

BOARD OF OPERATORS - 1106th MEETING

August 1940

Present:

A. W. Steudel
H. J. Hain
E. E. Ware
N. E. Van Stone
V. Mills
S. E. Coolidge
J. C. Prescott
E. C. Baldwin

Absent:

F. E. Davis
W. R. Sieplein
F. A. Stanton
G. H. Griffiths
T. J. McDowell

Copies To:

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

9075 - REPORT ON FACTORY OPERATIONS:

Orders for heavy liquids amounted to 144,000 gallons compared with production of 152,000 gallons and shipments of 159,000 gallons. Stocks decreased 6,000 gallons.

With the exception of Cleveland, plants continued to operate on the basis of a forty hour week.

Sales for the week were 20% ahead of last year with gains in all captions except Transportation. Trade Sales gain amounted to 9% and gain in retail store sales 14%.

9076 - REPORT ON NUMBER OF HOURS PLANTS HAVE OPERATED:

Chicago	P&V	-	Operated at 40 hour week
Newark	P&V	-	" " 40 " "
Cleveland	P&V	-	" " 35 " "
Oakland	P&V	-	" " 40 " "
Los Angeles	P&V	-	" " 40 " "
Dallas	P&V	-	" " 42½ " "
Chicago Lacquer		-	" " 39 " "
Dry Color		-	" " 40 " "
Flushed Color		-	" " 40 " "
Acme		-	" " 40 " "
Lowe Brothers Company		-	" " 40 " "
Lucas		-	" " 40 " "
Martin-Senour Company		-	" " 40 " "
Chicago White Lead		-	" " 50% capacity
Tin Can		-	" " 70% "
Coffeyville Lithopone		-	" " 100% "
Leaded Zinc		-	" " 65% "
Cleveland Linseed Oil		-	" " 100% "
Castor Oil		-	" " 0% "

9077 - INSECTICIDE PRODUCTION:

Mr. Mills reported that demand for arsenate of calcium has fallen off and that production has been stopped. There are currently 32 carloads on hand in warehouses and in transit. The Bound Brook plant will start running on small packages of lead, calcium, and bordeaux.

Mr. Mills will check the value of old packages and labels which would have to be written off if new packages exclusively are used.

9078 - LIGHT OIL:

Mr. Mills reported that we will carry over an inventory of about \$25,000 of light oil obtained on the arrangement with Wetmore. In view of the present depressed market and prospect of increased demand as a result of the rearmament program, it was decided to hold it.

The Board asked Mr. Mills to review as of August 31st the arrangement we have had with Wetmore to see whether it should be continued.

9079 - PAINT AND VARNISH ASSOCIATION QUESTIONNAIRE:

Mr. Mills reported that a questionnaire has been received from the Paint and Varnish Association on plant condition in regard to danger of fire, explosion, etc. The questionnaire is to be returned unsigned and a summary made available to all members of the answers received.

Mr. Steudel raised the question as to whether any equipment is available to test vapor content and danger of explosion. The Board asked Dr. Van Stone to investigate further to see what can be done to promote safety with equipment and regular inspection. It was pointed out that all new installations are relatively safe.

9080 - HOLLINGSHEAD COMPANY:

Mr. Schabel reported that the Hollingshead Company has advised us that regular service will be maintained on the rubbing compound which we are buying from them.

The Board asked him to get a catalog of all Hollingshead specialties to see whether we might profitably manufacture some of them for sales through our stores, affiliated companies and other large customers.

9081 - PRODUCTION OF SMALL ITEMS:

Mr. Steudel read a letter from Mr. C. A. Campbell suggesting that a review should be made to see what consolidation of production could be effected on small volume items sold by more than one of the allied companies.

9082 - D B B GUM:

Mr. Schabel reported that Hollingshead will check to see what their consumption of D B B gum amounts to and whether they can take part of the supply that we now have at Newark.

9083 - DEHYDROL:

Consumption of Dehydrol amounted to 63,000 pounds last week.

In view of the inadequate supply of high viscosity Dehydrol on hand, the Board decided that it would be necessary to buy some more raw castor and start production again as quickly as possible. Mr. Mills will consult with Messrs. Davis and Coolidge on factory requirements and Mr. Davis will be asked to purchase enough to take care of our requirements until the end of August.

The weekly report on stocks of Dehydrol is to show the amount on hand both of high and of low viscosity.

9084 - FLAXSEED:

Mr. Coolidge reported that this year's northwestern flax is expected to have an iodine number of 175 to 177 which is about the same as last year.

9085 - NEW LEASES AND NEW STORES:

Mr. Prescott reported that leases have been signed for a combination store and sales division office on LaSalle Street in Chicago and for another store on Cicero Avenue.

Dealers at Sacramento, California, and Ann Arbor, Michigan have been taken over as retail branches.

9086 - OHIO STATE FELLOWSHIP:

The Board approved Professor Ware's suggestion that an additional \$1200 be appropriated to complete the summer field testing program being carried out under the Ohio State Fellowship.

This will bring the fellowship up for renewal about October 1st rather than July 1st when it usually expires.

9087 - PATENT ON DEHYDROL:

Professor Ware reported that the division of the Patent office handling our application on Dehydrol is about five months behind in its work and that as a result action on our application has been delayed. Apparently, there is another application in the office that may interfere with granting of our patent. It will be four or five months before action is taken although an interference may be filed before that time.

We could not be held liable for our production of Dehydrol until and unless a conflicting patent is granted.

9088 - RATE REDUCTION ON LITHOPONE:

Mr. Coolidge suggested that since the rate reduction on shipments of lithopone from Coffeyville applies only on 60,000 pound carloads, plants should be instructed to order in this quantity whenever possible. An effort will also be made to have our larger customers place orders for 60,000 pounds at a time.

The new rate will apply to our factory plants.

9089 - REICHOID PATENT--BENZOYL PEROXIDE:

The Board discussed the advisability of filing an interference to the Reichold

patent on use of benzoyl peroxide. Professor Ware will check further on the coverage given by the Reichold patent, on what we have been doing, and what has been in published literature.

9090 - TRANSPORTATION RATES--DALLAS TO HOUSTON:

Mr. Baldwin reported that five of the leading railroads operating in Texas territory have agreed to submit revised rates on paint to the Texas Railroad Commission for approval.

Comparison of current and proposed rates are as follows:

From Dallas to Houston

Current Rates

L C L	77¢
Carload	54¢

Proposed Rates

30,000 pounds	28¢
20,000 "	35¢
10,000 "	40¢

If these rates are approved, similar revisions will be made on rates between other points.

These rates apply only on paint. After they have been established, further work will be done to lower rates on insecticides also.

9091 - DISBURSEMENTS FOR JULY:

Mr. Steudel reported that disbursements for July were as follows:

	<u>Month</u>	<u>Year to Date</u>
This year	\$ 2,499,000	\$ 33,776,000
Last year	2,187,000	26,418,000

9092 - PHTHALIC ANHYDRIDE:

Mr. Steudel pointed out that purchases of phthalic anhydride will amount to \$1,000,000 this year and that it would be very much to our advantage to make it ourselves.

Professor Ware will check to see whether Reichold is still making it and if so why we can't also manufacture at least for our own requirements.

9093 - MINERAL SPIRITS:

Mr. Steudel called to the Board's attention the fact that the price of mineral

spirits is abnormally stable and relatively high as compared with the price of gasoline. Dr. Van Stone will investigate to see whether it is possible to contract for a supply under the stabilized market price.

9094 - COPPER SULPHATE:

Mr. Steudel advised the Board that purchases of copper sulphate have amounted to \$100,000 this year and that during the coming year an effort must be made to use as much scrap copper and as little copper sulphate as possible in manufacture of Best-Cop.

9095 - SHELLAC:

Purchases from Southern Shellac will amount to \$200,000 for the year. Mr. Mills was asked to recheck the advisability of manufacturing it ourselves.

9096 - SKIN PAINT AT NEWARK:

Mr. Steudel advised the Board that Newark factory has an accumulation of 30,000 gallons of skin paint. It was decided that effort to sell it reworked as "General Purpose Paint" should be confined to our retail stores. Mr. Mills will check the value at which it is carried on the books and Mr. Steudel will consult with Mr. Krimbill on stimulating sale of it through retail stores.

9097 - LABEL CHANGES:

It was decided that any radical changes in labels must be presented to the Board before they are made.

9098 - PUBLIC BID:

Since September 1, 1939, 2224 invitations to bid have been received. A total of 1872 amounting to \$5,212,114 have been placed and of this total we have received awards on 238 amounting to \$697,743.00.

9099 - NEW GOODS:

Kem Save-Lite Eg-Shel White 22145--To be added to our Save-Lite line as a companion product to Kem Save-Lite Gloss #46 Red 22146

Kem Save-Lite Gloss White #46 - 22146

Save-Lite Flat White - 22125--Rexes 22146 and 22125, incorporating the latest developments of our Technical Department, are replacing rexes 22128 and 14375 in our Save-Lite line.

Kem Save-lite Gloss White #46 - 22146 and Save-Lite Flat White - 22125 will bear the regular Save-Lite label.

Special labels have been provided for the replaced Kem Save-Lite Gloss White #28 - 22128 and Save-Lite Breather Flat #75 - 14375.

9072 - FACTORY OPERATIONS, week ending July 30, 1940

HEAVY LIQUIDS - S-W PLANTS

Total orders received	- 144,497	Total production	- 151,657
Total factory stocks	- 688,097	Inventory Dec.	- 6,002
CHICAGO	- Orders recd. 66,038	Production	86,158
		Stocks	311,773 gals.
NEWARK	- Orders recd. 35,449	Production	29,413
		Stocks	158,200 "
CLEVELAND	- Orders recd. 31,389	Production	24,977
		Stocks	151,747 "
OAKLAND	- Orders recd. 11,871	Production	11,109
		Stocks	66,377 "

TOTAL PLANT OUTPUT

CHICAGO	P&V	- 141,583 gals.	Operated at 85%
NEWARK	P&V	- 51,281 "	" " 65%
CLEVELAND	P&V	- 41,685 "	" " 76%
OAKLAND	P&V	- 28,154 "	" " 131%
LOS ANGELES	P&V	- 18,162 "	" " 60%
DALLAS	P&V	- 16,261 "	" " 131%
CHICAGO LACQUER	-	41,740 "	" " 95%
DRY COLOR	-	92,606 lbs.	" " 78%
FLUSHED COLOR	-	70,115 "	" " 87%
CHEM. PRODUCTS	-		" " 74%

BOUND BROOK INSECTICIDES - Arsenic Acid - 114 tons
 Calcium Arsenate - 209 tons
 C-P-C - 5 tons
 Paris Green - 1 ton
 Basi-Cop - 19 tons

OAKLAND INSECTICIDES - 7 days - 3 eight hour shifts.

ACME - Produced 66,724 gals. Paint Dept. operated at 58%,
 Enamel & Lacquer at 20%, and Varnish & Thinner at 18%.

LOWE BROTHERS COMPANY - Manufactured 36,955 gals. with Paint Depts. operating
 at 76%, Enamel Dept. at 76%, and Varnish Dept. at 24%.

LUCAS - Manufactured 37,463 gals. Operated at 65%.

MARTIN-SENGER COMPANY - Manufactured 13,937 gals. Paint Dept. operated at 68%.

8-5-40.

#9073 - PLANT REQUISITIONS APPROVED:

RETAIL STORES DEPT.

#1471 - Ft. Lauderdale

1 fire extinguisher 8.50

#1472 - Owensboro

3 fire extinguishers 25.50

#1503 - Midletown

Adding machine, safe and 2 Uarco registers 197.00

#1504 - Warren, O.

1 fan 27.00

#1505 - Salem, Mass.

2 drum cradles 10.00

#1507 - Ashtabula

1 tape machine 15.00

#1509 - Mattoon

New installation 2, 641.43

SO. CENTRAL DIST.

#216 - Atlanta Whse.

1 fan 10.00

WESTERN DIST.- #5809 - Minneapolis

Oak desk, swivel chair, 3 drawer file cabinet- 47.00

#5810 1 fan for District Office 50.00

DALLAS FACTORY

#46 5 ceiling fans 184.00

CHICAGO FACTORY

#518 Fire fighting equipment - Beta Dept. 124.50

#530 Elec. water cooler for "C" Dept. - P&V 189.70

#543 Desk - C.P.Office 13.98

#548 6 square change cans - Lacquer 830.00

#551 3 drawer filing cabinet - Allied Lab. 29.32

#542 4" return line from Bg.#21-1 - P&V 306.30

#525 Lunchroom equipment - Overrun on Req. 282 57.42

NEWARK FACTORY

#655 Belt for air compressor 62.75

#658 Exhaust fan 112.60

TOTAL PLANT REQUISITIONS APPROVED - - - - - \$ 4,942.00

#9074 - LARGE EXPENSE REQUISITIONS APPROVED:

RETAIL STORES:

#1506 Repaint store floor - Monroe, La. 19.50

#1508 - Portland

Paint store front 20.00

MISS. VALLEY DIST.

#368 - St. Louis

Repairs to elevator 240.50

BOUND BROOK FACTORY

#53 Repair and realign equipment 896.77

#54 Overhaul P & S Driers, vacuum filters and elevators 2,574.69

#55 Repairs to boilers 1,848.50

CHICAGO FACTORY

#469 Replace soot blowers and soot blower brackets - Power 474.00

NEWARK FACTORY

#656 Rewinding 3 HP motor 115.00

#657 Replace old power line 202.40

TOTAL LARGE EXPENSE REQUISITIONS APPROVED - - - - - \$ 6,391.36

Total Plant Requisitions approved to date \$ 1,446,905.68

Total Expanse requisitions " " " \$ 206,927.56

ACME - Detroit

ES 1094 Natl. Cash Register sales analysis machine 2,340.45

LUCAS - Philadelphia

#134 Burrough's calculator, less trade-in 293.95