

BOARD OF OPERATORS - 1082nd MEETING

February 19, 1940

Present:

A. W. Steudel
H. J. Hain
F. E. Davis
V. Mills
S. B. Coolidge
W. R. Sieplein
F. A. Stanton
G. H. Griffiths
J. S. Prescott
E. C. Baldwin

Absent:

E. E. Ware
N. E. Van Stone
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

8494 - RESUME OF FACTORY OPERATIONS:

Production of heavy liquids amounted to 150,000 gallons compared with orders received of 126,000 gallons with a resulting increase in inventory of 28,000 gallons.

With the exception of Cleveland which is on a 32 hour week, paint factories are continuing to operate on the basis of a forty hours.

Sales for the week were 6.5% under last year with small losses in industrial as well as trade sales.

8495 - REPORT ON PLANT OPERATIONS:

Chicago	P&V	-	Operated at 40 hour week			
Newark	P&V	-	"	"	40	" "
Cleveland	P&V	-	"	"	32	" "
Oakland	P&V	-	"	"	40	" "
Los Angeles	P&V	-	"	"	40	" "
Dallas	P&V	-	"	"	40	" "
Chicago Lacquer		-	"	"	34	" "
Dry Color		-	"	"	56	" "
Flushed Color		-	"	"	40	" "
Acme		-	"	"	40	" "
Lowe Brothers Company		-	"	"	40	" "
Lucas		-	"	"	40	" "
Martin-Senour Company		-	"	"	40	" "
Chicago White Lead		-	"	"	100%	capacity
Lithopone		-	"	"	50%	"
Tin Can		-	"	"	80%	"
Coffeyville Lithopone		-	"	"	100%	"
Loaded Zinc		-	"	"	100%	"
Cleveland Linseed Oil		-	"	"	100%	"
Castor Oil		-	"	"	100%	"

N 5214

8496 - CASTOR OIL:

It was decided that no further commitment should be made on raw castor, the price of which Mr. Davis reported as softening somewhat.

Mr. Coolidge was requested to report weekly on the number of tanks of Dehydrol which are sold but not delivered.

Production of Dehydrol for the week amounted to 183,000 pounds as compared with factory consumption of about 62,000 pounds.

8497 - SHELLAC PRICES:

Mr. Davis reported that the price of bone dry shellac has dropped 2¢ a pound.

8498 - STOCK ORDERS:

Mr. Mills reported that practically all dealer stock orders have been shipped.

8499 - SPRING SALES--PINTS OF ENAMELOID:

The Sales Department is to be requested to supply Mr. Mills with an estimate of the sales of Enameloid in pints because of the special price advertised in handbills, door knob hangers and Home Decorators.

8500 - SUNDRY INVENTORY--RETAIL STORES:

In view of the large increase in the stocks of sundries in retail branches, it was decided that it would be necessary to get some break-down in order to exercise better control over it.

It was pointed out that next year every effort must be made to stock Christmas toys on a consigned basis. A report on the carryover of Christmas toys is now being made up.

8501 - BASI-COP:

Mr. Mills reported that the year-to-date production cost of Basi-Cop in 50 pound bags is 11.04¢ per pound. After freight has been deducted from the current listed selling price, the gross profit is only 17%.

8502 - KEM LUSTRAL--PINTS:

The Board decided that Kem Lustral would not be filled in pints either for domestic or export sales.

8503 - BID BUSINESS:

Mr. Siplein was instructed to use 9¢ a pound as the price of linseed oil in figuring costs.

He was requested to consult with Messrs. Hain and Davis in figuring costs on any large bids. On the bid on pipe oil for Scully Steel, costs are to be re-figured and Scully Steel advised by Mr. Cameron.

8504 - PERILLA OIL:

Mr. Davis reported that no perilla oil is offered on the market.

8505 - LEAD PRICE:

Mr. Davis advised the Board that there is some reason to believe that lead prices will increase.

Mr. Coolidge pointed out that we are buying lead on the average price but selling litharge on the basis of a 5¢ lead price. The Board decided that we should follow a policy of buying lead at the spot price to cover all substantial sales of litharge.

Mr. Hain was requested to see whether we need as much electrolytic lead as we are currently buying.

8506 - SALT LAKE CITY STORE:

Mr. Prescott reported that the Salt Lake City store is handling shipments to district accounts and is being reimbursed by the regular 10% allowance.

8507 - LUCAS REQUISITIONS--RETAIL STORES:

Mr. Prescott was requested to see that all requisitions for Lucas retail stores are submitted to the Board for approval.

8508 - FLUORESCENT LIGHTING--TROOST AVE., KANSAS CITY:

Mr. Prescott advised the Board that fluorescent lighting fixtures are being installed at the new retail branch at Troost Ave., Kansas City. With these fixtures, the cost of lighting is supposed to be only about 20% of the cost with conventional fixtures. Costs will be carefully checked and reported.

8509 - FLAXOAP:

Mr. Hain submitted samples of our present Flaxoap and Flaxoap containing different kinds of perfume. It was decided that no change should be made.

8510 - COST OF RAW MATERIALS CONSUMED:

Mr. Sieplein reported that paint and varnish raw material costs for the month of January were 11.55% above the average of the 1938-39 fiscal year.

For the five months ending January 31st the cost has averaged 8.37% above last year.

Markets in February are 19.15% above last year's actual cost.

Almost all of this increase is due to the present higher costs of China Wood and Perilla Oil.

8511 - TRAFFIC PAINTS:

Mr. Sieplein reported to the Board on invitations received from a number of states to bid on traffic paints:

Mr. Hain will follow up on the Ohio bid for 35,000 gallons for which a sample of Dehydrol has been tested and proved acceptable.

8512 - DRY SODIUM ARSENITE:

Mr. Sieplein reported that we have successfully produced a dry sodium arsenite which can be supplied to the government for use against grasshoppers in place of the liquid sodium arsenite that has been used in the past. Saving on freight on

the dry sodium arsenite would amount to some \$60,000 or \$70,000 a year.

Mr. Somerville will be instructed to work with the Department of Agriculture and an effort will be made to get patent coverage.

8513 - MARTIN-SENOUR AUTOMOTIVE COLORS:

Mr. Sieplein advised the Board that new transfer prices which are about 2¢ a gallon higher have been worked out on automotive colors including the special colors made for Martin-Senour. Before making these prices effective, Mr. Sieplein will consult further with Mr. Steudel.

8514 - SMALL INDUSTRIAL ORDERS:

Supplementing Item 8480, Mr. Griffiths reported that the reason for overstocks at Cincinnati of special materials on test with customers was in over-ordering by the Cincinnati sales department. He will see that this is corrected.

8515 - NEW SHINGLE STAIN:

Inasmuch as the best recommendation for shingle stain is SWP reduced with oil and turpentine, it was decided that a color card should be made up showing regular SWP colors with proper reduction. These colors will be used in Style Guide and Home Decorator specifications and described in the price list.

8516 - TWO COAT PAINTING--FHA LABEL REQUIREMENTS:

Mr. Steudel advised the Board that an effort is being made by the Paint, Varnish and Lacquer Association to see that label instructions used by manufacturers for FHA two coat exterior painting are reasonably uniform in statements about coverage.

8517 - LONG DISTANCE TELEPHONE EXPENSE:

Mr. Steudel pointed out that long distance telephone expense has risen sharply and that it must be watched carefully.

8518 - AIRPLANE BUSINESS:

Mr. Steudel advised the Board that our bid on zinc chromate primer for government airplane business on the West Coast was very much out of line.

Mr. Mills will determine what can be done to have specifications changed slightly so as to permit us to bid on a revised formulation which can be produced far more economically. He will work with Mr. Steudel to see that everything possible is done to put us in a favorable competitive position.

Mr. Morris will be advised to try to sell Fuller, the low bidder, their requirements of zinc yellow for manufacturing the primer.

8519 - GOVERNMENT AWARDS:

Mr. Steudel pointed out to the Board that the percentage of the total business awarded to Sherrin-Williams by the government under the Walsh-Healy Public Contracts Act has been altogether too small and that more must be done to see that we get a larger portion of the business.

8520 - WASHINGTON'S BIRTHDAY:

Washington's Birthday, February 22, will be observed by the Company as a holiday.

All offices and warehouses will be closed.

Factories will close except where it is necessary to keep up production.

Retail Branches will observe the custom of the city in which they are located.

8521 - INVENTORIES JANUARY 31st:

Mr. Stanton reported total January 31st inventory for

S-W Factories, Warehouses and Stores	\$16,091,521
compared with	14,428,331 a year ago
and	11,520,281 at August 31st.

Total inventories for affiliated companies
to January 31st

	7,403,955
compared with	6,347,325 a year ago
and	5,422,751 at August 31st.

Acme has an increase of

1,140,000 over August 31st

Lowe

377,000

Lucas

250,000

Martin-Senour

155,000

Lawrence

60,000

It was decided to continue operating the white lead plant at capacity in spite of fairly large stocks.

Mr. Mills was requested to check the inventory of dry colors to see why stocks are accumulating in spite of a substantial number of unfilled orders.

No further commitments are to be made on raw materials.

8522 - PUBLIC BID:

Since September 1, 1940, 1056 invitations to bid have been received. A total of 872 amounting to \$1,968,532 have been placed and of this total we have received awards on 97 amounting to \$145,763.

8491 - FACTORY OPERATIONS, week ending February 13, 1940

HEAVY LIQUIDS - S-W PLANTS

Total orders received	-	125,744	Total production	-	149,767
Total factory stocks	-	1,044,680	Inventory Inc.		28,000
CHICAGO	-	Orders recd. 46,390	Production	80,196	stocks 522,061 gals.
NEWARK	-	Orders recd. 41,621	Production	33,666	stocks 237,084 "
CLEVELAND	-	Orders recd. 29,556	Production	26,110	stocks 190,654 "
OAKLAND	-	Orders recd. 8,177	Production	9,795	stocks 94,881 "

TOTAL PLANT OUTPUT

CHICAGO	P&V	-	116,085 gals.	Operated at	85%
CLEVELAND	P&V	-	44,102 "	" "	85%
OAKLAND	P&V	-	20,646 "	" "	171%
NEWARK	P&V	-	54,941 "	" "	70%
LOS ANGELES	P&V	-	13,747 "	" "	60%
DALLAS	P&V	-	14,315 "	" "	
CHICAGO LACQUER	-	36,097 "	" "	90%	
DRY COLOR	-	208,138 lbs.	" "	126%	
FLUSHED COLOR	-	56,991 "	" "	80%	
CHEM. PRODUCTS-			" "	90%	

BOUND BROOK INSECTICIDE - Arsenic Acid 90 tons
 Lead Arsenate 113 tons
 Calc. Arsenate 58 tons
 Basi-Cop 7 tons
 Bordo 6 tons
 Dry Lime Sulfur 4 tons

3 - 8 hr shifts—average of 4 days.

OAKLAND INSECTICIDE - 4 days @ 3--8 hour shifts. 1 day @ 1--8 hour shift

ACME - Produced 71,209 gals. Paint Dept. operated at 45%, Enamel & Lacquer at 31%, and Varnish & Thinner at 18%.

LOWE BROTHERS COMPANY - Manufactured 43,495 gals. with Paint Depts. operating at 75%, Enamel Dept. at 75%, and Varnish Dept. at 48%.

LUCAS - Manufactured 34,767 gals. Operated at 60%.

MARTIN-SENOUR COMPANY - Manufactured 16,399 gals. Paint Dept. operated at 60%.

2-19-40.

##8492 - PLANT REQUISITIONS APPROVED:RETAIL STORES:#1353 - Jackson

New installation

1,647.98

#1354 - Rockford

Adding machine, less trade-in

52.50

#1355 - Bloomington

6 metal wallpaper display stands

12.00

#1356 - Kansas City (Troost Branch)

New installation

3,478.32

SO. PACIFIC DIST.#693 - Los Angeles Whse.

1 Egly register, less trade-in

20.00

BOUND BROOK:

#45

Additional dust collecting equipment

4,652.00

CHICAGO:

#9764

Mighty Midget Mobilift Truck - Tin Can

1,494.02

#9976

Panel rack - Dry Color

18.53

#17

Overrun on Reqn. 9579 - pulpers & mixing tanks-D.C.

646.65

#46

Removing 5 roll mill and delivering to Bg.509-C.P.

13,405.20

#80

Concrete pipe tunnel between Bg.52 and Yard A-P&V

6,253.00

#84

2 Burrell Service gas masks - C.P.

85.00

#101

Volmeter, rheostat, etc. - Analytical Lab.

47.75

#106

25 S-W color meters (40 gal.) complete - Sales

3,376.31

#107

1 Fisher test gauge - Red Lead

13.00

#109

1 portable electric welder, complete - Mechanical

573.00

#116

Murphy furnace - Power

468.50

#117

1 "Budget" hoist - W.L.

139.00

#125

3 Colson drum & barrel trucks - R & S

82.50

#126

1 Aluminum nitrator - Mech.Stores

380.00

#130

Draft gauges for cookers, etc. Resin Varnish

138.20

CLEVELAND ADMIN.OFFICES:

#1472 1 Zealite lamp for Dispensary 6.02

CLEVELAND LINSEED OIL MILL:

#1470 Inconel for dephlegmator, condensers, etc . 16,566.17

TOTAL PLANT REQUISITIONS APPROVED - - - - - \$ 16,572.19

#8493 - LARGE EXPENSE REQUISITIONS APPROVED:

RETAIL STORES:

#1357 - Montgomery

Paint ceiling and repaper wall space 76.00

CHICAGO FACTORY:

#9930 Repair Ceco pump - D.C. 149.51

#9873 Replace 102 tooth 3" face cast iron spur gear - D.C. 112.90

#9876 Replace impeller - D.C. 178.80

#12 Repair Olivite Pump - R & S 86.87

#69 Overrun on Reqn. 9828 - D.C. (Striking tub) 159.01

#92 Spare set of 1" tellurium lead pipe loops - D.C. 55.80

#111 Housing and impeller for shaker pump - W.L. 58.00

#127 Repair Duriron Pump - Tobias - C.F. 67.50

#129 Alterations to filling head on Kiefer machine-Varn. 170.00

#139 Repair worn out plows in furnaces - Red Lead 121.00

#143 Repainting - W.L. 339.00

#147 Repair broken speed reducer on Reeves drive-C.P. 128.80

#149 Painting offices and main stairway - W.L. 291.00

*CLEVELAND:

#1471 Stainless steel hydrogenation Bomb - Oil Research 130.00

CLEVELAND FACTORY:

#3300 Regrinding 3 rolls on Lehmann mill "E" Dept. 85.00

COFFEYVILLE:

#609 Conveyor belt replacement " 275.00

#610 Re-roof "A" Bag House 4,300.00

#611 2 belts for Zinc Sulphate Ore Crusher 155.00

#612 Elevator belt for Barium Sulphide 155.00

TOTAL LARGE EXPENSE REQUISITIONS APPROVED - - - - - \$ 7,094.19

CONFIDENTIAL

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Total Plant Requisitions Approved to date	\$	705,198.12
Total Expense " " " "	\$	110,754.97

ACME - DETROIT:

ES 801	Remove section of wall east side Bg. #4	265.13
ES 818	Repair bottom in tank and new concrete foundation	472.04
ES 835	4 wooden covers for varnish kettles	82.68
ES 838	Enlarge scale pit 1st floor Bg. 16	70.83
ES 840	Change pump and station	212.21
ES 845	250 gal. gauge tank Bg. #2	118.10
ES 846	Redecorating private office for C.A.Campbell	57.27
ES 902	2 fire extinguishers	83.43
ES 903	2 CO ₂ fire extinguishers	79.31
ES 906	Art Metal steel desk	76.83
ES 908	8 steel lockers - Bg.#3	64.00

LUCAS - GIBBSBORO

#27	Repairs to temperature control on drying ovens	80.00
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MARTIN-SENOUR - CHICAGO

#299	5 Ingaclad steel varnish kettles	620.00
#300	Royal typewriter, less trade-in	76.37