellings. This circular was finally issued after extensive correspondence and conferences with representatives of the insulation industry. It should prove useful in handling complaints regarding defects caused by moisture in air conditioned dwellings.

No. 561. New Method of Treating Bituminous Roof Coatings. This circular outlines a novel treatment for bituminous roof coatings to extend their life and reduce summer temperatures in buildings on which such materials are used.

No. 562. Temperature and Humidity Effects in Unpainted and Painted Brick Structures. This circular presents the results of a year's study. Two small brick houses, one painted and the other unpainted, were used for the tests. In the houses delicate recording instruments were placed. The lower temperature of painted brick structures in summer is of considerable interest.

No. 563. Painting Cement-Asbestos Compositions. This outlines why cement-asbestos shingles used for roofs and siding should be painted, and the preferable methods of treatment.

No. 564. A Machine for Determining Brushability of Paints. A simple and practical instrument for determining the brushability of paints has been developed, and considerable experimental work done with it. Results are presented for many types of paints and enamels.

No. 565. Perilla and Chia Planting Experiments in 1937 and 1938 Larger Scale Plantings. This gives a summary of the results obtained in the experimental plantings during 1937 and outlines the larger plantings of perilla and chia made in different parts of the United States in 1938. Because of selection of the most favorable locations for this year's plantings, it is hoped that better results will be obtained.

No. 566. Recording in Percentages the Fading of Colors in Paints and Enamels. A graphic method of showing the percentage of fading which occurs when colored paints and enamels are exposed to the weather is outlined.

Special Circular. Mildew Complaints and Prevention. This brief circular will enable production men to treat paints to prevent mildew, and will be of use to salesmen in handling complaints regarding mildewed paints.

Special Circular. Painted Shingled Dwellings. This circular was prepared in cooperation with the National Retail Lumber Dealers Association. Twenty-five thousand copies have been printed for distribution to every lumber dealer throughout the United States. It should greatly extend the use of paints upon shingled side walls.

Abstract Review No. 54. This contains several hundred abstracts of patents, technical articles, etc.

Index of Scientific Section Publications, 1907-1937. This contains 15,000 entries on subjects which have been treated in the publications of the Scientific Section since its inauguration in 1907, including 54 Bulletins, 546 Circulars, a number of Special Circulars, and five books. A list of all these publications is included in the Index.

Included in the work of the Scientific Section has been the task of reviewing specifications which have been prepared by various bodies, such as the Painting & Decorating Contractors of America, National Lumber Manufacturers Association, and various government bodies.

Somewhat similar work has been carried out in the reading of the text of articles prepared by others on the subject of paint. These articles have been sent to us by the authors for review, correction, and additions. A large number of such articles have been carefully gone over during the past few months. Chapters on paints and painting, which have been prepared in previous years for such well known text books as Rogers' "Industrial Chemistry" and Marks' "Engineers Handbook" have also been reviewed in proof form during the past month, in preparation for new editions of these publications.

Members of the Scientific Section staff attended the meetings of the American Society for Testing Materials during the month of June. At these meetings there was proposed a finished specification for interior flat wall paint, to become a standard of the Society. While this specification was

based on physical tests and was similar to that now used by the U. S. Government as a Federal Specification for government purchases, it was the belief of the Scientific Section that it would be a fallacy for a technical society to adopt this specification for use by its members representing such large industries as iron and steel, cement, brick, tile, textiles, rubber, and other organizations which are important members of the Society. Accordingly we were able to have the specification tabled. It will not be printed or issued this year. We have also suggested to the Society the fallacy of setting up specifications for finished paints.

The Scientific Section has also been cooperating with the Unfair Competition Bureau in checking costs on government specification paints which have been sold at low prices, and in analyzing very low grade paints which have been picked up on the market. Claims made in advertisements have also been reviewed for the Unfair Competition Bureau.

Other studies in progress in the laboratories at the present time are as follows:

Soybean Oil. Cooperation with the U. S. Regional Soybean Industrial Products Laboratory in repeating their experiments on improving soybean oil for use in paints and varnishes.

Mildew. Another comprehensive series of exposure tests of treated paints to prevent mildew has just been inaugurated in Florida.

Comatability. Photographic studies are being collected. We are gradually securing a number of additional photographs and case histories.

Floor Finishes. Experimental work on finishes of various characters for stair treads and oak floors is under way.

Abstracting. This activity continues to take a large portion of time. The Abstract Review appears bi-monthly and yearly contains several thousand abstracts.

Putty. At the request of the putty group in our Association, who desire to have the Bureau of Standards issue a Federal Specification for putty for steel sash, we are carrying out an extensive series of tests. We are endeavoring to develop apparatus that will show the consistency and stickiness of putty. It is necessary that such apparatus be developed before specifications can be prepared by the National Bureau of Standards.

Film Swelling. The swelling of paint films, due to water absorption, is a matter for very careful physical measurement. Research work in this direction has been started.

Synthetic Drying Oils. Comparative studies of various recently developed dehydrated castor oils has been under way for several months and will be continued.

Analytical. The International Standards Association methods for lithopone and zinc oxide have been studied during the past year, in cooperation with scientists in various European countries. Reports were made to the Berlin conference in June. Further work in this direction is contemplated for the following year, covering all existing white pigments and some colored pigments.

Railroad Finishes. A series of tests of locomotive and railroad coach finishes was undertaken several months ago. Painted panels were exposed during the winter months in a cold climate and have now been shifted to a hot climate. Occasional washings and gloss readings are to be made. High quality finishes as compared to inferior finishes have already demonstrated their superior value.

Physical Tests. In order to point out to consumers of industrial finishes, as well as to consumers of other finishes, the desirability of requiring only physical properties in selecting their purchases, a special publication on this subject is contemplated. For this purpose we are developing a series of carefully devised physical tests to measure the properties of finishes. When this work is completed early in the fall, the tests will be pictured and fully described in a publication for the benefit of the Industrial Division.

Dr. Gardner reported that the Scientific Section had not received sufficient photographs to complete their exhibit tending to disprove the compatibility theory held by Dr. Brown of Forest Products Laboratory, and he requested the members of this committee to ask their sales managers to secure as much photographic evidence as possible to assist the Scientific Section in building up its exhibits.

Dr. Gardner stated that the Scientific Section had been called upon to inspect 800 houses in Oklahoma City, Oklahoma on which the paint failure had been pronounced. He referred to a 50-page report containing 30 or 40 photographs as a result of the survey, and stated that the report indicated several outstanding facts:

1. Gross violation of F. H. A. specifications in construction.
2. 20% of water in lumber both at the yard and in the houses whereas there should not be over 15%.
3. Very little insulation was used, thus eliminating this product as a possible factor in the failures.
4. Use of natural gas in open burners for heating purposes developed an enormous amount of moisture which had to seek an outlet.

Dr. Gardner stated that a Scientific Section circular would be developed on this subject after further studies in other fields could be completed.

President Trigg expressed the belief that this matter was so important that the Association should take the subject up with the Federal Housing Administration without waiting for further studies, and that a brief statement should be sent to all members of the Association calling their attention to the situation.

Mr. Sulzberger expressed the opinion that the Association should not go on record as condemning natural gas even by inference, until other fields had been studied and he urged delay of the publication of this report as a scientific study, but he approved Mr. Trigg's suggestion that a brief statement regarding the situation be sent to all members of the Association. There followed considerable discussion of the subject, in which it was developed that there had been considerable "skinning" in connection with the application of the paint - two coats having been applied when three coats were called for. Mr. Havey expressed

some concern that Government Bureaus manned by inexperienced people might give out damaging publicity as a result of the situation in Oklahoma City, but Mr. Trigg expressed the belief that both the Federal Housing Administration and Home Owners Loan Corporation would probably consult with this Association before issuing anything on the subject of paint. Mr. Melum expressed the belief that it might be advisable to prepare at least the preliminary statement on this situation on the subject of poor construction, rather than on the use of natural gas.

Mr. Sulzberger reported that Dr. Gardner had been designated by the Secretary of State as one of ten scientists representing the United States, at an international chemical conference held in Rome.

In answer to a question by Mr. Sulzberger, Mr. Macdonald reported that the Russell and Colmer bills providing for research in the development of tung and other drying oils had not been passed by the last Congress but that we had been advised by the Bureau of Plant Industry that \$120,000 from one of the new appropriations would be available to that Bureau for tung oil work, and that an additional \$20,000 would be available to the Bureau of Chemistry and Soils.

#### PAINTERS LICENSE BILL

President Trigg reported that the Executive Committee unanimously approved by a mail vote the draft of a so-called "model license bill" (copy attached). Mr. Trigg reported that the bill as approved by this committee had been referred to the Painters Organization whose Executive Committee will give it consideration at its meeting the last of July. He stated that a final report on the "Painters License Bill" will be presented to the next meeting of the Executive Committee.

#### FORMULA LABELING

President Trigg referred to a memorandum on "Quality Standards" (copy attached), a copy of which had been mailed to all members of the committee. He stated that this situation had been brought to a head because of a letter mailed by the Bureau of Standards of the U. S. Department of Commerce to members of this industry requesting information as to whether or not manufacturers are marking containers to indicate quality or conformance with "nationally recognized specifications", and also asking for sample labels. Mr. Trigg stated that a thorough investigation of the situation makes it apparent that the time has come when something must be done in this industry for the protection of over-the-counter buyers. He expressed the belief that if the industry does not do something itself someone will do it for them, and in a way not so acceptable. Mr. Trigg referred to the Boren Bill, H. R. 10879 proposing the creation of a "Performance Standards Board empowered to direct the establishment of performance grades for any designated product - -" and he also referred to a proposal to create a "Department of the Consumer" in the State of New York, the purpose of which would be "to develop standards and to fix prices."

Mr. Webster expressed the opinion that if a bill similar to the Boren bill were passed, it is probable the board so created might pay no attention to any action on the part of our industry, and he expressed opposition to taking any action on the question at this time.

President Trigg stated that he was unable to get away from the feeling that if our industry does not do something at this time someone else will do it for us. He referred to a suggestion which had been made that it might be possible to head off the move toward standardization by recommending the use of "formula labeling".

Mr. George A. Martin expressed the belief that this industry would be told in the very near future that something must be done regarding this situation. He referred to formula labeling as a "move toward cleaning up our own industry", and expressed the opinion that the government would welcome a move toward formula labeling on the part of the industry and would not, for the time being at least, further press the question of standardization.

In answer to a question by Mr. Foy as to how formula labeling might be enforced, Mr. George A. Martin expressed the belief that Congress would enact a law on formula labeling if the industry indicated interest. He expressed the further belief that if the industry does not promote such a regulation it will find itself under the jurisdiction of the Bureau of Standards.

President Trigg expressed the belief that if a letter were addressed to members of the industry recommending the use of formula labeling, it might be possible to bring sufficient pressure to bear to have the recommendation carried out without federal legislation.

In answer to a suggestion by Mr. Matlack that there is need for the development of a common language understandable to everyone, Mr. Macdonald read the following formula which had been used in one case under investigation:

|                                               |            |
|-----------------------------------------------|------------|
| "White Lead, Zinc and Calcited Lithopone..... | 47.17%     |
| Carbonate of Calcium.....                     | 17.86      |
| Oxide of Silicon.....                         | 5.78       |
| Linsced and Waterproofing Oils.....           | 21.77      |
| White Blended Varnish Oil.....                | 2.49       |
| Volatile Mineral Solvents.....                | 3.76       |
| Solution Oil of Pine.....                     | 1.17       |
|                                               | <hr/> 100% |

Mr. George A. Martin pointed out that in the early days in the industry it was felt that any formula labeling would wreck the industry, but that the use of formula labeling in those states requiring it has caused no great hardship. President Trigg stated that the North Dakota Formula Labeling Law had been responsible for the development of the Scientific Section of the organized industry and he expressed the belief that federal formula labeling would not adversely affect high grade paints, but that it would have a tendency to improve the quality of lower grade paints.

Mr. Sulzberger stated that he was opposed to any action on the part of the government even to the passage of a federal law on labeling, but he stated that manufacturers must recognize that consumers are demanding information as to how they can secure quality products. He referred to a suggestion made by Dr. Gardner in 1935 for the establishment of the "Institute of Paint and Varnish Research" for the labeling of quality products. Mr. Zintl said that it isn't possible to standardize the paint business - that you can't give consumers what they are asking for with regard to the products of our industry, and he expressed the opinion that it would be a mistake to even consider the question of standardization.

Mr. Havey expressed the opinion that the industry is in the same position on this question of standardization or formula labeling as it was on the question of painter licensing. He stated that the association needs something to use as an answer to the question by consumers of how to secure quality products, and he expressed the opinion that approval of formula labeling would give the association the answer which it needs.

Mr. Melum expressed the belief that while this is a very difficult problem and one which has been under study for many years, it will be necessary for the industry to go further than it has in view of the insistence on the part of the government for definite action. He expressed doubt as to whether or not the government would accept a recommendation for formula labeling on the part of our industry as the complete answer. He moved the appointment by the Chairman of a committee of five to study the situation carefully - cooperate with the government in the development of a plan acceptable both to industry and to the government - and to bring this plan back to the Executive Committee for definite recommendation. This motion did not receive a second.

Mr. Phillips stated that he had been an advocate of the program adopted by the industry to "do nothing" on this subject, but he expressed the belief that we have now reached the point where it will be necessary to take some action if the industry is to stall off more serious action by the government. He expressed the belief that formula labeling will not give to the consumer everything he wants but that it represents the best the industry can do towards a solution of the problem and he stated that he believed it essential that the committee recommend to the industry at this time the use of "formula labeling".

Mr. Reardon stated that he agreed entirely with Mr. Phillips' suggestion. He expressed the belief that the industry can sell the government on the idea that formula labeling is as nearly the complete answer to the present question as it is possible to secure, in view of the impossibility of standardization.

In reply to a suggestion by President Trigg that development of nomenclature to be used by the entire industry would make formula labeling acceptable to the public, Dr. Gardner reported that such nomenclature has been developed and can be presented to the committee at any time. He stated that in view of the industry's refusal heretofore to consider formula labeling the proposed nomenclature had been referred back to the Scientific Section by the committee when it was previously presented.

Mr. Melum expressed the belief that the committee proposed in his motion could work out a satisfactory solution and that if that committee found formula labeling to be the answer to the problem, it could so recommend to the Executive Committee.

Mr. Phillips expressed the belief that the Executive Committee should go on record as recommending to the industry the adoption of formula labeling. Mr. Melum stated that he would have to oppose such a recommendation unless he had assurance that the government would accept formula labeling in lieu of standardization.

President Trigg stated that it would be a mistake to go to the Bureau of Standards with anything less than definite action on the part of the Executive Committee. Messrs. Martin, Phillips, Wartele and Zintl endorsed this suggestion.

Mr. Sulzberger stated that the advantage of universal formula labeling is that it takes the industry out of the class of chicanery. He expressed the belief that the industry should keep away from legislative action just as long as possible and he stated that if the industry will recognize the consumers' interest and will endeavor to meet that interest through its own organization it will be on the right road. He expressed the belief that many manufacturers would immediately join those who are now using formula labeling and that this would have a tendency to swing all firms into line.

Mr. Foy expressed the belief that difficulty would be encountered in selling the idea of formula labeling to smaller manufacturers.

Mr. Webster expressed the belief that formula labeling should apply to house paints only. Mr. Sulzberger stated that the same principle applies to all products of this industry. Mr. George Martin expressed the opinion that formula labeling should apply to all products, but stated he would consider it satisfactory if the committee decided to limit the recommendation to paint products only. President Trigg stated that small manufacturers have great difficulty in using formula labels on all products, and he expressed the belief that a good start could be made by omitting varnishes and specialties.

Mr. Phillips stated that he thought it would be fine if formula labeling could be limited to paint products, but he expressed doubt that this would be possible.

Mr. Havey expressed the opinion that it is essential that the association management be authorized to state that the industry approves formula labeling as a substitute for other plans being presented throughout the country tending towards standardization.

President Trigg stated that at the present time the association management has no alternative than to fight any recommendation for formula labeling. He stated that if the management could be relieved of that injunction it would be helpful. He said that informal discussions with leaders in the lumber industry indicated that formula labeling would meet their demands.

Mr. Wurtele suggested the possibility of the development of an agreement to be signed by members of the association to abide by formula labeling.

In answer to a question by Mr. Matlack as to what experience companies have had in connection with the changing of formulas, and particularly as to whether or not any goods had been returned because of changes in formula, Mr. George A. Martin said that while there had been frequent changes in formulas there had been no returns of stocks as the result of these changes.

Mr. Griffin stated that he believed the industry should do everything possible to assist the consumer to get a good paint job. He favored formula labeling, and expressed the belief that something should be done at this time in that direction, and he was of the opinion that varnishes should be included. He suggested the possibility of distinguishing between first, second and third lines by the use of different colored labels. In answer to a question by Mr. Sulzberger as to why the Pittsburgh Plate Glass Company had quit the use of formula labeling after having adopted it, Mr. Griffin stated that he did not know why the company had quit the use of labeling, but it had returned to labeling because many states are requiring formula labeling, and his company found no objection to making it general. He stated that his company is now labeling everything except varnishes.

In answer to a suggestion by Mr. Sulzberger that action by this committee on the subject would need approval by the annual convention, President Trigg stated that if this committee made a recommendation to the industry for the use of formula labeling, there is no reason why this recommendation could not be publicized immediately. He stated that of course it would not be possible to bind the industry, but that if the committee made the recommendation at this time, then the convention could discuss the entire situation with some background information.

Mr. Wurtele asked if it would be considered desirable to appoint a committee to work out the details of the proposition. Mr. Melum expressed the belief that this proposition would develop so rapidly that the industry would lose much if it did not have a small committee to follow up. He stated that he is opposed to federal formula labeling, but that he would prefer that to government regulation on standardization.

After some further discussion of the subject, the chairman presented the following resolution:

"The Executive Committee of the National Paint, Varnish and Lacquer Association having carefully considered the interests of consumers of paint products, and the desirability of a wider dissemination of information which will aid the public in the selection of suitable paints, is of the opinion that formula labeling of pigmented products, in simple terms, in what is generally known as the trade sales line should be universally adopted by members of this industry."

Formula  
Labeling

Mr. Melum objected to the language of the resolution since it appears to indicate that the committee is in favor of formula labeling; he expressed the belief that the matter of drafting a resolution should be left to a small committee.

It was moved by Mr. Wurtele, seconded by Mr. Wells Martin that the resolution as presented be approved. The motion was carried with Mr. Melum voting in the negative.

It was moved by Mr. Zintl, seconded by Mr. Trigg, that the chairman appoint a committee of five to assist in carrying out the purposes of the foregoing statement of policy, and in particular to recommend the form of, and terms to be employed in, such formula labels, and, if deemed appropriate, to confer from time to time with such officials, departments or agencies as may be concerned with this subject and to present the subject to the Annual Convention of this Association in October. The motion was unanimously carried.

The chairman announced that in accordance with the resolution as approved he would appoint as members of the committee Messrs. de Lancey Kountze, Chairman, H. A. Melum, H. E. Webster, V. Wurtele and ~~William Zintl~~ declined. E.A. Foy, Jr. 9/17/38.

Meet Washington Tuesday August 30, 1938

LEAD INDUSTRIES ASSOCIATION ADVERTISING CAMPAIGN

President Trigg stated that members of the Lead Industries Association, representative both of corrodors and miners, have talked of plans to promote the sale of lead. He stated that in view of the fact that white lead is the only product of their industry which has no recovery value they plan to conduct an advertising campaign to increase the sale of white lead. Mr. Trigg stated that their proposed plan is to cause paint manufacturers to use more white lead in their products as well as to promote white lead in oil, and he stated that they have

asked for an expression of opinion from this industry. Mr. Trigg stated that he had advised representatives of the lead industry that he felt that such a campaign might cause a cleavage between groups in the paint industry and he stated that he had invited Mr. E. V. Peters of the St. Joseph Lead Company to be present at this meeting to discuss the situation. Mr. Peters found it inconvenient to be present, and asked for an expression of opinion from the committee.

In answer to a question by Mr. Roh, Mr. Trigg stated that the lead industry plans to spend one million dollars on their campaign over a period of three years. He stated that he had suggested to the representatives of the lead industry that they join with the paint industry in conducting a general paint campaign. He stated that they expressed interest in this suggestion and said that some day they might consider such a joint campaign but that for the time being they were primarily interested in selling more lead.

Mr. Zintl expressed the opinion that the campaign was ill advised but that this committee could not go on record opposing any activity which the lead industry might wish to conduct. He expressed the opinion that the only compromise would be a "Use More Paint Campaign", and he stated that there undoubtedly would be objections to their proposed campaign unless they promoted the sale of all paints.

President Trigg stated that he did not see how they could do other than promote the sale of white lead in oil since their sales of white lead last year were 25% in dry form, 75% in oil.

Mr. Sulzberger expressed the opinion that the zinc and titanium interests will be forced to retaliate if the lead industry's campaign is conducted, and that this will cause a definite cleavage in interests in our industry.

Mr. Havey expressed the belief that a campaign such as proposed by the lead interests will hasten the day when paint manufacturers will promote the sale of ready-mixed paints as such.

It was moved by Mr. Roh, seconded by Mr. Melum, that the Chairman appoint a small committee to discuss this situation with the lead interests. Motion carried. The chairman appointed as members of the committee Messrs. Wm. Zintl, C. J. Roh, E. D. Griffin.

President Trigg suggested that this committee give serious consideration to the advertising now being carried on by the National Lead Company which, in his opinion, is detrimental both to the paint industry and to the lumber industry. He expressed the opinion that the tendency of this advertising would be to scare the public away from the use of paint. He stated that Mr. Tate of the Weyerhaeuser Lumber Company is much concerned regarding this situation, and has had correspondence with the National Lead Company.

#### EMPLOYEES REPORT

President Trigg read the following memorandum as a matter of information for the committee -

So far we have had 187 returns in connection with the last employees report questionnaire sent out under date of June 1st. The replies are still coming in and there should be a substantial number of additional

ones so this is merely a preliminary report to the Executive Committee.

Of the 187 reports in we find that the following number, expressed in percentages, have made reductions in

|                           |       |
|---------------------------|-------|
| Days Full Week - Factory  | 4.23% |
| Hours Full Week - Factory | 7.00% |
| Days Full Week - Office   | 4.23% |
| Hours Full Week - Office  | 8.00% |

The percentage of manufacturers who have made increases are

|                           |       |
|---------------------------|-------|
| Days Full Week - Factory  | 3.21% |
| Hours Full Week - Factory | 3.21% |
| Days Full Week - Office   | 3.21% |
| Hours Full Week - Office  | 7.47% |

2.14% show increases in overtime pay while.

4.26% report reduction in overtime pay to regular pay.

30% made wage increases in one or more different classifications. A few made a general increase.

23% made reductions in one or more classifications, while a few showed decreases in several classifications.

47% showed no change.

In some cases the reports show both increase and decrease in various classifications, evidently in an attempt to equalize wages where necessary.

An examination of the reports based on the lowest and highest number of employees shows that in all territories the lowest number of employees is down except in Los Angeles and San Francisco, who show increases, and except New England where there is no change, while the highest number of employees is down in all territories except Los Angeles, San Francisco and Ohio, with no change shown in the New England and New York areas, Pennsylvania and Wisconsin.

The figures in each territory are as follows:

|                    | <u>Lowest</u> | <u>Highest</u> |
|--------------------|---------------|----------------|
| Chicago            | 13.06% Down   | 10.66% Down    |
| Indiana & Kentucky | 13.15% Down   | 8.98% Down     |
| Los Angeles        | 24.41% Up     | 19.39% Up      |
| Michigan           | 28.51% Down   | 11.42% Down    |
| New England        |               | No Change      |
| New York area      | 8.53% Down    | No Change      |
| Ohio               | 24.44% Down   | 10.00% Up      |
| Pennsylvania       | 18.22% Down   | No Change      |
| St. Louis          | 17.64% Down   | 27.60% Down    |
| San Francisco      | 35.71% Up     | 39.07% Up      |
| Wisconsin          | 8.14% Down    | No Change      |

The average decline in employment numerically, based upon adding the above figures together and dividing by the total number of territories, is 16.57%.

These figures would seem to indicate that business has been better on the Pacific Coast than elsewhere.

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WAGE AND HOUR LAW

President Trigg read the following memorandum:-

Wage and Hour Act

This Act is summarized as follows:-

"Administered by Wage and Hour Division of Department of Labor headed by an Administrator.

"Minimum Wages: first year, 25¢ per hour. Next six years, not less than 30¢. Thereafter, 40¢ or the rate (not less than 30¢) prescribed by the Administrator, whichever is lower. At any time not less than the rate prescribed by the Administrator (not more than 40¢).

"Maximum Hours: first year, 44 hours per week; second year, 42 hours; thereafter, 40 hours, unless time and one-half is paid for overtime.

"Exception if longer workweek is provided for as result of collective bargaining agreement certified as bona fide by National Labor Relations Board which provides for maximum of 1000 hours in any 26 consecutive weeks. Certain other exceptions.

"Wage Orders - To attain the objective of the Act which is a universal minimum wage of 40¢, each industry, when convened by the Administrator is required to recommend minimum wages for such industry.

"Industry Committees are appointed by the Administrator to represent the public, the employees in the industry and the employers. The number is not fixed, but due regard shall be given to geographical regions in which the industry is carried on.

"The Committee shall investigate conditions in the industry, may hear witnesses and receive evidence. It may summon witnesses and call upon the Administrator to furnish additional information. The Administrator shall furnish adequate legal, stenographic, clerical and other assistance. Members of the Committee are entitled to a reasonable compensation for time actually spent, and to necessary traveling and other expenses.

"Classifications within Industry - An Industry Committee may recommend such reasonable classifications within an industry as considered necessary for the purpose of fixing the highest minimum wage (not exceeding 40¢) which (1) will not substantially curtail employment in such classification; (2) will not give competitive advantage to any group.

"No classification, and no minimum wage shall be fixed solely on a regional basis.

"The Committee and Administrator shall consider: (1) Competitive conditions as affected by transportation, living, and production costs; (2) wages for work of like or comparable character by collective labor agreements; (3) wages for work of like or comparable character paid by employers who voluntarily maintain minimum-wage standards.

"No classification to be made on basis of age or sex.

"Exemptions - Wage and Hour provisions do not apply to (1) those employed in bona fide executive, administrative, professional, or local retailing capacity, or as outside salesmen (as defined by regulations); (2) those employed in retail or service establishment the greater part of whose selling or servicing is in intrastate commerce.

"Apprentices - Administrator, to extent necessary to prevent curtailment of opportunities for employment, shall provide for employment of learners and apprentices."

This matter is presented to the Executive Committee at this time to give such advance consideration as they see fit to this subject in anticipation of the possibility of the Administrator proceeding to the appointment of a committee to consider the wage and hour provisions in our industry.

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President Trigg expressed the opinion that in view of the small number of labor employes in the paint industry, and also in view of the fact that the industry is paying better than proposed minimum wages, it is unlikely that this new law will materially affect this industry for some time to come. He stated that in good times the industry employs approximately 35,000 men. Mr. Trigg expressed the hope that the paint industry would not be requested to consider itself as part of the chemical industry, and he stated that experience during N. R. A. days may be helpful in maintaining the industry's own identity. He suggested that this association will probably be asked to recommend representatives of employers to serve on a committee which will be made up of representatives of employers, labor and the public. It was the consensus of opinion that no action be taken at the present time. ✓

Mr. Trigg referred to two pamphlets issued by the Southern Pine Association on "Fair Labor Standards Act of 1938", and "Preliminary Analysis of Fair Labor Standards Act of 1938" and stated that these pamphlets present a particularly good outline of the act. *Copies attached were not available when committee was organized.*

PROPOSED CONFERENCE ON  
LEGISLATIVE PROBLEMS

President Trigg read the following memorandum regarding a proposal by the Automobile Manufacturers Association to invite representatives of industries interested in the automobile industry to attend a conference in September for the purpose of discussing common legislative problems:

Under date of June 3d, the Automobile Manufacturers Association wrote us as follows:

"A Chart visualizing fifty or more national associations, whose members are engaged wholly or partially and directly or indirectly in every phase of the motor vehicle industry is enclosed herewith.

"It has been prepared by our Legislative Department to serve as the starting point for bringing about coordination of thought and action in considering and dealing with legislative problems of common interest and concern.

"So that these objectives and methods for realizing them can be thoroughly examined and discussed by all interested parties, I have decided, at the request of the executive officers of several of the organizations noted, to suggest that a conference on the subject be held some time during next September.

"September is selected because it will give those attending the conference ample opportunity, if they so determine, to act in advance of 1939 when, during the first half of the year, the legislatures of forty-four (44) states will go into regular session and consider and pass upon many bills of general or specific concern and of direct or indirect consequence to each and every branch of the motor vehicle industry.

"Without question they will introduce many bills and enact laws on such general topics as 'Anti-Trust', 'Anti-Discrimination' (Little Robinson-Patman Acts), 'Resale Price Maintenance', 'Prohibition of Sales Below Cost', 'General or Specific Licensing of Business', and similar matters, while at the same time considering and acting upon such proposals of importance to some or all of the branches of the industry as 'Increased Taxes', 'Compulsory Liability Insurance', 'Periodic Inspections', 'Mandatory Equipment', etc.

"How do you feel about the holding of such a conference? Will you attend if it is called, bringing with you the Chairman of your Legislative Committee and those in charge of legislative activities of your association?

"In answering this letter and the questions that have been raised, will you kindly bring to my attention any errors which you find in the data set forth in the chart and the names and addresses of any other organizations which we have omitted and you feel should be included. Moreover, data and suggestions bearing on the subject would be greatly appreciated.

The chart referred to will be exhibited at the meeting of the Executive Committee and it is desirable to know from the Executive Committee whether or not it approves of our participating in the proposed meetings and what may develop subsequently therefrom.

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The chart referred to was passed around and indicated six groups of associations interested in the motor vehicle industry; manufacturers or producers - transporters - dealers - financiers - insurers - servicers. The manufacturers

or producers were divided into five groups representing raw and processed materials / parts and accessories - complete vehicles - operating supplies - highway materials. Under raw and processed materials associations representing eleven products were represented: iron and steel - rubber - plate glass - lead - leather - cotton - aluminum - copper - tin - zinc - paint and lacquer.

President Trigg stated that attendance at the conference did not require any commitment but merely presented an opportunity to sit in with other associations for a discussion of common interests. He expressed the belief that our association should be represented. It was moved by Mr. Reardon, seconded by Mr. Matlack that the National Paint, Varnish and Lacquer Association, Inc., participate in the conference of industry associations on common legislative problems to be held sometime in September, 1938. Motion carried.

#### ACCEPTANCE REVISED NON-EXCHANGE AGREEMENT

President Trigg read the following memorandum for the information of the committee:

After an exhaustive follow-up extending over the last year or more to get all members signed up on the revised non-exchange agreement form, we still had approximately 75 who had not signed and returned the new form. With the exception of two or three cases, we have no explanation as to why such members did not sign and assume that in a great many instances it was due to uncertainty as to what it was all about and probably in other instances to neglect.

There are two cases which have been referred to members of the Executive Committee, namely, T. C. Esser Company of Milwaukee to Mr. Griffin, and the Jones-Blair Paint & Varnish Company of Dallas, to Mr. Reardon. Another case, namely, the Gillespie Varnish Company, I am personally handling.

In order to bring this matter to some kind of a final conclusion, we have written a letter as follows to all of the members who have not signed the new form excepting the Milwaukee and Dallas ones as referred to above:-

"The Non-Exchange Agreement formed the background for the development of the Paint Grinders Association and was formally adopted by the members of the Association on May 8, 1899. Since that time, every manufacturing member of the Association has signed the Non-Exchange Agreement, and you are, of course, aware of the effectiveness of the agreement in eliminating a practice which had been both costly and demoralizing.

"At the annual convention of our Association in 1936 certain amendments for the purpose of clarifying the Non-Exchange Agreement were approved and all members were invited to accept, in writing, the amendments to the agreement.

"While a very large majority of the members have accepted the clarified agreement as approved, our records indicate that you have not found it convenient to do so. We do not wish to burden you with unnecessary correspondence and since your Company accepted the original Non-Exchange Agreement at the time of your application for membership in the Association, we are closing our records on the case."

By taking this action you will note that we have put them on notice that the original agreement continues in effect, which our general counsel advises is legally proper.

You will recall that the change in the new form as against the old was not in principle but straightened out some of the language and was really better for the signer than was the original one.

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NON-EXCHANGE AGREEMENT INTERPRETATION AS TO  
REPROCESSING

President Trigg read the following memorandum regarding an interpretation of the Non-Exchange Agreement as applied to reprocessing in the industrial field:

"The question has arisen from R. N. Nason & Company, owned by W. P. Fuller & Company, with regard to the Non-Exchange Agreement and its bearing on a manufacturer taking back into his plant a competitor's product for the purpose of reconditioning or reworking it and returning it to the customer in condition suitable for his requirements, the customer being charged for the expense of reworking.

This question arose during NRA days, at which time the Paint Industry Recovery Board made a ruling (Interpretation 15-1) as follows:

ON INQUIRY whether a manufacturer in the industry could reprocess, for an industrial customer, a product of another manufacturer of the industry: HELD that this would not be a violation of the code, provided (1) the manufacturer did not take title to the material; (2) that the entire amount of material taken over by the manufacturer to be reworked was actually returned to

RESOLVED, That it shall not be considered a violation of the Non-Exchange Agreement for a manufacturer to reprocess, for an industrial customer, a product of another manufacturer in the industry, provided (1) that the manufacturer does not take title to the material; (2) that the entire amount of material taken over by the manufacturer to be reworked is actually returned to the buyer; and (3) that a proper reworking charge for the service be made against the buyer.

It was moved by Mr. Foy, seconded by Mr. Reardon that the principle as stated in the memorandum as read be approved. Motion unanimously carried. *(See attached Resolution)*

NON-EXCHANGE AGREEMENT  
T. C. ESSER COMPANY

Mr. Griffin reported that he had been unable to secure from T. C. Esser Company a signature to the revised Non-Exchange Agreement. President Trigg advised that the file will be closed with a final letter pointing out that the Non-Exchange Agreement originally signed by T. C. Esser Company is in effect.

NON-EXCHANGE AGREEMENT  
JONES-BLAIR PAINT & VARNISH COMPANY

✓ Mr. Reardon reported that he had been unable to contact the Jones-Blair Paint and Varnish Company in an effort to have them sign the revised Non-Exchange Agreement. He suggested that a letter similar to the one to be sent to T. C. Esser Company be mailed to this company closing the file.

NON-EXCHANGE AGREEMENT  
GILLESPIE VARNISH CO.

President Trigg reported that he had not as yet secured the signature of the Gillespie Varnish Company to the revised Non-Exchange Agreement, but stated that he would follow through in an effort to complete the case.

POST OFFICE DEPARTMENT PURCHASING FORM

President Trigg read the following memorandum for the information of the committee, and as a record of appreciation to Mr. de Lancey Kountze for his co-operation:

At the April 5th meeting of this Committee, a resolution was adopted asking the Post Office Department to submit bid forms in duplicate so that bidders would have one copy thereof to retain for their files.

In a letter, dated June 6th, Mr. Harrison Parkman, Purchasing Agent, Post Office Department, Washington, advises that they will comply with our request beginning July 1st.

Mr. de Lancey Kountze through his relationship with the Department was largely, if not entirely, responsible for accomplishing this result.

NOMINATING COMMITTEE

President Trigg read the following memorandum:

Article 8, Section 13, of the by-laws provides that:-

"At least three months preceding the annual convention the President shall appoint subject to the approval of the Executive Committee, a Nominating Committee of seven members as follows:

"Four to be selected from Class A membership, two to be selected from Class B, Class C or Class E membership (none of whom shall be officers) and the President. The Nominating Committee shall report at the first business session of the Convention."

In accordance therewith, the President submits for your approval the following names of four Class A members, one Class B member, and one Class E member for this year's Nominating Committee:

- (A) HORACE S. FELTON, (Chairman), Felton, Sibley & Co., Philadelphia
- (A) H. BRAITH DAVIS, H. B. Davis Company, Baltimore, Md.
- (A) ADAM E. DAUM, Impervious Varnish Co., Pittsburgh, Pa.
- (A) EDWARD J. SHANNON, Edw. J. Shannon Co., Cincinnati
- (B) WALTER R. FOSS, Wooster Brush Co., Wooster, Ohio
- (E) ~~CHARLES W. BROWN, Gould & Cutler Co., Boston~~ declined to serve.
- (B) John D. Stevens, Aluminum Company of America, Pittsburgh, Pa.

It was moved by Mr. Webster, seconded by Mr. Havey, that the recommendations for appointment as members of the 1938 Nominating Committee be approved as presented. Motion unanimously carried.

In accordance with the By-laws the six members appointed, with the President, will comprise the Nominating Committee.

#### HEADQUARTERS BUILDING SITUATION

President Trigg reported that Congress had passed a bill providing for the construction of a new War Department building, the site for which will include the site occupied by the association headquarters building, and that funds had been appropriated for the purchase of the land. He stated that the President has signed the bill, and that publicity indicates that the War Department building will be built in two units, the first of which will not include the site occupied by the association. Mr. Trigg stated that the association has had no approach from the government regarding the matter, and that the association management is sitting tight awaiting developments. He stated that in view of the fact that there are two apartment buildings which must be bought and torn down before unit number one can be started, it may be a year or more before construction is actually started on this unit. He expressed the belief that it may be several years before the government takes the association property, and that in case the property should be taken it is possible arrangements could be made to permit association headquarters to remain as tenants until the land is to be cleared. He expressed the opinion that the best policy seemed to be to await action by the government. President Trigg stated that at their meeting on January 27th, 1937 the Executive Committee had appointed a committee of three, consisting of the Vice-Chairman of the Executive Committee, the Treasurer and the President "to take care of interim details regarding the sale and purchase of property between meetings of the committee."

It was moved by Mr. Havey, seconded by Mr. Webster, that the committee appointed on January 27th, 1937 be continued. Motion unanimously carried. - R. K. H. - E. J.

#### MEMBERSHIP - NEW APPLICATIONS

The Secretary presented the application for Class B membership of Bramley Machinery Corporation, 15 Park Row, Mr. B. M. Halpern, Vice-President. It was moved by Mr. Wells Martin, seconded by Mr. Havey, that the application of Bramley Machinery Corporation be approved. Motion carried.

#### MEMBERSHIP - CANCELLATIONS

The Secretary presented the following list of firms whose memberships are recommended for cancellation:

Class A

|                                          |                       |
|------------------------------------------|-----------------------|
| Beacon Paint Works, Jamaica Plain, Mass. | - Poor account        |
| Grossman Bros., Inc., Spokane, Wash.     | - Can't afford        |
| Lacquer Products, Inc., Cleveland, Ohio  | - " "                 |
| Midwest Paint Mfg. Co., Minneapolis      | - " "                 |
| G. H. Nelson Paint Co., Omaha            | - Poor account        |
| Rose Varnish Works, Long Island City     | - Can't afford        |
| The Ruberoid Co., New York               | - Not in our industry |
| Stanford Putty Mills, Stanford           | - Out of business     |
| Williams Hayward Varnish Co., Chicago    | - Resig. is final     |

Class B

|                                 |                               |
|---------------------------------|-------------------------------|
| Brill Equipment Corp., New York | - Second Hand Mach.<br>dealer |
|---------------------------------|-------------------------------|

Class E

Aalfs Paint & Glass Co., Sioux City, Iowa  
Hadlock Paint Co., Inc., Rochester, N. Y.  
J. J. Hockenjos, Irvington, N. J.  
Dwight R. Judson Co., Hartford, Conn.  
Swank Hardware Co., Johnstown  
W. A. Winslow, Washington

The secretary stated that the annual dues represented by this list of firms is \$1,000.

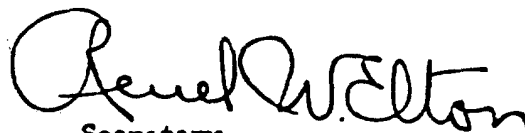
It was moved by Mr. Trigg, seconded by Mr. Foy, that the cancellation of the memberships as presented be approved. Motion carried. ✓

CONVENTION ASSESSMENT

President Trigg reported that the Entertainment Committee for the 1938 convention recommended that the convention assessment be the same this year as it was in 1937, \$10.00 for men and \$10.00 for women. It was moved by Mr. Reardon seconded by Mr. Wells Martin, that the assessment for the 1938 convention be \$10.00 for men and \$10.00 for women. Motion carried. ✓

ADJOURNMENT

There being no further business to come before the committee, the meeting adjourned at 3:30 P. M.

  
Secretary

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