

N. P., O. & V. A. Extra

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This Is the N. P., O. & V. A. Extra

To facilitate the publication of our regular issues, we publish this extra number of the Oil, Paint and Drug Reporter for the convenience of our readers who, we feel sure, desire to get a full account of the Atlantic City N. P., O. & V. A. convention promptly. A copy of this extra edition is being mailed to every subscriber without additional charge as a part of the valuable Reporter Service.

This issue contains the complete official stenographic report of the N. P., O. & V. A. meeting, with the full text of all committee reports and resolutions, a biographical sketch of the new president, portraits of officers and committee chairmen, and the addresses at the sessions and the banquet. It will, therefore, furnish informative as well as interesting reading to every subscriber no matter what his vocation.

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Thirty-Fourth Annual Convention National Paint, Oil and Varnish Association Atlantic City, October 24 to 27, 1921

In every sense of the phrase, the thirty-fourth annual convention of the National Paint, Oil and Varnish Association was the business conference for which President S. Marshall Evans had expressed an earnest desire. The delegates, one and all, seemed to have caught their president's enthusiasm with regard to the consideration which their vocational problems demanded, and they responded to his urging with a spirit that predicted the exercising of every possible human endeavor to re-establish normal trade conditions on a basis of real stability.

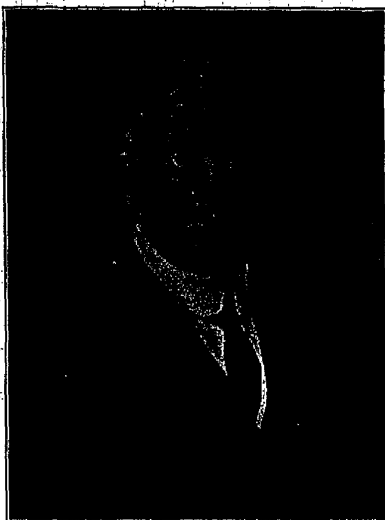
Some six hundred persons attended the convention, and they all had a busy and an enjoyable time. In deliberative session, they were all business—there was a marked absence of time-consuming purposeless talk. In their playtime, so pleasantly supplied by the Committee on Arrangements and Entertainment, they played whole heartedly.

President Evans' official address was a masterly summarizing of the situation now confronting the paint and allied industries; and an able presentation of means which the organization could apply for the purpose of improve-

ment. He laid particular emphasis on the value of statistical information and paved the way for a subsequent discussion which indicated a gen-

eral recognition of that fact. His comment on the proposed prohibition of the use of white lead in painting was remarkable in its evidence of insight. In voting to lay its chief officer's utterance on the subject before the International Labor Conference, the association acted commendably to assure the great public of the world the sort of paint service to which it is entitled, and which it desired.

Throughout the convention there was a marked display of a universal desire to get closer together in order that mutual understanding of the problems of the several divisions of the industry might be had as an essential aid toward improvement. This purpose was especially noticeable in connection with the discussion of the two big business-building plans by means of which the trade presents the value of its services to the public. The outcome was a closer co-ordination of the efforts being put forth under the "Clean Up and Paint Up" and "Save the Surface" slogans, and it seems most likely that still greater success will follow this alignment of endeavors to "Make 1922 the Greatest Paint and Varnish Year."



Ernest T. Trigg
The New President

member of Executive Committee of American Protective League.
In civic affairs Mr. Trigg has been actively connected with many movements and interests for the betterment of his adopted city, Philadelphia, and from 1912 to

Ernest T. Trigg, who will guide the destinies of the National Paint, Oil and Varnish Association during the coming year, was born in Aurora, Ill., August 12, 1877, the son of Thomas and Anna M. (Anderson) Trigg. He was educated in the public schools of that city, and in the West Division High School of Chicago.
In 1892 he began his business career as office boy for a manufacturer's agent in Chicago, who dealt in raw materials for paint grinders. Three years later he entered the employ of the Milligan & Heath Manufacturing Co., paint manufacturers. In the same city where he remained for thirteen years. In 1908 he joined the executive staff of John Lucas & Co., of Philadelphia, and on the incorporation of that company in 1912, he was elected vice-president, retaining the position of general manager, which office he holds at the present time.
While a citizen of Illinois Mr. Trigg served for two years in the First National Guard. After the entrance of the United States into the Great War, he was called to Washington on important missions, and in 1918 acted as national adviser, Berlin No. 4, Germany and Con-

intended and the work was somewhat retarded, but the campaign is now being carried on aggressively under the slogan of the "Save the Surface" Campaign.
At this time Mr. Trigg is an officer or director in nearly a score of corporations and firms besides John Lucas & Co., including these:—President of the National Paint, Oil and Varnish Association; president of the National Federation of Construction Industries, director of the Chamber of Commerce of the United States and chairman of its section on Industrial Relations, director and chairman of the Executive Committee of the Philadelphia Chamber of Commerce and chairman of its Industrial Relations Committee, director of the Union National Bank of Philadelphia, director of the Philadelphia Commercial Museum, director of the Philadelphia Belt Line Railroad, past president of the Philadelphia Paint, Oil and Varnish Club, president of the Paint Trade Mutual Fire Insurance Co., director of the Philadelphia Rapid Transit Co.
The subject of this sketch is also a director of the Temple University, Philadelphia, director of the Southern Pennsylvania Chapter American Red Cross

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Stenographic Report of the Convention

MONDAY, OCTOBER 24
FIRST SESSION

Monday Evening

The thirty-fourth annual convention of the National Paint, Oil and Varnish Association was called to order at 9 p. m., in the Rose Room of the Traymore Hotel, Atlantic City, N. J., by temporary Chairman, J. Sibley Felton, president of the Philadelphia Paint, Oil and Varnish Club.

Chairman Felton:—In opening our meeting it is proper that we should recognize the blessing of Almighty God, and seek His divine leadership. To this end, I will ask you to rise while the invocation is made by the Reverend Father Petrie, pastor of the Church of Our Lady Star of the Sea, Atlantic City.

Father Petrie:—Omnipotent and Eternal God from whom all holy desires, wise counsels and just words do flow, look down upon these, Thy servants, who humbly acknowledge that Thou only art the truly wise, and that all human endeavors are vain unless directed according to Thy holy will and sustained by Thy loving help. Send forth Thy divine spirit of wisdom and love to guide them in the important work that is before them. In all their deliberations, design to enlighten their minds that they may clearly see, and to move their hearts that they may wisely determine only that which is just and good in Thy sight. This we ask of Thee, Heavenly Father, in the name of Thy only beloved Son, Jesus Christ, who, one with God with Thee and the Holy Ghost, reigneth forever and ever. Amen.

GREETINGS FROM HOSTS

Chairman Felton:—It is not incumbent upon the temporary chairman to make a speech, but I will take just a moment to voice a word of welcome.

On account of the geographical location of the seat of the convention, it has come to pass that the New York club and the Philadelphia club have assumed the role of hosts. In the name, then, of these two sister clubs, I extend to you your warmest greetings, and bid you a hearty welcome to this, the thirty-fourth Annual Convention of the National Paint, Oil and Varnish Association.

The program which has been placed in your hands is a lengthy one, but each item is of great interest to our delegates and our visitors. Let me urge to these delegates especially to attend all of the business sessions and to engage in the discussions. This has been styled the "Inspirational Convention." The officers and Executive Committee have worked hard to make it such, but the degree of the inspiration and its value to us will depend very largely upon our participation in the business affairs of the association.

Much credit is due the Entertainment Committee, of which Harry J. Schnell is the very capable chairman. (Applause.) They have been lavish in providing for our comfort as well as our entertainment, and the list of noted speakers for the annual banquet guarantees a program of intense interest and profit.

We welcome especially the ladies, because their presence always adds so much to the success of our annual convention. They have come from near and far to grace this event and we welcome them to the councils of our trade because every paint manufacturer needs a wife or a daughter to show him how to use it. (Laughter.)

Permit me to call attention to the baseball game which has been scheduled for Wednesday afternoon. This constitutes an innovation in our program of entertainment. It furnishes not only an occasion for a very enjoyable afternoon of good sport between skillful players, but it likewise indicates that our industry is at the bat, so to speak, in the affairs of today.

The needs of the economic and business world are numerous and varied. In our factories and our warehouses and our individual organizations we have the means to supply many of them, and it is well known that the chief men of our industry are in close and constant touch with government officials in order to promote the best interests of our country.

The memory of the St. Louis convention is still with us. We look back with very great pleasure to the happy days we spent a year ago on the banks of the mighty Mississippi, which is known as the Father of Waters.

We now take pleasure in welcoming you to Atlantic City—the Queen of the Seaside resorts, on the beautiful blue Atlantic—where we trust good health and happy spirits may enable you to enjoy to the utmost what has been provided for your inspiration and entertainment.

This beautiful city by the sea has elevated to high position one of her foremost citizens, who honors the office which he fills with such distinguished ability. It is your pleasure to hear and my pleasure to present the Hon. Edward L. Bader, mayor of Atlantic City. (Applause.)

WELCOME TO THE CITY

Mayor Bader:—Mr. Chairman and Members of the National Paint, Oil and Varnish Association—I want to welcome you to Atlantic City.

I first want to apologize for my appearance tonight. Had I been at the Hot Springs Hotel—I had occasion to be there last spring myself, and it was customary to have a dinner suit on at all times in the evening. As a speech maker I am a good dancer and I might have been able to get a dance tonight.

I also want to say that I understand there is a baseball game to be played in which I am to throw the first ball. It is customary for the mayor of Atlantic City to present a key to the conventions that come to this town, but I am going to change a little. I am going to put the key up above the town that wins the key. I will guarantee it will fit the lock of a cellar (applause)—and that goes. One of the gentlemen on the platform here tonight stated that we were having a hard year, but on looking around me and judging from appearance, I don't know what is going to happen when you begin to be prosperous again. (Laughter.)

I want to say that Atlantic City stands for anything

in the line of improvements and to help make improvements, and you can do so by adding paint. At the present time we are trying to take care of the unemployed. I have received a letter from Mr. Hoover in which he states that he wants the help of all the cities to take care of the unemployed—and one of the cities that I am going to ask of Atlantic City is to "clean up and paint up." (Applause.)

I don't know as there is anything else I can add other than that I hope you have a good time while you are here, and as my predecessor has said, "It's water and sky are blue," but I hope none of you will be blue while you are here and even though you don't play baseball, I am ready to meet anyone who wants to come to my office. I thank you. (Applause.)

As I said before, it is always customary to present a key to the convention. It has been my desire all during my administration to add to my police force. I know it is a pretty hard thing to have a good police force. At every convention, every man who is good enough to be the head of the convention is good enough to become a member of my police force and with that in mind I want to take the opportunity at this time to swear in as a special detective, your president, Mr. Evans. (Laughter and Applause.)

Mayor Bader then swore in Mr. Evans as a special police officer, and pinned upon him his badge of honor. (Laughter and Applause.)

Chairman Felton:—The mayor has honored us with his customary good speech, but I think there is one thing he forgot to mention. He forgot to mention the city of prolonged plumage. We are all more or less familiar with the plumage worn with so much grace by the birds of Paradise—but if you can believe what we read in the papers and what the good mayor has told us, there is another kind of plumage for which this city is noted, worn chiefly by folks of the male persuasion. It is known as the cocktail, and is some sixteen thousand feet long. In other words, it reaches from a point three miles out to a point somewhere on the great white way. (That constitutes Atlantic City, the city of prolonged plumage.)

The very gracious speech of welcome given us by the mayor deserves a hearty response and our appreciation of his greeting will be voiced by Robert S. Wessels, of Atlanta, vice-president of the Southern Zone of the National Association.

RESPONSE TO GREETINGS

Mr. Robert S. Wessels:—Mr. Chairman, Your Honor, Ladies and Gentlemen—The words that I had prepared to give you are hardly fitting to the unusual invitation which the chief executive has given me, but I desire on behalf of this association to thank you heartily and I hope that we shall all have the address of the cellar and duplicate keys. (Applause.)

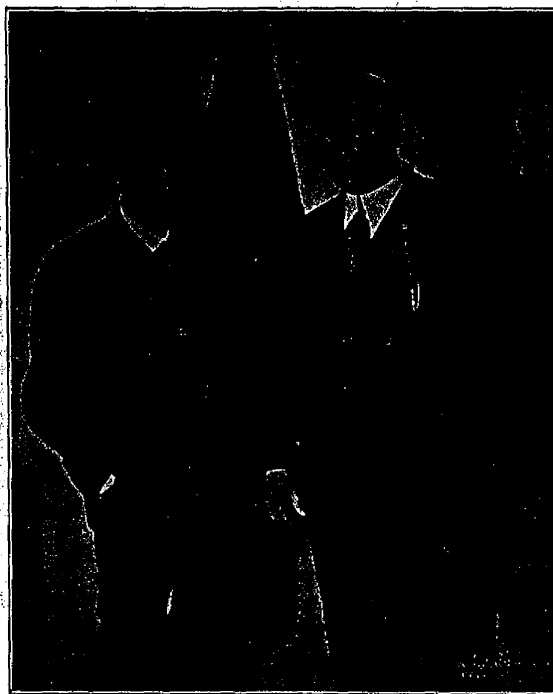
I have felt in the last hour the need of such a place and I am sorry, Mr. Mayor, that I have not met you earlier. It seems strange to me that I, an adopted hot-headed Southerner, should be brought to this land of the North to respond to this welcome.

In looking over the records of our association for several years past, I should judge that some of my predecessors had been selected to respond to these welcomes and to fill this position because of their oratorical ability—some perhaps because of their commanding presence—some perhaps because of their attractive appearance—some perhaps because of their ability to fight poor acoustics. I know of no reason for my selection, and I doubt if you will discover it.

We are an organization, Mr. Mayor, moving forward, and gaining; not like the story told of the old dandy down in Alabama, making his way toward Selma. He was driving the proverbial mule and he stopped a pedestrian saying:—"How far is it to Selma?" The man replied that it was about twelve miles. The dandy cracked his whip and said, "Go on Jenny!" He rode along four or five miles further and met another man on the road and said, "Beg pardon, captain, but how far is it to Selma?" The man replied, "About twelve miles." The man replied, "About twelve miles."

After covering a few more miles he met another man and put out the same inquiry. "Beg pardon, captain, how far is it to Selma?" "About twelve miles," the man replied.

The dandy said, "Go along Jenny, we're holding our own." (Laughter.) Our organization, Mr. Mayor, is moving forward. We are delighted to accept



S. Marshall Evans
The Retiring President

Ernest T. Trigg
The New President

your kind invitation. This organization is not without knowledge of the courteous hospitality of this city.

Why are we here? We came here to dream. Do you believe in dreams? We came here by the dream of steam, by the dream of electricity, the dream of master minds which made possible the annihilation of space and distance. Mind is supreme. Mind controls all matter. No one pursuit, no one line has a monopoly on imagination.

We frequently hear of the artist's imagination, the inventor's imagination, the philosopher's imagination, but we seldom hear of the business man's imagination; yet the business man must devise, must plan, must foresee today the results that he has to accomplish tomorrow. The richly covered canvas is

and Federal, and it made a marvelous record in the number of new clubs established as constituent bodies of the National Association.

The prime mover and the tireless leader in this prodigious work has been the man whom we called to the presidential chair one year ago. During the late world conflict the Allies had their Marshal Foch, who is a man of peace but a mighty leader in the strategy of war and victorious in the cause of right. Just so, the allies of the paint, oil and varnish industry had their Marshal Evans (ap- plause)—no less a man of peace and a leader whose genial personality, genuine friendliness and capacity for organiza- tion have placed him securely in the affections of his friends and colleagues. It is a very peculiar pleasure. I now

From an absolute animal type of life, man after him became the spiritual and time binding type of life, each generation inheriting all the cumulative knowledge of all its predecessors. As the records of human accomplishment expanded by reason of the enlarged experience, spiritual, mental and physical of each generation, mankind grew to its present complex inheritance of enlarged mental capacity, enlarged spiritual vision, enlarged possibilities of accomplishment—all resulting from the records of preceding generations, which might properly be termed progress records of civilization.

"Line upon line, precept upon precept." Such has been the method of the growth of civilization, and that growth was made possible solely by the development of the ability to record accomplishment for the benefit of generations yet unborn. As this principle has worked through the aeons of geologic time, so it works in the lifetime of an individual through the record of his accomplishment from year to year. So the arts and sciences have been developed, so the great principles of international exchange have been evolved, so has grown the great complex fabric of our industrial activity.

Co-operation Becomes Necessary.

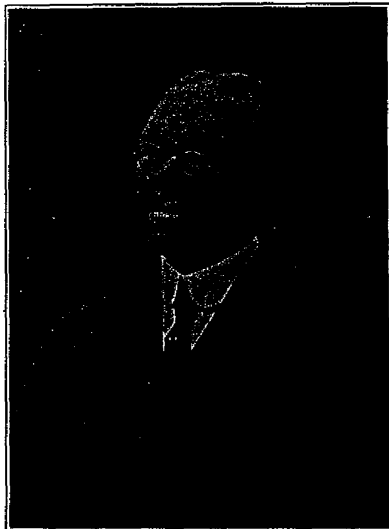
The record of individual accomplishment long since resulted in the necessitous development of co-operative activity illustrated in the corpora- tion of today. As such co-operative corporate activities displaced the self- destructive individual activity with the most beneficent results to consumers, workers and capital, so today we see in process the irresistible force of a life principle seeking to attain a new and higher plane of activity in the gradual development of corporate group activity, including in its scope whole industries from original raw materials to ultimate products for the use and benefits of mankind. That at first such development should be opposed, looked at askance and viciously fought, is but an index of the fact that understanding and wisdom come not to any of us without effort.

Probably no one will question the value to the farmer of the market reports which give him knowledge of the demand for and the current value of his produce; nor will any person dispute his right to, or need of, the information as to acreage planted of various staples and the aggregate yield thereof from a national standpoint as to every such staple, nor can there be found anywhere ignorance so bold as to say that such information is not of benefit to the consumer as well as to the farmer, and yet we are told by purblind interpreters of legalistic form that such information of the current progress and product of industry for the benefit of consumers as well as of the workers and capital in industry is illegal.

We realize that here a life principle of growth is at stake. Temporarily pinioned, the result for the moment is an impediment to economic progress, an impediment to the ability of producers most effectively and economically to serve the public, with the growing realization on the part of the public that such impediments are a menace. This opposition will rapidly disappear.

Benefits of Statistical Information.

The National Paint, Oil and Varnish Association was among the very earliest to perceive the truth inherent in these things and has constantly year in and year out advocated and fought for its right, understandingly and consciously, by means of the written, freely disseminated record of accom-



J. Sibley Felton.
Presided at Opening of Convention

the physical manifestation of the artist's dream. The whirling machinery in the factory is the concrete form and realization of the producer's dream, and so I say, we came here to dream and to pour into the great melting pot the dreams of you men that we may hold and visualize and realize in the future as come the ideals of this organization. (Applause.)

Chairman Felton:—The achievements of our association during the past year are truly remarkable. I will not stop to dwell on them, and indeed it is not necessary to do so, because you have kept yourselves well informed either by personal contact with the president and his cabinet or by reading the weekly news of their activities in the various trade journals. The administration has stressed the importance of statistical information. It is engaged in vigorously pushing the campaign to make 1921 the greatest paint and varnish year. It has kept a watchful eye on legislation, both State

turn over the gavel to our distinguished and honored president, Mr. S. Marshall Evans. (Applause.)

President Evans took the chair.

President Evans:—Ladies and Gentlemen of the National Paint, Oil and Varnish Association—I observe on the program one other function, and that is the roll call, but I think we will dispense with it, with your permission, Mr. Secretary—I always have to ask my boss permission for everything I do in this work. It becomes my duty now to inform you some idea of what we have been striving to do, and in observing this time-honored custom of giving an account of stewardship, I shall revert to the conditions and circumstances prevailing at the time of our St. Louis meeting.

H. S. Chatfield, vice-president for the Eastern district, occupied the chair during the reading of President Evans' address, which follows:—

Address of President Evans

In observing the time honored custom of giving an account of stewardship, I shall revert to the conditions and circumstances prevailing at the time of our last meeting in St. Louis. Immediately before that meeting it was plain to every one that a time of great trial was upon us, and it is of interest now to recall that the formulation of policies to meet the great industrial collapse was held in abeyance by all of us pending the St. Louis meeting. The period of trial from which we are just emerging demanded of many more of strength and endurance than individuals, either persons or corporations, could have withstood, but the united strength of this industry, welded into a solidarity that surprised even the oldest Association members, did suffice. The result was that the storm was weathered without significant fatality.

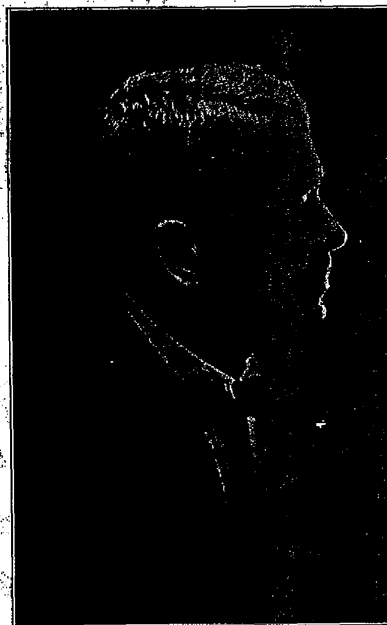
The stress and strain were such, however, as clearly to indicate the need of unusual effort upon the part of your executives. Meeting these requirements involved much traveling and many conferences in some of our trade centers to the end that, not only should the need of liquidation be realized by all, but that it should take place in an orderly and unprecipitate manner.

I believe that the Association has justified its existence in this one great emergency and demonstrated its possibility for usefulness not only in meeting emergencies today unseen, but also in developing plans for the further forward movement of our industries.

We are met here tonight not so much with reference to the past as to the future. The past is of value to us in so far as previous experience may indicate paths that are perilous; in so far as it may indicate wise new departures, and in so far as it enables us to hold fast to and be guided by the laws of programs developed to date.

Intercommunication Civilization's Base.

It has been truly said that civilization started with the first crude development of the written record. When the first primitive savage inscribed upon soft clay a record understandable to his kind, he differentiated himself from the animal, originated the art of communication, and initiated the spiritual evolution of man. Until his time, every one of our species that was born came into the world with inheritance of naught but animal instinct. After him, each generation inherited all the progress of its predecessor.



S. Marshall Evans
The Retiring President

plishment or in the language of production, by means of statistics or progress records, to increase the measure of service which its several groups of industries may render to the public.

This year, through the fortunate entrance into our Government of a large and understanding personality, your officials believed for a time that the battle for the privilege of making available to consumers as well as to ourselves the figures representing the current and aggregate annual production and volume distribution of our several industries had been won. But instead, the issue is only fairly joined. As to the outcome there can be no doubt. I believe the fight will be won this very year, and let none forget

when it is all over that our debt will chiefly be to that great American beloved and revered in the hearts of all of us, Herbert Hoover.

In this connection I wish again to call attention to the Department of Commerce under Mr. Hoover as an instrumentality for the use of our industries. This potential will be made apparent I believe in ever increasing measure. This department of our Government is in a large measure a department which grew out of initiative on the part of the National Paint, Oil and Varnish Association. Now that it is under such competent leadership, it would seem to be the time for us to make it of maximum use. The department early set itself to consider practically methods for the elimination of wastes incident to those of our industries afflicted with seasonal consumption of product. Such wastes are not only expensive in the extreme from the standpoint of our corporations, but they bear much more heavily upon labor. The proper development of statistics will ultimately result in greater availability of credit, thereby tending to flatten out the curves and valleys of our production; but elimination of non-productive periods due to seasonal activities will be found in the final analysis to be possible by reason of the development of our export business.

To this end Mr. Hoover has only just completed the thoroughgoing reorganization of the Bureau of Foreign and Domestic Commerce, which is at the disposal of every member of this Association. The opportunity is there for each of us. That this department recognizes our industries as being representative and fundamental in our national activities is indicated by the fact that several times within the last year your officers and members of our Association have been called to Washington for conference and advice on national questions.

Commendable Liquidation Progress.

Our industries were quick to perceive the requirements of the period immediately following the war inflation. We may all be proud of the thoroughgoing, orderly liquidation of the industries comprising our Association. The punishment accepted by our corporations in the collapse of values in the autumn of 1920 was most severe and costly. The measures taken to relieve the distress due to unemployment which followed the practical stoppage of production for several months was of an individual character and might easily have been more effective had some sort of collective action been pursued.

Alleviation of Unemployment Urged.

I recommend that steps be taken to provide for such collective action in future emergencies of our own, but particularly do I recommend consideration of the extent to which our industry may be utilized by society as a whole in alleviating unemployment conditions as they may from time to time arise. The possibilities in this direction are rather strikingly illustrated by the prompt action of one of our new clubs following the publication by the President's Unemployment Commission of emergency recommendations. I congratulate the Savannah, Ga., Paint Club upon its initiative in this respect. It immediately requested the Mayor of Savannah to issue a proclamation to the citizens of Savannah urging them—as a measure of relief to starving labor—to give employment by painting and cleaning every property in Savannah. In this action the Savannah Paint Club displayed leadership of the highest quality in that they served their city and they served their industry. Incidentally, this constructive action illustrated the power of a great idea as applied to a field hitherto untouched, and it constitutes another tribute to the genius of Allen W. Clark, of St. Louis.

Legislative Problems.

The coming year will probably witness renewed activity in the several States in the consideration of legislation affecting our industries. During the year now closing efforts of union labor to make illegal the use of instruments necessary and desirable for the successful development of our business and the old, old effort to prescribe what is pure paint also was renewed in several States. The State of North Carolina passed a law requiring formula labeling and stamp taxes upon the products of our industry sold within that State. Foreign interests are moving to secure the legal prohibition of the use of white lead in paint, and union labor in America has not refrained from interesting itself in this move.

We are not here concerned as to the origin of this proposal, although it may be remarked in passing that it originated in a country whose natural resources do not include lead, and that from this fact many of us interpret the movement purely as an economic offensive.

The spirit of American business ethics is well illustrated in the paint industry. We operate in the consciousness of responsibility to give to the public which we serve paint products which will most effectually meet the needs of painting requirements. The American paint industry will continue so to function and in so doing it will use white lead, zinc oxide, lithopone, titanium oxide, or any other pigment best calculated to meet the requirements of the public. We deny the existence of any one pigment containing all the necessary functions of good paint. We recognize each of the basic white pigments as having functions desirable and necessary. The prohibition of the use of white lead in painting would constitute a calamity to our paint industries; this from the standpoint of national economics and from the standpoint of our ability properly to serve the public. It would be a calamity not only to the painting industry, but would be destructive of a fundamental industry in which America leads the world, namely, the mining and smelting of lead and silver, an industry which employs hundreds of thousands of men, uses hundred of millions of capital, and all to be extinguished by means of a propaganda as insidious and evil as anything that ever originated in the cabinet of the erstwhile German war lord.

The human emotion factor sought to be used by these propagandists is the allegation that painters habitually using white lead die prematurely, in great number, from the alleged poisonous effects of white lead. A complete answer to this is to be found in the statistics of our great American life insurance corporations. These statistics enable these life insurance companies to accept risks upon the lives of journeymen painters without any discrimination whatever. I recommend careful consideration and appropriate action on this subject.

Therefore it appears that our Legislative Committee will be called upon for tireless vigilance and considerable traveling in order to place before legislative bodies, who may be considering laws affecting our industries,

the full facts to the end that no pernicious laws may be placed upon the statute books.

I recommend that provision now be made to take care of these eventualities.

Utilizing Association Services.

The scope of the activities of the National Association has been a revelation to me. I am sure that a better understanding of our facilities for accomplishment or of getting information would lead to a very much larger use of such facilities by the members of our Association. Local clubs should maintain the closest possible liaison with National Association headquarters. The same is true of committee chairmen who might to the advantage of the several interests covered by the several committees make quarterly reports for publication, many of which would be of such importance as to be included in the Association's Bulletin.

The Association has closed another year of gratifying growth. Five (5) new clubs were admitted to the roster of membership—four (4) of these in the Southeastern section—and already betterment of trade conditions in the sections organized is reported.

I shall refrain from further detailed account because, as is customary, our able Secretary will give us the benefit of complete details. The zeal, efficiency, interest and devotion of our Secretary is beyond all praise. I cannot close my report without thanking him as well as all the other officers and committeemen of the Association for their fine, enthusiastic and continuous co-operation. Especially am I proud of and indebted to our trade members. Like the minute-men of old, they are always quick and ardent to defend us from attack and to advocate all measures in the forwarding of our interests.

Make 1922 the Greatest Year.

Nor can I close without making one brief look into the future—at least as far as 1922—with a reference to the unification of the efforts of all of us to make 1922 in fact the greatest paint and varnish year; a commendable and a great idea from the minds of that devoted little group of paint men, composing the advisory committee of the "Save the Surface" campaign, headed by Ernest T. Trigg, of Philadelphia.

As I see this movement, it is a noble cause to make the year 1922 a monument of service rendered to the society of our time by the paint, oil and varnish industries. Let none restrain his enthusiasm in this movement! Our industry is unique in that the commodities of its manufacture are indispensable if property, the result of human labor, is to be conserved. Use of its products constitutes the highest form, indeed, the very essence of economy.

Your chairman expresses his conviction that the problems before us for consideration at this convention, the decisions necessary to be reached in respect to these problems, are so vitally important and so far-reaching as to require the concentrated study and most careful consideration of every member. I therefore take the liberty of making a special request of every delegate that he fully meet and discharge his responsibility by attending all the meetings, arriving promptly at the designated time. Every session will be called to order and proceedings started at the designated time.

No longer do we perfunctorily welcome the ladies. While upon them the responsibility of the franchise has only recently been imposed, their responsibilities in our Association are of long standing. Not only shall we value the pleasant comradeship which their presence brings to us, but we shall more highly value the contribution of their inspiration at this convention.

The Entertainment Committee has provided entertainment for the free periods, but their provision has been with special reference to the ladies; and let me say that this convention is under greater obligation to no one more than to Harry J. Schnell and his associates on the Entertainment Committee for the forethought, time and labor put in by them in planning what I believe will be the pleasantest convention in the history of the Association.

Our house is clean and in order. Our products are meet for service. Never have they been offered to the public at such comparable, economic values. And if incidentally, we, as industrialists, achieve greatly as a result of the extreme effort we shall put forth to secure the largest volume of distribution in the history of our industry, who can say that we have failed in any respect to give expression to the highest aspirations of which engagement in the arts and sciences is capable?

Numerous points in Mr. Evans' speech brought forth applause, especially his reference to Secretary Hoover, to Allen W. Clark, to Ernest T. Trigg, and to H. J. Schnell and his associates on the Committee of Arrangements. Prolonged applause also rewarded the conclusion of the address.

Chairman Chatfield.—Mr. Secretary, what was the action of the board in connection with the president's address?

PRESIDENT'S RECOMMENDATIONS ADOPTED

Secretary Horgan.—Upon motion made and duly seconded, it was voted that a committee of three be appointed to consider the recommendations contained in the president's address. In compliance with the action of the motion, the president appointed Mr. Chatfield, chairman;

Secretary's Report

The work of the Association during the year now brought to a close has been both constructive and reconstructive in character. Co-operation in connection with new problems of the industry created by existing business conditions has called for constructive efforts, while the restoration of the business of the industry has called for activities along reconstructive lines.

This congress of our industry just assembling for its Thirty-fourth Annual Meeting has been styled an "Inspirational Convention." Co-operation is always the keynote of any meeting of this character.

The thought in the minds of those responsible for the National Paint, Oil and Varnish Association was EFFECTIVE CO-OPERATION. Before we are ready for effective co-operation we must carefully prepare the soil for the seed which we will plant. One of the most important recent utterances

Allen W. Clark and J. B. Klester as a committee of three to consider the recommendations contained in the president's address.

This special committee appointed from the board to consider the president's address reports that this address is the most complete, concrete and statesmanlike report ever submitted to our association, that the association should heartily concur in all of the recommendations, and particularly in the one referring to the prohibition of the use of white lead, and that his views be transmitted to the Geneva Conference.

Both the president's address and the committee's report were, on motion, accepted by the convention.

President Evans.—The real story of the last year will now be told by our very efficient secretary, Mr. Horgan. (Applause.)

Secretary Horgan presented his report as follows:—

of President Harding touched on the necessity for wholehearted co-operation on the part of all the people. He made clear that no single human being possesses genius enough, energy enough to put through the reconstruction demanded, and that the task is a task for all the people as well as for the President.

The National Paint, Oil and Varnish Association, under the able guidance of President Evans, is bringing every encouragement in its power to bear upon the revival of industry. In times such as we are now passing through, business naturally relies upon organized agencies to keep it informed. The National Paint, Oil and Varnish Association is earnestly endeavoring to perform its full part. Our constituent clubs welded together into one great cohesive unit provide unlimited possibilities for service to the entire industry.

I will not transgress upon your time this evening to detail at length the activities and service of the Association and will only dwell in this report on some of the outstanding achievements. Permit me to urge, however, upon your attention the painstaking reports compiled by the various committees and bureaus. These papers are available in printed form and present a review of what has been accomplished, plans and recommendations for the future.

Your Secretary has devoted more time this year to work in the field than during any previous Association year, experience having proven that mutual good comes from personal contact between your administrative officers and the members of affiliated clubs. During the year your Secretary accompanied President Evans on visits to the following clubs:

Atlanta	Kansas City
Baltimore	Louisville
Birmingham	Milwaukee
Buffalo	Minneapolis-St. Paul
Chicago	Nebraska (Omaha and Lincoln)
Chattanooga	New England
Cincinnati	New York
Cleveland	Philadelphia
Columbus	Pittsburgh
Dayton	Richmond
Detroit	Savannah
Jacksonville	St. Louis
	Toronto and Montreal

Vice-President Wessels accompanied the President and Secretary through the Southern zone, and as the result of that particular trip new clubs were organized in the cities of Jacksonville, Savannah, Birmingham and Chattanooga. In addition, the Atlanta Paint Club was reorganized with a largely increased membership. Much credit is due Vice-President Wessels for the effective work he did prior to and at the time these clubs were formed.

Due to the efforts of the Vice-President of the Western zone, C. B. Woodruff, a new club has been organized in the city of San Francisco and surrounding towns, which has been named "The Golden Gate Paint Club." The agitation for a club in San Francisco and vicinity was started by President Evans in 1920 during the visit of himself and your Secretary to the Pacific Coast.

The report of Chairman J. P. Thomy and his Membership Committee indicates that a vigorous campaign has been conducted for individual memberships in communities where there are not sufficient eligible concerns to organize clubs. During the year thirteen concerns have joined the Association under the "Individual Class of Membership." The total membership of the Association as of October 1 was 1,405, the largest in its history.

The Secretary cannot permit this opportunity to pass without commenting upon the tremendous amount of time and thought devoted to the Association work by our esteemed President Mr. Evans, who has set another high mark for the number of clubs visited and meetings attended. The industry owes him its everlasting gratitude.

As our organization now embraces a larger territory than ever before, the new plan of electing Regional Vice-Presidents inaugurated at White Sulphur Springs makes it possible for some of the National officers to visit every club in the Association during the year. It is a physical impossibility for the President to cover the entire territory from coast to coast and throughout the Dominion of Canada, and give any time to his own individual interests.

The attendance at the various meetings arranged for your National officers was quite remarkable—practically 100 per cent.—and the visiting officers feel that much was accomplished towards strengthening the spirit of co-operation between Local and National Associations.

Pacific Coast Matters.

As there are special problems on the Pacific Coast which differ somewhat from those affecting the industry in the East, and also in view of the great distance, comparatively few of our Pacific Coast members are able to attend the National Conventions. Therefore, the Pacific Coast Paint Clubs feel it would be highly desirable to form an Association of Pacific Paint Clubs within the National Association, the idea being to have a general meeting of the members of the Pacific Coast Clubs once each year to discuss COAST problems. This would not in any way interfere with affiliation in the National Association; on the other hand, should be the means of further promoting the Association spirit. It has been suggested that at this yearly congress of the Pacific Coast Paint Clubs, the National Association officers be invited to attend and participate in the deliberations of the meeting.

Association Bulletin.

Six (6) issues of the Association Bulletin have been mailed from the Secretary's office to the members of constituent clubs, individual members and allied associations. The object of this Bulletin is to make it possible for busy men to keep abreast with trade conditions and important happenings in the Association through the medium of a concise review.

Statistical Work.

The efforts of our Association covering a period of five years looking to the establishment of a Statistical Bureau now appear to be nearing a successful climax. While there has been some hesitation on the part of many to the exchange of statistical data in the fear that such procedure was

surrounded with doubtful legality, the advent of Secretary Herbert Hoover as head of the Department of Commerce found a real advocate of the statistical plan. President Evans has had numerous conferences with Secretary Hoover on this subject during the year and has every confidence that it soon will be possible for Trade Associations like ours to develop desirable statistical service for their industries—not only with the APPROVAL, but CO-OPERATION of the Government.

Legislative.

Attention of local Paint Club officers and members of the Association generally is called to the necessity of being on guard and watching proposed legislation of a character drastic and detrimental to the industry. President Evans on August 30 addressed a letter to local clubs urging that a committee be appointed which would undertake to be responsible in keeping the National Association's Legislative Committee informed on all proposed paint legislation, as all signs point to the necessity of co-operation on a very broad scale this winter.

Trade-Mark Bureau.

A notable feature of the Association's service to members is its Trade-Mark Bureau operated under the direction of Chairman D. W. Edgerly. Mr. Edgerly's Committee has worked diligently to have this Bureau meet the present day needs of our members. Concerns in the industry are able to have a complete search and report made by the Bureau, which enables them to know exactly where they stand before adopting new trade-marks, ordering labels, or advertising matter. Public notice of the MARK is also given



George V. Horgan
Secretary

through the trade papers and our Association Bulletin. The Bureau files also contain complete information as to MARKS used in our industry which are registered in the U. S. Patent Office at Washington. Arrangements are now being made by the Trade-Mark Committee to provide a special division for marks used in Canada.

Paint Trade Mutual Fire Insurance Company.

The Paint Trade Mutual Fire Insurance Company was organized twelve years ago, under the auspices of the National Association. This was a progressive movement, as all important trade organizations find it advantageous to have their own insurance companies. Like most new enterprises, the company had its troubles establishing itself on a firm and lasting foundation, but the past year has seen more real, substantial progress than any previous year of the company's existence. The Board of Directors of the company entered into a new contract with a corporation known as the "Independents Managers, Inc." of Philadelphia, during the year. Mr. Chas. C. Perrin is directing the affairs of the company, and it is earnestly hoped that every member of our Association, in placing new insurance or renewing old policies, will give careful consideration to our own mutual company. I recommend to your careful study the report of Chairman R. O. Walker of our Fire Insurance Committee.

Association Headquarters Moved.

On May 1 the headquarters of the Association were moved from 100 William Street to 342 Madison Avenue (corner Forty-third Street). The new location is much more convenient for our members in view of its close proximity to principal hotels and railroad stations. It is gratifying to note that a constantly increasing number of our members are making it their habit to call at the Executive offices. A cordial invitation is again extended to all members when in New York to make the Association offices their headquarters.

How truly to "MAKE 1922 THE GREATEST PAINT AND VARNISH YEAR" is an objective in which all are deeply interested. Never was the time so opportune to accomplish this result; never a period when paint and varnish products were more needed nor economic conditions more favorable for promoting their sale.

Local Paint Clubs indeed have great opportunity for service to their respective communities in getting strongly behind an intensive sales drive and featuring those two fine business promotion plans: "CLEAN UP AND PAINT UP" and "SAVE THE SURFACE." The machinery of the

National Association is at the disposal of constituent clubs. Let us help you make your meetings even more worth while by arranging instructive and constructive programs which will result not only in better business, but a better place in which to live and labor.

Your Secretary wishes to make public acknowledgment of the fine support contributed at all times by the trade press. The continuous publicity given to our Association work by the various publications in the industry plays a large part in the results desired.

While our By-Laws require the Secretary to submit a review of the year's work at the Annual Convention, members of the Association in addition to being interested in what HAS BEEN done will of course be equally interested to know WHAT IS AHEAD. In this respect it may be said that there will be no departure from the general "FORWARD" policy which has brought the Association to its present position.

Undoubtedly there are members who joined the Association in its early days on the general principle that it was simply a good thing and deserved their support. Membership in the National Association is an investment which offers a full return. The men who gave unselfishly of their time and talents to the progress of the Association have "built better than they knew"; it has been more than a good thing and deserving of support; it has developed a service of practical benefit to our present large membership. All glory to those builders who, through their labors, have made and are making possible the continued progress of our Association.

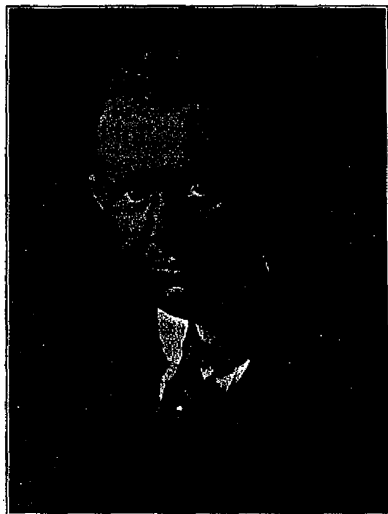
I cannot conclude this report without expressing my sincere appreciation of the co-operation received from the Executive Officers, Directors, and Members to whom has been delegated and upon whom rests the responsibility of guiding the destinies of the Association. Without this most valuable assistance success would not be possible.

Respectfully submitted,

GEORGE V. HORGAN,
Secretary.

President Evans:—In relation to the secretary's report, it was approved by the board and acceptance and approval of the report by the convention recommended.

President Evans:—One very great comfort the administration has had this year has been the definite, positive knowledge that the money was being looked after right, and it gives me great pleasure



Leonard T. Beale
Treasurer

What is your pleasure with respect to introduce Leonard T. Beale, of Philadelphia, who will make the treasurer's report. (Applause.)
Mr. Beale's report follows:—

Treasurer's Report

In presenting the following financial statement your Treasurer takes pleasure in calling attention to the prosperous condition of the association.

During the fiscal year our expenditures have been carefully regulated in accordance with our budget, with the result that we have been able to increase the surplus of the association by \$3,298.27, making our present surplus \$12,470.99.

The outstanding dues remaining unpaid at the close of the fiscal year amount to but \$156.25.

The Treasurer begs to call the attention of the incoming officers to the importance of familiarizing our members with rules regarding the payment of dues. Some confusion has occurred during the year due to the fact that many of the clubs do not understand that the annual dues are based upon their membership on November 1, rather than upon the number of members they may have sometime later in the fiscal year.

Respectfully submitted,

LEONARD T. BEALE, Treasurer.

The following is a summary of the fiscal report of the Treasurer:

Cash balance, November 1, 1920.....	\$2,398.83
Receipts	22,208.35
Expenditures	18,789.84
Cash balance, October 31, 1921.....	5,817.34

President Evans:—May I ask Mr. Graves, chairman of the Auditing Committee for his report?

REPORT OF AUDITING COMMITTEE

Mr. Graves:—Your committee has reported that they have examined the books and records of accounts of your Treasurer, Leonard T. Beale, and found them to be correct in every detail and in accordance with the report submitted.

The committee wishes to commend and compliment Mr. Beale on the excellent condition of the records which greatly

facilitated the work of auditing by the committee.

President Evans:—A motion in respect to the treasurer's report and the report and confirmation of the Auditing Committee will be in order.

Such motion was duly made seconded, and carried.

The concluding business of the opening session was the reading of the Memorial Address by Frank F. Cheesman, which incorporated the roll of deceased members for the year, as prepared by F. A. Jensen, secretary of the Chicago Paint Club. Mr. Cheesman read his address in an impressive manner, all rising and standing when the list of names of those who had passed away was reached.

Memorials to Deceased Members

It seems fitting and proper that we should at this time pause in the midst of our deliberations to commemorate the memory of those who have departed from our membership during the past year and gone to their eternal rest.

The custom was inaugurated in this room on October 9, 1916, of having an opening meeting of the convention on Monday evening, and during that session the Memorial Committee were asked to present their report. Both of these procedures have been followed each year since 1916, and we believe that the innovation was a good one.

This year the report of the Memorial Committee has been compiled with great care by Fred A. Jensen, and I am acting as his representative in presenting it to you. The report will be spread in full on the records of the Association.

The loss in our membership from death during the past year was 24, while in 1920 we lost 43, and in 1919, 32. It is with deep regret I note, that out of the twenty-four whose earthly labors during this year have been rewarded with sleep, no less than ten are old valued friends and co-workers of mine, and many of them sat with us last year at St. Louis.

Now the workers' tasks are o'er;

Now the battle days are past;

Now upon the farther shore

Land the voyagers at last.

Father, in Thy gracious keeping

Leave we now our dear friends sleeping.

"Earth to earth, and dust to dust,"

Calmly now the words we say;

Left behind, we wait in trust

For the resurrection day.

Father, in Thy gracious keeping

Leave we now Thy servants sleeping.

Let us reverently stand with bowed heads while the roll of our beloved dead is read:

Robert D. Archer	William Kleinle
Walter H. Baker	Ludlow W. Lilly
William A. Brack	J. Russell Marble
John F. Cargill	Fredric H. Newton
Alexis I. Du Pont	W. A. Ramsay
Frank S. Goodrich	Fred A. Silva
Jacob Hasslacher	Edwin H. Stulb
James Corner Hiss	Charles P. Terhune
Richard Hopkins	Edmond Austin Thomas
Charles F. Howland	Alfred W. Thompson
J. Robert Johnston	Samuel F. Woodhouse
Edward Hartwell Kidder	C. H. Wordell

ROBERT D. ARCHER.

Robert D. Archer died October 21, 1920. When a young man he became associated with the firm of J. W. Hunnewell of Boston, and eventually succeeded to the business. Mr. Archer had been a member of the Paint and Oil Club of New England for about 33 years, and was one of our most active and enthusiastic supporters.

WILLIAM A. BRACK.

William A. Brack, for many years associated with the McDougall Paint and Varnish Co. in the capacity of Superintendent of the paint department, passed away at his home in Buffalo, N. Y., February 17, 1921. Mr. Brack went to Buffalo from Chicago over 33 years ago at the request of Spencer Kellogg and Sidney McDougall, to help in the founding of the Kellogg & McDougall Paint Co. It was Mr. Brack who recommended the layout and construction of the plant, which later became the Buffalo Oil, Paint and Varnish Co. and the McDougall Paint Co. and McDougall Varnish Co., and those associated with the paint and varnish industry in the late nineties will identify his name with the high quality products over which he had direct supervision. Mr. Brack is survived by three daughters and one son, and was a member of Chapin Post No. 2 of the G. A. R. The interment took place on Saturday, February 19, from the residence of his son, Charles E. Brack, at 65 Victoria Avenue, Buffalo.

JOHN F. CARGILL.

John F. Cargill, purchasing agent of the Pittsburgh Plate Glass Co., died at his home in Sewickley, Pa., March 3, 1921, aged 63 years. Mr. Cargill for more than 20 years had been in the employ of the company, and since 1901 was editor of "Patton's Monthly." Seven years ago he became purchasing agent. He was well known in paint and glass circles and his death caused a profound shock to his associates. He was an ardent co-worker of W. L. Clause, Chairman of the company, and Captain C. W. Brown, President. Mr. Clause and Mr. Cargill had planned a vacation trip to Florida, and were to have started on the day that Mr. Cargill passed away. He is survived by his widow, Mrs. Alice Hall Cargill.

ALEXIS I. DUPONT.

Alexis I. DuPont, Secretary and Director E. I. DuPont de Nemours & Co., Inc., died at Wilmington, Del., May 30, 1921, after an illness of ten days. Mr. DuPont was a son of the late Eugene and Amelia E. DuPont, and was born in Wilmington in 1869. He was graduated from Harvard in 1892. A brother and three sisters survive, Eugene DuPont, Miss Amelia DuPont, Mrs. William C. Peyton and Mrs. James N. Andrews. Mr. DuPont was President of the Wilmington Club, a member of the Wilmington Country Club, the Union League of Philadelphia and the Harvard Clubs of New York and Philadelphia. Mr. DuPont had long been associated with the other members of his family in many of the large undertakings connected with their name.

FRANK S. GOODRICH.

Frank S. Goodrich, Vice-President and Manager of sales for the Wm. O. Goodrich Co., of Milwaukee, passed away on Friday, August 13, 1920. The cause of his death was heart failure. Mr. Goodrich was born in the city of Milwaukee December 16, 1852. He lived the greater part of his life in Milwaukee, and was identified with the Wm. O. Goodrich Company and its predecessor for the past eighteen years. Besides the widow he left two sons, Gorge Allen and Walter Watson, neither of whom were engaged in the business with him.

JACOB HASSLACHER.

Jacob Hasslacher, head of the well-known chemical firm of Roessler & Hasslacher, died at his home in New York City March 15, 1921, at the age of 69. Mr. Hasslacher was born in Germany in 1852 of well-to-do parents, and came to New York in 1884, where he at once went into the chemical business as an importer and manufacturer, being associated with Franz Roessler in the firm which was later incorporated as Roessler & Hasslacher Chemical Co. He became an American citizen in 1890, and has been an enthusiastic patriot ever since.

JAMES CORNER HISS.

James Corner Hiss, born in 1861, died December 7, 1920, in his 60th year. He was a member of the firm of James Corner & Sons, of Baltimore.

RICHARD HOPKINS.

Richard Hopkins, President of the National Rosin, Oil and Size Co. of New York City and Savannah, Ga., and a member of the Board of Directors of the National Rosin, Oil and Size Co. of Illinois, died at his country home at Short Hills, N. J., June, 1921. Mr. Hopkins was a man of large business interests. For some years he had wintered at Savannah, having a beautiful home near that city. Under his presidency the National Rosin, Oil and Size Co. greatly expanded operations, and through its Savannah plant and the one North was one of the largest producers of its class of commodities in the country. He was about 50 years of age and is survived by his wife and one son, W. Lathrop Hopkins, President of the National Rosin, Oil and Size Co. of Illinois.

CHARLES F. HOWLAND.

Charles F. Howland died May 18, 1921. Mr. Howland was a former President of Wadsworth-Howland Co., Inc., Boston, and later Chairman of the Board of Directors of this company at the time of his death. He was a member of the New England Paint and Oil Club from its inception, having served as President in 1896 and 1897, and at the time of his death was on the roll of honorary membership.

J. ROBERT JOHNSTON.

J. Robert Johnston, of the paint jobbing house of Johnston & Oswald Co., Inc., New York City, died at his residence, 171 Quincy Street, Brooklyn, November 20, 1920, after a short illness. Mr. Johnston was born in Lockport, N. Y., on January 6, 1851. He was educated there and came to New York City when about 21 years of age, to take a position with the house of Latham & Kemp, where he remained many years. He then joined the New York sales force of Harrison Bros. & Co., of Philadelphia. In 1900 he and Albert Oswald, who was salesman for the same company, started in partnership in the paint and color trade, and until the purchase of the firm of Harrison Bros. & Co., by the DuPont Co. were their representatives here. Mr. Johnston never married and is survived by a brother, Henry. He was prominent in Masonic circles, and religious and Masonic services were held at his funeral on Tuesday, November 23.

EDWARD HARTWELL KIDDER.

Edward Hartwell Kidder, one of the original members of the Barrett Company, died at a New York hospital on Friday, August 22, 1921, at the age of 82 years. Mr. Kidder was born in Cambridge, Mass., in 1839, and graduated from Harvard College in 1863. Following his graduation he entered the chemical business in New York City, and this business developed into what became the Barrett Company, manufacturers of chemicals, with offices at 17 Battery Place, New York. His home was at Ridgefield, Conn., although he spent his winters in Florida and was a member of the Metropolitan and University Clubs. Funeral services were held on Monday at St. Bartholomew's Church. One daughter and a son survive him.

WILLIAM KLEINLE.

William Kleinle, founder of the firm of Rennous, Kleinle & Co., manufacturers of brushes at Baltimore, died at his home in Roland Park, that city, January 14, 1921. With his partner, the late John R. Rennous, he established the firm in 1872. Recently the establishment has passed into the control of the Pittsburgh Plate Glass Co. Mr. Kleinle is survived by his wife and two daughters.

LUDLOW LILLY.

Ludlow Lilly, Treasurer of the McMurtry Mfg. Co., Denver, died at the Wellington Hotel, in that city, January 14, 1921, following a week's illness. Mr. Lilly was born in Baltimore, Md., May 28, 1874. When quite young he was made Vice-Consul for the United States at Tangiers, Morocco, under President McKinley. In 1899 he came to Colorado and shortly afterwards became associated with the McMurtry Mfg. Co. In January, 1906, he

was made Treasurer of the company, which position he held at the time of his death. Early in 1899, while yet a very young man, Mr. Lilly was forced to break his connections in the East and come to Colorado for his health, which he never fully regained. He fought bravely against heavy odds, but in spite of this handicap, was always of a happy disposition and possessed a keen sense of humor.

J. RUSSELL MARBLE.

J. Russell Marble died October 8, 1920. Mr. Marble was senior partner of the firm of J. Russell Marble Co., Worcester, Mass., with which firm and its predecessors he had been associated since 1871. He was a member of the Paint and Oil Club of New England for a little over thirty years.

FREDERIC H. NEWTON.

Frederic H. Newton died February 19, 1921. Mr. Newton was President of the Carpenter-Morton Co., Boston, with which company and its predecessors he had been associated for upwards of forty years. He served as President of the New England Paint and Oil Club over twenty years ago, and continuously a member for thirty-five years.

W. A. RAMSAY.

W. A. Ramsay of Minneapolis died at his home September 3, 1921, after a prolonged illness. He was born at Dayton, Ohio, 66 years ago, and came with his mother when a lad to Minneapolis. Mr. Ramsay was educated in the schools of Minneapolis, and while a young man began a successful business career as an employee of the establishment of which he was practically the sole owner at the time of his death, the Minnesota Linseed Company, and its related industry, the Minnesota Linseed Oil Paint Co. His honorable and successful business record was an example of what is within the reach of industry and integrity without the aid of wealth or influence to command the favor of fortune. Mr. Ramsay occupied a very high place in the esteem of all who knew him and contributed largely to the upbuilding of this city. He is survived by his wife.

FRED A. SILVA.

Fred A. Silva died August 6, 1921. Mr. Silva was, at the time of his death, connected with E. I. DuPont de Nemours & Co., being factory manager at Everett, Mass. Mr. Silva had been connected with the paint industry in this city from the time of his leaving school. He was with the John Briggs Co. and later with the J. W. Hoffman Co., and still later as Treasurer of the New England Oil, Paint and Varnish Co. at the time the latter company sold their interests to DuPont company. Mr. Silva continued with the company up to the time of his death. He has been a member of the New England Paint and Oil Club since 1908.

EDWIN H. STULB.

Edwin H. Stulb died September 2, 1920. Born 1850. Representing C. Schrack & Co., the oldest varnish manufacturing concern in the United States and a member of the Philadelphia Paint, Oil and Varnish Club.

CHARLES P. TERHUNE.

Charles P. Terhune, president of the Cincinnati Plate Glass Co. and for many years a member of the Cincinnati Paint and Varnish Club, died August 23, 1921, following a long sickness. He was 46 years old. Mr. Terhune was one of the organizers of the Cincinnati Plate Glass Co., joining with the late Ira D. Washburn, of the paint company which bore his name, William Foy, of the Foy Paint Co., and others in the enterprise which succeeded so well that Mr. Terhune was able to buy most of his associates out. Before he engaged in the plate glass business he was a paint man and had a wide and most favorable acquaintance in the trade. He was married to a daughter of the late Henry Haidringhaus, who was prominent in the paint business in Cincinnati some years ago. Mr. Terhune was very popular in the paint club, and his loss will be keenly felt.

EDMOND AUSTIN THOMAS.

Edmond Austin Thomas, born in St. Louis October 12, 1870, died at St. Luke's Hospital, St. Louis, Thursday, June 2, 1921, the funeral services being on June 4. His first business connection was with the Fox Sash, Door and Blind Co. He next entered the lumber business, making his headquarters in New York, where he lived until 1903, when he returned to St. Louis to enter the firm of George S. Mephram & Co., of which he was Secretary and Treasurer at the time of his death. In 1895 Mr. Thomas married Rosalind Lodge, whose death preceded his own by a little over a year. He is survived by four children: Mrs. Oliver Keller, of Lancaster, Pa., and Beatrice, Elizabeth and Edmond G. Thomas. He was a communicant in Christ Church Cathedral, a member of Tuscan Lodge A. F. and A. M., the Noonday Club, and the Missouri Athletic Association. He was President of the St. Louis Paint, Oil and Varnish Club and a member of the Board of Directors of the National Paint, Oil and Varnish Association in 1918-1919.

ALFRED W. THOMPSON.

Alfred W. Thompson, President of the Prince's Metallic Paint Co. and the Blue Ridge Color Co., both located at Lehigh Gap, Pa., died suddenly at his home, 25 S. Fifth Street, Allentown, Pa., on December 4, 1920. The deceased was 64 years old and had lived in Allentown for 30 years. He was widely known throughout the paint industry and is remembered as a man of intellectual attainments in addition to his reputation as being a far-sighted business man. He was a member of the Paint, Oil and Varnish Club of New York for 25 years and had been identified with the Drug and Chemical Club for a like period. He was also a member of Livingston Club of Allentown; the Edwin G. Marti Lodge, A. F. and A. M., and Allentown Lodge B. P. O. E.

SAMUEL F. WOODHOUSE.

Samuel F. Woodhouse died March 6, 1921. President and Treasurer of Samuel F. Woodhouse, Inc., Secretary and Treasurer of Coyne Brothers, Inc. Born in England 1850, came to the United States as a young man. Began business as a painter and about 30 years ago started the manufacture of paints. He was a member of the Philadelphia Paint, Oil and Varnish Club,

C. H. WORDELL.

C. H. Wordell, who for many years, up to January 1 of this year, was Vice-President and General Manager of the Queen City Varnish Co., died very suddenly of heart trouble on January 12 at the home of his friend and associate, Gabe Davezoa, with whom he had long had apartments on Maple Avenue, Cincinnati. Mr. Wordell was 68 years of age and unmarried. He was born at Fall River, Mass., where he resided up to sixteen years ago when he went to Cincinnati to take the management of the Queen City plant, the business of which he built up to a high aggregate. He was a member of the Cincinnati Paint, Oil and Varnish Club and of the Avondale Methodist Episcopal Church, in the work of which he was exceedingly active.

At the conclusion of the reading of the Memorial Address the convention adjourned for the president's reception, which followed shortly after.

TUESDAY, OCTOBER 25

SECOND SESSION

Tuesday Forenoon

The meeting convened at 9:45 a. m., President S. Marshall Evans presiding. President Evans—The Secretary will announce one or two special committees, which have to be appointed the first thing. Secretary Horgan—The Chair has appointed as sergeants-at-arms for the meeting—H. G. Russell, chief sergeant; W. A. Borland, Philadelphia; W. F. Purdy, New York; J. A. Dowdy, Philadelphia; Alpin I. Dunn, New York.

The Press Committee which will serve during the convention are—F. R. Trafford, chairman; C. A. Stodman, S. B. Bowen, Jr., E. A. Jensen, C. C. Purdy. President Evans—I will announce the personnel of the Nominating Committee: L. T. Mincham, chairman; Howard Elling, S. S. Chatfield, C. J. Caspar, Howard Green. John Pine, of Chicago, presented the following report of the Committee on Kalsomine Manufacturers.

Report of Committee on Kalsomine Manufacturers

Your committee submits this as an Initial and Preliminary Report on this Industry, as there has not been opportunity to gather comprehensive data.

Our information regarding the inception of the manufacture of prepared kalsomine is that wall finish as a commodity of a real industry was first made and sold for distribution in the Middle West, and that the first product to be generally accepted as such was known as Johnson's Dry Sized Kalsomine. This was as far back as the early eighties and was sold for 10 and 12 cents per pound.

The next kalsomine to be placed on the market was in 1882, same being manufactured by Fox & Tuller in New York.

Later Mr. Benjamin Moore conceived the idea of making a prepared wall finish made up from the same ingredients used by practical painters in making kalsomine, and this product he put on the market in 1887.

In the early nineties two or three other products were offered on the market in the East as competitive wall finishes, and since 1895 and up to the present time there have been developed a total of fifty-nine plants manufacturing kalsomines and water paints.

The statistics which are available indicate that there are—

Nineteen in New York,
Eight in Illinois,
Three in New Jersey,
Five in Ohio,
Four in Missouri,
Seven in Pennsylvania,
Thirteen in all other States.

This group represents as far as we can find out a total yearly output of 126,000,000 pounds.

Just what the investment would represent the committee is unable to state, as we were unable to get this information.

The estimated value of the total output is about five and one-half million dollars.

The industry consumes large quantities of whiting, clay, glue and dry colors in the manufacture of their product; the committee was unable to estimate the value of this raw material.

Kalsomine conditions during the past year have not been favorable, and there has been considerable decrease in the consumption of this product, as tenants were unable to induce owners to decorate.

Stocks in the hands of distributors and dealers are low, and the coming year should show a largely increased demand for this product.

Respectfully submitted,

W. C. BELCHER,
B. COTTRELL,
J. H. PINE, Chairman.

President Evans—The disposition of this report by the board was to accept it and pass it on to the convention as information, with the thanks of the board to Mr. Pine and his committee.

Mr. Pine—I might say, Mr. President, that there isn't as much data in this initial report as the committee would have liked to have presented. That was due, in a measure, to the chairman not getting busy soon enough and realizing the importance of a report of this kind. When he did get busy with the other members of the committee, we found that we had no data to go back on, and I took the pains to write a letter to every kalsomine and water paint manufacturer in the Middle West asking for some information.

I suppose that the experience of this committee in getting up an initial report was just like all of them—the manufacturers to whom I wrote possibly felt (at least I construed it in that way) that I wanted some information for my own use. From all the letters that I sent out I received the courtesy of one reply, and that party is not in this room. And the reply was that they didn't care to divulge as to how much money they had invested in this business, or how much goods they turned out, and could not see any sense in it anyway.

After the report had been sent to the secretary and printed, or about ten days ago, I received a reply from another manufacturer, advising me that he had

been out of the city and wanted to know if a report at that time would be of any use.

Kalsomine, everybody realizes, is quite a new thing in the paint game. Practically every paint manufacturer buys it; every paint jobber in the country buys it, and markets it, and every paint dealer in the entire country carries a stock of kalsomine.

I hope, Mr. President, that another committee will be appointed, leaving the chairman out this time; then they may be more willing to give the information that is required to get up data.

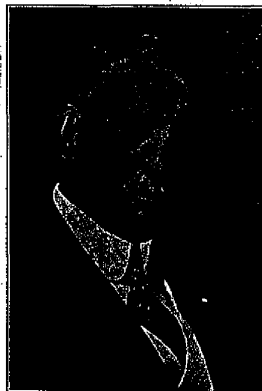
President Evans—There has to be a beginning of all good things.

It has been the custom of this association to extend the courtesy of the floor to representatives of one or two other associations. The Paint Jobbers' Association has always been recognized, since that association was formed, and it has always been an integral part of our association. The representatives from the Paint Jobbers' Association are George E. Watson, of Chicago; Mr. Bullington, of Richmond; Mr. Weaver, of Providence; and S. E. Drake, secretary. May we ask Mr. Watson to address the convention in behalf of the paint jobbers' delegates? The report of the paint jobbers will come up a little later as a regular part of our business. We want to welcome you as representatives of your jobbers' association.

GREETINGS FROM JOBBERS

Mr. Watson—Mr. President and Gentlemen—In behalf of the National Paint Jobbers' Association, I am very glad indeed to respond and to say that our association has for a great many years been affiliated with the national association, although only within the last seven years, I think, as an organization.

As you know, we hold our independent conventions in the spring of each year.



George E. Watson

and they are largely taken up with topics which are of interest to the jobbers. However, we are not at all a selfish organization. While we are primarily organized to discuss and try to improve the conditions of the paint jobbers, at the same time we take up a great many other movements—national movements—movements which this association is very largely interested in.

The term of "Paint Jobber" to my mind does not express what our association represents. I can remember thirty years ago hearing "Paint Jobber," but it is only within the last five or six years I knew there really were any such people in existence so far as being a prime mover in the affairs and distribution of the products of our industry.

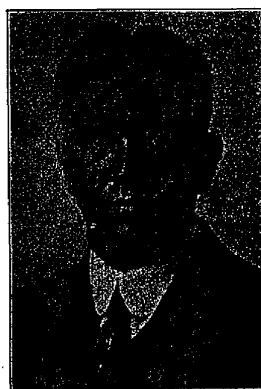
Really, a paint jobber today is more of a distributor and a representative of the manufacturers of various products and today there is hardly a jobber in our association who does not represent several manufacturers as their direct distributors, not only in the selling of their material, but in the distribution and in the settling of a great many claims that come up with regard to the various products. In other words, their particular territory where they operate they really represent the manufacturer, and in that respect their business is entirely different from

what was supposed to be the original jobber.

The original jobber was simply a man who did business with dealers and solicited business through traveling salesman; but, as I say, today he is really more of a distributor or representative of the manufacturer.

Our association comprises today something like 125 representative jobbers, and in going over the list very carefully we find that we already have probably a majority of the paint jobbers in our association. We are not so particular to increase our numbers as we are to increase the personnel and to get the right kind of people into our association, and so far we have been very successful in that respect. In fact, it would probably surprise you to know of the number of people who apply for membership in our jobbers' association whom we have not construed as legitimate jobbers or distributors of goods throughout the country and entitled to membership in our association.

I simply want to thank you, Mr. President, and the association also, for recognizing this as one of the constituent bodies, and to say that we at all times are ready and willing to co-operate in any movement on the part of this national association that will promote the interests and welfare of the association and the business of the country, and to get back of any of the great movements that have been started by this association, such as the "Clean Up and Paint Up" campaign and "Save the Surface," and also to go forward to make 1922 the Greatest Paint,



Frank P. Cheesman

Oil and Varnish Year that we have ever seen in this country.

Following some announcements for the Entertainment Committee, Frank P. Cheesman read the report of the Committee on Revision of Constitution and By-Laws. It follows:—

Report of Committee on Revision of Constitution and By-Laws

Your Committee on Constitution and By-laws submits the following recommendations to the Association for their approval:

Article III, Section 7, of the Constitution now reads:

"Board of Directors: The officers, together with one member from each local club represented in the Association, and one individual member for each group of forty individual members or fraction thereof, shall constitute the Board of Directors."

We suggest same be changed to read as follows:

Article III, Section 7. Board of Directors: The Board of Directors shall consist of the following members: The officers of the Association; one member from each local club represented in the Association; one individual member for each group of forty individual members or fraction thereof to be selected from different zones; all former Presidents of the Association who have attended three out of five of the last preceding conventions.

We also recommend that Article V of the By-Laws which now reads:

"Convention Place. At each Annual Convention the Association shall provide by vote for the place where the next Annual Convention shall be held, as provided in Article XIII of the By-Laws" be amended to read as follows:

Article V. Convention Place. At each Annual Convention the Association shall provide by vote for the place where the next Annual Convention shall be held, as provided in Article XIII of the By-Laws. Commencing with the Convention of 1922 at least two out of five Annual Conventions shall be held at neutral points.

We also recommend that Article VI, Section 1, of the By-Laws on "Committees" (Standing) be amended to include a Committee on Constitution and By-Laws.

We also recommend that Article VI, Section 5, of the By-Laws be amended by inserting the word "Five" members as a Press Committee instead of "Three."

Respectfully submitted,

FRANK WALDO,
FRANK P. CHEESMAN, Chairman.

DETERMINING OF CONVENTION REPRESENTATION

Mr. Cheesman—The Constitution Committee further reports as follows:—We recommend that the fourth paragraph of article 4, section 3, of the constitution, which reads as follows:—

It shall be the duty of the secretary thirty days before the annual convention to obtain from the secretary of each club affiliated with this association a complete list of the members in good standing. (And from the treasurer of the association a list of the individual members in good standing he stricken out as it conflicts with section 4, article 4, of the constitution under the "Duties of the Treasurer," which reads):

He shall also submit to the secretary, thirty days before the annual convention a complete list of the clubs holding membership in the association, with the number of their members and a list of the individual members in good standing on his books, which list shall be the basis of representation at the annual convention. President Evans—This also had the approval of the board.

GREETINGS FROM MASTER PAINTERS

A. H. McGhan—Mr. President and Gentlemen of the Convention—The International Association of Master Painters is, of course, very pleased to be able to be with you again and assist in any way possible in your deliberations. It occurred to me, gentlemen, in the past forty-eight hours since arriving here, that the plan or scheme or purpose of advertising seems to be one of the principal features of this convention, and in my intercourse throughout the whole country, from here to the Pacific coast, I have met and come into contact, of course, with our membership (I being the secretary), and I think it is more than right that I should report to you the manner in which the master painter

verting those five thousand men represent and can be made, and it is only a case of continuous labor which is the mainstay of all advertising movements, really continuity, to make them a tremendous force for advertising our industry.

Personally, and together with a number of other gentlemen in our association, I am not only enthusiastic but working as hard as I possibly can toward that objective point of making the master painter an advertiser.

I think I can say advisedly that we can pledge ourselves and will pledge ourselves and our association to that movement of making 1922 the greatest paint and varnish year in the history of our industry. (Applause.)

There is no need of my entering into an argument over it, because there is no argument on the other side at all. We fully realize every movement that you make is towards our welfare, of course, and we are awfully anxious to contribute our energy, purpose, influence and activities toward whatever you may lay out for us.

Now you know, gentlemen, when I tell you that the master painter is not an advertiser and has not been an advertiser that that carries considerable weight. We look to the "Save the Surface" and "Clean Up and Paint Up" Campaigns to lay out the lines along which we must work. We have received unequalled support, assistance and guidance from both campaigns up to the present time and we will respond just as readily as it is possible for humans to respond.

But it is a pretty large field to cover—all of the United States and Canada—five thousand, with a possible objective of twenty thousand, but we are with you gentlemen in that and other activities that may come before you in any way at all that we can assist as the mechanical end of the painting business. We pledge you our support. (Applause.)

President Evans—There are always serious problems arising in our industry, and the counsel of our friends, among them the master painters, is something which is listened to by those of us who have to cope with the problems. We

appeared, was the refusal of a comparatively few firms to supply such information for publication, and the necessity of having every one in the industry make full reports, in order to give to the statistics so published their greatest value. In deference to the Federal Department of Justice, many of these associations had already discontinued their activities—waiting for some authoritative decision of the courts or of some department of the Government as to what part (if any) of their reporting and statistical program was objectionable under Federal laws. But very few reports, therefore, have been made to the Secretary for publication during the year.

In the mobilization of industry by the Government authorities during the war, the members of every industry were called upon to show whether or not theirs was an essential industry, entitled to use coal and transportation; whether or not there were wastes in methods of manufacturing and distribution which could be prevented; and those industries that were selling their products to the Government were required to present statistical information showing capacities of plants and stocks, and detailed costs of manufacturing, selling and administration. This information was very useful to the Government, and was found not to be injurious to the individuals engaged in the industry. Since then requests for statistical data (substantially the same as was collected and published to its members by the several sections of the National Paint, Oil and Varnish Association) have been made by the Federal Reserve Banks, the committees charged with the preparation of tariff bills, the Tariff Commission, the Geological Survey Department, the Federal Trade Commission and the Secretary of Commerce.

The assumption that ignorant competition is advantageous and intelligent competition injurious to the public interests is a manifest absurdity. The more a man knows about the fundamental facts of his business, the stronger he is as a competitor. Manifestly, however, wherever men meet there is an opportunity to form an illegal combination in restraint of trade. This may be at a dinner, a club, a national convention, or any other place where competitors may meet. Therefore, when competitors belonging to an association gather and disseminate statistical information, or attempt to improve trade conditions—such as joint action to reduce freight and insurance rates, or to sell in foreign countries, or to improve sanitary conditions, or anything else that they can rightfully do—they create a condition where they can (if they so wish) do that which is illegal. It is believed that nearly all of such trade associations have carefully abstained from agreeing to fix prices, or state what they intend to do in the future, or go any further than to report past and existing facts that could not be changed and must be known sooner or later.

The industries that are members of the National Paint, Oil and Varnish Association have gone further than any others known to your committee in this—that they have consistently and persistently recommended the publication of such information to the world in monthly bulletins and in the trade press. This information being easily available to both consumer and producers demonstrates an intention not to do anything forbidden by law and also provides for a publicity that would effectually prevent combinations in restraint of trade. Freedom and publicity stimulate individual initiative and prevent wrongdoing more than any laws ever enacted have been able to accomplish. We find, therefore, that the very able and efficient Secretary of Commerce, as a first requisite to intelligent action in his important department, is seeking information regarding all industries, not only for his own use but to publish to the world. The Federal Reserve Banks and the Federal Reserve Board are seeking full and complete information regarding the basic facts of all industries to guide and enlighten them, and are also publishing it in tabulated form. At the International Chamber of Commerce Conference that met in London on June 27 last, every committee reporting to the convention expressed a wish for authoritative and timely statistical information, and this world need found expression in one of the resolutions unanimously adopted at that conference.

Your committee takes note of these important facts and reads in them an approval of the resolutions that have been passed by the National Paint, Oil and Varnish Association at its six last annual conventions. Your committee therefore recommends:

First: That the National Paint, Oil and Varnish Association again recommends that the various sections communicate at regular intervals to the office of the Secretary of the Association full statistical information of their industry for publication in the trade and statistical press and monthly bulletins of the Association, and for use of the Department of Commerce, the Federal Trade Commission and the Federal Reserve Banks.

Second: That the members of the Association give their approval and assistance to the Secretary of Commerce, in what is understood to be his desire to give to the people of the United States timely and accurate information as to all the basic facts of industry so necessary to the wise consideration of business problems.

Respectfully submitted,

FRANK WALDO,	E. T. TRIGG,
M. M. MARKS,	J. H. McNULTY,
S. M. EVANS,	C. J. CASPAR,
E. V. PETERS,	JOHN HENRY COON,
H. S. CHATFIELD,	S. B. WOODBRIDGE,
J. W. DANIELS,	G. B. HECKEL,
D. W. FIGGIS,	O. McG. HOWARD,
W. H. CRAWFORD,	E. J. CORNISH, Chairman,

President Evans—The Board of Directors unanimously approved the recommendation of this report. What is your pleasure, gentlemen?

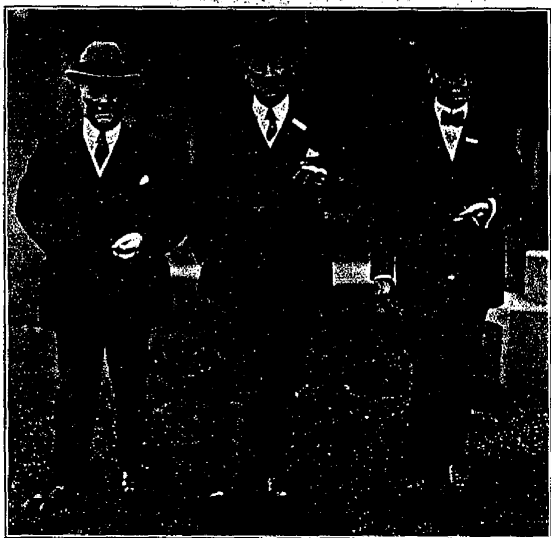
A motion was made and seconded that the report be concurred in.

EXPERIENCE IN STATISTICAL SERVICE

Mr. Cornish—Mr. Chairman, I would like to say a few words to this motion to explain to all here present the exact conditions and what even the passing of this motion (as I presume it will be approved by you) will probably not result

in any of the sections in the immediate future complying with your request.

I think, perhaps, that the notoriety that I have received as chairman of this committee, and also for the work that I have done publicly in some twenty-two cities when I held the position as president of the association, has attracted some attention to me, so that I was not very much surprised to find that the Association of White Lead Manufacturers was, subject to a grand jury inquiry, and received considerable notoriety and for two months was dancing in attendance at the Assistant Attorney-General's office in New York, with a grand jury back there to increase any demands regarding the



Stewart N. Hughes John Dewar A. H. McGhan
Official Delegates from the International Association of Master Painters

is taking hold of the advertising plans that have emanated from this association, or the other "Clean Up and Paint Up" Campaign.

Gentlemen, we will have to admit that the master painter has not been what you would term an advertiser in the past year, nor will he ever be an advertiser in a national sense, in the manner in which these campaigns are being conducted, but he can be an advertiser in a local sense where his business operations exist. In the past, as I tell you, he has not been an advertiser, but the effect of these campaigns in the past three or four years has very noticeably made him an advertising man, inasmuch as there are a great number of master painters throughout the country active advertisers in their own field.

Very recently, within the past two or three weeks, I have mailed from my office literature emanating from the "Save the Surface" Campaign to our entire membership.

Gentlemen, the International Association now comprises a membership of nearly five thousand and they are all employers (some of them are small, but we have with us the largest employers in the country) and you can readily realize what an enormous force of ad-

value their friendship; we value their counsel; no greater help has come from anybody than from one great statesman from that association, a grand old friend of all of us. I am going to ask John Dewar to say a few words. (Applause.)

John Dewar—Mr. Chairman and Gentlemen of the Convention—This is altogether a very great surprise to me. In the first place, I was late in getting here on purpose, so that my colleague should occupy the time which is due in carrying the congratulations and good wishes of the International Association to you. I am not just equal to the occasion, gentlemen, but it gives me great pleasure to be here to meet you on the eve of the dawning—in fact on the very threshold of one of the greatest eras of prosperity this country ever knew. (Applause.)

But it requires adjustment of certain conditions and we all earnestly hope that reason will enter into that adjustment, and that the people and the industries of this country will be rewarded with their due, as the fruitage of this reconstruction and adjustment. (Applause.)

President Evans—We will now have Report No. 7—the report of the Statistical Committee—E. J. Cornish, chairman. (Applause.)

Report of Committee on Statistics

The Special Committee on Statistics can only report discouraging experiences and increased hopes. We confidently believed one year ago that the various sections of the National Paint, Oil and Varnish Association (each of which had an association for the purpose of gathering and reporting trade statistics) would co-operate in supplying information so collected to the Secretary of the National Paint, Oil and Varnish Association, for publication in monthly bulletins. The only obstacle to be overcome, as it then

giving up of our papers and information that might be desired.

I always like to make such confessions publicly because I know that a great many others present will have had similar experiences.

The argument was made seriously by very excellent people, attorneys, that there was absolutely no reason for such an association as ours, excepting to agree upon prices and fix prices, and that the very fact that we met, even though we advertised it to the world and wanted to publish our proceedings in monthly bulletins, was conclusive evidence that we wanted to violate the laws of the United States.

That was stated by very able attorneys.

of this association, surely ought to have put ourselves out of the realm even of suspicion.

Information Helps Consumer

When you reflect that every manufacturer in this association, by these reports, reports that information to the consumers of over half of his products, it will be inviting his consumers and the public, giving them the entire benefit of everything that he is himself getting (if they are able to use the information intelligently). That ought to be conclusive

Reports on Clean Up and Paint Up Campaign

President Evans called for the reports on the "Clean Up and Paint Up" campaign.

J. P. Thomy, chairman of the Finance and Audit Committee of the Campaign, read his report as follows:—

Report of Finance and Audit Committee

We believe there is no question in any one's mind that 1921 was a year of retrenchment and that all co-operative trade campaigns were subjected to that consideration. It is because of this fact and also because of the several large consolidations that cost the Bureau several large individual subscriptions, that we feel the trade has given an amazing endorsement to Clean Up and Paint Up in the fact that the collections from contributors in this fiscal year amounted to \$29,177.50 against \$34,432.50 the year before, and with quite a number of perfectly good subscriptions still unpaid because of the present trade conditions. This speaks for itself and should be a great gratification to the friends of the Clean Up and Paint Up movement and, therefore, to our Association which is its foster parent, and to the loyal members who have so arduously worked for this cause.

We wonder if there may not be many among the members of the Association who were in the same position the chairman of this committee found himself in no more than two years ago. Though constantly aware of the Clean Up and Paint Up Campaign and the good it was doing, in constant appreciation of its work and a steady supporter financially, yet he had no conception of what Clean Up and Paint Up meant and produced until he made a thorough examination of the Bureau and realized the tremendous amount of publicity and trade stimulation furnished to the whole trade for the comparative pittance contributed by each individual subscriber.

Your committee regrets that there are many subscribers to the campaign who apparently do not acquaint themselves with the details of the practical co-operation that the Bureau has in readiness for them; and who little realize the big results that are accomplished for them, even without this co-operation, through the Bureau's stimulation of general paint and varnish buying.

If the trade realized these things, its opportunity through this campaign would unquestionably command an eager response to the need for a campaign fund generously ample for its normal needs and for every emergency opportunity. It cannot be doubted that not only the millions of lines of advertising but also the character and position of the news items and editorials given to this campaign every year, could not be bought by the whole paint and varnish industry or by several industries jointly allied.

Our Trade Opportunity in the Public Appreciation of the Bureau's Service.

The point that your committee especially brings for your consideration is in the fact that the recognition of the Bureau and its work by the public, civic authorities, fire prevention bureaus, publishers, health associations and others, has grown to such a degree as to have thrown upon the Bureau a responsibility for the giving of service which is way beyond the adequacy of its present facilities. The father of this movement, Mr. Allen W. Clark, through arduous labor and conscientious application for the past nine years, has brought this campaign to a success in the public appreciation and expectation that is far beyond the realization even of many of its friends in our trade.

Fortunately, the Bureau's inadequacy to meet this situation spells but one message to the trade. Since every demand upon the Bureau means the opportunity for more sales of paint and varnish, it is plain that the Bureau is handicapped in the very purpose of promoting paint and varnish sales and serving the trade, and that, therefore the trade is handicapping itself in neglecting to capitalize on the Bureau's success and its efforts for our greater sales and the development of our trade.

No one who visits the Bureau's headquarters can fail to be impressed with the voluminous mailings, all to carefully prepared lists of special classes, with the campaign's special message to each class.

Certainly no campaign effort could be more closely and thriftily devoted to the one single purpose for which its funds are solicited and given. The need of funds for this purpose is so great, and the Bureau's resources are so small, that it, like your own committee, must rely upon and we call upon, the co-operation of every friend and contributor to keep the campaign and its opportunities and needs in their proper place and evidence in the trade's interest and activities. Your committee thanks the trade press for all it has done in this connection.

Such results as the Bureau is producing should not be limited by lack of funds to properly carry forward a work that now has such a wonderful impetus. It is with genuine regret that your committee must report that this situation developed to a painful extent very recently, when the Bureau was unable to grasp the opportunities and overtures that were extended it in the Unemployment situation and the Fire Prevention campaign, because it did not have enough funds for the necessary mailings in connection with its proper participation in these opportunities for assured and enthusiastic co-operation in the organization of its local campaigns this fall.

But the members of this Association have frequently been advised of the Bureau's lack of funds, and it is not the purpose of your committee to emphasize that point at this moment. What we do respectfully beg to call to your attention is that this inadequacy of the Bureau's facilities is a real handicap to the development of the trade and its sales volume and therefore a handicap directly or indirectly upon every concern in the trade. Accordingly this is a serious business matter to each member of our Association and one that should give each member the same deep concern that it gives your committee.

This Campaign's Function in the Achievement of the 1922 Objective.

To "Make 1922 the Greatest Paint and Varnish Year" means to utilize every avenue available to accomplish that purpose, without any waste or duplication of effort. We feel that the Clean Up and Paint Up Campaign, confining its work and purpose especially and almost entirely to local campaigns in co-operation with civic forces, amplifies and intensifies the trade's general co-operative advertising and its advertising by the individual concerns in such an essential and extensive way that we respectfully recommend to this Association not only to give the Clean Up and Paint Up Bureau its endorsement and co-operation in the continuance of its representation through the Finance and Audit Committee; but we also request and recommend the Association's aid for the Finance and Audit Committee by such

E. J. Cornish

It was put to us as a question that we couldn't answer—"Why do you want to give information of your secrets and of your business to the public, unless you can profit by a combination to fix prices?" And that made a conclusive proof of guilt.

Well, now, we heard a report here a little while ago, regarding Kalamazoo, where many of the people felt that they did not wish to communicate anything regarding their business—narrow men without business experience and without breadth of view. Many will think that there is no need for information in order to do business. A short-sighted, narrow man may think that the companies, the large companies, that are in these associations, don't need to know the basic facts of the industry in order that their competition may not be the little petty competition of going to a man and saying, "I'll cut that price five cents if you will take it."

Information Helps Competition

Real competition is a thought out campaign that extends sometimes over a period of years. It is based upon knowledge of the elemental facts, and one person may see that he has some advantage or that he can do better work than other people, and he adopts a plan that will extend for years. That is the great competition that is going on in this world. That is made intelligent by knowledge of the facts.

However, I see in this morning's paper that I have just been reading, that the government has brought a suit against a large number of cement manufacturers who were in an association. Of course, I know nothing about the facts of that case. I always feel that every case that reaches the point of an actual indictment may be an exceptional case that will injure our cause.

I know that if you gentlemen get behind that motto to make 1922 the greatest paint and varnish year, that you will have to co-operate to do it, that you will have to raise some funds with which to do it, and that in raising those funds you will be brought together, that you are within your legal rights and that it will be advantageous to the business interests of the United States that you should do that. But when you get together, you have a condition, where, if you want to, you can violate the law. That is an entirely separate thing from getting together to work for that purpose and I am satisfied that everybody within the National Paint, Oil and Varnish Association has been educated in the last few years to know that they must carefully refrain from any agreement to fix prices, any agreement to prevent competition, any agreement or understanding that would operate to restrain trade or anything that would be a violation of law.

However, the few that may not follow that advice will bring us all into bad repute; but we of the National Paint, Oil and Varnish Association, by our action, for the year in making the publication of that information by the secretary

proof to any fair man that we really believe that this information is useful without using the opportunity to violate a law.

Now we have had a very nice illustration of this—I mentioned something in the report but here the other day, by reason of the large amount of unemployment that there was in the United States, the department at Washington saw fit to appoint a committee to consider from prevention and what should be done to prevent it.

On October 5 this appeared in the daily press:—
Preliminary work on a permanent policy for "regulating employment" throughout the country, involving the revival of the nation's business and commerce, was begun today by the Manufacturers' Committee of the National Conference on Unemployment.

Discussions were said to have been limited to the suggestions for the stabilization of business advanced by the Economic Advisory Committee of the conference, with particular attention said the problem of effecting a commercial revival of permanence without a consequent recession in the movement.

We are of the opinion, "the economic experts declared in this connection, "that one of the chief causes of industrial depression is to be found in the lack of information available to business men as to certain essential facts connected with their general lines of business."

The far-sighted business man is often compelled to rely upon pure guesses or arbitrary estimates. Were he to be provided with the actual facts he would often act very differently from what he now does.

"Stabilization of business and the avoidance of recurring industrial depressions and crises are in no small measure dependent upon a more complete knowledge of the factors affecting the business situation."

Now, that interested because there has not been any meeting of experts or philanthropists, or bankers, or government representatives in the last two years, where the first thing they ran up against was not a lack of information but a lack of facts. They have all asked for it. Mr. Hoover desires to be what I believe he will be, the greatest Secretary of Commerce the country has ever had, making that department one of our great Cabinet positions. (Applause.) Yet the first thing that he saw he needed in order to do that good work was information.

As far as your committee is concerned, we don't care whether this information is given to us by our competitors, who are members of the association directly, or given to us by our competitors, who are not members of the association, but are members of the National Paint, Oil and Varnish Association in particular, or through the reports of the Federal Reserve Bank, or of the Secretary of Commerce, or of the Federal Trade Commission—we don't care how the information comes to us, provided it is timely and accurate.

Therefore, explaining in advance that I do not expect anything to result in the near future from this, I would like to have this report approved as moved, in order to throw the influence of the great representatives on the back of the intelligent, far-sighted, active, and efficient men who are seeking similar information. (Applause.)

The report of the Committee on Statistics was duly approved by the convention, and the members of that committee were thanked for their labors.

plans as may be jointly devised, toward immediately completing the financing of the \$50,000 annual budget which this Association has endorsed for several years.

Surprise is frequently expressed that so little as \$50,000 should be asked for a national year-round campaign. It therefore is proper to say that this \$50,000 a year budget was prepared and endorsed two years ago, when the Bureau's opportunities and its obligations to the public and the trade were not so great as now.

The full \$50,000, or about \$15,000 more than the present income, is required for the fall campaign mailings, on same basis as in the spring. However, nothing but a mere skeleton campaign has ever been conducted in the spring; all the results having been secured practically from the Bureau's spring mailings and its co-operation in the organization of local campaigns and the distribution of supplies to local committees, publishers, dealers, etc., the demands for all of which were created by these mailings, and the cumulative demands created by the work of the years before. To fill out this skeleton plan for the launching of a fairly complete and well balanced year-round campaign would cost about \$90,000 per year, according to the report made by our Sub-committee on Budget a year ago.

In conclusion, your committee extends its thanks to Treasurer Wm. J. Phelan for the painstaking performance of his duties, and begs again to emphasize its earnest hope that the Trade will fully capitalize upon the growing sales opportunities offered it by this campaign, by enabling the Bureau to gratify its desires and meet its obligations in the service of the trade and the public.

We confidently believe that if this Bureau, and the trade's great co-operative advertising campaign, and the individual members of the trade, are enabled to work together in their fullest efficiency for the 1922 objective, it is perfectly practicable to achieve our Trade's splendid goal and to "Make 1922 the Greatest Paint and Varnish Year."

Respectfully submitted for

THE FINANCE AND AUDIT COMMITTEE.

J. P. Thomy, Chairman.

Treasurer Phelan presented his report covering the fiscal year.

Report of Committee Treasurer

October 1, 1921.

Mr. J. P. Thomy, Chairman, Finance and Audit Committee, National Clean Up and Paint Up Campaign, St. Louis, Missouri.

Dear Sir:

I beg to submit report covering fiscal year ending October 1, 1921. This report includes all receipts and disbursements of former treasurer, Mr. F. V. Hammar, from October 1, 1920, to March 1, 1921, the date of his resignation.

RECEIPTS

Balance on hand October 1, 1920.....	\$5,898.91
From contributions.....	\$29,177.50
Interest on balance, etc.....	111.80
Bureau's sales of supplies.....	3,011.84

32,301.14

\$38,200.05

DISBURSEMENTS

Allen W. Clark, Chairman National Bureau.....	\$37,000.00
Audit fees.....	85.00
Treasurer's bond.....	17.50
Exchange, etc.....	7.52

37,110.02

Balance in Treasurer's hand, October 1, 1921.....

\$1,090.03

Yours very truly,

WILLIAM J. PHELAN, Treasurer,
Finance and Audit Committee.

PRAISE FOR 1922 OBJECTIVE

Allen W. Clark, chairman of the Clean Up and Paint Up Campaign Bureau, followed with his report. Before reading the formal report he spoke as follows:

Mr. Clark.—This morning I am so elated over the prospects that the hope of my heart for years—that we might all "go forward together"—is going to be realized, that I hardly know what to say. When I feel partisan, as all of us have a right to, I think the "Clean Up and Paint Up" Campaign is the greatest movement that ever happened. I think the "Save the Surface" Campaign is a great movement, and I admire the zeal of those who in their own earnestness believe and believe sincerely, that it is the biggest thing that ever happened in the trade.

However, gentlemen, something has come into the trade, something has come into this convention, something has come into our souls that is bigger than the "Clean Up and Paint Up" Campaign, that is bigger than the "Save the Surface" Campaign. That is this 1922 objective. I make no bones of my admiration for the man who coined it, and of my belief that that is going to do more than either one or both of these campaigns to bring about what we want.

In my elation in thinking over that for the last week or two, and especially last night and this morning, I have not been giving much attention to these other incidental things. These campaigns are incidental to that great thing. They are going to help greatly. They are going to be utilized properly. And, if I had a bit of the oratory in me to express the joy that I know so many of us feel at the fact that all of us are going to go forward together, without any waste, confusion, or appearance of competition, and put our brains, energies and enthusiasm altogether in the one direction—if I could put that over right, I would not want to say anything else here.

However, there are two or three things in the report that I would like to

subject to inspection by anyone, to verify this statement. This statement refers only to things actually in our files. It is not an estimate.

In the single month of April, the Bureau received clippings of news editorial and display campaign matter aggregating 2,086,000 lines, not counting any display matter except full pages or larger.

"Those in other trade fields have also commented upon these statements and call attention to the fact that the published summary of all the display space in the national magazines and the nine leading weeklies for March total only 1,675,618 lines."

You can make your estimate—I don't care whether you take it at a cent a line or \$5 a line, (I don't know of any rate

as low as a cent a line, although I know some as high as \$5 a line). Take it at ten cents a line and secure the value of that space secured in one month alone, and that month not our biggest one, and only what is actually in our files, and you have some idea, gentlemen, of the amount. In April no estimate could put that at less than half a million dollars and the total cost of this campaign for the seven months up to that May let were within \$28,000. Yet that is only an incidental feature of the results of this campaign.

The chief results of this campaign are in bringing to this trade and to its products the public recognition of paint and varnish in the conservation of human, of social, of civic and of property values. (Applause.)

Report of Clean Up and Paint Up Campaign Bureau

Mr. J. P. Thomy, Chairman, Finance and Audit Committee, National Clean Up and Paint Up Campaign, St. Louis, Missouri.

Dear Sir:

To you and the members of the Finance and Audit Committee, and to the trade associations whom they represent in that Committee and its work, I submit herewith the report of this Bureau for the year ending October 1, 1921.

Bureau's Receipts

Year Before	On hand at beginning of fiscal year.....	1921
\$1,906.87	From Treasurer.....	\$ 249.48
\$1,896.88	From supplies sales.....	27,000.00
\$3,803.64		2,109.54

\$38,906.19

Bureau's Disbursements

\$ 8,978.60	Printing.....	\$ 8,188.42
6,663.22	Press Service.....	3,276.67
3,273.77	Display Service.....	4,276.72
4,580.99	Labor.....	4,881.57
619.87	Postage, Freight and Express.....	3,186.22
11.00	Press Clippings, etc.....	1,338.50
48.53	Amplification.....	41.48
640.58	Traveling.....	534.11
470.50	Office Supplies and Incidentals.....	382.08
	Addressograph Expense.....	221.96
	National Negro Business League.....	328.00
	Exchange.....	37.98
	Finance and Audit Committee.....	126.14
	Administration: Chairman—Allen W. Clark.....	6,000.00
	Assistant—Charles Allen Clark.....	1,800.00
	Bookkeeping.....	1,200.00
	Rent, Office Facilities, etc.....	1,000.00

\$38,906.21

*Paid Treasurer account Supplies..... \$37,000.81

Balance on hand, October 1, 1921..... 446.37

\$39,056.19

*NOTE—Until May 1, 1920, receipts from supplies sales were deposited to credit of Bureau and reported as income. Since that date all receipts from this source have been turned over to the Treasurer of Finance and Audit Committee for inclusion in his own report.

The careful study of the detailed statement of the receipts and disbursements is earnestly requested, for such study will best emphasize the Bureau's problems in giving the trade a creditable and really national campaign, with such manifestly inadequate funds as those named for such basic general items, as printing, postage, campaign supplies and labor.

Presents the Whole Paint Gospel, the Whole Year Round.

There exist in the trade three fallacious opinions regarding this campaign:

1. The fallacy that as the campaign always has cost the trade so little, any substantial investment in it by the trade or by the individual concerns is not necessary or desirable.

A study of the figures in this report and a moment's reflection on the character and extent of the work that should be done to develop the new and greater publicity and selling opportunities that have been created by the Bureau, should remove this mistaken belief.

2. The fallacy that the campaign appeals only to "civic pride".

No one familiar with this campaign and its literature can have that wrong impression. Through the campaign's successful appeal to civic interest, it is enabled to secure complete community co-operation in presenting every appeal or argument that sells paint and varnish. The campaign press matter, and the advertising electros furnished dealers and painters, and published in thousands of newspapers, undoubtedly constitute the most comprehensive, the most widely published and the most intensive presentation of the whole paint gospel that ever has been made to the American people.

3. The fallacy that the national campaign is only a spring affair, and also that the local campaigns are only seasonal affairs with but transient results.

As a matter of fact the Bureau is starting and working with local campaigns every week in the year. The local campaigns of course are periods of intensified public interest and trade effort, but they create buying desire that is felt throughout the year. In some sections, these campaigns are more general in the fall than in the spring, while in many places both spring and fall campaigns are now established features of community life. Hundreds of dealers, whose names and reports have been published in the trade press, report increases in their annual sales of paint and varnish ranging from 25 per cent. to several hundred per cent., as the direct result of these local campaigns. Some have made such increases over the former annual sales, within the six or eight weeks that these local campaigns were in active evidence in their communities. Of course, such "seasonal" results will not be decried.

The Bureau's Obligations to the Public.

The subject, however, that now deserves more consideration than any other in connection with this campaign is The Bureau's Obligations to the Public, whose co-operation it has invited, enlisted and enjoyed in these thousands of paint selling campaigns for nearly ten years.

The organic relations of the trade with this Bureau, which were effected through the appointment of the Finance and Audit Committee several years ago, after the Bureau was established, were believed to ensure that the Trade, the Bureau and the Public would keep step together in the Campaign's progress toward the position of public service and popularity that the Bureau coveted and described as its goal at its outset.

The place it has achieved, the public service that it has accomplished, the opportunities and demands upon it for greater service as the now recognized clearing house in the widespread movement for community improvement, have brought a grave and increasing responsibility upon the Bureau and upon the Trade—or at least upon every member of the Trade who knows this Bureau's place and opportunities in the public service, and the confidence and

co-operation that it enjoys in all the circles of leadership in community welfare and improvement.

To the Trade which the Public and the Press has awarded, through this Bureau, this unusual opportunity for service and profit alike, and especially to those members of the Trade whose knowledge of all these things brings upon them a responsibility akin to my own, I feel that there must come the inescapable conviction that we should not long permit the Bureau's work and its future as a practical and established factor in the nation's civic affairs, to be handicapped by such financial dependence and limitations as make it impossible to fulfill the Bureau's obligations to the Public, and indeed the natural expectations of the Trade itself, especially in the eagerly extended co-operation of the dealers and painters.

I am now suggesting no alternative, nor would I presume to charge the Trade with any responsibility that may not be felt and expressed by itself upon due consideration of these matters. I am only expressing the moral responsibility that I must feel in my own knowledge of this Bureau's work and its opportunities, and of the Public's and the Trade's confidence and expectations. Nor can I doubt my conviction that in the counsel and action of those who share this knowledge and responsibility, the solution of this situation will be found in time to enable the Bureau to exert its full efficiency in the general trade effort to "Make 1922 the Greatest Paint and Varnish Year"—not only in sales but in all the phases of public service that are enlisting the people's interest and co-operation in Paint's broad mission.

The work of Chairman J. P. Thom, Treasurer Phelan and their associates in the Finance and Audit Committee this year, deserves the appreciation of the whole trade, considering the too general inadequate conception of the value and the needs of this work, the stressful conditions of the past year and the changes through consolidation and other causes that in some cases merged a half dozen or more contributors into one and generally reduced the total from all.

This Bureau also is under special obligations to all the St. Louis members of the Finance and Audit Committee, viz: Chairman Thom, Treasurer Phelan and Mr. J. W. Bray, also to former St. Louis members, E. H. Dyer, F. V. Hammar and Richard Moore, whose interest never wanes. All these have been in almost daily contact with the Bureau and its work the past year, and their devotion to the cause, their encouragement and counsel in its problems, and their enthusiasm in its successes are a constant support and incentive to the whole Bureau staff.

Respectfully submitted,

NATIONAL CLEANUP AND PAINT UP CAMPAIGN BUREAU,
Allen W. Clark, Chairman.

President Evans—The Board of Directors has given careful consideration to the report and the situation as to the "Clean Up and Paint Up" Campaign, and voted unanimously to recommend to the convention that the existing Board of Directors of the campaign be continued for the year a finance committee for the "Clean Up and Paint Up" Campaign. The idea is that the present board, being familiar with the needs and requirements of the "Clean Up and Paint Up" Campaign, could best be in position next year to serve the business and their respective communities by functioning as men responsible for the financial support of the campaign in our group should extend to this movement.

L. T. Minehart—I move the recommendation of the board be concurred in. The motion was seconded.

MORE CO-OPERATION ASKED

Mr. Andrews—Mr. Clark seems to have covered this subject fairly well. However, I would like to make a few remarks on it. I have always taken a very great interest in this campaign, and have been a wonderful thing for our trade. It is not only a wonderful thing for the trade, but it is a wonderful thing for the country. We have a great opportunity in 1922 right now for this line of work in connection with the unemployment problem.

With all due respect to Mr. Clark—and I think he will take this without any offense—he has developed a wonderful scheme, but he needs more help. I am a salesman in putting it up to this organization, so that they will appreciate what it really means to this trade. I don't wish you to take any offense at that remark, Mr. Clark, but it really is a wonderful thing for our business, and it is a wonderful thing for our country, and we ought to make really more of it than we ever have in the past.

There is no doubt that many of our fellows have not supported this work financially, as they should have. This year they ought not to neglect the opportunity, in order to make 1922 the biggest paint, varnish year, to come forward and support this movement. We have never had before in this work. They haven't had a dollar with which to do propaganda for the trade.

I think it would be a wonderful thing for them to advertise in the trade papers where these notices are put. I don't think it would be a wonderful thing for them to give the name of the town, etc., so that the manufacturers can follow that out. It would be a wonderful thing for a manufacturer a great deal of good. I don't think it has been done before.

I don't wish distinction brought out by which those who are interested in one or the other of these subjects will say that you are on the other side, or we are on this side. I want to tell you that these two things are too big to allow of anything of that sort to come into the thought of any individual, whether he is devoting his time to one campaign or to the other. They are both so big and wonderful for our trade and organization that we can afford to support both of them—and I claim to be in the "Clean Up and Paint Up" Campaign no more and no less than I am in the "Save the Surface" Campaign. I want everybody else to take the same position. It is the only right one to take.

Mr. Elting Relates Chicago Experience

Howard Elting—As Mr. Clark said just a minute ago, he could not do everything himself. He has done the very best he could.

In the first place, he has given up as a trade a great idea, and we have been going on for nine years in trying to help him. I think the best we could do is to have a great potential campaign on for the benefit of this industry to make next year the greatest year that we have ever had. I think that, with the co-operation of men in these various centers, we ought to keep this subject alive more perhaps than we have in the past.

It takes a great deal of reiteration in a large city like Chicago to bring out the idea and to show the people how valuable the idea is, but gradually we have drilled into the people of Chicago, for instance, the desire to have every spring a clean-up week.

Of course, that is not much, but that is the first step, and for the first time the Association of Commerce out there has made a regular spring campaign. For years it was impossible to do anything but finally they say what they could do with the school children of Chicago, and every year all the school children of Chicago enter into this "Clean Up and Paint Up" Campaign.

With that goes, of course, the approval of the mayor and the bureau of health and the bureau of streets. This last year they had a very remarkable campaign in which the mayor and the bureau of health and the bureau of streets were doing. Of course, other industries in the Association of Commerce sometimes object to this, but I think that, if they had always gone along with "clean up" and had been one of the best things we have ever done.

I feel that we ought to back up Mr. Clark very much more than we have in the past. I think most of us have been busy this last year and have forgotten some of these things that are potential things for the building up of the trade. I know that in Chicago, if our club could get a greater co-operation throughout the Association of Commerce to our trade, that undoubtedly would help materially. As far as the campaign for \$50,000 is concerned, it seems to me that that is a very small amount to spend in the United States in any one year. We have done our best in these meetings in one way or another to gather in \$50,000, but it ought to be the part of every man's duty this next year to try to help out on that, and I think we ought to see to it that we help Mr. Clark raise that.

Mr. Trigg Sees Industrial Good

Ernest P. Trigg—Mr. President and Gentlemen—I want to say that I thoroughly agree with all that Mr. Andrews and Mr. Elting have said on this subject. I think the trade ought to support the "Clean Up and Paint Up" Campaign, that we all ought to get back of it and make it just as strong in every community as we possibly can. That has done a great amount of good for the industry and we all know it. It has in it the possibilities for more than it has done, and we certainly must realize it, but in order that it may function to better advantage in the interests of every one of us (not only for the interests of those who are leading it, but those who are putting their time into it and wholeheartedly in it that it may serve us in our own businesses better) does it not seem that we ought to give it the amount of financial support that it needs in order to accomplish greater results?

I feel that each one of us in our businesses ought to include an appropriation for the "Clean Up and Paint Up" Campaign in our annual budget, just the same as we figure taking care of our taxes or any other part of our business. (Applause.)

It does approach the subject of protecting our selfish interests from a little different standpoint than the "Save the Surface" campaign, does it not?

Surface" campaign, does it not? There is no place, as I see it, for conflict between these two movements. They are both in the greatest interests of the industry as a whole. I do feel that there is an opportunity for persons a little closer to coordination between the work of these two organizations, where perhaps one can help the other and the other help the first one, so that even greater good and greater results would accrue to all of us without losing any of the advantages of the start which has been made.

I want to add my appeal, Mr. President and gentlemen, if I may, to the members of the paint and varnish industry, whether members of this association or outside of the association, to consider this work as a part of our regular activities, that must be taken care of for our own good.

I want to take this opportunity to pay a tribute to Mr. Clark for the work he has done over this period of nine years in building up the "Clean Up and Paint Up" Campaign. I have been at this campaign, a most enviable position. Mr. Clark has worked diligently and worked unselfishly with nothing to gain himself except that which he gains in his own interests, and we all gain in our own interests as the field of our business is widened.

Let's get in and support him and support this campaign, and when we are doing that, we are supporting ourselves. (Applause.)

Mr. Alpers Believes in Selling the Idea

Mr. Alpers—I would like to say a few words on this subject. I have been attending these conventions for a good many years and I heard the "Clean Up and Paint Up" subject discussed. And I am a man of prominence and big activity; men in the business who get up and support the movement and are the financial support. Mr. Clark has conducted his mail campaign direct to the trade, soliciting this financial support and in every way efforts have been made.

I think, however, we have fallen down

in one essential, particularly, and that is to put high powered special salesmen in the field to get the name on the dotted line when it comes to the subscription.

I think that this Board of Directors at this convention has done one of the most constructive things that has ever been done for the "Clean Up and Paint Up" movement in recommending this organization have a finance committee composed of the directors of each of the various clubs now in office.

We are the men who come down here and have first hand contact and information as to what has been accomplished in these campaigns throughout the country, and it is up to us to go back to our respective cities and sell this to those who stay home and don't come to these conventions and get this clear insight into what is being accomplished and the tremendous possibilities of the work.

It is my hope that every paint club will take this matter up as a special subject of business; probably devote one meeting to the purpose and organizing their committee, just the same as we would in a community fund drive or a Liberty Loan drive, and get out and talk personally to the individuals who should subscribe to this national fund.

I think if that idea is carried through along the lines that the directors have in mind, that the fund which the committee is asking for (which I understand is something like \$50,000) ought to be away over-subscribed. In Cleveland, I can assure you that we are going to be right on the job and do our level best, and I think we will be proud of the things we accomplish. (Applause.)

The motion was then put, and carried, that the existing Board of Directors of the National Paint, Oil and Varnish Association shall constitute next year's financial committee for the "Clean Up and Paint Up" campaign, and be in charge of their several communities for its proper support.

The report of the Committee on Allied Industries being called for, Charles J. Caspar presented the following:—

Report of Committee on Allied Industries

The preparation of this report is largely in the hands of the members of the Committee representing the different industries, indicated in the report. This committee submitted a report to the Executive Committee at their midyear conference, excerpts of which were submitted to the Association through the Secretary's Bulletin.

The members of your Committee on Allied Industries realize the importance of the report to the membership, which report covers some of the most basic and essential raw materials going into the manufacture of paints and varnish, and with this thought in view, your committee has carefully prepared and now submits for your consideration, the following:

Brushes.

For the past year Manufacturers of Brushes have had their "ups and downs," along with manufacturers in almost every other line. Demand for brushes has been very good at prices consistent with existing conditions. Labor has been scarce and high priced; sundry materials very high in price and slow in deliveries. Bristle, the principal raw material, has been unobtainable in some grades at any price, other grades high in price—qualities rather questionable—deliveries slow and uncertain. Developments the past few weeks, however, tend to show that the Bristle Market is becoming more stable and consequently no great change may be expected in brush prices.

Just at this time it is difficult to make any prediction of what the future holds in store for the manufacturers, but judging from all indications, there is reason to feel very optimistic.

Orders and inquiries are numerous and the former are of quite good size when compared with former normal years. Orders coming from all sections of the country and calling for general assortments of brushes, indicate that stocks in general are not large and that they are moving quite rapidly. This is particularly true where business is not affected so much by building depressions. In the smaller towns there appears to be an unusual demand for Paint and Varnish Brushes.

Manufacturing conditions have improved, all materials are in better supply and markets on them more steady. Improved transportation is having its good effect, and considering the general improvement in business, which is gradually materializing, the outlook for paint brush business in the last quarter of this year and spring months of 1922 is very encouraging.

W. D. FOSS.

Colors.

There was a very marked decline in the prices of chemical Dry Colors during the early part of this year. These reductions were due to many causes: First, the price of some basic raw materials, such as lead, chrome ore and prussiates dropped down below the cost of production and almost to pre-war figures. Also, demand for colors during the winter and early spring was less than half what it had been the previous year.

In addition to these causes the stock of Dry Colors in the United States was quite heavy. These reasons and also considerable foreign competition, caused a rapid falling off of values in such articles as chrome yellows, prussian blue and similar colors. Later, during the spring, there was a considerable demand for pigments for use in house painting, but very few inquiries from the industrial trade. This accounts for the falling off in pared demand, as this type of color is most largely used by industrial concerns. However, it is encouraging to be able to report that the demand for red during the last six weeks has improved considerably. During the early summer business was again light, but has now revived to a considerable extent.

The production of colors is, of course, this year much below the previous year. As statistics on production have only been supplied by a limited number of manufacturers, I am unable to give exact comparison with former years but believe that we have produced in this country from 60 to 70 per cent. as much colors this year as last.

Prices have continued to slowly recede since the initial drop due to a gradual reduction in labor and considerable domestic and foreign competition. At the present time I believe that the majority of chemical Dry Colors have declined from 40 to 50 per cent. in price since the beginning of

the year. It does not now seem probable that there will be much of a further reduction unless there are marked changes in the price of labor and transportation and taxes become more moderate.

A large business in colors next year depends to a considerable extent on the building situation and the farmer. It seems probable that inquiries from these two sources will be greater from now on and we can expect an increased demand for colors during 1922.

If this revival of trade occurs, the paint manufacturers may rely upon the color industries to supply them promptly with their Dry Colors at a reasonable cost.

R. M. REED.

Lead Products.

This section of the industry, in common with business in general, did not escape the terrific losses engendered by the decline in commodities, which ensued in the latter half of 1920.

The opening of the year 1921 was clouded with uncertainty, and to put the consuming and distributing trade in white lead products in position to go ahead with assurance, the producers early in 1921 announced a lower price schedule, accompanied with the statement that unsold stocks would be protected against decline over the season of spring painting.

This action was so universally approved and the desire of the trade for a continuation of the policy over a longer period became so insistent, as to lead to extensions of the period of guaranty in order to cover the summer and fall painting seasons.

The effect of this policy, coupled with declines that have absorbed over one-half the war-time advances, has been to make 1921 a year of satisfactory volume for the producer of White Lead.

The industry looks forward with confidence to the coming year. It is too early to intelligently consider prospective price levels, but at the moment there is little in evidence to suggest material changes.

That which has been stated above has particular reference to White Lead Products and principally white lead in oil. White lead dry, both basic carbonate and basic sulphate, has been less prosperous, the consumption having declined. The outlook for the future, however, is reasonably optimistic.

That portion of the industry devoted to Oxides of Lead has suffered severely and is showing slow improvement. As general conditions get better, the demand for these products will unquestionably improve and manufacturers look forward to the future with reasonable assurance.

To sum up, the lead products section of your associated industries, while having had disappointing returns in some quarters, feels satisfied with results as a whole in view of the depressed condition of the country's business in general.

F. M. CARTER.

Linseed Oil.

In order to deal with the subject in an orderly manner, I shall divide it into parts: First, Supplies; second, Demand, and third, Prices—following with a word as to what may be anticipated in the future as to these three subdivisions.

Supplies: Our supplies of linseed since the war have been drawn from three sources, Argentine, Canada and United States. During the crop year, September 1, 1918 to September 1, 1919, our supplies were divided about equally between Argentine and the North American Continent (i. e., United States and Canada together). During that year about 22,000,000 bushels constituted the total supply.

In the following year, September 1, 1919 to September 1, 1920, about one-third was supplied by the North American Continent and about two-thirds by Argentine, total supply of seed during that year being about 30,000,000 bushels.

The next year, September 1, 1920 to September 1, 1921, our supplies again, as two years before, have been drawn approximately one-half from this continent and one-half from Argentine, a total supply of about 25,000,000 bushels being required.

We estimate, in addition to the seed supply, there were imported, net, a negligible quantity of oil in 1918-19, the equivalent of 2,000,000 bushels in oil during 1919-20 and 1,000,000 bushels during 1920-21. By averaging the figures for the three years, it is found that the supply of seed and oil for the past three years since the war is equivalent to twenty-six and two-thirds million bushels, a figure very close to the supply for this last year.

Demand: During the latter part of 1918 following the Armistice, there was a remarkable falling-off in demand for linseed oil, continuing until the spring and summer of 1919, when there was great improvement. The demand for linseed oil continued in large volume for most of the crop year 1919-20, during which year, as stated above, there was required a supply aggregating 32,000,000 bushels of seed. About the close of that crop year business conditions began to suffer such a reversal that the demand again became very light and continued so all during last winter, but in the spring of this year, and up to the present writing, there has been a very excellent demand for oil, and deliveries have run along at a rate which we should consider normal, based upon the average of the three years taken together.

Prices: Following the Armistice in 1918 and during the period of low demand, prices for linseed oil fell from \$1.82 to \$1.44 per gallon, rising very quickly during 1919 to \$2.21, and then during the crop year of large demand, September 1, 1919 to September 1, 1920, falling, with only slight hesitation during the winter to about \$1.22 per gallon, a drop of 99 cents per gallon.

It will thus be seen that although the demand was very excellent during that period, the supply was even more liberal than required, for it was during that year that we were able to procure about 20,000,000 bushels of Argentine seed, consequently, the price fell at the same time.

During the last crop year the price for oil has fallen from \$1.22 per gallon to 77 cents per gallon, having touched 54 cents for a day or two in April. The price for oil now is about on a parity with prices during the calendar year 1916, which were about 20 per cent. above prices ruling in 1914-15.

As to the future—the average opinion of good authorities in this country places the supply for this Continent (U. S. and Canada) at about 12,000,000 bushels. The balance will undoubtedly come from the Argentine as in the previous three years, together also with a certain amount of imported linseed oil, for at the present time linseed oil is being imported under the Emergency

Tariff in very large quantities at prices many cents a gallon below the cost to produce in this country.

If we may expect a normal demand for linseed oil this coming year, say for 26,000,000 bushels, we may assume an import of perhaps 1,000,000 bushels, in the form of linseed oil, leaving 25,000,000 bushels to be supplied as seed, or a balance of say 13,000,000 bushels of linseed to come from the Argentine.

Reports for the coming crop in the Argentine are for a somewhat smaller acreage than last year, but in under conditions of partial drought, but inasmuch as this year's exports from that country look like running over 44,000,000 bushels, a quantity of 13,000,000 bushels will probably not represent half of the crop they may harvest next year. Supplies of linseed for the immediate future and the next few months are adequate, inasmuch as we are just entering the harvesting season for the present United States and Canadian crops, and in addition to an unshipped balance of say 6,000,000 or 8,000,000 bushels of the present Argentine crop, there is the new crop to be harvested there by next February and March.

World prices for linseed undoubtedly will govern the price for linseed oil in the United States during the coming crop year, for the supply of seed on this Continent will be a small percentage of the world's production of linseed. Consequently the basic value of linseed oil will depend largely upon the extent of the industrial recovery of Europe during the next twelve months.

HOWARD KELOGG.

Lithopone.

At the time of the last convention of the National Paint, Oil and Varnish Association the manufacturers of lithopone were, for the first time in many months, beginning to catch up with their orders and fully meet the great demand which had existed during the previous year.

When business fell off in the last months of 1920, lithopone manufacturers generally continued their full production until they accumulated such stocks as insured their ability to properly and promptly take care of their customers in the event of any sudden revival of business. As business continued depressed the amount of production was decreased so that the stocks of lithopone carried into the first of the present year were gradually absorbed and at the present time, while ample under existing conditions, would quickly disappear with a return of more normal business conditions.

After the strenuous conditions of 1920, forcing manufacturers to concentrate their entire efforts upon the production of the greatest possible tonnage, the changed conditions were not entirely unwelcome, as they afforded the opportunity to give greater attention to the improvement of their plants and of their products.

The chief feature of 1921 has been in the general improvement in the quality of lithopone, increasing its comparative consumption in the lines in which it has been used to such great economical advantage and introducing its use into new lines. While the total tonnage of 1921 will probably be not more than 60 per cent. of the tonnage of 1920, we are confident that the demand for lithopone in the future will increase even more rapidly than in the past, and the manufacturers of the product are fortifying themselves for such condition, both in improving the quality of their product and in increasing the facilities for its production.

The price of lithopone has declined over 25 per cent. during the past year, and at the time of making this report is approximately 6 1/4 cents per pound in barrels in carload lots. The lithopone manufacturers believe that the best interests of all concerned in building industry demand the lowest possible prices on all raw materials, and the present prices of lithopone are practically at the cost of production. There is nothing to indicate the possibility of the cost of production being further reduced and lithopone prices may now be considered as basic.

The unsettled and abnormal conditions abroad resulting in the dumping of foreign products in this country is a menace to many of our industries, including lithopone. We are confident, however, that our National Government will give the fairest consideration to the matter of proper protection to American business.

We feel that we are clearly entitled to claim that the lithopone industry is peculiarly the industry of the paint manufacturers; the development of the pigment has enabled the paint manufacturers to greatly increase their business and their profits, while the improvements in the art of lithopone production are in no small degree a natural consequence of the co-operation extended to us by our customers, the paint manufacturers.

W. T. SHEFFIELD.

Petroleum Products.

Following the mid-year report to Executive Committee (dated June 16, 1921) business conditions do not appear to have materially changed, although there is a little more tendency to interest in quotations and supply. During August sales improved to some extent.

Crude continues at \$2.25 per barrel at this writing. According to fairly reliable statistics, world production is over 109 per cent. above the pre-war rate. Not only has the yearly rate of production in the United States increased, but imports, which before the war were below exports, have now mounted to considerably above exports. All this production, however, is going to bring its result in increased business activity.

The prohibitive export conditions which we have experienced, including exorbitant rates of exchange, questions of credit, etc., are thoroughly understood and largely to blame. These are bound to correct themselves. On September 1, 1921, the arrangement of fixed Government prices for France was cancelled.

Under ordinary trade conditions and demand the considerable increase in production and imports would have been necessary to meet such demand. The lack of demand and inability to market products of crude have developed large surplus stock, as experienced in all other commodities. With the expected trade revival stocks will undoubtedly soon return to about normal.

Petroleum is one of the chief world products today since it enters so largely into the means of transportation in addition to its many other uses. About one-half of the sea-going tonnage of the United States now burns petroleum. A large part of the old tonnage of the world is being converted to the new fuel.

Prices for all petroleum products will continue to be based on cost of crude computing percentage of such product obtainable from crude.

There will, without doubt, be sufficient supply. Whether the return to more normal conditions with regular demand will bring about an increase or a decrease in the market price of crude is a problem. W. A. SMILEY.

Plate and Window Glass.

"Plate Glass."

The recession in business which had already begun to acquire great momentum when the National Paint, Oil and Varnish Association held its last meeting, soon made itself felt in a manner now well known to every one in those industries upon which the Plate Glass Manufacturers largely depend for their volume of business. The first slackening in the demand for automobiles began to affect operations in October and November, 1920. The furniture industry had been affected earlier and operated on an extremely small capacity during the last quarter of last year. The building industry sank to comparatively inconsequential proportions. The acute shortage of plate glass which existed during the first nine months of 1920 had so thoroughly reduced stocks in the hands of all users that notwithstanding the shrinkage in volume of consumption of glass by the large users the manufacturers were called upon for capacity operations until very late in the year. Their production, however, was considerably curtailed in December and for the first quarter of this year it was reduced to approximately 30 per cent. of total capacity. The usual spring sale of automobiles and the customary jobbing business that develops with warm weather gave the factories a somewhat increased volume of orders during March, and since that time the industry has progressed slowly and consistently until today the production is probably on the basis of about 60 per cent. of capacity.

From the peak of 1921 prices there has been a reduction of approximately 40 per cent. in factory prices and a greater reduction in jobbing discounts to the consuming trade.

The application of the Plate Glass Manufacturers to the Ways and Means Committee of the House of Representatives for a tariff that would protect them against the unreasonable and impossible competition of the Belgian Manufacturers has been denied, and in its place a rate substituted that manufacturers feel is inadequate to protect them against an influx of glass in the lower brackets which carry an insufficient duty.

Large quantities of glass came into this country from abroad early this year, but the fear of a decline in prices and the inclination as well as the necessity to operate on small stocks has rather recently tended to curtail purchases from the foreign manufacturers, whose prices, however, are still on a level that the American manufacturers seem unable to meet.

Stocks in the hands of jobbers, mirror manufacturers and automobile manufacturers are extremely light, and the policy that has been adopted by most of the manufacturers to produce only such glass as they would market has also tended to hold their stocks below normal.

The large plant additions which were undertaken during the period of shortage by several of the manufacturers have been mostly completed, and have added a sufficient footage to the potential production so that there is little danger that buyers will ever be unable to secure satisfactory service.

"Window Glass."

When this Association held its convention last October in St. Louis the Manufacturers of Window Glass had finished the first period of operation for the year, and owing to shortage of fuel and lack of supplies, considerable business booked during the forepart of the year was of necessity carried over until the fall months when the orders were executed and shipped by the Manufacturers whose factories operated during that period. A fair amount of new business was placed during the fall, but the factories closed about the first of this year with reasonably well assorted stocks on hand.

There was no glass made during the first operating period of this year, which was scheduled for the late winter and early spring months, mainly owing to the inability of the Manufacturers' and the Workers' Organizations to reach an agreement on the question of wages. During the latter part of the summer a wage agreement was made, under which the skilled workers accepted a reduction of 28 per cent. from the scale which was in force during the year 1920, and somewhat less than half of the hand operated plants have been very recently put into blast for a period not exceeding three months, which time limit is imposed by the wage scale.

Neither has the production of the machine made glass been heavy during the past year, and generally speaking, production has decreased in keeping with the falling off in the demand. This has resulted in a growing scarcity of the more popular sizes during the past few months, but which will be relieved by the production from the factories now making glass.

During the year the Interstate Window Glass Company was organized and took over several plants which were equipped with machines for manufacturing Window Glass. This company will manufacture under a license agreement granted by the American Window Glass Machine Company. The merger also included three or four factories in which glass has been made by the hand process, but which factories may be equipped with machines in the course of time.

In reviewing the past year one cannot overlook the great loss sustained by the Window Glass Industry by the passing away of Mr. J. R. Johnston, who has been prominent in that line in various capacities for a great many years, and who was, at the time of his death, the President of the Johnston Brokerage Company. Mr. Johnston was well known and highly respected by Manufacturers, Workers and Distributors.

"Imports."

Prices on foreign made glass have ruled very low, owing to lack of demand in the markets which usually absorb that product, and this fact, coupled with the very low import duty and the low value of the franc, has resulted in the importation of considerable glass both on the Eastern and Western coasts.

"General Conditions."

Building activities have naturally been considerably curtailed on the declining market in building materials and also due to the attitude of the unions in resisting any reduction in wages.

Although the price of window glass was not increased above prices issued in August, 1918, leading manufacturers announced a reduction in price of 21 per cent. early in April of this year, and which prices are in effect at this

writing; and Manufacturers are positive in their statements that these prices are as low as are warranted, considering the wage scale on which factories are operating this fall. W. C. McCANCE.

Zinc.

"General."

This report will deal particularly with conditions existing in the Zinc Oxide Industry. Metallic Zinc and various other materials produced by the zinc manufacturers enter into varied industries and would probably not be of particular importance or interest to those who may listen to this report. A general description of conditions in the Zinc Industry was offered by this committee the latter part of June, this year, and with the exception of showing slight improvement, the general situation is not far different than reported at that time. It was stated at that time that consumption exceeds production, and this is entirely borne out by the fact, that since the first of the year zinc oxide manufacturers have found it possible to slightly increase their production and stocks have decreased materially. This is particularly encouraging when we consider that manufacturers of products into which zinc oxide enters have likewise decreased the stocks of finished materials and are in a far better position to meet special requirements of the buying public and to seize every opportunity to make sales either by price inducements or by prompt shipment.

"Future Conditions."

Business men in all classes of industry have ventured opinions as to when general conditions will change and return to a more normal condition. This has been a very difficult problem, and the fact that so many opinions have been given shows that conditions are still unsettled and there is absolutely nothing on which to base a sound argument as to a definite period when we may look for great prosperity. It is encouraging, however, in the Zinc Industry to note, and to point out that shipments of zinc oxide from January to June, inclusive, 1921, to the Paint, Oil-Cloth and Rubber Industries have shown a steady increase each month. This would indicate a consistent improvement in conditions in these particular industries, and it is quite certain from all reports available that the buying is of a sound and conservative nature. It is the opinion of those that are in a position to prophesy with some degree of correctness, that shipments of zinc oxide in still larger quantities will be required by the end of the year and during the early part of 1922 in the prominent industries into which this material enters.

In a report submitted by the Zinc Committee a year ago it was stated that ores for producing lead-free grades of zinc oxide were available to a lesser extent than those from which leaded grades are produced, and that the extensive use of this class of material by other industries than paint and varnish made the supply in this direction less certain than in the case of zinc oxide containing certain percentage of lead sulphate (PbSO₄). It is gratifying to the producers to be able to say that lead-free grades of zinc oxide are now available in larger quantities than during the past few years, and that the consumers of this material can feel assurance in a constant supply; also, that the quality has, if anything, improved over that offered during the past few years.

"Prices."

It has been clearly pointed out in several reports and, in fact, is quite well understood by those familiar with the subject, that prices of zinc oxide have not advanced during the past few years in the same proportion that production cost increased. However, it has been the aim of the larger producers of this class of material to make it possible for the consumer to arrange his prices for finished products to meet the demand of the ultimate consumer, and with this in view in spite of high costs which, as we all know, are also largely affected by exceedingly high freight rates, a price reduction of three-quarters of a cent per pound on certain lead-free grades and about one-half cent per pound on leaded grades was made in the early part of February this year; and a further reduction on the principal grades of lead-free zinc oxide late in June of one and one-quarter cents per pound and leaded grades from five-eighths of a cent to three-quarters of a cent per pound.

"Export Situation."

The export situation from many angles is very discouraging, and with prohibitive rates of exchange coupled with increased activities in the usual countries where zinc oxide is manufactured, there is little likelihood that American producers will be able to find much opportunity to interest the foreign consumers for some time to come.

"Metallic Zinc."

Just a word may be said in relation to Metallic Zinc, inasmuch as this material is closely related to zinc oxide and other zinc products. The situation in this material is not only serious but very discouraging at the time of this report. All of the larger smelters have cut down their production to the minimum. Many of the smaller smelters have withdrawn from the field, and this will in many cases mean that owing to manufacturing conditions they will never again enter. Stocks of ores at all the principal mining points have accumulated to a large extent, consumers of Metallic Zinc have been well stocked, and even with resumption of business somewhat approaching normal conditions, they will have metal enough to take care of their needs for some months to come. Prices from a producer's standpoint have been impossible, and for the last six months or more metal sold was at prices below the cost of production, and many of the larger interests declined to sell more than a very limited quantity each month with the idea of keeping before the trade and not losing accounts which they have sold for many years.

"Conclusions."

Eliminating a few very dark spots on the horizon, among the zinc producers a general feeling of optimism prevails, and the principal word to the consumers of zinc oxide to whom this report is offered is that the larger manufacturers have spared no effort or expense to supply the consumers with exactly what they may require, to make prices to fit the conditions existing with the consumer, and to carry ample stocks throughout the United States to insure prompt shipment and efficient service.

R. L. CATHCART.

CHARLES J. CASPAR, General Chairman.

President Evans—Mr. Caspar is the old war horse for the real job. That is a very careful report. It contains a lot of valuable information for all of us. It is passed on to the convention by the board as information for the use and benefit of our members. The thanks of the board are expressed to the gentlemen who co-operated with Mr. Caspar in the preparation of this report, and to Mr. Caspar in seeing to it that it was all done.

B. J. Cassady, chairman, presented the following report of the Committee on Paint Manufacturers:—

Report of Committee on Paint Manufacturers

In the preparation of this report, your committee has considered that many items which would have place in a complete report on Paint Manufacturers are the subjects of reports to be submitted by other committees. It is also mindful of the fact that an all-inclusive report would contain some items which, while of importance to the manufacturers who are members of this Association, would not be of especial interest to the entire membership. An effort has been made to restrict what is said herein on those subjects, and to give such prominence and emphasis as the opportunity affords to those subjects which may be expected to play a part in the efforts to enhance the position of the entire Paint Industry.

While other reports to this Convention, discussions on the floor, and interchange of thoughts between members here will thoroughly cover the subject of Business Conditions, it is touched upon here for the purpose of pointing out the very favorable position occupied by the Paint Industry as compared with those industries dealing with other commodities used in the construction and maintenance of buildings. The experience of former business depressions was repeated during the period of curtailed activities which had begun just prior to the holding of the 1920 Convention of this Association. The so-called Buyers' Strike did not adversely affect Paint Sales to any great extent. There was a sufficient increase in the amount of repainting to offset the shrinkage in the purchases of paint for the industries, railroads and new building work. Many journeyman painters who left their regular work during the war have returned to their former vocation, and householders have taken an unusual interest in the use of paints about the home.

The prospects are exceedingly bright for MAKING 1922 THE GREATEST PAINT AND VARNISH YEAR. Much repainting deferred during the past six years still remains to be done, and the new building program of the country is gradually but surely getting under way. Prices for manufactured paints are about 40 per cent. lower than those which were prevalent a year ago, and dealers' stocks are at the minimum. During the recent few years property owners have come to a better appreciation of the value of Paint as Property Insurance. Fortunately, manufacturing facilities have been materially increased so that the supply should keep pace with the greater demand, particularly if there is co-operation between manufacturers, jobbers and dealers to give service to the consumer.

The Educational Bureau, Scientific Section, of the Paint Manufacturers' Association continues to contribute valuable information regarding new materials and manufacturing technique, and amongst other helpful activities, the attendance of Dr. H. A. Gardner, Chief of the Section, at conventions of Master Painters and Dealers is serving as a direct means of exchanging up-to-date information between manufacturers and those who come into close contact with the consumer.

Items of current interest to the Paint Manufacturers are brought to their attention regularly in the Bulletins, and the Manufacturers maintain, as heretofore, a live interest in the Clean-Up and Paint-Up Campaign, which is recognized as an effective agency in making popular the use of paint in connection with civic betterment.

Credit is given to the Save the Surface and You Save All Campaign for much of the progress made during the past two years in creating a "paint consciousness" in the minds of the buying public. It is hoped that all members of the Association will give thought to the subject and find new and more effective ways to carry the message of the Save the Surface Campaign through the dealer and the Master Painter to the consumers in every locality.

It is recognized that the combined benefits of the Save the Surface publicity and the advertising of the manufacturers are discounted because of the unfavorable light in which the Paint Industry often appears to the consumer at the point of contact. All members of the Association are urged to co-operate with the Manufacturers who are endeavoring individually and collectively through the Save the Surface Campaign, to bring to the retail dealer a realization of the possibilities for greater paint sales in his own locality. Your active assistance is required in the efforts to have Retailers regard Paint, not as a one-season side line, but to accept Paint for what it is: a real live business-creating and profit-making department.

Your committee regards the subject of Advertising as entirely within the province of the individual member, and with pride observes that there is comparatively little of the unethical in Paint Advertising. All members of the Association are asked to assist wherever it is within their power to do so, in furthering the plans of the manufacturers for the more effective and more efficient use of printed matter, display material and other advertising furnished by the manufacturers to retail dealers. In many cases it is the attitude of the Retailer toward the Paint Business, and the use he makes of advertising material and selling talks supplied by his manufacturers, that enable the Industry to actually realize on the sales-making publicity of the Save the Surface and Clean-Up and Paint-Up Campaigns.

Paint holds an eminent position among the Industries of the Country. Paint may be manufactured and sold at a profit—plus the satisfaction derived from the knowledge that by its application the user not only improves the appearance but also adds to the intrinsic value of his property in a measure far exceeding the cost of Paint and its application.

That the timely use of Paint creates wealth is now understood and accepted by property owners, but not until this message is carried with greater force to the Retailers will the Industry come to a fair realization on its favorable position for progress.

W. J. PHELAN,
C. M. WILLIAMS,
H. J. KUHN,
Z. E. MARTIN,
D. A. KOHR,
D. E. BRADLEY,
B. J. CASSADY, Chairman.

President Evans—This fine report was received by the board and relayed to you as a matter of information, with the thanks of the board to Mr. Cassady. Secretary Horgan read the following report for the Committee on Master Painters:—

Report of Committee on Master Painters

Your committee appointed by President Evans to represent this Association at the convention of the International Association of Master Painters and Decorators of the United States and Canada, held at the Seelbach Hotel, Louisville, Ky., February last, has pleasure in submitting the following:

A special place on the convention program was accorded the members of our committee. The Chairman briefly addressed the convention, and an exchange of greeting and evidences of mutual co-operation between the two associations was expressed.

The convention was well attended; many practical papers for discussion were presented by the various committees, and apparently much is being accomplished by this International Association to put the painter on a solid business basis.

Your committee recommends the continuance of sending a delegation from our association to that meeting.

Respectfully submitted,

JOSEPH BURGE,
STUART McDOWELL,
W. C. BESCHORMANN,
J. F. KURFEESE, Chairman.

Upon motion duly made and seconded it was voted to continue the practice of sending representation to the annual conventions of the International Association of Master House Painters and Decorators. D. W. Figgis presented the report of the Committee on Standardization as follows:—

Report of Committee on Standardization

During the past year there has been a tendency on the part of paint manufacturers to standardize packages, but your committee can hardly claim any particular credit for this effort. The element of personal choice and the desire of some manufacturers to have distinctive packages will prevent the effective concerted action of the Association toward standardization. There is, undoubtedly, a greater gallonage marketed in recognized "regular" sizes of packages each year, because of the internal advantages to a paint factory in so doing. The apparent desire of can manufacturers to concentrate their business on as few sizes as possible is to a great extent also responsible for this, because of the influence they bring to bear on users of paint packages.

In theory, it would be very desirable for all manufacturers to use a specifically limited number of sizes and variety of packages, but the committee's experience is that in practice this is not feasible so long as human nature exists, for the same reasons that it is not possible to force all men to dress alike.

The Association could recommend, but the recommendation would be based upon theory and it would neither be possible nor desirable to force members of the Association to adopt such a recommendation.

We have reached the conclusion, therefore, that standardization will be assisted by the natural course of evolution, by the influence which can makers may exert in this direction and by the standardization which has taken place within the companies made up of many units.

Your committee, therefore, feels that it has served its purpose, if only to the extent of stimulating a desire for standardization, which desire has been followed by practical action on the part of many members. We regret that it is not possible to point with pride to any particular concrete work done, but we do believe that a work has been started which will continue of itself, without the activity of a committee appointed for this particular purpose.

J. H. McNULTY,
F. L. SULZBERGER,
D. W. FIGGIS, Chairman.

This report was passed on as a matter of information, and the session was then adjourned.

THIRD SESSION

Tuesday Afternoon

The convention opened its third session at 2:30 o'clock Tuesday afternoon, with President S. Marshall Evans in the chair. The first in regular order of business came the reading of the report of the Committee on Export and Foreign Trade Development, by H. D. Ruhm, chairman. The report follows:—

Report of Committee on Export and Foreign Trade Development

Your committee has been furnished, through the kindness of last year's Chairman, Mr. Evans McCarty, with the Government's statistics for the fiscal year ending June 30, 1921, covering commodities of which a comparison was made by last year's committee, of interest to the members of the Association. A tabulation adding these figures to those given in last year's report, including the three years ending June 30 of 1914, 1920 and 1921, respectively, follows:

Year ending June 30	1914	1920	1921
Lamblack, value.....	\$421,548	\$1,959,208	\$1,829,987
Dry colors, value.....	\$690,836	\$2,991,618	\$2,170,237
Ready mixed, pts., gals.....	852,910	2,553,091	2,317,630
Varnish, gals.....	1,069,501	1,529,592	1,158,025
White Lead, lbs.....	16,845,154	34,441,918	17,408,803
Zinc oxide, lbs.....	29,197,790	30,925,963	10,149,360

Under all conditions it is remarkable that the figures for the first four items show only such a small decrease in 1921 as compared with 1920, and this is partially explained by the fact that the entire calendar year of 1920 witnessed such very great activity in all lines, both in domestic and foreign trade, so that a very large portion of the figures given both for 1920 and 1921 were probably included in the first half of 1920 in the fiscal year ending June

30, 1920, and in the last half of 1920 in the fiscal year ending June 30, 1921.

From the same source the figures covering mixed paint have been given as something over \$1,400,000 for the last six months of 1920 and about \$900,000 for the first six months of 1921. An equal or possibly greater discrepancy in other items would reflect the very heavy falling off in the exportation in all lines much better than the figures tabulated above.

The figures given for white lead and zinc oxide speak for themselves, in that white lead has about dropped back to the pre-war exportation of 1914 and zinc oxide, which had been about the same for 1920 and 1914, shows only about one-third.

It is well known to the members of our Association that general conditions of business, coupled with the foreign exchange situation, have brought about this situation and are continuing to decrease exportation regardless of any facts bearing directly on our industry alone.

The prediction made by our committee last year seems in a fair way to be fulfilled as to European countries, which apparently have continued to be the principal consumers of American products. The proper development of the great potential markets of South and Central America and Asia still await the activities of American exporters, who in the present quiet times should devote all the more energy and activity in laying thoroughly well grounded plans for the development of this business.

The activities of the American Manufacturers Export Association have been of great potential value in properly preparing grounds for development of export trade in every possible way and the members of our Association should take full advantage of the opportunity thus given for co-operation with that organization.

The booklet issued comprising addresses delivered at the meeting of the Foreign Commerce Group in the Ninth Annual Meeting of the Chamber of Commerce of the United States, April 27, 1921, contains many thoughts both pertinent and interesting to those of our members looking for foreign trade.

The operations of the various export groups organized under the various laws permitting more extended activities, as well as the operation of the First Federal Foreign Banking Association and the Foreign Trade Financing Corporation, have all, of course, received a very heavy wet blanket by reason of general conditions, so that it is impossible to give any analysis of their actual accomplishments by statistics or otherwise.

It is needless to say, however, that all of these influences continuing to work in the right direction will, when business conditions again reach a normal situation, lead to very great development in foreign trade, of which those of our members interested should receive their full share. It can only be by continued and untiring efforts to do these things even when results are not immediately visible that good times will again come about in any direction.

The present situation seems fraught with both hope and fear, and it is the opinion of our committee that the psychological effect of all of our members, as well as business men of all trades leaning to the hope rather than the fear side, will have the greatest possible weight in readjusting the proper order of business affairs.

Respectfully submitted,

A. A. MURPHY,
OLIVER ORRICK,
O. A. HASSE,
H. D. RUHM, Chairman.

J. P. Thompy, chairman, read the following report for the Membership Committee:

Report of Membership Committee

Your Committee on Membership begs leave to submit the following report on membership upbuilding and maintenance for the year. At the outset, permit us to comment on the fact that notwithstanding the general business depression, your committee has met with gratifying response in its efforts to increase the enrollment both in the way of new clubs, new memberships in old clubs, and new individual memberships, indicating that the men in our industry recognize the importance of contact and counsel with competitors, made possible by membership in our Association.

The committee's activities were tremendously helped by the most efficient work of Secretary Horgan, and has the honor to report the following new clubs organized during the year:

Savannah, Ga. Chattanooga, Tenn.
Jacksonville, Fla. Birmingham, Ala.

New Individual members secured are:

Booth & Law Co., New Haven, Conn.
Chas. H. Dauchy Co., Troy, N. Y.
Educational Bureau, Paint Mfrs. Assn. (H. A. Gardner), Washington, D. C.
Hercules Powder Co., Brunswick, Ga.
H. M. Hodges & Bro., New Haven, Conn.
J. W. Hunt & Co., Washington, D. C.
C. A. Nash & Sons, Inc., Norfolk, Va.
Paraffine Companies, San Francisco, Calif.
G. F. Stephens & Co., Ltd., Winnipeg, Canada.
Springfield Paint & Varnish Co., Springfield, Ohio.
Weaver & Co., Inc., Providence, R. I.
Special Products Co., Inc., Hopewell, Va.
York Paint & Hardware Co., York, Pa.
Total, 13 members.

A record of membership progress in the various local clubs follows:

	New	Resignations	Present Membership
Atlanta	16	5	21
Baltimore	4	4	28
Birmingham	7	0	7
Buffalo	5	9	25
Central New York	0	0	20
Chattanooga	9	0	9
Chicago	16	25	118
Cincinnati	8	8	70

	New	Resignations	Present Membership
Cleveland	0	1	75
Colorado	0	0	13
Columbus	2	4	15
Dallas	4	3	7
Dayton	1	1	11
Detroit	7	6	36
Duluth	1	1	6
Eastern New York	0	9	0
Fert Worth	1	0	6
Houston	1	1	9
Indianapolis	1	2	19
Jacksonville	5	0	5
Kansas City	13	2	29
Los Angeles	1	0	13
Louisville	3	1	20
Memphis	0	1	11
Milwaukee	7	2	19
Minneapolis-St. Paul	5	5	44
Nebraska	4	3	17
New England	9	4	78
New Orleans	11	0	20
New York	49	27	264
Philadelphia	6	1	56
Pittsburgh	6	5	38
Portland, Me.	0	1	5
Portland, Ore.	2	1	16
Richmond	1	0	16
Rochester	2	0	19
Seattle	1	7	15
St. Louis	10	15	71
St. Joseph	0	5	0
Savannah	10	0	10
Toledo	1	2	16
Toronto	2	0	28
Utah	3	1	10
Wichita	1	0	9
Individual	13	11	81
Total	248	173	1,405

Our total membership reported at the St. Louis convention was 1,330, divided as follows:

Club Membership..... 1,251
Individual Membership..... 79

Total 1,330

We now report a total membership of 1,405, divided as follows:

Club Membership..... 1,324
Individual Membership..... 81

Total 1,405

Resignations during the year totaled 173.

The organization of new clubs mentioned was accomplished through trips made by President Evans, Vice-Presidents Wessels, Monypenny, Chatfield and Secretary Horgan.

Your committee desires to make acknowledgment of the splendid work done in this connection by these gentlemen. Vice-President Wessels was especially helpful in laying the ground work for the subsequent organization meetings in the Southern zone.

On the Pacific Coast Mr. Charles B. Woodruff of San Francisco has been largely responsible for the organization of a new club in San Francisco and vicinity, which has been named "The Golden Gate Paint Club." It is the hope and expectation of your committee that this club will become a unit of the parent Association during the coming year.

Your committee has started preliminary work looking to the organization of clubs in the cities of Mobile, Ala.; El Paso and San Antonio, Texas. Mr. C. A. Ommanney has rendered valuable assistance in this field. Also, through the co-operation of Messrs. C. J. Caspar and J. L. Forrester of Pittsburgh and J. L. Moore of Philadelphia, efforts are being made to organize community clubs composed of several Eastern Pennsylvania cities—Reading, Allentown, Lancaster, Harrisburg, etc. Your committee recommends that the incoming Membership Committee endeavor to bring all of this preliminary work to a favorable conclusion.

Early in the year your committee endeavored to compile a complete list of all eligible concerns and has conducted a vigorous mail campaign for new individual memberships. The committee feels that this feature is one of the prime objects of a National Membership Campaign, and should occupy as much attention as that of organizing new clubs.

Officers and members of local clubs are in better position to judge who are eligible and who should be invited to affiliate with the local organizations, and, in the opinion of your committee, this hardly comes within the scope of the National Association prerogative.

In conformity with the policy of the Association to establish the intimate contact which insures continued membership support, your committee has tried to do everything possible when opportunity offered to induce members to utilize the facilities and service of the Association.

It has been gratifying and an encouragement to your committee to receive during the year suggestions from many individuals in the Association concerning prospects for organizing new clubs in different communities and additions to the individual and club membership enrollment.

In conclusion your committee desires to emphasize the recommendation made by the Membership Committee at the 1920 Convention, i. e., that the incoming Executive Committee authorize the expenditure of sufficient funds to carry on an intensive mail campaign for new members during the coming year. Your committee is greatly indebted to Secretary Horgan for the constant and efficient help rendered it during the entire year.

With the constantly growing need for co-operation and organization in

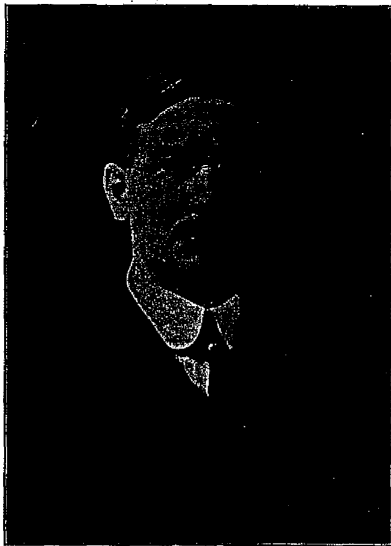
business, as well as the esprit de corps which prevails amongst our present large membership, your committee feels that the grand old N. P., O. and V. A. can count on a material enlargement of the enrollment during the coming year.

Respectfully submitted,

J. B. E. WHEELER,
J. D. BURGE,
C. A. OMMANNEY,
FRANK WALDO,
SAUL MAGNER,
F. J. PENBERTHY,
J. P. THOMY, Chairman.

President Evans:—The Board of Directors voted unanimously to concur in the recommendations of this committee, and also desires a vote of thanks for its work. The association is reaching out into the highways and byways, having already well organized our trade centers of production. It now remains to organize the final distributive department of the in-

I might say, in passing, that the work in connection with the Golden Gate Club and the Mobile Club has already come to fruition, and both of these clubs are formally organized and affiliated with the National Association, and that within the last week. The report of the Membership Committee was indorsed by the convention and the committee thanked.



J. B. Lord

dustry, and that work remains to be done by further administrations. J. B. Lord presented the report of the Save the Surface Committee as follows:—

Report of Save the Surface Committee

In reporting to this convention on the "Save the Surface" Campaign, I am struck with the fact that as an activity of the industry it deals exclusively with the question of increasing sales. It gives us an appropriate place to take stock of the market conditions through which we are passing.

A few weeks prior to the convention last year, every manufacturer of paints and varnishes anticipated the greatest profits that his firm had ever enjoyed. Just about the time of the convention the bottom had started to fall out of the raw materials market, and shortly after the convention we all took shrinkages in our current assets, which changed the face of our 1920 fiscal year. With the opening of the new year, 1921, the consumer demand was slow to move; in fact it looked to many as though the paint and varnish industry might suffer a buyer's strike such as has been felt by other industries during the current year, but, in spite of orders which were slow in coming and small in size; in spite of the dealers' reluctance to lay in stocks, we can now look back with satisfaction upon a year which distinguishes the paint and varnish business as one of the most stable businesses in our economic structure. It has been well known among paint and varnish men during other periods of hard times that this business has not suffered to the extent that many other businesses have, but never have we had a clearer demonstration of the soundness of the paint and varnish industry, because never have we had such a great buying crisis. The variety of uses to which our products are put, and the growing national conviction that it pays to "Save the Surface," have helped us to weather the storm which has followed the inflation and overproduction brought about by the world war.

That portion of the paint and varnish industry which supplies our products to other manufacturers has suffered heavily, as have the metal, automobile, building and other industries. This business was the first to drop off and will be the slowest in reviving. But the portion of our business which has been responsible for our generally satisfactory condition is that which has come from the home-makers of the country and the owners of all classes of structures and articles that require paint and varnish maintenance. When we realize this attitude of the public toward the products of our industry, we find a great deal to be thankful for.

In the first place, we as business men are all familiar with the fact that every business concern, from the mightiest to the meekest, has been pursuing a policy of conserving cash. The strongest of business institutions have let their bills run to the very last point consistent with honor. What has been true with business institutions has been equally true in the average home. Incomes are reduced. While living costs have been somewhat lowered, we find that reduced budgets and a new conservatism in expenditure have prevailed throughout the country. In the face of this, both business houses and

house owners have been buying paint and varnish. They have been buying paint and varnish at a time when only indispensable purchases are being made. Dealers report that people are today buying only because paint and varnish are necessities—and that there is much less tendency to regard these products as luxuries.

We must also recognize that the nation's construction program does not alter the case. The F. W. Dodge reports show that the actual new building in the country for the first six months of 1921 was relatively the same as for the same period in 1916, if you put both years on the same building cost basis.

Surely this unusual strength in the position of our industry would not exist, if the public did not have a new appreciation of the economy in the timely use of paint and varnish. In bringing about this condition, your committee believes that the "Save the Surface" Campaign is to a very large extent responsible. It is very fortunate for this industry that for the last two and a half years, well in advance of the present conditions, a vigorous campaign of education was in operation. The "Save the Surface" Campaign has proved itself. It has passed the stage of laboratory experiment. It has now demonstrated its value in terms of business and money to every paint and varnish manufacturer in the United States.

It is needless for us to call your attention to the advertising, because you are all very familiar with it, and it has met with the universal approval of the trade. What has been already accomplished, however, is nothing to what can be accomplished with the use of this weapon which has now been developed. It has been said that the public mind is ever curious. It is always receptive to new ideas and new convictions. What a fortunate thing it is that we are selling the public an idea—a conviction about surface saving, which as it takes hold inevitably leads to the use of paint and varnish. But we must remember that it is easy for the public to forget, and the greatest lesson of advertising or of salesmanship is that to bring success, you must keep everlastingly at it. This means that we must stay back of the "Save the Surface" Campaign constantly and develop it to its greatest possible value.

Let us review the results of the campaign to date. The committee in charge of the "Save the Surface" Campaign has carefully noted all signs of progress, and I want to give some of these to you.

Foremost, and utterly convincing to our minds, is the splendid resistance our industry has made this year to the greatest business depression in our history. I have already dwelt on this in my previous remarks, but let me emphasize again this statement:

The Paint and Varnish Industry has come through this depression far better than any other important industry connected with the building trades or the maintenance of property.

Our industry could not have had this experience if the necessity for our products were not more deeply entrenched in the public estimation than ever before.

It has been the primary purpose of the "Save the Surface" Campaign from the outset to develop public conviction of the economic need for paint and varnish. The campaign has certainly made splendid headway, and in this trying year of business we have had the unmistakable proof.

Among the manufacturers in our industry there is a deeper conviction than ever before of the vast neglected market. More vision, more enterprise, more determination is being employed to develop paint and varnish business where it has not existed before. The "Save the Surface" Campaign has contributed heavily to the awakening of this appreciation of these neglected markets, and to stimulating widespread effort throughout the industry to conquer those markets.

Need I give you proof of that statement?

Nearly 300 concerns in the various branches of our industry—including several associations of Master Painters and also quite a number of jobbers, have signed five-year subscription contracts to this campaign. This is more than 50 per cent. increase of subscribers since the campaign was started in 1919. Further than this, a number of subscribers who began with a small subscription—and perhaps a half-hearted one—have become so convinced of the value of the "Save the Surface" Campaign, that they have voluntarily increased their subscriptions. These increases run from 50 per cent. to 300 per cent.

Still further, and more encouraging, is the fact that a large number of subscribers have reached the point where they feel that a largely increased fund should be put behind the "Save the Surface" Campaign in order that more advertising and more promotion work can be done. These concerns say they stand ready to heavily increase their subscriptions provided there is a general movement on the part of other subscribers to increase their subscriptions. The "Save the Surface" Campaign has taken hold of the industry, and has done it on its merits. It is our hope that the industry will take hold of the "Save the Surface" Campaign with a support and a co-operation which its merits deserve.

Among the dealers and the Master Painters a more energetic spirit of business-getting is developing. By "business-getting" we mean getting after people in their communities who have used paint and varnish irregularly. The dealers and the Master Painters are the "neck of the bottle" on this situation. They come in contact with the owner of the property. They have the opportunity to put the personal selling word into the ear of hundreds of thousands of property owners, many of whom are getting our "Save the Surface" messages through national publications. Scores of letters have been received at "Save the Surface" Headquarters from dealers and Master Painters. The general purport of these letters is about as follows:

"We have come to realize that the 'Save the Surface' Campaign is a splendid thing for our business. We are doing all we can to co-operate with it. If you can give us any further help, please tell us what we can do to tie up our business closely with the 'Save the Surface' idea."

Gentlemen, there is still a great deal to be done in the field of the dealer and the Master Painter, which, when accomplished, will make far more money for them as well as for us; but, there has been enough response from these two fields to the "Save the Surface" Campaign to prove that it can be made a highly effective and profitable instrument in developing dealer and Master Painter selling acumen and activity. Here is one of many instances that have come to our notice:

A Master Painter in Jersey was persuaded to buy 200 "Save the Surface" calendars. These he sent out last December. One of them went to a large

Catholic Educational Institution, very hard to approach on business matters. The Monsignor, at the head of the institution, personally telephoned to this painter, who lived in an adjoining town; said he had his calendar, that he assumed the painter was a good painter, and that he had been thinking along the lines of saving the surface of their institution. He then said, "Come up and see me, look over our buildings, and give me an estimate."

The painter did so, closed an order for approximately \$3,000, and did the painting job greatly to the satisfaction of the Monsignor. That painter told this episode on the floor of the Convention of the New Jersey Master Painters and Decorators Association only a few weeks ago. He sees what the "Save the Surface" Campaign means to him in his business, and the others who heard him talk listened very thoughtfully.

We have heard of many instances revealing that dealers and Master Painters are "getting aboard" this "Save the Surface" idea because they find they can make money for themselves by doing so. If we could learn of all of the instances of this sort, you would have heard today overwhelming evidence that the opportunity is wide open for us as an industry to bring Master Painters and dealers into line where they will vigorously use their opportunities.

An investigation conducted by our advertising agency, the F. J. Ross Company, in the month of May this year, and in the course of which hardware dealers were approached with the question, "Do you believe in the 'Save the Surface' Campaign and would you be willing to pay an annual fee for a dealer help service in promoting your paint and varnish business?"—shows the unanimous answer "Yes."

The response of the consumer to the "Save the Surface" Campaign is unmistakable. The slogan "Save the Surface and You Save All" has become one of the best known national slogans. Fortunately for us, it is a slogan that carries the very essence of the Paint and Varnish gospel. Hundreds of letters have come to the "Save the Surface" Headquarters from the consumer. These letters reveal that the force of our argument has convinced him. We have learned of many instances of where the consumer, without waiting for the Master Painter or dealer to approach him, has determined, under the direct and immediate influence of the "Save the Surface" advertisements, to have a job of painting and varnishing done.

A high grade and very busy business man in a suburb of New York told a member of our committee that the "Save the Surface" advertisements and nothing else had made him realize that he was not giving proper consideration to his own house. He made inquiry about painters in his community, called up one and, after receiving satisfactory estimates, told him to go ahead.

I cannot go into a number of such cases for lack of time, but this will serve as an example. There is no doubt whatever that if we learn of all the instances where "Save the Surface" advertising had stimulated owners of property to get busy and protect their property, we would find they run into many, many thousands.

I must not omit mention of what the paint and varnish interests of Alameda County, California, did this spring. They all got together out there and put on a six weeks' co-operative campaign of advertising, public speaking, circularizing, to wake up Alameda County on the paint question. This campaign was like a little whirlwind, and a great deal of business—both old and new—was worked up as the result of it.

What would happen, gentlemen, if the paint interests of all of the leading communities in the country were to follow the example of Alameda County? What would happen if the whole Paint and Varnish Industry in all of its branches and divisions adopted a common goal, looked toward it with a common faith and "girded up its loins" in an enthusiastic, determined effort to reach that goal?

The progress that has been made in the industry since the "Save the Surface" Campaign began, is the strongest proof that there was great room for progress.

The unmistakable fact that the maintenance of property throughout the country is far, far behind, is unmistakable proof that there is still before us room for great progress.

Gentlemen, a great opportunity awaits the Paint and Varnish Industry, and those gentlemen who have given so liberally of their time in conducting the "Save the Surface" Campaign, feel that a great duty rests upon this Campaign to point the way. We have therefore adopted a new slogan—not for the consumer, we have that already in "Save the Surface and You Save All"—but a slogan for ourselves which we ask the whole industry to take up. Here it is:

"Make 1922 the Greatest Paint and Varnish Year."

That tells our opportunity in ringing words. We can make 1922 the greatest paint and varnish year if we will all accept the full meaning of it, not only to the industry but its full meaning to our own separate businesses. It means, "Make 1922 My Greatest Paint and Varnish Year." It means, "Make 1922 Your Greatest Paint and Varnish Year."

If one manufacturer, one dealer, one Master Painter sets out to reach this goal, he may reach it for his own purposes, but, gentlemen, the idea is to have the industry as a whole reach this goal, then the business of all of us will not only feel the benefit in 1922 but we will have the satisfaction of knowing that our industry—of which we are each a part—is in the strongest position in its history, that its business in future years is better insured than ever before.

The "Save the Surface" Campaign, therefore, and the men behind it have wholeheartedly adopted this slogan as the guide and stimulus to their efforts for 1922.

The plans are briefly these:

The advertising to the consumer in national publications which has, up to this time, been purposely educational, will in 1922 urge the action of the consumer. We believe that thousands of consumers who have not acted will act under the proper urge.

But the urge cannot come alone from the advertising. We plan, therefore, to urge all manufacturers in our industry to stimulate their sales and advertising organizations with this same vigorous theme and to employ their sales, advertising and promotion efforts to the utmost of their ability to reach this goal for 1922—to make their business next year the greatest they've ever had.

We plan, further, to carry the stimulus of this slogan to the retail trade and the Master Painter. We can have such a year of painting and varnishing in 1922 as will amaze the oldest of us, provided dealers and Master Painters will aggressively use their personal efforts and influence to wake up people in their communities who own neglected property. Our plans include definite efforts to accomplish this result.

The trade press, which weekly and monthly come to Paint and Varnish manufacturers, paint dealers and to Master Painters, and to many of the other industries which consume our products, will be employed to make the slogan "Make 1922 the Greatest Paint and Varnish Year" not merely a lifeless phrase, but the impelling, dominating motive that shall stimulate effort throughout the industry to reach this great goal.

We have sat in conference with the leading editors of these trade publications, and it would do your hearts good had you witnessed the unanimous enthusiasm of those gentlemen over this idea and heard their pledges of editorial support and the co-operation of their organizations to help make this purpose for 1922 an accomplished fact.

Gentlemen, is this goal worth thinking about? Is it worth reaching?

I hope you will all say "Yes."

Then, gentlemen, it is worth working for.

To reach it will call for the most vigorous, intelligent, promotion of our own businesses.

To reach it will call for a full grasp of the true significance of this slogan to our industry as well as to ourselves.

To reach it will call for a close co-operation with the "Save the Surface" Campaign and for liberal support of its financial needs. It takes money to make money.

Few of us fully realize what the money value of this campaign is. "Save the Surface and You Save All" has been repeated hundreds of millions of times to the American public in one way or another. It stands today in the mind of the public for the "economy of painting" idea. Its value to the industry today, in less than three years, is estimated at several millions of dollars. We can make it worth far, far more.

The business which "Save the Surface" advertising is stimulating, exceeds many, many times over the total investment in the "Save the Surface" Campaign. This campaign is paying for itself handsomely as it goes.

Today when you invest in the "Save the Surface" Campaign you are really paying for something you have already received—business that you have taken your profit on.

You are paying for the strongest insurance policy for your business that money could buy.

You are paying for the widening of a rich but neglected market, and are thus making certain the healthy growth of your business and your industry in the future.

I hold no conviction more deeply than this:

That the "Save the Surface" Campaign is by far the most dynamic and effective factor for the widening and strengthening of the market for Paint and Varnish in all their uses, and that there is no investment we can make with greater certainty of security of principle and handsome profits than our investment in the "Save the Surface" Campaign.

It is the biggest thing ever attempted by the Paint and Varnish industry. It has proven its worth and has come to stay. There is no doubt in my mind that every man in this room can easily "Make 1922 His Greatest Paint and Varnish Year" if he will take advantage of the opportunity the "Save the Surface" Campaign offers.

Gentlemen, there is no way you can spend your money in advertising or promotional work that will bring you greater results—no place where you can get as much for your money. If we all pull together and when we make up our advertising appropriation for next year, each one of us save out a little extra for the "Save the Surface" Campaign, we will "Make 1922 the Greatest Paint and Varnish Year."

Respectfully submitted,

D. E. BREINIG,

R. B. ROBINETTE,

S. ROSENTHAL,

J. B. LORD, Chairman.

President Evans:—In respect to this very valuable report, the Board of Directors rather deemed it best to submit it first as information to the convention, with its full approval and indorsement, but without recommendation, expecting action to develop during the process of our consideration of the subject upon the floor.

SAVE THE SURFACE "MOVIE"

At this point the hall was darkened and the new motion picture prepared by the "Save the Surface" Committee received its first public showing. Keen interest was manifested by the members who filled the hall, and the picture was given hearty commendation as an effective means of "putting across" the two big ideas of "Save the Surface and You Save All" and "Make 1922 the Greatest Paint and Varnish Year."

At the conclusion the chairman called upon Ernest T. Trigg, of John Lucas &

Co., chairman of the "Save the Surface" Campaign, to read his address on "A Great Industry Realizing Its Opportunity." Mr. Trigg prefaced his address as follows:

Mr. Trigg:—Mr. President and Gentlemen—The world's greatest film has shown us some of the things the "Save the Surface" Campaign has done, is doing, and proposes to do. It has told us much about the great objective for 1922 and has suggested some ways and means of reaching that objective.

We are all intimately familiar with the paint and varnish industry, but we must remember that there is a great public which is not so familiar with our industry as we are. The picture has said a great deal, and has said it well, but with your indulgence, I desire to call attention specifically to a number of important reasons contained therein.

What I shall have to say to you, gentlemen, is going to take a little time, but it has seemed desirable to take the time to say it, and I hope that it may have in it something that will be of real benefit to us.

A Great Industry Realizing Its Opportunity

By Ernest T. Trigg

To begin what I have to say concerning the objective launched for our industry by the "Save the Surface" Campaign, "Make 1922 the Greatest Paint and Varnish Year"—as the first step towards doubling the industry by 1922. I should like to recall to your mind the words of a great man, used in the booklet which first presented this objective to you. You will remember that a quotation was there made from a book of reminiscences written by Lord Fisher, Chief of the British Naval Forces during the Great War. A

man with so long an experience—extending from the days when he was a midshipman to the time when he was in control of the vast naval resources of the British Empire, when it was fighting for its very life—has something to say about the worthiness of consideration. Out of all of his years of experience, Lord Fisher has given us his formula for a successful life, three things—A great Cause; a great Inspiration; a great Victory.

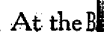
It is a formula, worth thinking about. You will notice that it takes all three

To judge from the enthusiastic in-

whether that nation or any nation so constituted could long endure"—long endure against the disrupting influences generated from within. We are so close to the Great War that it is difficult, if not

Now all is changed.
Of old, the retailer and the wholesaler bought in large volume, often anticipat-

to Chicago	110%	"
Wage scales in shoe industry, Massachusetts, about.....	100%	"
Wool, to producer.....	8% decrease	"



	Increase, per cent.
Wholesale ratings, wood-dyed blue, 55-58, 18 oz. Middlesex	
Boston	83% increase
Freight rate clothing, New York to Chicago	110%
Wage scale in woolen mills, about	100%
Lumber, average Southern Pine and Douglas Fir (at the mill)	28%
Brick, average common, New York and Chicago	95%
Cement, Portland, bag, without bags to trade f. o. b. panic, Burlington, Ind.	70%
Freight rates, common truck, Brazil, Indiana, to Cleveland,	104%
Cement, Universal, 24, to New York	73%
Union wage, building trade, weighted average, 8 occupa- tions, frame houses	97%
Union wage, building trades, occupations, brick houses	93%
Bituminous coal, Pittsburgh Anthracite coal, New York tide- water	89%
Union wage, coal, Indiana try, about	73%
Freight rates, on coal, New York Metal trades, union wage scale, simple average, 19 occupations	109%
Bureau Railway Economics, esti- mate of railway wages based on average annual compensa- tion, third quarter	120%
General estimate all union wage scales, by Professor Woodman	89%

These figures will at once indicate the disproportionate readjustment which has taken place in the basic items referred to, and at the same time will furnish to the paint and varnish industry an opportunity to compare the price levels in our industry with those in the industries mentioned.

It is difficult to arrive at an actual percentage of increase, either straight or weighted, showing the price level of paint and varnish products in effect today as compared with 1913. A careful computation based on such figures as are available, however, has produced a result showing that on an average the prices of paint and varnish manufacturers today are approximately 40 per cent. over 1913. This clearly indicates, in relation to the figures previously given, that the paint and varnish industry has taken a much more substantial reduction in its selling prices, and is much closer to 1913 in its present levels, than are the wholesale prices of the basic commodities and services previously mentioned.

The wisdom of the industry in taking its deflation when and to the extent it did must be evident to everyone. It was generally recognized, when prices were brought down to the present level, that the then existing volume of business did not justify the reduction, and that it could be compensated for only by an increase in production and sales. While the aggregate volume of business done by the industry during the past eighteen months has been subnormal, there are many in the industry who believe that our condition would have become critical had it not been for the education of the consuming public through the agency of the "Save the Surface" campaign—education which was started sufficiently in advance of the period of depression to have matured a conviction on the part of many households as to the necessity of protecting their property against attrition and decay, during this period of depression, crystallized into sales.

Thus the increase in volume necessary to justify the price reductions made, has been realized upon, and it is my opinion that the tide of business activity has not only definitely turned but that we are, perhaps more rapidly than we realize, coming into a period of real activity.

This may, of course, be deferred for some time to come by the uncertainty due to the present threatened tie-up of our transportation systems, through an attempt on the part of railroad workmen to continue their war-time wages, notwithstanding that workmen in other industries have taken deflation along with the general readjustment movement.

It is to be hoped that public opinion, supplemented by the cool heads and steady hands among the railroad workmen, will result in averting this strike and that the members of the various railroad unions may be made to understand that they have neither the right nor the power to set themselves up as a special class to receive special consideration and compensation if the buying power of all elements of the community is to be restored, the price levels of commodities and services must reach more nearly a properly comparative plane than now exists. The farmer cannot resume his full consuming ability until either his prices increase or a larger proportion of other products and services come into a fair balance with his commodities, and therefore within the reach of his income. The readjustment ahead of us, including the balancing up of levels, cannot be accomplished over night; and it seems plain enough that in the main, and over a long period of time, most of us in our nation must finish out our business lives under the conditions of the new cycle which began last year.

It is of first importance that we understand the demands which will be made upon us by this new cycle. I would submit that instead of emphasis being placed upon production and the spirit of speculation as before, we are now in a position in which the factors of management, of closeness of operation, and of selling are those which will determine our success or failure. I believe it will be found to take a great deal more courage and a keener alertness to do business successfully under these new conditions, and that these personal qualities will count to the full in this new era. Every week we shall have to re-exactly where we stand in our business. We shall have to correlate production with selling as never before. We shall be required to give selling its first place in our organizations, for in this new cycle the business which best sells is the business which survives.

It is going to be harder than ever before for the manufacturer to "get by" with a poor product, and the buyer, buying public which takes our goods along with a vast store of other goods, will scrutinize the value received in exchange for his money as never before. The temper of the buyer and of the distributor of goods will be such that sharp practices and shoddy commodities will have a hard time. Business will be harder, not just comparatively harder, but probably the hardest we have ever experienced.

And yet, on the whole, the question before us is a simple one. Do we want to keep our places as individual businesses and grow, or do we want our industry to keep its place and grow in proper relation to all other businesses and industries?

It is not going to be a good time for the man without courage and energy. One thing seems certain—we shall have a great fight before we have a going victory; and it will be a most important safeguard to our success if we shall realize fully that we must do business under strange and untried conditions—conditions harder than ever before, not alone because of their novelty, but because also of the intrinsic difficulties attendant upon slowly declining levels.

We now come to our third point.

What Is the Nature of the Battlefield?

The next question we should ask ourselves as officers in our business army is: What is the battlefield on which our offensive must take place? In the last section, I tried to make plain that we are out of one long business cycle and into another. I tried to make plain, too, the reasons why I believe that the consumer is going to scrutinize his purchases as never before.

The real battlefield of business is the budget of the consumer.

In the cycle of declining prices every buyer of paint and varnish—whether it be a great industrial company, a railroad, or a humble house owner—will come back for his decision to the question of budget. More than ever before he will ask whether he can afford to make the expenditure for

our product. If the consumer is not convinced that the expenditure is necessary, it will not be made. I believe that, never before, the economic need for paint and varnish is going to be the compelling motive in the purchase of paint and varnish; and that the hitherto important, and still important, considerations of decoration, beauty and personal pride, in the total volume, will become secondary.

Let us analyze this a little further. The consumers of paint and varnish are the consumers of a vast host of other things. Paint and varnish means everything to us. They are our business. For the consumer of our products, many causes, needs, vanities, whatever they may be, act as main-springs to purchases. He buys and talks about many things—"ships and shoes, and sealing wax," and "cabbages and kings." After all, we are not competing alone, among ourselves; we are competing with all those varied and diverse demands which flow into the consciousness of our people, and which constitutes daily life. The consumer, whether he is big or little, is worse off or pleased by many things which have nothing at all to do with paint and varnish. If he thinks enough about these other things, he will forget paint and varnish. If we make him think about our products, instead of the "cabbages and kings" of his daily life, we have, for ourselves, won the battle of the budget to which I have referred. If we cannot do that, we have lost it.

It is the battle of the consumer; it is our real battlefield, and if our success on that battlefield depends upon success in winning attention to our product, and his affirmative conviction concerning his need for them, do you not agree with me that we must somewhat change our present points of view in reference to our manner of doing business?

I have said that one of the two dominating characteristics of the long cycle of business out of which we have just come, is that of emphasis upon production. In that connection, as manufacturers, we have naturally thought of real estate, plants, equipment, machines, buildings, materials, and finished products, as composing about all of our property. In this new cycle which we are entering, and in which our efforts must be exerted, if we are to make 1922 the greatest year for our industry, I predict that we shall find that we have another form of property which is most important of all. For to refer to those in our industry who make paint and varnish as "manufacturers" is only to tell a part of the story. Our real business activities are comprised of buying, making and selling.

In this new cycle, we must give more attention to our function as sellers. Our property, which enumerated above, may be classed as the mechanical property of our business. We have another type of property which all our mechanical property would be valueless. It is the mental asset.

What is this mental asset or property of business? It is just a question of how many people's minds you can control relative to the requirements for paint and varnish. Have we a public which is strongly convinced of the desirability and necessity of consuming our products? This is an important question, not only to our industry as a whole, but to each one of us as individual builders of patronage and prestige of our brand, whatever it may be.

As an industry, we must seek to develop this mental property; today it is requisite to our successful distribution. We must seek constantly to widen the appreciation for our products on the part of the consuming public, whatever the nature of the need for paint and varnish may be. We must be sure that the public understands the fundamental economics of the things we sell; that it understands not only why paint and varnish, purity and beauty of objects, equipment and buildings upon which they are spread, but also why the use or failure to use paint and varnish is the determining factor as to how long they will last.

We have not yet been able to measure in any satisfactory way the limits of the business we could do if all the people who

should be using paint and varnish, in the way and to the extent they should use it, were doing so. In just the proportion that we cause them to perceive the need for our products and act upon that perception, will we develop and maintain the mental property of our industry. We only know now that our present volume is just the beginning of the real business that can be done by our industry.

The increase in the cost of new equipment and construction during the past four years, and the appreciation in the value of equipment and construction in existence prior to that period—means much to us today in connection with the economics of paint and varnish.

There can be only one answer to the high cost and value of that construction and equipment as it is carried forward through this decade, when prices for commodities seem certain to decline. There is only one means of meeting this unusual condition. It is to lengthen its time of service. Means must be employed whereby the average life of the equipment will be increased one-quarter, one-half—perhaps doubled. The economic service of paint and varnish in making for longer life of these buildings and equipment, under such conditions, is one of the very real reasons why we have a right to demand a greater part of the consumer's business. And this economic service is expressed in the industry's well chosen slogan—"Save the Surface and You Save All—Paint and Varnish."

Let us look at it in another way. In this cycle of declining prices, it seems pretty certain that, try as we may, a great deal of equipment and construction will be deferred in the hopes that a succeeding year, two years, or three years, will bring to the purchaser a lower level of costs. Paint and varnish cost money, but their cost may be largely offset by the fact that paint and varnish on old equipment or on old buildings delay the day when a new purchase is necessary.

The battleground for the business of each of us and for the business of our industry as a whole is going to be the budget. And this economic service is property we have, and shall have, will be that part of the millions of consumers' minds—of public opinion—which we control when we think, or should think, of paint and varnish.

This brings us to the fourth point.

What Are the Resources and the Methods We Can Employ in Winning Our Objective?

I have mentioned resources and methods together in this division, because resources are valueless unless they are used. All of horse-power of Niagara is simply beautiful scenery unless it is harnessed and set productively to work. All the horse-power of our industry and of our individual business cannot be much more than beautiful scenery, toward reaching our goal, until we have defined and made clear the methods by which our resources can be employed.

First of all, we have a united spirit, in every factor of our industry, devoted to the attainment of our objective. We have decided that "Make 1922 the Greatest Paint and Varnish Year" is our immediate objective. Without that spirit, not much could be done. Strong as it is today, I believe it will continue to grow and intensify as succeeding months go by.

The producers of raw materials. Manufacturers, Retailers and master painters, coming into close contact throughout the country with millions of consumers. Aggressive Paint Clubs in many cities. The good work of the National Clean-Up and Paint-Up Bureau. The strong support of the trade press. The advertising done by individual manufacturers. And back of it all, the "Save the Surface" campaign, which is dedicated to the careful cultivation of the great asset of public opinion, in behalf of all of us.

I wish there were time to enumerate the many important services which might be rendered by these several agencies in our united effort to attain our objective. In this connection I want to call your attention to the booklet recently published by the "Save the Surface" headquarters,

entitled: "How to Make 1922 the Greatest Paint and Varnish Year."

In this booklet you will find detailed suggestions as to the practical steps which may be taken by everyone in the industry in our united march upon this objective. I feel sure that this booklet will be widely read; and that, as executives, we shall put its suggestions into full operation in our several organizations. Of course, each of us will interpret these suggestions according to the strength and ability of our several organizations.

This booklet is presented as a constructive plan in answer to the question: "We have a job to do; what are we going to do about it?"

It will be found to contain practical suggestions as to steps which may be taken by companies, by their executives and by their sales, advertising and other departments. Steps which if taken in each organization, will so correlate our individual efforts with each other and with the "Save the Surface" campaign, that our force will become invincible. Such co-ordination of effort will give us an aroused industry, working with the unity of purpose. The producer of raw materials, the manufacturer, the jobber, and the retailer, will be united in their aim and energy toward our great objective. The master painter will carry through to the service to the general public. Paint Clubs in all parts of the country will objectify our common interest. Clean-Up and Paint-Up campaigns will become more widespread and more intensive. And throughout all of this, the "Save the Surface" campaign will be the keystone of the arch, and the wraith of a tapestry of splendid signs will run the "Save the Surface" message, appealing to the consumer, simply, but convincingly, to conserve his property by the proper surface protection.

It is natural that every job worth the doing looks formidable when it is first considered. The hill looks steepest just where we begin to climb. But when we get on the gas, and find that, as we go forward, a living start makes the subsequent climb all the easier.

The Allies didn't get far in the World War until they learned to co-operate. Imagine for a moment the powerful effect upon the public mind, which can be obtained by our united effort! And as the result of this effort will be permanent, inasmuch as we shall have established a new standard of appreciation of the value to be rendered by paint and varnish in our economic life.

We can no more win our objective without co-operation than could the Allies in France. Every division of the industry is essential in the attainment of our goal. Each division, if we are to succeed, must commit itself unreservedly to the purpose before us. And we have a purpose. In "Make 1922 the Greatest Paint and Varnish Year" we have a greater than any division of the industry. It includes all of us. No division can think of its own importance alone. If our goal is to be attained, "Shall we succeed?" I answer, "Can we co-operate?"

It seems to be man's nature that differences of opinion should arise in the affairs of a nation and in the activities of an industry. But at no time does it appear which coincides so nicely with the thought of each individual, which sets so high a purpose before him, and which presence of that common cause sweeps away smaller differences of opinion by the very strength and unity of its appeal. There are many who believe that our objective, "Make 1922 the Greatest Paint and Varnish Year," as a step toward doubling the industry by 1922, is a common cause of just this nature. I believe that its business and that its direct bearing upon the welfare of each of us is so strong that small differences of opinion will not arise to impede its onward sweep.

Now let me speak of another phase of this matter. Let me introduce it to you by continuing in the "Save the Surface" which has so largely colored all that I have had to say today. I have likened ourselves to the campaign of a nation, going into action. That action will require not only united spirit, men and energy, but money. If we have no powder, we might as well have no gun. And money is our powder. It will take money to win our battle for the consumer's attention and affirmative conviction concerning his need for paint and varnish.

If we are to "Make 1922 the Greatest Paint and Varnish Year," we must sell more paint and varnish. To sell more paint and varnish, I believe you will agree with me that we must spend more money. For three years we have given material evidence of our belief in this truth by conducting the "Save the Surface" campaign, during which time not a few of us have doubled our initial investment in this enterprise. We have set for ourselves in 1922 an objective upon which that campaign has laid a barrage for these three years. We have met the resistance of the paint-buying public.

Let me make clear just what this barrage has done, and will do, for us in winning our fight.

I have shown that the new cycle of business, in which we are now engaged, has never before been so masterful selling. I have pointed out that the real battlefield of our business will be the business cycle, in which we have just said that "Make 1922 the Greatest Paint and Varnish Year," we must sell more paint and varnish. And that is exactly what the "Save the Surface" campaign has made possible for every one of us from now on.

In testing the function and value of the "Save the Surface" advertising, let us analyze the sale of the product. Such a sale is made up of the creation of a conviction on the part of the consumer that:

1. He needs the product.
2. The manufacturer is reputable.
3. The product meets his specific need.
4. In this new business cycle, in which we must now operate whether we wish or not, the consumer will scrutinize our products as never before. His slogan will be "Do I Have to Have It?" In winning our objective, in doubling the industry by 1922—a goal which some way, must convince the public that from an economic standpoint it needs, must actually have, more paint and varnish. This has been the work of the "Save the

Surface" campaign for the last three years. And that job, that first third of the sale, which is the most important, creation of a conviction in the public mind of the economic necessity for our products, must be accomplished before any manufacturer can hope, in the largest way, to impress upon that public his reputation as a manufacturer, or that his product specifically meets its needs. Why? Because that public mind must be opened before it can be impressed, and the opening of the public mind to the extent contemplated by the attainment of our great objective cannot be done by isolated effort.

Having adopted the "Save the Surface" campaign as the successful means of opening the public mind, we are taking the first step in our sales program collectively. Its impartial and impersonal appeal carries the greatest possible conviction to the consumer. The presentation of its message contains no conflict of interest, no special pleading for specific brands. Thus, the paint and varnish industry, with all the prestige of its size and service, comes with its simple message explaining clearly to the consumer why paint and varnish are his servants, why he should employ them, and why he must put into their safe-keeping will be returned two-fold—enfold.

I wonder if we all fully appreciate the practical, day-by-day, individual sales campaign, in rendering, will render increasingly as times goes on, to all of us.

The "Save the Surface" campaign is a successful campaign. It has increased sales and advertising efforts of the members of the industry. Since its inauguration, it has been an enormous individual advertising in the paint and varnish industry than has ever existed before. The campaign is a brand, a collective way, to sell to the public the need for paint and varnish. In doing this, it is using the sales and advertising to accomplish this end; and makes it possible for the sale of his "company" and his "brand."

There is nothing academic about this; the "Save the Surface" campaign is as concrete as the industry itself, because as truly as we are here together, it is an integral part of our industry, performing a service of outstanding importance.

We shall double our industry only when we have broken down the barrier of resistance on the part of the potential paint and varnish consuming public. That resistance can be broken down only through making that public fully conscious of its vital needs for our products. The increased volume of business which will come out of this air. It will not come out of the limbo of dark neglect in people's habits, but out of the active participation through the spathy of centuries—until we bring it out by establishing a fixed conviction to the economic necessity for the sale of our "company" and "brand."

Let me call your attention again to the fact that we are, simultaneously, in competition upon two levels: first, competition among ourselves as individual members of our great industry; and second, and far more important, competition as an industry as a whole, for a place, and an ever increasing place, upon the budget of the consumer and potential consumers of paint and varnish. We must fight for that place against the position which has been established there, by many other industries.

I have tried to indicate why we have an economic right to claim a more and more important place on that budget. I have tried to show why the "Save the Surface" campaign justifies the investment of every dollar we have put into it; why it makes possible for each of us an ever greater sales strength than we have ever had before. I have said that paint and varnish are the economic servants of the consuming public, and that a talent put into their safe-keeping will be returned many fold. The same is true of the "Save the Surface" campaign. It is your servant, and your investment in it will return to you multiplied benefits.

Our industry has contributed, and will continue to contribute, a great service to the consuming public. In the new business cycle in which we find ourselves, that service is more important than ever before. Paint and varnish—to make things last, to increase the value of an expenditure, to protect against the constant action of wear, decay and disintegration in best fixed in the public consciousness through the "Save the Surface" campaign.

To any individual, to any industry, to any business, great profit can be justified only by great service. Let us support the "Save the Surface" campaign with more perfect co-operation and with greater funds. It vitally concerns every one of us; it supports and furthers all of our other activities and interests. Its continued successful operation will be one of the strongest assurances that we shall make 1922 the Greatest Year for our industry and for each of us individually.

I feel that we have a great year ahead of us. It should be one of the most inspiring years of our business life. If we are to attain our goal, it will be packed with the most strenuous effort. But it will be a wonderful year to remember.

Most of the men in this room will understand what I mean when I say that after a man has gone a certain distance in business, the things he works for begin to change their relative value. Most of us, in this room, in a perspective in life where we seek more perfectly to associate ourselves with others in effecting the steady improvement in the affairs of business, church or state, as inclination may dictate, which lie beyond the limits of individual business life.

I suppose that for each of you, as it is for me, the business with which you are associated, is next to your family, of primary importance. What to do with that business, how it grows, how it prospers, how good a name it has—these are considerations of the first importance to us. But the very fact that we are all sitting together in this room means that we have found a broader outlook than that of individual business. A stream of good above our heads. Your business and mine cannot be more important than the industry of which it is a part.

To the man who loves his job, the next twelve months will be full of absorbing interest. As we will unite solely upon the great task to which we have set ourselves, this will be the most successful year we have ever known. War is cruel and sorrow follows in its train; but we are inspired by war, nevertheless, because we are actuated by a common purpose.

Let us go back to the metaphor with which I began. We are going into a fight for a definite objective, a fight for an objective of large proportions. We are the officers who shall command the troops of our industry as they go into action. We have a great cause. We have a great inspiration. A year from today, I believe we shall have achieved a great victory; and that 1922 in retrospect, as we have now committed ourselves to it in prospect, will be the "Greatest Paint and Varnish Year."

President Evans—Gentlemen, I think we can all be proud of the ability of our industry to produce a man capable of such a statement, a problem so clearly and defining it in such an inspirational way. I deem this one of the greatest speeches ever made before us. (Applause.)

1922 OBJECTIVE ADOPTED

President Evans—I might say that it seems to me the opportune at this moment to present a resolution recently passed by the Philadelphia Club. I will ask the secretary to read the resolution.

Secretary Horgan read the following:—Whereas, The "Save the Surface" campaign has adopted the objective, "Make 1922 the Greatest Paint and Varnish Year" as the first step toward doubling the industry by 1922; and Whereas, In the September message to the members of the National Paint, Oil and Varnish Association has sounded the keynote for this campaign in his address to the industry; be it

Resolved, That the 1922 annual convention of the National Paint, Oil and Varnish Association, meeting in Atlantic City, October 24 to 27, 1921, adopt the following objective: "Make 1922 the Greatest Paint and Varnish Year."

President Evans—This resolution was unanimously approved by the Board of Directors, and they recommend that the association go on record in accordance with it.

On motion by Mr. Minehart, seconded by Mr. Cheesman, the resolution was adopted by a rising vote.

HARMONY BETWEEN TWO PLANS

Mr. Trigg—I want to say, Mr. President, to this meeting and to the members interested in the paint and varnish industry in the United States, through the men who have the honor to be here tonight between the "Clean Up and Paint Up" Campaign and the "Save the Surface" Campaign.

Let me call your attention again to the fact that we are, simultaneously, in competition upon two levels: first, competition among ourselves as individual members of our great industry; and second, and far more important, competition as an industry as a whole, for a place, and an ever increasing place, upon the budget of the consumer and potential consumers of paint and varnish. We must fight for that place against the position which has been established there, by many other industries.

I have tried to indicate why we have an economic right to claim a more and more important place on that budget. I have tried to show why the "Save the Surface" campaign justifies the investment of every dollar we have put into it; why it makes possible for each of us an ever greater sales strength than we have ever had before. I have said that paint and varnish are the economic servants of the consuming public, and that a talent put into their safe-keeping will be returned many fold. The same is true of the "Save the Surface" campaign. It is your servant, and your investment in it will return to you multiplied benefits.

Our industry has contributed, and will continue to contribute, a great service to the consuming public. In the new business cycle in which we find ourselves, that service is more important than ever before. Paint and varnish—to make things last, to increase the value of an expenditure, to protect against the constant action of wear, decay and disintegration in best fixed in the public consciousness through the "Save the Surface" campaign.

To any individual, to any industry, to any business, great profit can be justified only by great service. Let us support the "Save the Surface" campaign with more perfect co-operation and with greater funds. It vitally concerns every one of us; it supports and furthers all of our other activities and interests. Its continued successful operation will be one of the strongest assurances that we shall make 1922 the Greatest Year for our industry and for each of us individually.

I feel that we have a great year ahead of us. It should be one of the most inspiring years of our business life. If we are to attain our goal, it will be packed with the most strenuous effort. But it will be a wonderful year to remember.

Most of the men in this room will understand what I mean when I say that after a man has gone a certain distance in business, the things he works for begin to change their relative value. Most of us, in this room, in a perspective in life where we seek more perfectly to associate ourselves with others in effecting the steady improvement in the affairs of business, church or state, as inclination may dictate, which lie beyond the limits of individual business life.

I suppose that for each of you, as it is for me, the business with which you are associated, is next to your family, of primary importance. What to do with that business, how it grows, how it prospers, how good a name it has—these are considerations of the first importance to us. But the very fact that we are all sitting together in this room means that we have found a broader outlook than that of individual business. A stream of good above our heads. Your business and mine cannot be more important than the industry of which it is a part.

We are perhaps approaching the objective by different routes. Sometimes a man from Chicago goes to New York over the New York Central Lines and at another time he may go over the Pennsylvania, but he has the same objective—He is going to the same place.

The two campaigns are going over different lines. They are working in a different way and because of that we desire to make it clear that there is a very decided feeling that it would be a mistake to attempt to merge the two activities. They must be kept separate and distinct in order to protect the future welfare and possibilities of both. But so far as the general motive—the general objective, is concerned, they are the same and there is harmony and understanding between the committees having charge of both of these activities. (Applause.)

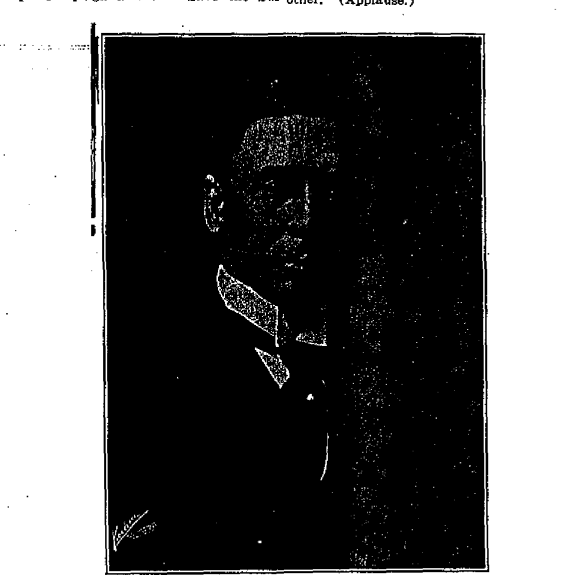
Mr. Andrews—Mr. President, I really don't think that anyone can add a word to this proposition after listening to this wonderful talk that Mr. Trigg has made. It is unquestionably one of the best things that any business organization ever had presented to it. It is presented to us in such a clear way that any other fellow would be a chump to say anything, as I look at it.

Mr. Dewar has paid me a great compliment. As I look back to the history of this organization, Mr. Dewar has once or twice before now put the thing on me, and in introducing Mr. Dewar here as a speaker, he was spoken of as a statesman, a banker, an honor to his craft and a citizen that we are all proud of and that we all should look up to. But Mr. Dewar, in a dream I had the other night, I dreamt that I had passed away and on going along the road toward the gates, I met him. (Laughter.) You said, "Oh, Andrews, I am glad to see you. I have just been up to the gates and Peter tells us that we can go in unless we are mounted. You get down on your hands and knees and I'll mount you and we'll both get in."

He didn't wait, but asked this question, "Are you mounted?" Mr. Dewar said, "Yes," Peter said, "Diamond and walk in." (Laughter and applause.)

I want to say to you that the feeling I had in my dream of being left on the outside, I feel right now. It is difficult to say a word on this subject. That I believe in it, of course, goes without saying. We have doubled our subscription, and as I told someone a noon, I would not care if we increased it again, because it is a wonderful work. I also, of course, believe in the other and believe it is a wonderful thing.

Gentlemen, these two ideas are really our children. This "Clean Up and Paint Up" Campaign is one of our children and one of the big things of this organization. The "Save the Surface" Campaign is another. (Applause.)



Howard Elting
National Councillor

fact" Campaign. The two activities are aiming to make 1922 all that we hope for it, and each succeeding year all that we hope for those years.

Next in order came the report of the Chamber of Commerce Committee, presented by Howard Elting, National Councillor. The report follows:—

Report of Chamber of Commerce Committee

Since our convention in St. Louis last year the Chamber of Commerce of the United States of America has been exceptionally active in both domestic and international commercial affairs.

Your Councillor being unable to attend the convention in Atlantic City, Mr. Harry J. Schnell generously offered his services and he, with Secretary Horgan, represented us, together with other members of our organization. It was a great sense of obligation that prompted Mr. Schnell to accept the work involved in going to Atlantic City.

The National Chamber has always been grateful to the National Paint, Oil and Varnish Association for the help it has given in backing up the activities of the Chamber—whether it be in reference to voting on their

referenda or any other work that they were doing for the benefit of the people of the United States.

Their Secretary, Mr. Skinner, a few days ago, wrote me as follows: "Our only wish is that all of the committees of the National Associations would be as helpful in this particular of presenting a report to their organization as you have done in the past."

I can only say that I want to acknowledge the good work the members of the committee have always done in helping out their Councillor to voice the opinion of our members.

I will give below a brief resume of the activities of the Chamber throughout the year:

Transportation.

In the problem of transportation and its relation to public development, the Chamber, among other things, was instrumental in securing an amendment to the Transportation Act of 1920, which made it possible for the railroads to obtain partial payments due them in advance under the guaranty provisions of the original Act. Its Committee on Railroads prepared a report making numerous recommendations to relieve the freight car shortage in the summer of 1920. With regard to local transportation through a referendum which closed January 5, 1921, the Chamber became committed to a broad policy of conservation of existing traction facilities and regulation which will promptly follow changes under which traction companies serve the public, and with provision by the companies for publicity as to results of operation and for responsible resident management.

Labor Questions.

The Chamber has closely followed developments relating to railway labor and placed before the Railroad Labor Board its opposition to proposals of organized railroad labor in favor of establishment of national boards of adjustment. In July, 1920, through referendum vote, it became committed to a program of regulation for the relations between public service corporations and their employees embodying, among other things, objections to strikes by employees of public service corporations and their employees. In addition, in June, 1920, a referendum was taken on a statement of principles for employment relations, which resulted in a broad program, including the right of open shop operation, legal responsibility of associations or combinations of employees or employers for the conduct of themselves and their agents, and condemnation of strikes on the part of Government employees.

Government Control of Industry.

The Chamber successfully opposed proposals made in the last Congress under the guise of the regulation of the live stock and coal industries. Both of these measures went far beyond Government regulation, and involved actual government operation of these great industries under certain conditions. Neither bill passed Congress.

The International Chamber of Commerce.

The Chamber of Commerce of the United States has been conspicuously active in the organization of the International Chamber of Commerce. The organization has been completed with headquarters in Paris, an administrative commissioner of the United States resident in Paris has been appointed and on duty there since December, and the American section of the International Chamber has been organized with headquarters in the office of the United States Chamber. Several meetings of the Board of Directors of the International Chamber have been held in Paris, and the first annual meeting of the Chamber held in London in the last week of June was devoted to the theme of "The Restoration of World Commerce."

Former President E. J. Cornish of our Association was a delegate at this conference.

As another indication of the importance of international affairs, a fruitful conference was held in Washington in October, 1920, with a delegation of representatives of associations of British Chambers of Commerce. At the ninth annual meeting a declaration was adopted urging prompt restoration of world peace.

Taxation.

Regarding the policy the Federal Government should follow in taxation, the referendum of the Chamber, which closed on January 31, committed the Chamber to advocacy of a number of changes, including the repeal of excess profit tax, the levying of new excise taxes upon some articles of wide use but not of first necessity and decentralized administration of income taxation. Several proposals failed to obtain the support necessary for adoption in this referendum, including questions about the income tax for obtaining revenues needed after the repeal of excess profits tax, the use of sales tax for such a purpose, the levy of a tax upon the undistributed earnings of corporations, and payment by each individual stockholder in a corporation of his own normal tax upon dividends. The subject of taxation was given a conspicuous place in the ninth annual meeting, and as a result of the declarations adopted in that meeting, a new referendum on forms of taxation supplementing the first referendum is now under way. Through this referendum it is hoped that the Chamber's program regarding new forms of taxation will be made complete.

Government Operations.

Very largely through the work of the National Chamber ever since its organization in 1912, an act has finally become law establishing a budget system for the National Government.

As you know, your Special Committee on the Budget has co-operated closely with the Chamber in helping work out this new law, which will mean so much to every business man in the United States, and I want to pay tribute to the splendid work of Mr. Chas. J. Caspar, who was largely instrumental in bringing this question to the attention of our members. All credit is due to him.

We are also grateful to the members for having written their Congressmen and Senators on this budget question, which act, I have heard, added a tremendous weight to the force of public opinion, which finally created the budget system.

Other questions relating to Government operations which have had the attention of the Chamber are problems relating to Government employees and reorganization of the machinery of the National Government. In the

former the Chamber has become committed to advocacy of several principles intended to reform the Government personnel policy. Questions relating to Government reorganization are now being studied by the Chamber's Civic Development Department and the Chamber's Committee on Budget and Efficiency. These questions are almost sure to be acted upon through legislation as the result of the organization of a Congressional Joint Commission on reorganization. At the request of the Secretary of Commerce the Board of Directors in March authorized the appointment of committees to work with the department and thus establish closer contact between the department and representative business organizations. The results already obtained promise decided benefits, and the growth of the department along the lines for which it was originally cast.

Housing Conference.

The critical housing situation was made the theme for a conference held in connection with a meeting of the National Councillors of the Chamber in January, 1921. At this conference the subject was discussed from every angle, and a number of important resolutions were adopted which are now having the attention of the Chamber's Civic Development Department.

New Departments.

The reorganization of the Chamber has been completed on a departmental basis. The great cross sections of American business are now represented in the following departments: Insurance, Foreign Commerce, Fabricated Production, Domestic Distribution, Finance, Natural Resources Production, Transportation and Communication, Civic Development. The activities of the departments have steadily grown in scope and value. The departments are manned with specialists and equipped with adequate facilities to furnish, as they have already in many instances furnished, individual business men or firms, expert assistance and information bearing on their peculiar problems.

Committees.

In addition to the operations of the various departments of the Chamber, the Chamber has had the benefit of the services of numerous committees, including the committees on Ocean Transportation, Postal Facilities, American Ideals, Fire Waste Insurance, Par Collection of Checks and Forestry Policy. The activities of these committees have consisted in studies of problems in their particular fields, co-operation with Government agents, and information service to the Chamber's members.

Ninth Annual Meeting.

The Ninth Annual Meeting of the Chamber in Atlantic City April 26 to 29 was devoted to the theme "In the Public Interest—More Business Methods in Government, Less Government Management of Business." A departure was made from the plans of previous meetings in that although a number of group meetings were held at which subjects of special interest to each group were discussed, one of the two sessions of each group was devoted to the discussion of the same subjects, namely, Taxation and Tariff Policy. The other group sessions were organized around the departments of the Chamber. At the final session a number of declarations were adopted covering such subjects as International Debts, Railroad Transportation, Waterways, Highways, Commercial Arbitration, Communications Abroad, Disabled Veterans, Treatment of Soldiers, Sailors and Marines.

National Obligations to Veterans.

As the result of declarations adopted at the 8th and 9th annual meetings, the Chamber is committed to the support of generous treatment of veterans of the world war but in opposition to a cash bonus. The Chamber is now engaged in an active campaign in favor of proper measures for the treatment of disabled veterans of the war and for economic aid to veterans such as home building and farming, but in strong opposition to cash bonus.

National School for Commercial Secretaries.

A national school for commercial secretaries has been established under the joint auspices of the National Chamber, the National Association of Commercial Organization Secretaries, and the Northwestern University School of Commerce. The first session will be held at Northwestern University, Evanston, July 17 to July 31, 1921. Instructions will be given by regular members of university faculties and by leading commercial organization secretaries.

Membership.

The voting membership of the Chamber made up of commercial organizations numbered 1,429 on June 30, 1921, representing an underlying membership of 794,709 corporations, firms and individuals belonging to member organizations, with 7 resignations pending. This should be compared with the organization membership on June 30, 1920, numbering 1,379 with 8 resignations pending.

The individual membership has been increased from 7,074 on June 30, 1920, meeting to 7,161 on the last day of June of this year. The associate membership has been increased from 6,425¼ to 7,340¼ during the same period.

You will notice from these figures there are practically 800,000 corporations, firms and individuals (to say nothing of over 7,000 individual members) bound together for the good of the entire country.

The most prominent men in the nation are working through committees of the Chamber for the good of the nation. I am proud of the fact that our organization has been from the inception of the Chamber back of its activities.

I can only repeat what I said in previous reports, "That the President of the United States asks its help. Congress pays attention to its findings and the people at large look to it for advice."

It is with great pleasure that I submit this report for your careful reading and ask that you continue to give your whole-hearted support to the work of the Chamber.

CHAS. J. CASPAR,
RICHARD MOORE,
J. B. KEISTER,
P. H. CALLAHAN,
HOWARD ELTING, Chairman.

President Evans:—This report had the approval of the board and is read for the information of our members. It not being necessary to renew our allegiance to the chamber, but merely to continue our policy. Adjournment of the session followed at 5 o'clock.

WEDNESDAY, OCTOBER 26

FOURTH SESSION

Wednesday Forenoon

The fourth session was convened at 10 a. m. President S. Marshall Evans presiding. In the absence of Chairman E. H. Hancock, of the Committee on Varnish, Secretary Horgan read the following report:—

Report of Varnish Manufacturers' Committee

The year 1920-1921 has brought to the Varnish Manufacturers, like it has to most every other line of endeavor, a period of unusual and unprecedented business conditions, incidental to the readjustment of the Commerce of our Country from a War-Time to a Peace basis in so short a period of time.

From the very nature of the varnish industry, raw materials being brought from all parts of the world, the manufacturer is required to maintain large supplies of these commodities on hand at all times; consequently due to the shrinkage in volume of sales, beginning in the early fall of 1920, most varnish manufacturers found themselves at the end of that year with large stocks of raw materials at considerably higher costs than the replacement values, which loss was in most cases promptly absorbed by the manufacturers, and 1921 prices were based on replacement values.

As Chairman Schumann stated in his report last year, Varnish Manufacturers, almost generally, had given their customers the benefit of all favorable purchases of raw material; consequently prices were never advanced abnormally and therefore there was no necessity for great reductions in prices to bring the level back to normal. It is very gratifying to observe how promptly these price liquidations were accomplished; first, by at once absorbing inventory loss; second, by pushing production cost downward to the very limit without sacrificing quality and service.

Added to the problem of lowering values, the early fall of 1920 brought a noticeable slowing up in the sales of varnish products which continued well up to the middle of 1921. However, reports from all sections now show a very gratifying increase in demand, especially since August 1. The present prices of raw materials, undoubtedly indicate there will be no further reduction of prices on varnishes at least for the remainder of the year. This belief seems to have stimulated buying to a considerable extent and the prospect for future business is by far brighter than has existed for some time past.

President Evans suggested at the beginning of his administration that your Committee on Varnishes could be of great assistance in the statistical work of the National Paint, Oil and Varnish Association in the way of gathering the desired information relative to the Varnish Industry, and this suggestion was favorably received by a number of varnish manufacturers.

However, your committee found that due to the demand on the energy and resources of each individual varnish manufacturer to bring his own business safely through the abnormal conditions of the past year, this was not an auspicious time to make any very extensive effort in this direction. However, would respectfully submit this suggestion to the incoming administration for its consideration, with the further suggestion that should they deem it advisable to more fully develop this idea, they take the matter up with the National Varnish Manufacturers' Association, for in order to obtain the best results, it would be necessary to have the President and Board of Directors of that Association indorse the idea and lend their personal assistance in obtaining the information.

Respectfully submitted,

W. H. MAGOFFIN,
JOHN B. YOUNG,
E. H. HANCOCK, Chairman.

Secretary Horgan:—I might say in connection with the last part of that report, that the Varnish Manufacturers' Association have indorsed the statistical plan and have a representative on our Statistical Committee, in the person of Mr. Heddel, the secretary of both the Paint and the Varnish Manufacturers' Associations. President Evans:—This report was passed by the directors to the convention as a matter of information. President Evans:—We will have the report of the Committee on Trade-Marks. This is one of the institutions that is a steady and constant service to us, and here is a man who is a steady and constant service to us also. D. W. Edgerly read the report:—

Report of Trade-Marks Committee

The Year's Work.

The established and continuous work of the Trade-Mark Bureau is to keep a detailed card file index of Trade-Marks in use in our industry; to publish a pamphlet noting the name of the marks in use; to issue Reports and Registration Certificates, and to give public notice of such registered marks and also of marks being presented to the U. S. Patent Office for registration, in order that the Bureau may serve as a valuable source of Trade-Mark information to our members.

During the year, there has been added to our card file reference list several hundred marks, principally those that have been recently adopted and put into use. In 1920 a direct letter inquiry was sent to about seven-hundred concerns requesting information as to their marks in use. To make our lists as complete as possible, it appears advisable to repeat this method of obtaining some record of marks in use, and plans have been made to circulate our industry to this end. However, for their own good, concerns should not wait for the Bureau to solicit this information, which in its general plan is now carried out every second year, but should immediately send us such information at the time a new mark is put into use.

The "1920 Supplement Trade-Mark List" was issued last April. As far as your committee could determine, the two pamphlets—"1919 Trade-Mark List" (35 pages) and the "1920 Supplement" (12 pages) have been forwarded to all member concerns who use trade-marks.

The furnishing of Reports, giving a list of marks similar in sound, form or

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significance (as shown on our records) usually with some remarks, and also of Registration Certificates, has been carefully and faithfully carried on by the staff of the Secretary's office. Over two hundred such Reports have been issued during the year. In view of the valuable information which such Reports contain, it is certainly unwise for any concern to adopt a new mark without first obtaining such details. It is also of great value where marks are to be registered in the U. S. Patent Office, and should be a part of the information given to the attorneys handling such work.

The Association Bulletin and the several trade papers give public notice of the name of the mark and of the concern using the same, for which a Registration Certificate has been issued by our Bureau. The Association Bulletin, in addition, lists the marks for which application has been made for registration in Class 16 in the U. S. Patent Office. Thus our members have cognizance of these latter marks and it enables them to take steps to enter objection to the actual registration of certain marks in the U. S. Patent Office. Such publication of marks was made five times during the past year. It is of value for each concern to check their marks against those that are so published.

We note an increase in the number of letter and telegraph inquiries sent to the Secretary's office requesting information as to various trade-mark matters. Immediate reply has been possible to most of such inquiries, but a considerable number are referred to the Trade-Mark Committee for their consideration.

In addition to the foregoing, your committee has been developing correlated lines of service which will come to practical completeness from time to time and become a part of the Bureau's system.

Canadian Trade-Marks.

It was noted in our report made at the St. Louis Convention that it appeared advisable for our Bureau to undertake a listing of marks used in Canada. An inquiry has been sent to all Canadian paint and varnish concerns requesting them to send us a detailed list of the marks that they have in use. Through the co-operation of our Canadian Vice-President, Mr. Monypenny, we expect a hearty response. With this necessary beginning and the further work of listing marks from the official publications of the Canadian Government Bureau, your committee expects that a fairly complete record will be in order within a few months. This special division for Canadian Trade-Marks will be of direct value to all of our Canadian members, besides being a natural completing of trade-mark data of use to many of the United States members who ship to and manufacture goods in Canada.

U. S. Patent Office Registration.

The Act of 1905 remains as the basic and principal governmental trade-mark registration law. The rules and regulations as to what kind of marks will be registered under this Act still indicate the type of mark which one should select and use. The legal protection afforded is believed to be more far reaching than by registration under the separate Act of 1920.

Certain foreign countries require registration of a mark in the home country before such a mark may be registered abroad. Under the Act of 1905, it was not possible to register in the U. S. Patent Office some marks in use. The Act of 1920 was passed to enable such marks to be registered in the U. S. Patent Office in order that they might be registered in such foreign countries provided the marks have been in use for one year.

We will not go into the present status of foreign registration, but will only repeat the conclusion stated in the report of the committee made last year that the only safe course at present open to American traders, who desire to fully protect themselves, is to register their marks independently in each country.

Some concerns who have a mark which is not capable of registration under the Act of 1905, and who have no expectation of using the same in foreign trade, have registered their mark under the Act of 1920. What real value this registration has for such a mark has not as yet been determined. Such registration clearly indicates that the mark is of a type where there are great possibilities that the registrant has not exclusive rights of use that one has under the Act of 1905. Some consider that for the present it is preferable to rely on protection for such marks under the Common Law and not register them under this Act, unless for purpose of foreign registration.

There are indications that trade-mark attorneys have registered marks in the U. S. Patent Office under the Act of 1920 without making clear to their clients the possible limited rights as to their protection under this Act as compared to protection under the Act of 1905. We suggest that our members who obtain U. S. Patent Office registration have clearly in mind whether they are protected under the Act of 1905 or the Act of 1920.

In our Association Bulletin there will continue to appear a listing of marks for which application for registration has been applied for and for marks granted registration in the U. S. Patent Office, separately noted as under the Act of 1905 and the Act of 1920. Recently the official Gazette of the U. S. Patent Office has published International Trade Marks as received from the Bureau at Habana. When these International registrations apply to our industry, we will list them in our Bulletin.

Respectfully submitted,

F. P. CHEESMAN,
J. V. REARDON,
D. W. EDGERLY, Chairman.

President Evans:—I think all those who heard this report will agree with me that here is a real service institution for the whole industry, and we are all very greatly indebted to you, Mr. Edgerly, for the efficiency and the business like way in which you have handled this department of our business.

The following report of the Transportation and Classification Committee was read by Secretary Morgan, as the chairman of that committee was not able to attend the convention:—

Report of Transportation and Classification Committee

The Transportation Act of 1920, with its broad departure from all previous railroad legislation whereby the Interstate Commerce Commission is charged with the duty not only of so regulating the carriers as to prevent unjust discrimination and all the other irregularities which the carriers were

formerly charged with, but at the same time is required to so adjust freight rates as to enable the carriers to earn a reasonable return on the value of their properties that are employed in the service of transportation, has been in effect now for a period of 19 months.

Due to the unexpected and almost unprecedented falling off of business, which began almost immediately after the rate advances of August 26, 1920, the carriers have as yet failed to realize much, if any, of the benefits that were anticipated—with the result that their financial as well as their physical conditions are little, if any, better than they were in February, 1920.

Business depression has kept down their earnings. Their lack of funds together with high price of materials has kept down their purchase of much needed repairs and improvements and their difficulties in cutting down their labor costs in any considerable degree is well understood.

If as a result of a different adjustment of foreign exchange or for some other reason there should arise a vigorous demand for American goods in foreign countries, and at the same time our domestic business should take an upward turn of any appreciable magnitude, it is a very serious question as to whether the railroads could be readily equipped to properly handle it.

Maintenance work that was neglected or postponed during the period of federal control represents hundreds of millions that will have to be spent for ties, rails, ballast, etc., by the carriers before pre-war track conditions will be restored.

Power and equipment have deteriorated and renewals have been inconsequent. Consequently while due to limited traffic the carriers are able today to give reasonably good service, there would be a different story if the business conditions of 1919 were restored, and the tonnage of that year had to be moved.

We can all remember the difficulties we encountered in 1919, first, in procuring equipment in which to ship our raw materials and, second, for our manufactured products, and the delays in transportation after equipment had been furnished. This is all ancient history now, but it should serve as a lesson to this organization and all similar organizations that transportation, and prompt transportation, is one of the most vital requirements for successful business, and without it we can get nowhere.

The tremendous increase in transportation charges, both freight and passenger, have brought forth protests without end. Some of the advances proposed have been suspended temporarily and a few of them permanently. Statements have been made that the high freight rates are largely responsible for business depression and a good many prominent people have advocated material and general reductions, but what seems to have been wiser counsel has decided that the present measure of rates generally will have to be continued with the understanding that in specific cases where it can be shown that a lower scale of rates will be productive of improved business or where discriminations have been interjected as a result of the various percentage advances, such matters will be ironed out. Some of these adjustments are being made voluntarily by the carriers and others through appeals to the Interstate Commerce Commission.

It is the view of the members of your committee that material economies could be effected by a careful study of the containers used in handling our heavy materials. The use of wooden barrels for handling oil has been practically discontinued. Would it not be practicable to use iron or steel barrels for handling our basic pigments, such as lead, zinc, barytes, whiting, etc.?

Your Transportation Committee submits that this is a large and important question and perhaps justifies the appointment of a special committee, who will make a careful and complete analysis of the subject and report its conclusions.

Your committee begs leave to call attention to the limitations upon its opportunities for constructive performance.

Your committee was severely criticized during the current year for failing to take an active part in the protest against certain rate changes in the Mississippi Valley territory. The action imposed upon the railroads by the Interstate Commerce, in some instances beneficial to shippers and undoubtedly harmful to other shippers, dependent upon their location, but as there are constituent paint clubs in territories that were benefited as well as in territories that were harmed by this ruling, your committee deems it impossible in fairness to all interests involved to take a position in favor of one section as against another.

While the committee personnel is generally selected with reference to various zones of the country, it is difficult for this very reason to secure a meeting of the entire committee except at the National Convention. Now it might be advisable for the Association office in New York to maintain a clerical force for the purpose of keeping us constantly informed on rates or classification changes that are being considered by the carriers or by the Interstate Commerce Commission.

A great many of our individual members are also members of the National Industrial Traffic League, and through its instrumentalities are currently informed of what is transpiring throughout the country in transportation matters of national importance. It is suggested that this organization take out a membership in that organization in the name of the Secretary which will insure his receiving copies of all documents sent out by the League, and enable him to publish in the Bulletin such portion of their issues as are of particular interest to the trade. The cost of membership is about \$100 per annum, and in the judgment of this committee would represent a good investment.

The Association has never made adequate appropriation for carrying on the work of the Traffic Committee to cover items of expense for traveling, cost of briefs, legal expenses, etc. We understand that the Interstate Cotton Seed Crushers' Association has a budget of \$2,500 for such purposes. The Georgia Cotton Seed Crushers' Association has no such appropriation, but any expense incurred during the year is vouchered on presentation of bills. If constructive work is expected of the Transportation Committee of this organization, some similar arrangement would seem to be necessary, all of which is respectfully submitted.

J. P. RASMUSSEN,
C. W. BRIDGER,
J. M. HOUGHTON,
J. A. MIDDLETON, Chairman

INC

ing year." Upon that committee I would like to have D. W. Edgerly as chairman, representing the lead interests, the representatives of the companies, the representatives of the colored people, the representatives of the manufacturers, Mr. Hendricks, of the New Jersey Zinc Co., representing the zinc interests, the representatives of the colored people, and Mr. Thomp, representing the barbed interests. That committee will report to us at the next annual convention. This matter is a long subject.

W. H. Crawford, chairman, presented the report of the Naval Stores Committee to the following:

¹ *Journal of the American Medical Association*, 283, 2001, 2539-2542.

your attention to economic and fund-
 et conditions of Naval Stores.

a turning point on August 4, 1921, when prices were: For Black, \$3.30; WW, \$5.40. The values in rosin, and in attempting to fix the range of prices for rosin it has been accepted dead line of 1913 values as being surperntine. In explanation, 1913's prices of liquidation of the then largest company liquidating rosin values which may be accepted as normal conditions, your committee has used the years preceding the war, but necessarily the years. Using the average Savannah, Ga., during the war, for the two extreme grades of "WW," \$6.90. The peak of the war-time was \$24.25, and average advance of 275 percent during the war-time advance and produced a point below the average of the five years

er peak of \$2.33 per gallon to 46½ cents
 eminated the war advance and produced
 e of turpentine for the five years preced-

The 1921 crop was largely accelerated by depression commencing in 1920 moved, affecting consumption by the soap maker, and lastly by the paper maker.

petitor during the spring and summer of 1974, in a free foreign exchange situation. We are informed that, in this situation, for the first time, because buyers were not able to pay for this year have ruled less than during the previous years. The consumption of rosin are considerably less than in the present price levels are far below pre-war levels. Therefore, the present situation is far above replacement. Therefore, the present situation is far above conditions.

much stronger position than rosin. The

or radical declines. Irregularity in the
In giving consideration to the last
to remember that the visible supply of
in the hands of the producer and dis-
location of these stocks has been disar-
tinue indefinitely. Ample funds are said
the surplus of rosin and turpentine.

the attitude of its membership with the standards for Naval Stores, as expressed in the report of your committee. Senator Pat Harbo, who introduced the Naval Stores Bill on April 17, 1921, has introduced additional measures of expediency, such as the bill now before you, which have precluded consideration of this bill.

The retiring Secretary of Agriculture, Mr. Clegg, has also espoke legislation with respect to Naval Stores. The incoming Naval Stores Committee to be appointed by the Forestry of the Senate, to which this bill has been referred, will have to pass or reject this bill. The press enact this much needed legislation.

The National Varnish Manufacturers' Association of the United States has also expressed its interest in the bill.

The Forestry of the Senate, to which this bill has been referred, will have to pass or reject this bill.

by a large majority of the consumers of Naval Stores.

bill.

Bureau of Chemistry continues to find adulteration of turpentine. This misgrading is 50% to 60%, while it is not uncommon in other grades. We regard this continued misgrading as due in part to inability to secure proper type of turpentine. We emphasize the necessity for the authorization of the Bureau of Chemistry to prepare and distribute glass types for the purpose of identifying adulterated turpentine.

where herein the most recent expressed opinion of the Commission is that the use of the specimens thereto. These opponents are giving expression to that effect which is "settled" and that standards having been established by the several Boards of Trade and that the Commission is in agreement with the Harrison Bill. We now refer to that bill, which is the Harrison Bill of 1914, appropriating \$100,000 for the purpose of appropriating \$10,000 dollars to the Bureau of Standards for the purpose of authorizing it "to investigate the weighing of samples of Naval Stores and to prepare definite type samples and to prepare definite type samples and to prepare definite type samples under the authority therein granted, and to prepare definite type samples and to prepare definite type samples and, while these standards have been adopted by several Boards of Trade, definite type samples have not been established by the Commission. It is the purpose of this bill not only to establish but to establish definite type samples prepared by the Bureau of Standards, being under the impression that the Commission is in agreement with the Harrison Bill, established by their adoption by the several Boards of Trade, a sufficient ground for objection to the proposed bill is that it is not a fact.

that when this bill is favorably re-
cently enacted into a law by Congress.
Bureau of Chemistry is continuing its
rosin esters, preparing a preservative
varying constants and composition of
s for this information from members

particularly stress the unique position of the accumulation of and dissemination of the Naval Stores Industry. While unreserved criticism, because of their lack of statistics with relation to Naval Stores, is regarded as so essential that the committee is doing this work. This committee has the duty to urge by letter approximately 100,000 copies of the Government questionnaire to these delinquents, inadvertently, in their interest.

this committee here gives expression to co-operation which has been accorded to the Bureau of Chemistry and the recognized exponent of the soap industry, New York.

fully submitted.

I. H. McNULTY.

F. L. COLBY.

W. H. CRAWFORD, Chairman.

of the Savannah Club to be present, give expression to the position of the Savannah Club in respect to this matter and will be glad to hear from him.

There was no response to this invitation.

There was no response to this invitation.

Mr. Crawford Wants Standards

Mr. Crawford:—Mr. Chairman, I want to address my remarks to that resolution. It seems to me that in order to give any consideration to any subject, we

Mr. Crawford Wants Standards
Mr. Crawford:—Mr. Chairman, I want to address my remarks to that resolution. It seems to me that in order to give any consideration to any subject re-

particularly one involving law, following the procedure of law, that that should be made more definite and specific.

If I understand that resolution, there is no opposition expressed within the resolution to any law that would tend to prevent deception in transactions of any kind.

The objection seems to be addressed to the language employed in writing of the bill. It seems to me, that in the absence

of the Savannah club or any of the representatives of the naval stores industry (who were, at the request of Mr. Cornis

especially invited to the St. Louis convention and declined to accept an invitation and have again been asked here to present the issue in order that it might be met) the next best thing we can do to follow the plan of the board insofar

putting the directors to work on the "Clean Up and Paint Up" Campaign, by asking the director and our vice-president from Atlanta, Ga., to act in the presence of bringing together the Naval Stores Committee of this association and the opponents of this bill in the charming city of Atlanta, and working this thing out in order that there may be harmoniousness and that there may be co-operation in bringing about and carrying out that wonderful slogan, "Make 1922 the Greatest Paint Year."

The only conclusion that we can reach is to the opposition, which is the first time that any has developed in the number of years that this has been up. That they must feel that at the present time we are about to legislate for the Federal glass standards.

If I voice the opinion of the Naval Stores Committee, it is that all we desire is the establishment of these standard of glass prepared by the government order that they may be made the official naval stores grades of the United States and such law as is necessary in the form of a substitute.

We care not how that law is worded in order that that may be accomplished. I leave that simply as a suggestion to this body because I feel quite sure that they are going to concur in the recommendations of the board.

President Evans:—I take it, Mr. Crawford, that you would like to move amendment to the recommendation of the board to the effect that our present Southern regional vice-president be asked to extend to the opponents of the Harris-Naval Stores bill, an invitation to meet with him on the subject of the differences which may exist upon the verbiage of the bill, be harmonized if possible, but if we hold fast to the one condition, that we wish and insist upon the establishment legally of the present government glau-

Mr. Crawford:—That is right.

Mr. Cornish Declares Standards Necessary

E. J. Cornish:—I always admire the action of any man who throws the truth to his opponents and tells them the reasons for his own position. I am not so certain that that appeals to the public as it does to the politicians, because it looks very naïf. I am not so certain that that appeals to the public as it does to the politicians, because it looks very naïf. I am not so certain that that appeals to the public as it does to the politicians, because it looks very naïf.

I remember distinctly stating that I knew so little about it that I would refuse to help any one until I could hear the other side.

Therefore, we invited them at the convention in White Sulphur Springs to appear. Someone, however, but we were apparently not authorized, and he apparently did not know what the real objections to the bill were at that meeting.

The matter came up the next year, under the administration of Mr. Moore. I was on the Executive Committee at that time, and I remember distinctly that the Executive Committee sent invitations to every person known to be engaged in the purchase and sale of naval stores, to come before this association and present their objections to that bill. It was a special invitation, unusual in the history of our association.

At St. Louis, you will remember, there was not a single person represented in opposition to this bill. They entirely ignored the National Paint, Oil and Varnish Association.

Now again at this session there has been, as I understand it, another invitation given to everyone to appear at that bill to come here before this association and present their objections to it, and again we find no attention given to the matter, excepting indirectly through the courtesy of our friends from Atlanta.

Of course, if we are intruding upon a matter that is none of our business, it is very proper to leave it alone. I have informed that nearly all of the turpentine consumed in the United States and 20 per cent. of the turpentine consumed in the United States is purchased by, and the primary consumers are, members of this association.

I do, however, have a right to ask these middlemen to appear before us and assist us in forming our conclusions, and we are not intruding upon their rights or their business, and it is an insult to their customers and to this association not to appear.

I like to speak that much in assertion of the dignity of our association; but for the first time in its history, they have been into the facts of the opposition to this bill, and for two days have given some attention to the matter.

I find that the necessity for some regulation of the naval stores business originated with consumers. I think that there was a greater need for regulation on the part of the primary producers, but apparently the primary producers are very small farmers and not able to take care of themselves, and are likely not to be represented more than anybody. But the consumers in this association of ours found that they were victims of fraud and deception in the purchase of their rosin and turpentine, and they were the ones who commanded attention in the industry in their own behalf.

I will not go into the details of what that fraud was, an adulteration of turpentine, its misgrading, and so on. I am informed that the barrels that contain rosin are sold as part of the weight of the material, and that the adulteration as three and four inches sometimes, when the price of rosin was high, and other barrels of that kind of adulteration were put on the consumers in this organization.

That was the origin of the matter. I am informed that since this bill has been pending, there has been a decided improvement in trade practices followed by consumers in this association generally attribute to the fear that the bill will be passed and entirely do away with fraud and deception in the sale of naval stores. That, of course, is a matter of opinion.

Getting down to the objection, I have read with great care another paper that was written to the Atlanta club in opposition to this bill. I find that the merits of the opinion and of the speakers, well taken, some perhaps not. There is the great question raised of Federal interference in business, and so on. Now, the particular argument that they make to the people of Atlanta, as to whether or not they want a building company started, is demagogic, in my opinion, and has no merit. There is absolutely no question of a government establishing a grade or a measure or anything of that kind and engaging in a building industry, or any other kind of business. This bill does not contemplate that the government should do anything of the kind, but it does in a form that anyone could tell what he had by comparison with the established grade. That part does not seem to cut any figure.

I find that in the bill there are some words that I am informed by the chairman of this committee were left out in printing, that makes a typographical error that has been picked up and made a great deal of in opposition. That is something that could be easily corrected in the bill. There is also a figure, that was originally that the government should appropriate \$10,000 a year for this purpose, and when the bill was printed, the people down there at Washington didn't know what figure that was for a year, and they made it \$100,000 a year. (Laughter.) That is another thing that can be corrected.

They state that there is danger of the grades being changed from time to time by the Department of Agriculture. My information is that the Department of the form of the national legislation creating standards for the sale of grain and cotton and other commodities has copied the language of those previous bills. The Department of Agriculture is the only power that has the right to intelligently create grades and standards. I don't believe that that ought to be included in a bill providing for the regulation of the naval stores industry. It seems to me that it is very proper to refer that to the Department of Agriculture, and that everybody can be assured that the Department of Agriculture of the United States is not going to change grades and standards that it establishes, and in establishing grades and standards it will accept the accepted practices of the business, and regulations that have been devised. I see no criticism of that plan.

Now I come to the conclusion of what I have to say. I have no objection to appointing these two gentlemen whom I have found to be extremely capable as a committee with our own committee, to try to get the opponents of the bill to agree to the terms of a bill that will be fair. You will notice that

in the resolution of the Savannah club they have done what in law is called "attest the facts." They have not, however, criticized, but you can tell from that what is the particular criticism. I am afraid that the National Paint, Oil and Varnish Association wants Federal legislation providing for grades, that they may have, so that whenever they make a contract that will be made definite by law; the form of the bill ought to be such that it will carry out that general intention.

In my opinion, that bill ought to go somewhat further and protect the small producer in the Southern States. It looks to me as though the middlemen, the factors who buy the material from the small farmers and again sell it to you as consumers, have prepared this bill, and have not fully protected the small farmer of the South. I just put that out for your use. They should be protected; but the consumer here in this association demands protection that they establish grades so that frauds are impossible. That, I believe, is the sentiment of this association. (Applause.)

W. H. Crawford:—Mr. Chairman, I endorse everything that Mr. Cornish has said. The objection is mostly for a convention that for four consecutive years preceding this one, the naval stores retailers had made the the announcement that there were only two issues involved—the protection of the consumer and the producer, and that their interests were akin.

This year, in order to have variety, and that the association should have the indulgence of repeating, we left it out; but I think that that should follow what Mr. Cornish has said.

Mr. Dill Urges Co-operation

Mr. Dill (Columbia Naval Stores Co., New York):—I have listened with a great deal of interest to what has been said on the subject of this bill. I want to start out by saying I have no objection whatsoever to any bill that is intended or directed toward the controlling of adulteration that may be in any business. I think the whole trouble is that you don't understand each other. I do not think there is any objection to the establishment of glass types, if so, I have not heard of the naval stores industry. I am not speaking for anyone, I am only stating facts as I see them. I see them in the South, as I understand it, is that they fear getting the naval stores business under the control of the United States Government.

I believe if you gentlemen will get together and agree, and suggest, to compose these small differences, you will not be very far apart on the bill. That is the object of this meeting.

So far as the irregularities in the trade are concerned, I would like to correct one erroneous idea that seems to be the middlemen is always rascals. I believe our friend, Mr. Crawford, comes in that category, as well as myself. All of you who are dealers of turpentine and rosin know the condition in that trade.

It was not the fear of the Harrison bill, I doubt if the Harrison bill will change conditions materially. The establishment of grades has been one thing that has been followed for thirty years. I know one man who established the first grade of rosin in America. He is dead and gone, and his son follows him up afterwards. It was a slipshod method, gotten up for the convenience of men in New York.

At that time there were only about four grades. They began to get more particular and to give us more grades. The world can tell two grades apart unless he has a sample. I can't and I think you can't either. I think conditions are very improved so far as the misbranding of fraudulent propositions is concerned. Some of you have your own grades and you know what they are. I don't care whether they are established by Congress or Mr. Cornish or someone higher up. But what are you getting at gentlemen? Why go and hang on a lot of other trouble and let the matter go. Let's get together as Mr. Crawford says and talk it over and find out what is wrong; find out what we don't and what we want. We dealers are just as anxious to have the atmosphere cleared up that when we send you something, you will know what you are going to get.

Let us principle that my customer is always right. We want you to get what we sell you. Tell us what you want. Get together and get your samples if you want, but don't go and put on a lot of frills for something that is not going to do you that much good and will only give you a lot of trouble and confuse you, myself, Mr. Crawford and a lot of others in this business. Find out what you don't want and then go ahead and do what is right! (Applause.)

Mr. Crawford:—Mr. President, may I further state that and recommend that Mr. Dill be asked to join us at Atlanta?

Mr. Dill:—I would have to decline to take part in the discussion of the bill in shape or form. What I said was said on my own initiative. I am just a poor, honest dealer.

Mr. Lockwood Explains Conditions

J. E. Lockwood (Naval Stores Division, Hercules Powder Co., Wilmington, Del.):—Mr. President, I am a member of this organization and a representative of a producer of naval stores and one who wants to see an interest to put together for the benefit of the industry that the materials that this association needs may continue to be produced, distributed and sold on the basis that will be fair and satisfactory to all concerned. It seems to me that the modification of the chairman of this committee and the chairman of our Naval Stores Committee, that this matter could be modified from the standpoint of the industry, by seeking to draw together, to discuss the question broadly, those interests which are involved, at a meeting in Atlanta.

There are, I believe, certain conditions that this association is not fully understanding. There are four classes of interests, I believe, in the naval stores field, and they are involved, at a meeting in Atlanta, whom are small and largely without the

necessary capital to operate without loans that are advanced by the producers' representative who is called the factor, but is not a dealer in the ordinary sense of the term. The factors are the second class. They represent the producers, supply him with supplies, take a mortgage upon his products, receive the products as they are made and call to the dealers and exporters who are regular handlers and middlemen, you might say, of the naval stores industry. There are the consumers.

In all of the first three classes of producers, factors and dealers and exporters there is to my knowledge—and I think I am informed on this subject and your chairman will agree with this—no organization today through which those classes can individually or collectively be represented. It is desirable that they should be properly represented and properly considered in what is to be done.

Under former pre-war conditions, approximately 48 per cent. of the naval stores produced in this country were exported. Today the foreign countries, particularly France and Spain, have increased their production. The production in our country has decreased. We are today looking, but are endeavoring to build up again, that export trade, and I don't believe there is a member of this association but who wants to do everything he can to help the industry as every other American industry should be helped to develop itself to the possibilities of world trade.

Now I note from the comments that this organization consumes 70 per cent. of the turpentine and 80 per cent. of the rosin and consumes probably in value the largest share of domestic consumption, which in itself has increased from 60 per cent. In other words, this organization represents a consumption of probably 30 to 40 per cent. of the naval stores production of this country, which is the largest in the world.

Now this 30 to 40 per cent. should not, even if it can, put through any legislation that does not have the hearty support of the willing support of every factor involved.

We all know today that Federal legislation alone without the support is not effective. I don't think anybody wants that kind of legislation in the naval stores industry.

Furthermore, the men who are the producers and dealers have suffered frightfully from losses in the past few years. In the last two years the prices of naval stores have decreased over 80 per cent. and today the dealers are being used by the members of this association at less than the cost of production. I know that is a fact with me organization and I have been told so by the heads of some of the largest producing organizations in this country.

Now, if the recommendation of your

Naval Stores Statistics

By Dr. F. P. Veitch

I do not foresee that I was expected to make an extended address and I am not supposed to do it. I think it is rather hard on a man to come here and make a speech. Mr. Cornish has talked. It is a pretty hard job.

I want to talk a little about statistics. As we have the past year passed by the Bureau of Chemistry, at the urgent request of the industry as a whole, both producers and consumers, have been endeavoring to give you twice a year very full and accurate statistics on the production of turpentine and rosin, on the stocks of the new, and make it known on the total stocks as well in the hands of the whole consuming industries, not the individual consuming industry, but the whole consuming industries.

I want to express my deepest appreciation of the co-operation, very prompt, that we have got from this association. I feel sure that most of them have handled this matter very properly.

We take our statistics as of August 1. It is now late in October. While practically 90 per cent. of the new crop of naval stores report their stocks within thirty days, there is the other 10 per cent. that are slow in coming in. We have not yet put out our statistics of production for August 1, and will not until late in October. This is the reason there is no report as yet so small after all. 30 per cent. I could say today who have not reported.

You can readily see, gentlemen, how this bothers us, which is a minor matter, but how it reduces the value of these statistics to you people who really want them, in order to help you in your business. It necessitates us bothering you two or three times those of you who do not reply—and in this way prolongs the thing and puts it off three or four months. I am sure that the value of the statistics is very valuable to you if we could have them within thirty or fifty days, at the most. It is perfectly feasible. I am confident that everybody will report to us within thirty days. I am confident it is a whole lot easier to give us this report within thirty days than it is if you put it off sixty days.

Value of Statistics

I was very much impressed last year by Mr. Cornish's address at St. Louis, which was exceedingly stimulating to me, where he pointed out the value of statistics as a foundation for the industry, and the necessity of doing this thing at once, and not putting it off until tomorrow.

If all of the producers—and the producers are worse than the consumers—and the consumers would join together and improve the statistics, the whole thing would be a whole lot more valuable to you gentlemen individually, and it would be a great deal more satisfactory to me.

I want to ask, if you will permit me, that all of you help the association, your own association, and us, to accomplish this end.

The Bureau of Chemistry is continuing its work on naval stores, which I would like to refer very briefly and say that the whole purpose of this is to serve, and to help the industry, and to help the industry I mean producers, dealers, fac-

chairman is followed, the different ones (notwithstanding what has passed, notwithstanding that they have passed the organization and have failed to do things they should have done, if those things are all forgotten and we have simply broad thoughts to find what is the right thing to do to have everybody pull together) can do it and do it well. I say this organization can do it and will have our hearty support. I hope the recommendation of the chairman will be concurred in. (Applause.)

C. W. Dill:—In regard to the Southern gentlemen, meaning to make this organization, I wish to say that I earnestly believe that no such thought ever entered their minds. Just as Mr. Lockwood says, they are small communities, and small people in them, so that there has been a lack of interest in this bill, and a neglect. It has not been done, I am very sure, with any intention whatever of insulting the organization, because you are a valuable asset to the industry.

As Mr. Lockwood says—and I will support his remarks—the crop this year is being raised as a crop. I don't make it—thank God for that! If we keep it two or three years more, you won't need any fertilizer, because those poor devils will all be in the poorhouse, but if you don't do something, you will all be there before you get this legislation through.

But, looking aside, there is always a question that you have not gotten together. As far as having any prejudice or any feeling in the matter, I think it is a great mistake, so don't let that influence you in your ideas as to getting together on this thing. Talk it over and get the very best you can, and as little of it as possible.

H. S. Wessels:—In order that our records may be entirely clear, if I understood Mr. Crawford correctly, he asked that your present regional vice-president and the director of the Atlanta Club represent your association in this proposed conference. I will ask Mr. Crawford to change that to read your regional vice-president and George W. West, secretary of the Atlanta Club.

V. H. Crawford:—That is all right. R. S. Wessels:—As your regional vice-president, I will be very glad to do all that I can to bring these interests to a satisfactory close. (Applause.)

Committee Is Authorized

Mr. Daniels:—I move the adoption of the report and the recommendation of the directors, and the supplementary recommendation of the chairman.

The motion was duly seconded and carried.

President Evans:—While we are discussing this naval stores matter, we have been most fortunate in being able to secure Dr. Veitch, of the Bureau of Chemistry, who will address us upon the subject of "Naval Stores Statistics."

Dr. Veitch:—My whole purpose is to harmonize and understand and to make results and do work that will be of service to all.

In this work, we have recently taken up, at the request of the producers, and also of the consumers, studies in the composition of turpentine and rosin. Most of you know that there has been very little reliable data on the composition of rosin, and especially, and there are a number of new uses coming up, possibly, and we want rosin of certain properties, and they want to know what its properties are, to make the hands of the new, and make it able for their present uses—and this we are going into very extensively, more extensive than ever has been done before.

Developing Examination Methods

Incidentally in doing that, we are having to develop methods for examination, and I know very properly, year a number of instances have come to us where grave errors have been made in testing turpentine and rosin, with the result that a good deal of opposition and dissatisfaction is aroused between buyer and seller.

We have got to get methods by which you gentlemen can be sure of your results and know that when you put it, that you are right, in order to avoid all sorts of conflict.

During the year we have been successful at last, after about ten years' effort in preparing standard types for turpentine. Heretofore we have not been able to succeed in doing this because we could not get a liquid that would maintain its color. They would all either darken or get light and we have not been able to have turpentine standards heretofore, although we have had rosin. These are about ready and we are distributing to the main centers in order to test them out. We don't propose them yet as the standard type, but are simply putting them out to familiarize the industry with them and to learn if they will prove serviceable, just the same as we did with the rosin types which we expected to use in several localities to see if they would stand service, and we found they did. I think the same will be true of turpentine standards.

New Ester Gums

In recent years esters have been prepared which have to a very large extent, at least, been substituted for imported fossil gums.

The varnishes made from these esters, I am informed, have been very valuable for many purposes. The methods of making the esters is not complicated but could be improved and made to be more definite. I study this subject to a certain extent and stimulated by Dr. Gardner's work, I have been endeavoring to improve them.

We have at last succeeded in preparing esters, using a new catalyst, one that has never been used before, so far as I have been able to learn, one that enables us to produce results very much more rapidly than by the present methods and to produce esters of very high color. We have made a few pounds of these esters in the laboratory, and have sent them to a number of varnish makers to try out.

We don't know how successful they will prove in service. I see no reason, however, to doubt that they will be serviceable, but we want to give them very severe trials before we recommend them to you.

I am presenting the matter here today, more especially to inform you of the status of our investigations and to interest you in it and to secure your cooperation.

We are now planning and have made arrangements with several varnish makers to make these tests on a factory scale. I don't anticipate any trouble, but they have not been made, and as soon as they are made I am going to make the matter public.

We have prepared samples of varnish. They are not very clear because we made them hastily and have not filtered them, but they serve to show you something of the nature of the material.

We got a patent on this from the United States Patent Office—a public service patent which, of course, as you know, puts it open to every varnish maker or every producer. Anyone who wants to make it is perfectly at liberty to do so.

I don't want to go into the details of the question until we have actually had some factory experience when we will

make the whole thing public in detail, and I would be very glad indeed to talk with anyone about the matter, looking to more co-operation from the manufacturer and the study of these colors.

In conclusion, Mr. President and gentlemen of the convention, I have here a number of copies of our bulletin on turpentine which has just been released, the first edition being exhausted. I brought these bulletins along with me, thinking that possibly all of you may not have had an opportunity to have a copy. If you haven't, they are here for you and if there shouldn't be enough to go around, leave your name and address or your card with the secretary of the association and write on it "Bulletin 538." I will be very glad indeed to see that all who are not supplied get copies direct from Washington. (Applause.)

President Evans:—I am sure we are all very greatly indebted to the bureau and to Dr. Veitch, not only for his coming here, but for his very informing talk that he has given us. These developments are of the utmost importance to us. I am sure that the following report for the Committee on Credits and Collections, in the name of the chairman, H. Uehlinger:—

Report of Credits and Collections Committee

Your Committee on Credits and Collections is of the opinion that the liquidation of merchandise has proceeded satisfactorily. That new stock, purchased at bottom prices, has taken the place of old. That new stocks are not only to be found in our warehouses, but also on the shelves and in the bins of our customers.

Two important factors, both unliquidated, still remain to trouble the Credit Office.

First—Real estate and equipment.

Second—An increased "overhead" due to more buildings and machinery, and higher "labor costs" that have not been reduced sufficiently.

Both factors have a very important bearing on commercial credits. Not until liquidation is fully completed will there be evidence of a net profit in the statements of many firms and corporations.

Your committee last January issued a warning and a suggestion to the membership, through its official bulletin, when it said in part:

"There has been an over-extension of credit, which has been used for the purpose of building plants and providing equipment to take care of an abnormal sales period. Furthermore, merchandise has found its way into these additional buildings, bought at a price level which now seems ridiculously high.

"With a top-heavy balance sheet and a heavy loss in merchandise, it is difficult to operate, consequently Credit Men must stand prepared to help such customers through a period of adjustment, extension and composition, otherwise many failures will result.

"As to the extension of credit now, it is the best thought of credit men that before extending a large line to customers who have over-built, to carefully inquire into their method of meeting the present situation, as to whether there has been a reduction in the number of employees, if advantage has been taken of labor at reduced wages, whether the customer has arranged his business so that his entire expenses will be on the basis of his pre-war level, plus a reasonable allowance for a normal line of growth. When this has been done credit may be safely extended.

"Your committee feels that it is no time to force a customer to pay, but that it is proper to lend him every possible aid to enable him to continue, and especially when he shows in a real constructive way that he is meeting the new conditions that the change in business necessitates."

We are recommending a continuance of this policy of investigation and reconsideration, to the end that liquidation in "fixed assets and overhead" may continue, and that our customers may have the benefit of our advice on matters of Business Administration. Placing customers in the Dividend Column is a service in which our membership has had a leading part.

In the granting of credit, symbols of wealth used by mercantile agencies are no longer safe. Your committee feels it is dangerous to depend entirely upon them when passing upon or certifying credit. The collapse of not a few concerns, as gathered from the Record of Failures, is due to top-heavy balance sheets which form the basis of capital ratings.

The credit clearing principle has therefore come to the front as a dependable source of credit information. It is safe to assume that those who pay their bills promptly have all the elements of a safe credit risk. On the other hand, those who are exceedingly slow pay, who are defaulting, or permitting suits and judgments, are undesirable, even though well rated.

A service which enables one (without the knowledge of the customer) to learn this, and to learn—

How long members have sold the account,

The terms of sale,

The highest recent credit,

Date of last dealings,

Amount now owing,

Amount past due,

How long past due,

The manner of payment,

Credit limit, if any,

Pertinent remarks,

is worthy of our support, especially when the information comes from an Association that has no merchandise to sell and is up-to-date at all times. If up-to-date information is of value it is during a period when business is struggling to free itself of depression. This service is not new to our members inasmuch as 60 per cent. are making use of the service in various paint club cities.

It is a part of good judgment to use existing avenues of travel, instead of creating new ones. Your committee therefore endorses for the fifth consecutive year affiliation with the Credit Interchange Bureaus of the National Association of Credit Men operating in our large cities. (Members desiring additional information should address the Chairman of the Credit and Collection Committee of the National Paint, Oil and Varnish Association, New York City.)

A study of collections in June clearly indicated a noticeable slowing up. What has helped the liquidation of indebtedness has been the liquidation of merchandise. When the stock can no longer be reduced there will be no funds with which to pay new obligations. Under the circumstances it would appear that special attention to the collection of Accounts Receivable would be worth while.

It is the belief of the committee that conditions do not warrant the granting of unusual time to customers for the purpose of augmenting sales, and furthermore urges that members insist upon a strict adherence to regular terms and discount. The entire cycle of business becomes elevated when sales terms are respected by both the buyer and the seller.

Your committee again endorses the use of Trade Acceptances. In a survey of those using them we have found many profitable experiences. The experience of one member indicates the very great value of closing accounts by the Acceptance method. A large corporation to which it was selling its product went into bankruptcy. It was found that as the concern became slowly involved it disregarded its open accounts but continued to meet its Acceptances. When the crash came our member, instead of being a creditor for an exceedingly large amount, suffered only slightly, thus proving conclusively that when receivables are immediately converted into written documents, the process of payment becomes automatic, whereas the open account is subject to all forms of delay and neglect, there being nothing automatic about its liquidation.

Your committee submits the following recommendations:

1. That our members join Credit Interchange Bureaus of the National Association of Credit Men located in or near paint club cities.
2. That "Special Terms" to induce sales be discouraged, and that Regular Terms of sale and discount be strictly adhered to.
3. That local clubs appoint a Credit and Collection Committee who should arrange to devote an evening annually to a consideration of Credit and Collection problems.
4. That hand-to-mouth buying, either for the manufacture or distributor, is no longer necessary or prudent, as it only postpones the day of prosperity.

Respectfully submitted,

F. R. CARRUTH,

T. F. MONYPENNY,

H. UEHLINGER, Chairman.

President Evans:—This is a very fine report. Upon motion in the board, it was voted unanimously that this report with its recommendations be adopted and further that a copy of this report be sent to the credit department of every member of the association. What are your wishes, gentlemen?

B. J. Gassady:—I move we concur in the action of the board.

The motion was duly seconded and carried.

President Evans:—I don't think we have ever gone through a period when we have had to be guided by our credit departments than during the past

year. As fortune would have it, they have made us, or they have lost for us, a good deal, and so because of the emphasis with which this subject of credit management has been brought home to each one of us, it has been the thought of the administration that if we could have a special address upon the whole credit situation, it would be very valuable to us.

We have been most fortunate in securing an address from a gentleman who is certainly the best posted, the most efficient general credit man in the United States. I have great pleasure in introducing Mr. Tregoe, the secretary of the National Association of Credit men.

The Credit Situation

By J. H. Tregoe

I could not permit that fine compliment of yours to go by unacknowledged, and I thank you most sincerely for it, but that is a tribute to our organization and not to me. I am mighty glad to be here. I made my bow to this organization at its convention in Boston, and I am at the hospital, so I didn't hesitate to accept the invitation which was so generously extended.

When I talk hospitality—I see a great deal of it through the country; some brands of it I don't like, and some brands I do like, and one I love very long ago that seemed to me quite peculiar.

An Englishman came to this country during the sugar famine. Hearing of the famine, he brought in fifty pounds of sugar with him. Walking up Fifth Avenue in the Metropolitan city with that great big package under his arm, an officer stopped him. He said, "What is that you have under your arm?" He answered, "Fifty pounds of sugar, old chap."

The officer said, "Don't you know it is against the law to hoard sugar?" The Englishman said, "I don't know anything about your laws, old chap. I heard you had a sugar famine, and I brought you my sugar. I take one lump in my tea and two in my coffee."

The officer took his stock and "wacked" him three times on the head and said, "There are three lumps for your cocoa." (Laughter.) The Englishman told a friend about it the next day.

Said, "Old fellow, the joke was on your American bobby, because I don't drink cocoa." (Laughter.)

I notice the title of my address is, "The Credit Situation." I am reminded, also, that I am given a limit of time, that I promise to keep within.

When we speak of credits, we speak of business. Credits are the atmosphere of business. Business could not more thrive without credit than we could live without the material atmosphere. When we speak of the credit situation we speak of the economic situation, and I judge after all that will be the real guide to what I shall say to you this morning.

We are more and more learning that the great war of the past few years was a financial war. For the past four centuries, in each century there has been a world war. The previous one, beginning with the French Revolution in 1789, was for the purpose of winning for men constitutional government. This last was strictly an economic war. Germany had become the most intensive economic unit in the world. The Bismarckian policy had discouraged emigration. Emigration in large numbers from Germany ceased in 1900. Her population was increasing at the rate of a million a year. Germany needed industries to sustain her people, and she needed food to keep them alive.

Therefore the dream of Middle Europe, the "heart land" as it is called by economists. It had to be, Germany had to be, and she was striving for that empire. She had hoped to win it

peaceably, but in 1914, if she couldn't win it that way, she was going to win it on the field of battle, and in 1914 this old world went into an eclipse again. A starter of a century was needed to bring her out of the eclipse of 1789.

Economic Problems Threaten Trade

At present we are fighting in this nation and in the world the greatest economic problems of all history, and I judge you don't recognize them. You are men interested in things—and I became so interested this morning that I am almost willing to give up my credit profession to go into the varnish business. You are so interested in your paint industry, you are so interested in that little enterprise of yours (though it may be of big proportions) that you are losing sight of the fact that right in your midst are being fought out the greatest economic problems of all history, and the result of the fight will determine what your business is going to be, and how happy, how fortunate and how successful you are going to be. Watch them, I pray you, as good citizens.

We have lived in this country for a long time, most of us. I have, and I am just discovering my country. I wonder how many are discovering her with me. And I am loving her with all my heart. I am loving my country more than I ever did, because I have just found that country. One hundred and thirty-four years is her age, and yet, with but one exception, the oldest government in the civilized world today, and the old flag you look upon is the oldest national emblem in the world today. Don't you just tremble at it? Look at it, men and women, look at it! Find your country, and when you stand in front of that flag, remember that it never bowed to the enemy on the field or battle, and under the great God, never will. (Applause.)

On the signing of the armistice in 1918, we lost a vision; we missed the greatest vision that ever came to man. That was the time that we should have saved ourselves to work, to work with all our powers, to work night and day, not by the rules of any union, but by the laws of work, which means that you must work twenty-four hours a day, if necessary. But we rather preferred to go down the primrose path. We liked it, and we were perfectly unaware that at the end of that path was a fearful abyss. And in it we went, and when men picked themselves up, they wondered how it all happened.

I was having the best business of my history; never before was I making so much money as I was then. I was unaware of the dangers ahead. So, also, were you. Why were we men? Because of this idea of this nation of ours we have inventive genius; no nation of people can surpass us in invention. We are naturally pioneers; we have broken down every barrier to this nation until

The drawback feature of the Fordney bill, which provides for a partial refund of the duty paid, upon exportation of the cake made from foreign butter, is one of the previous laws enacted under the Underwood bill.

We believe the tariff bill now before the Senate will afford the protection of a considerable amount of protection to the farmer growing flaxseed and will encourage him in the production of flaxseed. The bill provides that in foreign linseed oil as provided in the bill is the minimum amount which can be imposed to protect the domestic flaxseed to the extent of 25 per cent bushel and place the domestic flaxseed on a competitive basis with foreign manufacturers.

The committee representing the crushers of this country has prepared a history of the tariff legislation on flaxseed and linseed oil

tail and more exhaustively than would be perhaps advisable at this time, and we have taken the liberty of making a copy of the report to the convention a copy. In view of the fact that many mistakes have been made publicly by certain parties interested in the importation of linseed oil concerning the effect of the proposed tariff upon our American manufacturers, even to the extent of calling it a direct subsidy for his special benefit and attempting thus to align the paint manufacturer on their side of the fence, we think this matter is worthy of your attention.

Are you prepared to conduct your business on a basis of the total elimination of the crushing industry in this country? Can you as a buyer of linseed oil depend upon imported linseed oil for your requirements, bearing in mind that from the best information we can obtain the percentage of refined, varnish, boiled and all other special oils used by paint and varnish manufacturers to their whole consumption is about 40 per cent?

Today you are buying all refined and treated oils which you use on an absolute cost basis; in other words, when a manufacturer of linseed oil sells you a grinding or a varnish oil or any other treated oil he is, so far as his own margins are concerned, selling you a raw linseed oil. It must be apparent that a change will at least quadruple the differential which you are now paying for your refined and treated oils. In other words, you must either provide refining facilities of your own or you must buy refined oils from abroad.

It is not through the influence of an association and the by individual appeal to your Congressmen and Senators, but by urging them to support this feature of the bill.

Linseed Crushers Committee.
C. T. Nolan, chairman;
C. C. Nolan,
Howard Kellogg,
F. K. Quine, secretary.

It seems to us that not only the price but the convenience of being able to buy as you do a mixed car containing all brands which you use is worth a great deal if it could be expressed in dollars and cents.

Many of you have your factories located in large centers and are able to draw your supplies from a local crusher who can provide tank stations and other storage facilities for offering you service in small lots; that is, less than car-lot quantities, thus affording you a direct saving in financing your business.

In buying imported oil, you are buying it in bulk, you would, in order to save freight, buy in car lots, thus putting a further strain on your financing.

If any of you have imported oil for your own account you must be conscious of the expense involved, after a barrel has made the ocean journey, of putting this barrel in shape to stand interior transportation in the form of a barrel.

Another service afforded you by domestic crushers which you could not avail yourselves of through brokers who are handling imported oils is the terms of the domestic manufacturers. Our terms are thirty days and 1 per cent. or for cash in ten days. Your terms on bought oil, as we have been told, are net cash in New York, duty for the account of buyer. This mode of payment, in our opinion, entails a larger supply of working capital.

To those of you who require or can take delivery in tank cars, it might be well to point out that at least one far linseed oil has been imported in barrels, and this oil, delivered in tank cars, would be necessary to provide Eastern harbors facilities for the dumping of tank cars and from those facilities into storage tanks. This would be a matter of considerable expense and add to the cost of imported oil.

We have not spoken of what might happen to your industry should the growing of flaxseed

absolutely cease in this country and your country had to depend for supplies of linseed oil placed on foreign manufacturers. Suppose in that situation there was also a crop failure in the flaxseed country, consequences would be largest supply. It would then be a case of our competing against foreign manufacturers for the supplies that we needed. Don't you think we are better off to try and stimulate the raising of flaxseed in this country in place of killing it, so that we may not at some future time absolutely be dependent upon foreign sources for our supplies of linseed oil?

The growing of flaxseed in the United States has been produced by a duty upon importation for many years, and it is a statistical fact that when the duties were high on flaxseed and commensurate to on linseed oil the growing of flaxseed was tremendously stimulated and oil prices were high when there was a world's failure of the crop.

In 1902-1913 inclusive there was planted annually in this country an average of about 2,600,000 acres. This, with a duty of 25 cents a bushel.

In 1914-1920, inclusive, with a duty of 20 cents a bushel, the average acreage was 1,600,000 acres. This shows the effect of our contention.

It seems to us that if you will give these arguments full consideration, analyzing them carefully, it will result in your deciding that for the domestic production of flaxseed and the manufacture of linseed oil is of vital importance to you, and we ask you to exert your influence as an association and also by individual appeal to your Congressmen and Senators, but by urging them to support this feature of the bill.

Linseed Crushers Committee.

C. T. Nolan, chairman;
C. C. Nolan,
Howard Kellogg,
F. K. Quine, secretary.

Mr. Daniels:—I will say, in addition to this, that the duty of 15% cents is not a prohibitive duty. We probably have rather large importations of linseed oil even on a duty of that kind, but under the Emergency Tariff the foreigner has a great advantage over us simply because he gets his flaxseed free where we pay a high duty. The agricultural bloc in Congress are determined and will have a duty on flaxseed. So that I believe our contention is a just one to ask for a reasonable duty on linseed oil as compared with the duty on flaxseed.

Thank you very much, gentlemen. (Applause.)

President Evans:—Mr. Nolan has come down this morning to give us his report on the Flax Development Committee and we will now hear that unless there is any discussion apropos of Mr. Daniels' presentation of the flaxseed situation and the tariff, if there are any remarks or amplification to be made on that important subject, I feel that we should give the time to it. Here is an industry that has been manhandled very roughly by this Emergency Tariff bill. I take it that we are all familiar with the facts and I don't know that there is any action that you wish this convention to take or would suggest.

Now, Mr. Nolan, we will hear from you. The subject will still be open when you get up.

Mr. Nolan then presented the report of the Flax Development Committee as follows:—

flaxseed last spring would have been as large as it was. This year's flaxseed crop made quite a good start in its growth, but its progress was checked as the maturing period approached and during and since the harvesting period it has been subjected to damage and loss by a protracted period of rainfall. There has been noticeably less complaint of the existence of flaxseed and soil diseases during the last few years than was prevalent about a decade ago. This fact is encouraging to all of us who consume linseed oil.

Appreciating the importance and value to linseed oil consuming industries of home production of flaxseed, even though in limited quantities, it is gratifying to observe that during latter years it has been in the older farming sections of the northwestern States that a considerable portion of the flaxseed sowing has been done. The return to flaxseed production in those sections by many farmers may be accepted as largely the result of the educational work of scientists and experts who, during a number of years, have been treating with the problems of flaxseed production.

As formerly, the publicity work of your committee this year has consisted of paid advertising in several farm journals having the highest circulation throughout the flaxseed producing States, as also news items appearing in the country press. The latter, besides containing advice to farmers by agricultural experts as to the best farming methods to pursue in the production of flaxseed, included such statistical information as might be of interest to the farmer and in a measure a description of the flaxseed supply and demand conditions. We are strongly urged by the agricultural educators and agronomists to, if possible, furnish them with moving picture films of the operation of factories, such as paint, varnish and linoleum, where the oil product of flaxseed enters so largely into use. It is the purpose of your committee to endeavor to procure such films if the opportunity is afforded and the money is available to defray the expense. These films would be shown at meetings throughout the coming winter of farmers' institutes at which these educators and agronomists lecture on various subjects of direct interest and education to farmers. This recommendation was made to use after the experience of these lecturers during the past few seasons in showing moving pictures of the operation of factories in other industries consuming farmers produce and reporting the utmost interest on the part of the farmers and undoubted good effect.

Respectfully submitted,

L. T. MINEHART,
J. W. DANIELS,
S. R. MATLACK,
E. H. SMITH,
C. T. NOLAN, Chairman.

Canada—George Henderson, Montreal, Canada.

For Treasurer, D. E. Breling, New York.

For member Executive Committee, ex-officio, S. Marshall Evans.

For Board of Directors, Atlanta, S. L. Rhorer; Baltimore, Leon S. Hanline; Birmingham, W. A. Currie; Buffalo, J. D. Graves; Central New York, F. P. Collins; Chattanooga, K. Y. Benson; Chicago, Frank L. Sulzberger; Cincinnati, W. H. Crawford; Cleveland, Guy S. Gardner; Colorado, Frank A. Traylor; Columbus, E. Wemple; Dallas, T. S. DeForest; Dayton, John C. Lowe; Detroit, H. S. Boutell; Duluth, Frank R. Beatty; Fort Worth, C. A. Bonnett; Houston, H. J. Kuhn; Indianapolis, F. W. Gunkle; Jacksonville, J. H. Gray; Kansas City, Ferdinand Hauck; Los Angeles, F. M. Brininstool; Louisville, J. F. Kurfess; Memphis, Finley Calhoun; Milwaukee, F. W. Fetek; Minneapolis-St. Paul, J. W. Daniels; Nebraska, T. B. Coleman; New England, F. H. Nutting; New Orleans, A. Doussan; New York, W. E. Harmon; Philadelphia, Howard Waterall; Pittsburgh, R. F. Balmey; Portland, Me., name submitted; Portland, Ore., E. D. Timms; Richmond, R. McC. Bullington; Rochester, W. G. Remington; Seattle, P. M. Carter; St. Louis, C. P. DeLore; Savannah, J. C. Nash; Toledo, Fred E. Pile; Toronto, John Anthony; Utah, John Daly; Wichita, A. H. Farrott. Individual members to be named.

Date and place of convention to be submitted in final report.

Following the reading of the foregoing report, the session was adjourned.

Report of Flax Development Committee

Your committee has briefly to report continuance through the flaxseed crop year just closing of its activities and relationship with agricultural colleges and experiment stations of the northwestern flaxseed producing States. The officers, scientists and experts associated with those institutions have likewise continued with intense interest their efforts to improve flaxseed production by their research, experimental and educational work. There appears to have been some abatement of similar activities on the part of the Federal Agricultural Department in those States, as also in other parts of the country where experimentation was conducted over a period of a few years, but where flaxseed production did not reach commercial proportions. We understand the diminishing of flaxseed work by the Federal Agricultural Department from that done during several preceding years, and especially during and immediately following the war period, was the result of insufficient funds to defray the expense. Nevertheless in the more important flaxseed producing States there has been no diminution of flax development work by the State agricultural officials and scientists as the information and facts before your committee fully bear out. To that fact may be added the statement that no small portion of the research and educational work for the improvement of flaxseed production in those States has only been made possible by the financial support received from the members of your association and others.

We have likewise received from the institutions to which we contribute support voluminous reports of their flaxseed work and measure of success met with. Not only these reports to your committee, but the interest maintained by the officials of the northwestern States in flaxseed production, commands our recommendation to the linseed oil consumers of the United States that they further support this work.

Over a large area in North Dakota and in parts of South Dakota, during the past three years, unfavorable weather conditions have resulted in a practical failure of all crops. In the State of Montana, resulting from the same cause, four successive years of all but complete failure to raise crops of any kind has been experienced.

The final results of response of the flaxseed producing farmers to the appeal made to them to sow flaxseed, measured by the number of bushels produced per acre, have not during the past three or four seasons well rewarded them. The elements have not been favorable to production and successful gathering of flaxseed crops and besides the price return to the farmers for their 1920 and thus far for their 1921 crop of flaxseed has been unsatisfactorily low and especially so considering the average low yields per acre. During last autumn and winter the market price for other crops, particularly for the different varieties of wheat produced in the northwestern States was relatively much higher than that obtaining for flaxseed, and we are informed the reason for the appreciable decrease in the flaxseed acreage sown last spring and early summer compared with the acreage in 1920 was utmost dissatisfaction with the price of flaxseed. If it had not been for rather more favorable weather and soil conditions during this sowing season than the several preceding, it is quite doubtful if the area sown with

PRELIMINARY NOMINATING REPORT

President Evans:—Now we will hear the preliminary report of the Nominating Committee.

Mr. Minehart:—Your Nominating Committee has the pleasure to submit the following preliminary report:—

For President, Ernest T. Trigg, Philadelphia.

For Zone Vice-Presidents:—Eastern Zone, March G. Bennett, Boston, Mass. Southern Zone, R. S. Wessels, Atlanta, Ga.

Central Zone, R. V. Thomas, Chicago.

Western Zone, F. M. Brininstool, Los Angeles, Cal.

THURSDAY, OCTOBER 27

FIFTH SESSION

Thursday Forenoon

President Evans called the Thursday forenoon session to order at 9:45 o'clock. Secretary Horgan read the following report of the Committee on Adulterated Oils and Turpentine, in the absence of Chairman Robinette:—

Report of Committee on Adulterated Oils and Turpentine

During the period since the last convention, at which your committee submitted the report, orders and findings of the Federal Trade Commission in a number of cases of adulteration, misbranding and misrepresentation, your committee has had little to do other than to follow up the cases that were already in the hands of the Commission to see that they were carried through to a satisfactory conclusion, which we are pleased to report was done in each instance, as is evidenced by the findings of the Commission which are attached hereto and made a part of this report.

In addition to the specific cases mentioned in the report of your committee last year there are eight somewhat similar cases pending before the Commission at the present time, but under the circumstances it is believed that comment with reference to these particular cases would be improper just now.

That there has been so few cases of adulteration and misbranding brought to the attention of your committee during the year just past is, in our opinion, conclusive evidence that the interest our Association has taken in

matters of this kind has gone a long way towards eliminating the practice.

The campaign of house cleaning undertaken by the industry has gathered impetus during the past year, and many manufacturers have revised and corrected labels and advertising matter that might have passed unquestioned some few years ago, but which under the present conditions are not considered proper.

Your committee believes that work of this kind can properly be classed as one of the most important and useful Trade Association Activities, and which, if carried forward, will do much to stem the tide of ill-considered legislation affecting the Paint, Oil and Varnish Industry.

As before, your committee feels that as a result of what has been accomplished in this field of endeavor, that the Association should continue its efforts in this direction and, therefore, recommends that this special committee be continued and that the Association through its monthly Bulletin to the members, as well as through the medium of the trade papers, call the attention of the trade to the fact that they can be of real service to the Association by bringing to the attention of the committee any illegal or unfair practices that may come to their notice.

Your committee appreciates the interest in their work that has been manifested by the members of the Association and ask for a continuation of their co-operation and support.

L. C. STUCKRATH,
GEO. E. MOSER, JR.,
R. B. ROBINETTE, Chairman.

President Evans:—The Executive Board passes the report to the convention as information and voted to concur in the recommendation for the continuation of the committee. Unless there is objection, that procedure will stand. Secretary Morgan read the report of the Miscellaneous Oils Committee as follows:—

Report of Miscellaneous Oils Committee

The so-called miscellaneous oils in our industry have held their positions during the past year, and some of them have probably increased in importance or comparative consumption. The figures which are available indicate that the consumption of these oils follow the trend of business in a general way, but with a tendency in some items to increase at the expense of others or of linseed oil. The figures for the fiscal year 1920, taken from Tariff Information Surveys, published by the United States Tariff Commission, indicate that the total consumption of linseed oil in this country for that period amounted to about 64,000,000 gallons, practically all used by the paint, varnish and allied industries, and the consumption of the principal miscellaneous oils in our industry amounted to about 20,000,000 gallons, which will give some idea of the relative consumption of these items.

In a pamphlet entitled "Our World Trade in 1920," published by the Chamber of Commerce of the United States, we learn that Soya Bean Oil ranks twenty-seventh on our list of imports as to quantity and fifty-fourth as to value; China Wood Oil thirty-first as to quantity and sixty-sixth as to value. The former showed an increase of 550 per cent. in quantity over the period 1910-1914, and the latter an increase of 77 per cent. During the same period the quantity increase in flaxseed importations was 206 per cent.

Recent government publications give very comprehensive information regarding some of the oils covered by this report, and the development which commerce in them has attained. A considerable part of the information following has been obtained from this source.

Soya Bean Oil.

Soya Bean Oil is derived from the soya bean, with soya bean oil cake remaining as a by-product. The oil content of the beans is on an average about 18 per cent. In the United States soya beans are grown almost exclusively as a forage crop rather than for oil. Soya beans are extensively cultivated in Manchuria, China and Japan, but are shipped mainly from Manchuria, the soya bean center of the world. Oriental exports to the United States are almost wholly in the form of oil, while those to Europe have been largely in the form of crude beans; though, there also, the tendency has been toward a relative increase in oil shipments.

Foreign Production and Manufacturing Methods.

Until about 1917, when the increased demand for soya bean oil stimulated the installation of more modern machinery in the Orient, the prevailing methods for obtaining the oil from the beans were crude. In the large oil centers such as Dairen and Kobe, the most modern machinery is now generally used. The numerous small interior mills which still employ primitive hand presses produce but a relatively small amount of the oil entering into international trade. The extraction method is but little used in either Manchuria or Japan, this method being favored in Europe, particularly in England. Probably 95 per cent. or even more of the oil produced in Manchuria, Japan and China is obtained by expression. The expression process consisted simply of forcing the oil out of the beans previously heated and crushed into disks. At Dairen and Kobe hydraulic presses similar to those in use by the American cottonseed mills have largely displaced the old hand-power screw presses. The "extraction process" is a chemical process, making use of an oil solvent such as benzene to extract the oil. One such mill operated in Dairen, another near Kobe.

Dairen and Kobe are the two important centers of oil production and shipment in the Orient, the former being far in the lead. Beginning with the latter part of 1917 a direct service from Dairen to Seattle took care of the great bulk of the shipments of soya bean oil from the Orient to this country. Prior to that time practically all cargoes were trans-shipped at Kobe.

Though no statistics are available showing the actual production of soya bean oil in Manchuria and Japan, partial data on the milling capacity in Manchuria indicate their potential strength, whereas export statistics can be best used as an index of their actual commercial production. The latest available information states that there are 57 oil mills in Dairen alone. Their capacity is given in terms of cake (258,000 pieces daily). Stated in terms of oil, their capacity for a seven-month operating period (the average) would be approximately 300,000,000 pounds annually. When the capacities of the other large oil centers such as Harbin, Newchwang, Antung and Kobe are

taken into account, besides the 2,000 or so small interior mills whose output could be made partly available for export, it appears that Manchuria and Japan offer a source of soya bean oil supply practically limited only by the demand.

Paint and Varnish Consumption.

Though the data at hand is very incomplete, it appears that a conservative estimate of the consumption in the combined paint, varnish, linoleum, and allied industries would be about 30,000,000 pounds for 1919, with the indications pointing toward an increasing consumption.

China Wood Oil.

This oil has become indispensable in our industry, and particularly in the manufacture of certain types of varnishes. From the somewhat incomplete data available, it would appear that the actual quantity of it used in our industry is greater than that of any other oil except linseed, and not excepting soya, the importations for the fiscal year 1920 amounting to over 10,000,000 gallons. Due to the revolution now going on in China there is serious difficulty for the second or third time in recent years in getting oil out of the country, and supplies at this writing are very scarce in the United States. This condition emphasizes a suggestion which has been made from time to time and which is repeated in circulars Nos. 108 and 123, by the Educational Bureau of the Paint Manufacturers' Association and the Varnish Manufacturers' Association regarding the possibility of the establishment of an American Tung Oil Industry for those interested in paint and varnish production or the raw materials used therein. The trees from which this oil is produced can readily be grown in the southern part of this country, and large areas of land are available at low prices. As the consumption of this oil increases, the matter of dependable supplies will become more important.

Perilla Oil.

This oil has the highest iodine number of any known fatty oil and is similar to linseed oil in taste and smell. The drying power of the raw oil is inferior to that of linseed oil, owing to the property of the oil to form drops when spread on a surface. This, however, is overcome by heating and proper treatment of the oil with metallic driers. The oil then behaves like a good drying oil. Until recent years this oil was little used in this country, but owing to the high prices of linseed oil, it has been introduced, and when properly treated is a satisfactory substitute for linseed oil in paints and linoleum. In Oriental countries the oil is used for edible purposes. In Japan it is used for mixing with the cheapest kinds of lacquers for the preparation of paper umbrellas, lanterns and artificial leather. It also finds extensive use in the manufacture of printer's inks, paints and varnishes.

Foreign Production.

Japan is one of the leading producers of perilla oil. The Japanese production of perilla oil from 1910 to 1918 has varied greatly, ranging from 1,914 short tons, valued at \$316,152, in 1910, to 5,007 short tons, valued at \$934,859, in 1917. In 1918 the production decreased 1,000 short tons, but value increased to over \$1,000,000.

China is also one of the leading producers of perilla oil. Little information is available as to the size of the industry in that country, as the production and exportation of the seeds or oil is not shown.

Domestic Imports and Consumption.

The domestic consumption of perilla oil is imported. Although the source of imports is not shown in official reports they are undoubtedly from Japan and China, the principal producing countries. According to Pickrell, in 1914 about 92 per cent. of the imports were from Japan. Imports since first shown (1914) have ranged from about 66,000 pounds in 1916 to 1,400,000 pounds in 1919. While still a small item, it is apparent that the consumption of this oil is rapidly increasing.

Sunflower Seed Oil.

A systematic investigation of the production of this oil in this country and its availability for use in the paint and varnish industry has recently been made by the American Cotton Oil Company. It appears that the oil can be easily produced in commercial quantities at a price to compete with other vegetable oils, but it has not been definitely determined as to whether it can compete in quality or practical results in a large way with the oils now in use. It would seem, however, that this source of supply is worthy of serious consideration.

There are numerous other miscellaneous oils used by our industry in a small way, but none of them seem to have acquired sufficient importance or sustained new developments which call for special mention in this report.

Your committee is advised by the Department of Agriculture, Bureau of Plant Industry, that they are actively continuing their experiments with new oil bearing plants and seeds, and while they have a number of new sources of supply under investigation, their work has not progressed to a point where they wish to make any announcements at this time.

Respectfully submitted,

F. W. ROBINSON, Chairman.

President Evans:—Every one can see that a great deal of extremely valuable information is contained in that report. With the expressions of appreciation on the part of the board, it is passed to the convention as a matter of information. In the absence of Chairman Peffer, Mr. Chatfield presented the report of the Committee on Alcohol as follows:—

Report of Committee on Alcohol

Your committee is pleased to report that the attitude of the Internal Revenue Bureau, notwithstanding all the difficulties attendant to the manufacture and sale of denatured alcohol, due to the Volstead Act, has reflected a desire to aid legitimate industry, with the result that since your last convention about ten new formulae of Specially Denatured Alcohol, Tax-Free, have been authorized for use in perfumes, toilet waters, barbers' supplies, tooth pastes, external lotions, artificial silk, etc. New commercial uses are being constantly developed for alcohol, as, for example, in the production of artificial silk, one plant alone in this country now consuming about 10,000 gallons each day.

States where there are no painters—farm communities. All the painting at the present time is done by the farm labor when it is done. In those communities this type of apparatus could readily be run. It goes from farm to farm and paints up the various outbuildings, the barns, the tanks and the silos in a very short period of time, and at probably one-half the cost, and probably in some cases one-third of the cost of applying that same paint by hand brushes.

By that means and by that way, you can readily see that there will be a very wide application of paint during the coming year.

Painting Oil Tanks

A new type of spraying apparatus has been used recently in a successful fashion for the painting of large petroleum tanks in the oil fields. This piece of apparatus looks more or less like a butterfly. It is a five-gallon tank, and the side wings are simply "blinders," so called to keep the wind away and to keep the paint from being blown around during high wind

in operating the butterfly crawls down the tank, spreading at one time a sheet of paint about thirty inches in width and in some cases a yard. It goes down that large tank in a period of twenty-eight seconds and is immediately moved over and goes up the other side in the same period of time, so that an area of several hundred square feet can be applied in one minute.

I think it is possible to paint a very large oil tank by this means in about one-eighth to one-tenth of the time of applying the same paint by hand in the old-time fashion.

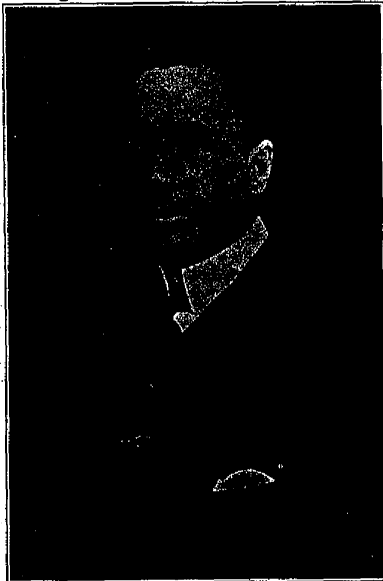
Even when the spray machine is used for painting tanks, there is always a certain amount of work that can't be done efficiently with the spray machine. A workman touches up the bottom of the tank, the sides of which were treated with the spray gun. I have found in some tests, that I witnessed directly, that the hand brush gave just as good and as quick results for touching up the bottom work. So it is apparent the hand

and painting labor. Practically every labor-saving device creates a demand for more labor, because it lowers the cost of the particular article or thing formerly made or done before its invention and widens the circle of those who can afford to use it or have it done. When the loom was first adopted, the weavers foolishly thought that it would do away with weavers, and a mob smashed the first few looms. Today there are more weavers than ever and the workingman's family can afford to buy clothes today that before the days of the loom were either impossible to make or which only the rich could buy. The typesetters thought that the linotype machine would put them out of a job, but today the typographical trade gives employment to more men than almost any other similar trade in the country. Free school books are possible today in the public schools and in normal times the daily newspaper costs but a penny. Many other instances of this kind may be cited. The spray painting machine will doubtless show similar results. It will lower the present cost of painting of industrial products and of the interior and exterior painting of buildings of all kinds. An illustration of the way this works out is shown by the experience of a chair manufacturer in a large Western city, whose plant was shut down because he couldn't sell his product at the prices he was forced to ask for his hand-finished goods. He put in a spray painting equipment and by reason of the reduction of his finishing costs was able to lower the price of his product so that he attracted sufficient business to open his factory, re-employ his old finishers, and put the wheels of industry in motion again.

Representatives of spray machine manufacturers, paint manufacturers, automobile manufacturers, furniture manufacturers, and others who either make or apply paint and varnish, have been very active in opposing legislation such as that referred to above. As a result, the ridiculous nature of most of the bills has been exposed. None of them were adopted.

The subject of spray painting has developed such interest among the technical men of the industry that Committee D-1 on Protective Coatings, of the American Society for Testing Materials, has recently appointed a Committee on Spray Painting. This committee is now making arrangements for a series of tests on twenty houses in a small industrial village. Manufacturers of various types of spray guns will be invited to demonstrate the efficiency of their products. Some of the houses will be done by the regular hand brush method in order to determine the comparative speed of application. The houses will be carefully inspected from year to year to determine the comparative durability of the paints applied by the two different methods and by the various types of spray guns.

It is a fact that in closed rooms the application of paint by the spray gun, and in many instances even by the hand brush, develops what some painters consider objectionable odors. The vapors or spray from paint applied under these conditions can readily be taken care of by furnishing workmen with the very simple device made by Bauer & Black of Chicago, to which they have given the name the "Gardner Respirator." A photograph of this device



Henry A. Gardner

storms. The apparatus is lowered from the top of the tank on a boom with a windlass. This boom swings all the way around the tank in a periphery, so that it may be moved from one area to another.

brush will always be used to a great extent.

Mr. Gardner then presented the following report of the Special Committee to Investigate the Spraying System of Paint and Varnish Application:—

Report of Committee on Paint Spraying Systems

Application of paint and varnish products by the spray gun is a comparatively recent development. That the system is receiving much attention is indicated by the fact that approximately 75,000 spray guns of all types and makes have been or are in use. There are at present seven manufacturers putting out spray equipments that have become quite standard in design, and several other manufacturers are now experimenting with new types of guns. It is believed that the introduction of these spray guns has increased rather than decreased the use of bristle brushes for hand painting, by opening up new fields of work where a certain amount of hand brush labor is required.

The trade and popular press has discussed the gun in various articles, and its merits have been pointed out in various technical publications.*

While the principal use of the spray gun at present is for interior work, such as in factories, etc., for exterior use on tanks, ships and other large metal structures, it is believed that its development for general house painting purposes will become so rapid that all painters will ultimately include it as a standard apparatus.

During the past year there have appeared bills in various State legislatures to prohibit the use of the spray gun in the application of paint. Among these bills are the following:

California—Assembly Bill No. 240, Senate Bill No. 480.

Tennessee—House Bill No. 276.

Wisconsin—Assembly Bill No. 89-A.

Pennsylvania—Bill No. 559.

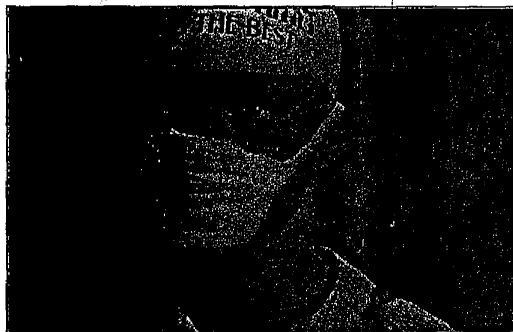
Connecticut—General Assembly Bill No. 550.

Ohio—Not yet introduced.

Washington—House Bill No. 200.

Maine—

It would appear that many of these bills have been formulated by representatives of labor organizations who unfortunately look upon the development of the spray gun as an encroachment upon their trades. These representatives have, however, short-sightedly neglected to realize the fact that the development of spray painting really means an increased demand for the journeyman painter's services. This is due to the fact that the use of the spray gun develops new fields for paint, and widens the demand for paints



is shown herewith. It consists of two sheets of gauze containing a pad of absorbent cotton filled with a small amount of activated charcoal. The mask is cross-stitched and so arranged that it will fit closely over the nose. A detachable elastic band is provided to go around the head. The purpose of the activated charcoal is to absorb the vapors of benzine, acetone, or other volatile solvents. The purpose of the cotton is to keep out dust and particles of pigment. Reports from several users indicate that it has been quite practical and successful in application. Other forms of masks and headwear are also available for the painter's use.

R. W. LINDSAY,
H. W. RICE,
E. W. LUTES,
S. C. SCHORNDORFER,
H. A. GARDNER, Chairman.

President Evans:—This is another of the purely informative lectures or papers, and we are indebted to Mr. Gardner for bringing us up to the minute on this important subject.

We would like to have the report of the Committee on Paint Jobbers, by Mr. Watson.

Mr. Watson:—In explanation for some of the other members of the committee who signed the original report, I might say that the original report when it was gone over by the Board of Control, was changed because they thought there was some language used in the report which was, perhaps, not exactly in accordance with the times, and so the report has been revised.

To illustrate I can tell you the story of the priest who had arranged for a particular service and in this service he was going to use incense burners. He had arranged to have the incense burner brought in by the choir when it came in for his procession and as it came down the aisle he noticed that the incense burner was missing. He intoned into his sermons, "What have you done with the incense pot," and the chap who was in the choir and supposed to bring it, intoned back to the priest, "We couldn't bring it because it was so damned hot." (Laughter.) That accounts for the revision of this report.

Mr. Watson then presented the following report of the committee:—

Report of Committee on Paint Jobbers

The past year has been a very trying one to the paint jobber. In order to take care of the trade he is obliged to carry a full and complete stock, and with the general trend of prices downward it has made this a very precarious thing to do. However, these things are gradually adjusting

* A Study of the Practicability of Spray Painting. H. A. Gardner. Recent Development in Spray Painting. H. A. Gardner. Circ. 114, Educational Bureau.

Paints for Light Oil Storage Tanks and a Note on Spray Equipment. H. A. Gardner. Circ. 131, Educational Bureau.

themselves, and as stocks of goods in the hands of dealers are very low we look forward to a good fall trade.

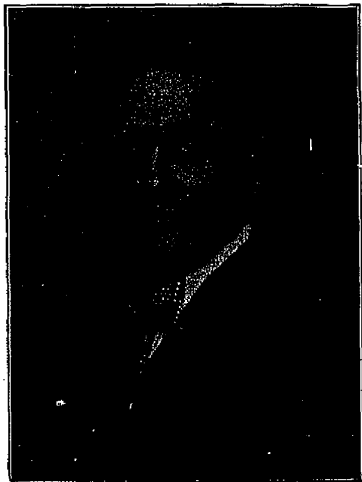
The cost of doing business still remains very high. Recent statistics compiled by the National Association of Paint Jobbers show the average cost of doing business during the past year by its members was over 20 per cent., showing an increase of a little over 10 per cent as compared with figures compiled a year ago. These facts should be given serious consideration by manufacturers who are seeking distribution through the jobber whose salesmen cover a territory very much closer than it is possible for a manufacturer to do.

The value of these conventions, outside of the personal acquaintances and friendships formed, is from the constructive legislation passed, and the influence exerted by the association to improve business conditions and correct any existing evils in the trade, and to that end we submit the following resolution:

Resolved, That the National Paint, Oil and Varnish Association in convention assembled realizing the importance of a closer relationship between the Manufacturers and Jobbers and Distributors urge upon its members who are interested to give due consideration to any matters brought to their attention through the National Association of Paint Jobbers to the end that a better understanding and more amicable business relations may be established.

O. S. WILCOX,
W. F. DAUCHY,
H. M. HODGES,
H. J. WOODLOCK,
G. H. HOLDEN,
GEO. E. WATSON, Chairman.

President Evans:—The report of the Paint Jobbers' Committee received very careful consideration in the board meeting, and it is the recommendation of the board that future committees of this association, representing the paint jobbers' interest, before they make their annual report, get in touch with the Committee on Raw Materials and on Paint Grinding, for the consideration of the problems involved in this relationship. This is merely a recommendation on the part of the board and it is left for the incoming administration to handle in such a way as they deem most advisable.



Charles J. Caspar

Mr. Caspar presented the report of the report, get in touch with the Committee National Budget Committee as follows:—

Report of National Budget Committee

This Committee is pleased to report that on May 9, 1921, President Harding signed the National Budget Bill passed by Congress then in session, indicating that the Conference Committee of the Senate and the House agreed upon a joint bill carrying the important features of both the McCormick and Good Bills passed by the Senate and the House.

This is the cap and climax of over twelve years agitation on the part of American Business Men for the enactment of the greatest economic measure in governmental expenses that has been enacted during the past fifty years, and is a manifestation of what can be accomplished by persistent effort in a just and worthy cause, even though those in authority, and who alone have the power to enact laws may be opposed to the principals involved, and achieve the ultimate goal, and the committee believes that in the administration of governmental affairs, and the economical administration of the same, that we are on the eve of an epoch which has in store for the Nation not only greater efficiency but a greater control and a larger measure of economy in the distribution of governmental funds.

The bill provides that the Budget shall be submitted to Congress by the President. The Budget Bureau created by the bill is to be the President's agency, or means of preparing the Budget, and this Bureau is to be located in and become part of the Treasury Department. The Director and Assistant Director of the Bureau is appointed by the President and without the advice and consent of the Senate. This will result in the Budget being the President's Budget, and therefore the responsibility of whatever figures are submitted to Congress will rest with the Nation's Chief Executive.

The bill further provides that the Budget shall be prepared by the Budget Bureau and under rules and regulations to be presented by the President. This, you will note, places the responsibility entirely with the President. He will no doubt enlist the services of the Treasury Department, as well as the Secretary of the Treasury, but this will be optional with the President. No doubt it will be necessary for the Secretary of the Treasury to review the Budget before it is signed by the President and submitted to Congress.

These points are all in accordance with the recommendations made by the Chamber of Commerce of the U. S. A., and are the salient-points which your committee has persistently espoused upon every occasion.

It is well to understand that while the Budget Bureau, with the endorsement of the President, will make recommendations to Congress covering appropriations for the various departments and activities of the Government, it is for Congress, and Congress alone, to make the appropriations, and therefore Congress can increase or reduce any and all recommendatory appropriations that the President might make when he submits his Budget.

Here we have an illustration of just how the people can place the responsibility for any and all appropriations, and if, as an illustration, the Presidential Budget calls for total appropriation of a billion dollars, and Congress increases the same to a billion and a half, or reduces the President's recommendation to seven hundred and fifty millions, the people will know who is responsible, and if appropriations are made exceeding the Government's revenues by both the Chief Executive and Congress, the people will know to what extent the President and Congress may be administering the affairs of the Nation on a sound and economic financial basis.

Heretofore, Congress has made appropriations without knowledge of what funds may be available, with the result that we find ourselves oftentimes spending an amount greater than our income, which fundamentally, is economically destructive.

There is before us no complete analysis of the contemplated savings, but it is to be concluded from the details published that the economies will be effected in large degree of elimination of "dead wood" from department personnels and the abolishment of unbusinesslike practices which add enormously to governmental expenses. Not all the leaks can be closed immediately, but in the preparation of the next national budget provision can be made for stopping losses through reorganizations of departmental machines on modern lines.

That being accomplished, the people may expect a reduction of Governmental expenses far greater than the \$1,000,000 a day which ex-President Taft estimated some years ago might be saved through the introduction of better business methods at Washington.

The law today protects a great many situations and practices which should be dispensed with. Congress alone has the power to make the necessary clean-up. It can not act on a large scale without detailed information of what should be done. This will be assembled by the Director and his assistants, and be ready for the lawmakers when next they take up the annual appropriations.

The President's appointment of the Director has met with Nation-wide approval, and with characteristic force work has begun. A good beginning has been made. Results of rare importance to the tax payers are assured and the preparation of next year's Budget and the appropriations for the various departments will form an interesting volume in American history.

The committee has in the past drawn generously upon the members of the Association for their help and co-operation, and with our task completed, it is only fitting that we here register our thanks and appreciation for the splendid support and generous co-operation accorded this committee.

Respectfully submitted,

J. B. SWIFT,
HOWARD ELTING,
CHARLES J. CASPAR, Chairman.

President Evans:—This is a consummation of one of our purposes of many years. Mr. Caspar has led us in this matter. He has worked for us. He has been a true leader in the highest sense and the contribution of this association to the final accomplishment in our government of the budget system is due in no small measure to this association, largely. I might say, and chiefly because we were fortunate enough to have Mr. Caspar making representations for us in this matter. We are greatly indebted to you, Mr. Caspar, and congratulate you on your work. (Applause.)

O. McG. Howard:—I think everybody who knows Mr. Caspar realizes when he goes after anything that he is going to get it, and in the case of this bill it is no surprise that the bill should have gone through, because Charlie was after it. But I want to suggest that getting a bill passed in Congress unfortunately does not necessarily produce the result of having that bill effectively carried out. As Mr. Daves expressed it, he got to a point where he would have to tunnel through Pike's Peak with a toothpick if he was going to really do the things that the bill called for.

So I would suggest for the consideration of the convention that the committee be continued and Mr. Caspar be allowed to go ahead and see that that bill is properly executed. Mr. Caspar:—I would like to say, gentlemen, that the enforcement of this budget bill is in the hands of the President, and that wonderful type of Americanism, General Daves. And while I believe that eventually we will accomplish what we have set out to do, it is going to be a rather rough road. It will be necessary for additional legislation; it will be necessary to eliminate some old traditional, fundamental, expensive, extravagant features of our national administration, before the tunnel will even be reached, and I don't know in my acquaintance of a better man than the man who is at the head of the budget, and I don't believe it is necessary to continue the committee, although occasion may arise, and if so, why I think it might be well to leave it to the president, who has the authority to appoint a special committee at any time. I thank you for the compliment just the same.

President Evans:—We will now have the report of one of our most important committees, the Tariff Committee, Eugene Merz, chairman.

Reports of Tariff Committee

Mr. Merz presented the majority report of the Tariff Committee as follows:—

Majority Report

Last December the Committee on Ways and Means announced its program of hearings on the tariff schedules. Your Tariff Committee immediately brought the information to the attention of all the local clubs by direct communication with their secretaries, and also by publication in the Association Bulletin and trade papers. The Tariff Committee also called attention to the statistics at its command, giving the quantities of imports and exports of various commodities, for a number of years back, as well as the rates of duty that prevailed at various times. We had at hand official information as to the rates of wages paid in the different industries in England, France, Belgium, Japan and Germany. We put our statistical data at the disposal of the membership to aid them in preparing arguments or briefs to be used at the hearings held in Washington, and are glad to report that we were able to give prompt replies to all inquiries that came to us. Throughout the year we kept informed of the progress of tariff legislation, and from time to time we reported, through the Association Bulletin, the status of the tariff question.

The interests of our membership are diversified, and naturally at times these interests are opposed to each other. The miners of barytes were pleased, or at least seemed satisfied, with the duty on their product proposed

by the Ways and Means Committee. Some of the users of barytes had other thoughts and sentiments on this subject. The growers of flax and the crushers of linseed oil felt that they needed protection on their products, and that the government might derive large and much needed revenue from a duty on competing vegetable oils. They felt the need of protection against these competing oils. On the other hand, some paint grinders and varnish makers regard these vegetable oils as their raw materials, and resent the imposition of a duty.

The question of the basis of value to be used for the collection of ad valorem duties, whether it is to be American valuation or foreign valuation, has aroused equal controversy. On several points even your committee is divided.

The committee has felt that it was not part of its duties to decide these disputed questions. They should be presented to the members, and should be settled on the floor of the convention if possible, or else they should be left undisturbed by the Association to be fought out by the members on the floors of the committee rooms of Congress.

It was General Hancock who, in an interview during his presidential campaign, said that the tariff was a local issue. Some said that his wisdom was twenty years in advance of his time; others said that it was because of his tariff views that he failed of election. The tariff is not a local issue in spite of the fact that some of our legislators, who rank higher as politicians than as statesmen, wish to make it so and keep it so. The great wars of recent years have been decided fully as much by industrial resource as by military prowess. When the force of arms was nearly equal, victory settled on the side of greatest industrial power—the power with the ability to produce from its own resources the munitions of war, as well as the supplies needed by its civilian population. Germany knew this well, and the threatened war did not come until German chemists by the fixation of nitrogen had made Germany independent of the nitrates of Chili.

The lack of preparedness and the inability of the Allies and of ourselves to make, during the early days of the war, the things we needed in the quantities required, is still a vivid picture in our minds. The rapid strides and the great progress made under most trying circumstances during the years of the world war are still matters of admiration and pride. Whether the progress made in all branches of industry in the United States is to be continued, depends on whether our legislators treat the tariff as a local issue or whether they rise to the opportunity of real statesmanship. By framing a tariff of adequate protection they will preserve the industries that gave us prosperity and will continue the industrial development which alone guarantees us future security.

It is not the province of your committee to come before you to argue for or against a proposed rate of duty on any commodity. It would be of little use for us to attempt to justify or discredit any proposed rate; there would probably be disagreement among our own members to the very end. We can, however, point out to you the need of a higher protection than we have ever had in this country by a comparison of our wage scale with the wage scales of foreign countries, and by calling attention to the depressed foreign exchange and its effect.

The average weekly earnings in the industries coming under Tariff Schedule A, i. e., Chemicals, Oils and Paints from 1914 to 1920, has ranged as follows:

Table I.
Average of New York State Factories.

	1914	1916	1918	1919	1920
Chemicals, oils and paints.....	\$12.71	\$15.17	\$18.30	\$24.11	\$28.13
Drugs and chemicals.....	12.57	14.69	18.30	24.11	27.76
Paints, dyes and colors.....	13.75	14.65	20.03	22.44	27.10
Animal and mineral oil products..	12.49	15.42	22.97	24.13	29.65
Miscellaneous	12.82	15.32	21.71	24.99	29.38

Table I shows the 1920 rate to be nearly 250% of the 1914 rate. It is true wages have declined since 1920; it is probable that there will be further declines. It is to be sincerely hoped that they will never reach the low levels of foreign labor as shown by the following table of weekly wages:

Table II.

	United States.	Germany.	England.	Belgium.	Italy.
Chemical industry—					
Process men.....	\$31.13	\$6.34	\$4.90	\$18.71	\$4.46
Common labor.....	18.15	5.52	4.50	13.32	3.31
Glass—Skilled workers.....	26.81	9.60	21.45	15.00	
	60.83	13.68	27.30		

Both these tables are taken from a pamphlet entitled "Wages in the United States and Foreign Countries" prepared for the Committee on Ways and Means. The conversion of foreign currency was made at the rate prevailing at the time the wages were paid:

With these differences between wages paid in the United States and in foreign countries, the United States market is in danger of being flooded with foreign-made goods. Unemployment will increase and wages for those in employment will be forced down. All this will happen certainly unless adequate protection is given. The old slogan, "Protection to Infant Industries," is most unfortunate. It was used for the alliterative effect; it would have been more correct to have called it "Protection to American Labor."

Merchandise will flow from the country of depressed currency to the countries with a higher rate of exchange unless a barrier is raised to control or to check the flow.

The following table gives the value on September 30 of foreign currencies as compared with the normal value expressed in American currency:

	Value Sept. 30, 1921.	Per cent of Normal.
England, £.....	\$3.75	76.7
France, franc.....	0.07135	36.9
Italy, lira.....	0.0399	20.7
Belgium, franc.....	0.0704	36.4
Germany, mark.....	0.0087	3.6

Germany with its mark worth less than one cent is eager for the American dollar.

The Tariff Act of 1913, known as the Underwood-Simmons Bill, brought on the depression of the first half of 1914. The stimulus of the war and the absolute embargo it placed on foreign competition brought on unprecedented prosperity. It is generally recognized that the protection offered by the Underwood-Simmons law is not sufficient. It was seriously proposed to re-enact the Payne-Aldrich law of 1909, but in many quarters the rates of this law were not regarded as adequate, particularly in view of the depressed and fluctuating foreign exchange. The rates of the Fordney bill are variously criticized, being thought too high by some, and too low by others. Your Tariff Committee cannot decide this question nor is it probable that the convention can come to an understanding on the subject. For the information and convenience of our members the table added as an appendix to this report gives the rates on commodities in which the industries represented at this convention are largely interested under the Payne-Aldrich Act of 1909, the Underwood-Simmons Act of 1913 and the rates proposed by the Fordney Bill of 1921.

Appendix.

Rates of Duty on Important Chemicals in Fordney Bill Compared With Those in Payne-Aldrich and Underwood-Simmons Tariff Laws.
Specific duties on per pound basis unless otherwise noted.

Commodity.	Payne-Aldrich Act of 1909.	Underwood- Simmons Act of 1913.	Fordney Bill of 1921.
Acetone.....	25% n. s. p. f. *	1c.	25%
Aluminum hydroxide.....	4/16-6/10c.	15%	3/4c.
Alum.....	3/4-3/4c.†	15%	3/10-3/4c.
Barium chloride.....	25% n. s. p. f.	3/4c.	1 1/4c.
Coal-tar intermediates.....	Free	10%	7c.+30%
Coal-tar dyes, medicinals, etc.....	30%	30%	7c.+35%
Cobalt oxide.....	25c.	10c.	20c.
Extracts for dyeing and tanning.....	1c.+10%	3/4c.	12 1/4%
Oils, animal, n. s. p. f.....	25%	15%	20%
Oils, fish, n. s. p. f.....	8c. per gal.	3c. per gal.	20%
Oils, expressed, n. s. p. f.....	25%	15%	25%
Castor oil.....	35c. per gal.	12c. per gal.	4 1/4c.
Cottonseed oil.....	Free	Free	2c.
Cocoon oil, crude.....	Free	Free	2c.
Soya-bean oil.....	Free	Free	2c.
Hempseed oil.....	10c. per gal.	3c. per gal.	1 1/4c.
Linseed oil.....	15c. per gal.	10c. per gal.	2 1/4c.
Olive oil, less than 5 gal.....	50c. per gal.	30c. per gal.	7 1/4c.
Olive oil, more than 5 gal.....	40c. per gal.	20c. per gal.	6 1/4c.
Peanut oil.....	Free	6c. per gal.	2 1/4c.
Poppyseed oil.....	15c. per gal.	6c. per gal.	2c.
Rapeseed oil.....	Free	6c. per gal.	1 1/4c.
Turkey-red oils.....	15-30c.		
Paris green.....	15%	Free	15%
Paints, artists'.....	30%	20%	25%
Paints and pigments, n. s. p. f.....	30%	20%	25%
Barytes, crude.....	\$1.50 per ton	15%	\$4 per ton
Barytes, ground.....	\$5.25 per ton	20%	\$7.50 per ton
Prussian Blue.....	8c.	20%	12c.
Ultramarine.....	3c.	15%	3c.
Bone black.....	25%	15%	20%
Chrome colors.....	4 1/4c.	20%	25%
Gas black.....	25%	15%	20%
Litharge.....	2 1/4c.	25%	2 1/4c.
Orange mineral.....	3 1/4c.	25%	2 1/4c.
Red lead.....	2 1/4c.	25%	2 1/4c.
White lead.....	2 1/4c.	25%	2 1/4c.
Ochers, siennas, umbers.....	3/4-3/4c.	5%	3/4-3/4c.
Satin white.....	3/4c.	20%	3/4c.
Spirit varnish, denat'd.....	35c. per gal.	+35%	25%
Spirit varnishes, not denat'd.....	\$1.32 per gal.	\$1.32 per gal.	\$2.20 per gal.
Vermilion reds.....	10c.	15%	10c.
Zinc oxides.....	1c.	10%	1 1/4c.
Zinc oxides, in oil.....	1 1/4c.	15%	2c.
Lithopone.....	1 1/4c.	15%	1 1/4c.
Potassium chromate.....	2 1/4c.	1c.	2 1/4c.
Potassium dichromate.....	2 1/4c.	1c.	2 1/4c.+15%
Potassium ferricyanide.....	8c.	2c.	7c.+15%
Potassium ferrocyanide.....	4c.	1 1/4c.	4c.+15%
Sodium ferricyanide.....	2c.	3/4c.	2c.

* Not specially provided for. † Depending on strength.

The statement is frequently made that we cannot export unless we import; that other countries will not buy from us unless we buy from them in equal measure. The facts are that each country buys from us what it needs and wishes to buy. Statistics of imports and exports show that we export to some countries vastly more than we buy from them, and that in other cases the relation is reversed. We sometimes point with pride to the export trade we developed during the war. But our export trade fell off before foreign competition as soon as Europe stopped fighting and went back to business.

In normal times, 95 per cent. of our domestic products were consumed in the United States and 5 per cent. were exported. It must be remembered that the most important market for American producers is the home market. With full employment the purchasing and consuming power of our country is the greatest of any nation. The high purchasing and consuming power of this country can only be maintained under conditions of full employment, and full employment can only be maintained by an adequate protective tariff.

The proposal to regulate importation of dyestuffs and other organic chemical products by a system of licensing was endorsed by the National

Paint, Oil and Varnish Association in convention at White Sulphur Springs. The measure has met with some opposition in Congress, but there seems to be a growing sentiment in its favor. England, France and Italy have enacted similar legislation. Our Emergency Tariff continued the licensing regulations. The licensing system is necessary to the country for the continued growth of an industry in organic chemistry. The preparedness of this country for a war of defense, especially in the absence of heavy armaments, will depend on its possession of a well-rounded and well-developed chemical industry.

Berthold Schwartz, the German alchemist of several hundred years ago, changed the tactics of war when he contrived to make gunpowder. The Germans again changed the tactics of war when they first used poison gas. In 1914 war was 100 per cent. explosives; in 1918 it was 45 per cent. explosives and 55 per cent. chemical. The next war will start with its tactics 55 per cent. chemical and 45 per cent. explosives and it may be 100 per cent. chemical before it ends. A thoroughly developed chemical industry will contribute to our prosperity in times of peace and will stand in readiness at the instant of war with plant and trained personnel to make materials for our defense.

AMERICAN VALUATION.

In view of the fluctuations of foreign exchange and of the uncertainty of foreign valuations the Senate has proposed to introduce the system of American valuations to serve as the basis for levying ad valorem duties. Earlier in this report it was mentioned that your Tariff Committee was not agreed amongst its members on this question. The chairman hoped that both sides would be presented in one report, but the opponents of American valuation preferred to present their views in a separate report.

It will be instructive to follow the history of American valuation of imports in brief outline before considering the merits of the question.

The first tariff of the United States in 1789 provided that ad valorem duties should be assessed according to the value thereof at the time and place of importation. It was because of the American valuation that the low duties of this act proved satisfactory. This system was followed until 1796 when foreign valuation was substituted, but for purposes of assessment the costs of package, transportation and commission were added to the foreign value. This change was made without public explanation or discussion. In 1817 the importers secured the passage of an act which provided that the duty should be assessed on the foreign cost exclusive of cost of package, transportation and all other charges. Within a year undervaluations and frauds became so apparent that Congress enacted a law requiring the production of an original invoice, certified under oath, to exhibit the true value at the place of manufacture. Here we have the beginning of the complicated system of regulations to prevent and to penalize fraud and under-valuation under the system of foreign valuation. From 1820 to 1833 the question of changing back to American valuation was the subject of earnest debate. In 1830 Rollin C. Mallory of Vermont, Chairman of the Committee on Manufactures, discussing a bill to prevent revenue frauds said: "You cannot reach the person who swore falsely to an invoice in a foreign country. There he is perfectly safe. The truth is that the foreign valuation is the rotten part of our system."

The Tariff Act of 1833 provided for a gradual scaling down of the rates of duty over a period of years and the duties were to attain their minimum in 1842.

Henry Clay in the course of the debate on this bill introduced an amendment which was carried providing for the adoption of the system of American valuations in 1842. Mr. Clay said that foreign valuation was an anomaly peculiar to this country; while we fixed the rate we allowed the foreigner to determine the value. He suggested that we take into our own hands both parts of the operation—the ascertainment of the value as well as the duty to be paid. He seems to have anticipated the argument advanced against American valuation at this date, quoting from his remarks: "If it be said that we might have in different ports different rules the answer is that there could be no diversity greater than that to which we are liable from the fact of the valuation now being made in all the ports of foreign countries from which we make our importations. And it is better to have the valuations made by persons responsible to our own Government and regulated by one head than by unknown foreigners standing under no responsibility to us."

In 1842 a new tariff bill was adopted which provided for foreign valuation and Clay's amendment never had a practical trial. President Fillmore in his first message to Congress recommended specific duties as the remedy for undervaluation and suggested that if a uniform system of specific duties should be found impracticable then a partial remedy would be found in American valuation. President Fillmore repeated this recommendation in 1851 and in 1852, and in referring to the subject said: "I therefore again most earnestly recommend the adoption of specific duties wherever it is practicable or a home valuation to prevent those frauds." Later legislative action on this question was never taken.

The American valuation of imports has been recommended by officials of the customs service of the United States Treasury Department, but nevertheless the complicated and uncertain system of foreign valuations has been maintained.

The advocates of American valuation claim that it will minimize fraudulent undervaluation. In many foreign countries it is customary to have lower values for export than for home consumption. This method of evading customs duties has been developed to a high degree. At a recent meeting of a German Chamber of Commerce the speaker addressed the assembly to the effect that Americans considered undervaluations as frauds whereas in reality they were not; it is legitimate to have a lower value for export. He suggested that in order to avoid the penalties Americans imposed on undervaluations, it would be well to split the shipment, or if this was not possible, then to have the invoice consularized at a point distant from the place of manufacture where the consul would not be familiar with costs. This is not an isolated case.

The advocates of American valuation claim that the administration of the tariff act would be much simplified by American valuations. Why should it be easier to determine the value of an article in England, in India, in Japan or in Austria than to know its value in the United States? With American valuation we have the people who make sworn statements under

our own jurisdiction. With foreign valuation the culprit or the careless person making a misrepresentation under oath is not amenable to our laws. Under the existing system of foreign valuation the importer, honest in intentions, has frequently been penalized for undervaluation. The appraisers at the port of entry did not consider that the consular invoice reflected a fair market value at the date of exportation. A number of importers have communicated with the Tariff Committee on this subject. It has been discussed with the Treasury Department, but no relief could be given. Under foreign valuation the importers and the customs officials, both honest, could not agree as to the foreign value. There can be no such difference when ad valorem duties are based on American value.

The advocates of American valuation realize and fear the unsettled conditions of Europe with the fluctuations in money value so uncertain that foreigners base their export prices on American dollars rather than in the currency of their own country.

When the appraiser and importer do not agree the case is referred to the General Board of Appraisers, and their decision is handed down. There were in the last year 7,056 such cases where the importer and the appraiser did not agree as to the value, as to a fair value of the merchandise in the port of manufacture or production. Of these cases 6,100 and some odd cases were decided in favor of the appraiser, and in a number of cases on re-appraisal, or rather reappraisal as it is technically called, the duties imposed by the first appraiser were raised. In other words we have had in the last year 500 appraisal cases of under-valuations, some of them honest and some of them fraudulent; at the rate of 500 cases per month we have had undervaluation. How can our appraisers determine a foreign value with reliability? Vienna is in a panic as crowns fall so low in value that 3,000 crowns are offered for one American dollar. What sort of a measure of value is a crown at 3,000 crowns per dollar?

The opponents of American valuation express fear that the duties imposed will be too high. They confuse the issue. The rates should be adjusted to the basis of valuation. This will be done. The United States Senate is now studying relative values here and abroad so that the ad valorem rates of duty may be adjusted to the new system of valuation. The two questions should not be confused: American valuation of imports is one thing; the rate of duty is another.

The importer fears that under American valuation he will not know what his goods will cost him laid down in the United States. First, because of fluctuations in the American market and, secondly, the fear is expressed that by manipulation the American market may be advanced deliberately to raise the duty paid by the importer. As already stated the importer has in the past been in constant uncertainty, as to his foreign valuation; he has been penalized for undervaluations when he has been conducting his business with the most scrupulous honesty. With American valuation his uncertainty will be no greater than it has been in the past, and where undervaluation can not occur there will be no penalties. There is nothing to fear so far as manipulation is concerned. As long as the importer stays in the market to supply merchandise the manipulator cannot run away with the price; it is equally probable that the importer will not find it quite as profitable to run away with the price of "spot or nearby goods" to purchasers who have not contracted. It will be to the interest of importers to stabilize prices and to keep nearby deliveries close to contract prices.

PROGRESS OF TARIFF LEGISLATION.

Early in the year it was hoped that tariff legislation would be completed by September or October of this year. The delays have been unprecedented. The latest information from Washington is that the United States Senate is studying relative values with a view to adjusting the ad valorem rates to the American valuation of imports. The predictions are that the bill will not be ready before April of next year, perhaps not until July.

TARIFF LEGISLATION IN OTHER COUNTRIES.

England, formerly the home of free trade, has adopted the licensing system for dyestuffs and similar products. Closer trade relations are encouraged with the Colonies by preferential tariffs.

France has advanced her tariffs by flat additional percentages added to the old rates and has also put her dyestuffs and coal-tar products under a protective embargo or licensing system.

Italy is using the embargo system to protect and encourage her chemical industry in the manufacture of organic compounds.

Norway, Sweden and Denmark, suffering under the influx of German goods, have protected their industries by additional rates of duty.

Dutch Colonies have been flooded with German goods to such an extent that the colonial trading companies have memorialized the Government of Holland to protect their colonial trade.

Germany has increased her rates of duty nine hundred per cent. (900%), and it is semi-officially announced on October 4 that the surcharge on imports will be raised from nine hundred per cent. (900%) to nineteen hundred per cent. (1,900%).

The United States has enacted an Emergency Agricultural Tariff effective for a limited period, which may be extended from time to time. The major tariff measure is still under consideration.

The report of the Tariff Committee is largely one of information. Your committee does not recommend any action on the rates of duty proposed in the House of Representatives' Bill (H. R. 7456). These rates will be modified in conference of the Representatives and Senators. Our debate would probably outlast that of the conferees.

In view of the divided opinion of the Tariff Committee on the question of American valuation versus foreign valuation of imports this report carries with it no recommendation. The question has been clearly stated in this and in a minority report. The Directors will bring the question before the convention in such form as they see fit.

Respectfully submitted,

GEO. S. MEPHAM,
L. P. MOORE,
FRANK S. RODDIE,
EUGENE MERZ, Chairman.

President Evans—There is a minority report of the Tariff Committee. Will Mr. Coulston read it, if he is here?

W. J. Coulston presented the following minority report of the Tariff Committee—

Minority Report

One of the first acts on its assembling of the 67th Congress—even before its consideration of a new Income Tax Bill—was the introduction of the above Tariff Bill. Chairman Fordney, of the committee, held hearings during the early spring and the manufacturers of the country sent their representatives to Washington to demand higher duties than those contained in the Tariff Bill of 1913.

One might concede that some of the inequalities of the duties on the Tariff Bill of 1913 needed adjustment, but not to the extent solicited by the representatives of the industries who presented themselves before Chairman Fordney's Committee, and whose requests for additional duties were so exorbitant as to meet the disapproval of some of the committee.

The imposing of duties on imported goods is based on the supposed differences in costs of producing similar or comparable goods in America and abroad. At the present time, when the affairs of all nations are in a flux and none of them settled, it is a serious question whether or not it is a proper time for a complete revision of our Tariff Law.

Costs of manufacture abroad have increased to as like an extent as in the United States; and, in some instances, the writer discovered when he was in Europe in the spring of 1919, that the rates of wages abroad had advanced more largely over pre-war rates than they had in the United States. The way labor controlled industry abroad and the advent of American soldiers with their tales of wages paid here, were the causes of these increases in wages; so that the duties proposed in the new tariff mean higher duties and protection to American industry than would have been the case under pre-war conditions.

The more important problem, it seems to the writer, would have been for a serious consideration of a change in our Income Taxes, and leaving our Tariff problem for a later date.

The Tariff Bill, H. R. 7456, advances the duties over the Tariff Law 1913 from 10% to over 50% on some articles; for instance: Powdered barytes, from 20% (or about \$3.85 a ton) to \$7.50 a ton—an increase of \$3.65 a ton; ultramarine blue, from 15% (or about 2 cents per pound) to 3 cents per pound; lithopone, from 15% (or 70 cents per 100 pounds) to 1½ cents per pound; Spanish red oxides of iron, from 10% (or \$4.60 a ton) to 25%—or over \$10 per ton; zinc oxide, from 10% (or \$1.15 per 100 pounds) to 1½ cents per pound.

AMERICAN VALUATION PLAN.—In the proposed new Tariff there has been introduced an innovation, of assessing the duty on valuation of "comparable or competitive products," of their wholesale selling prices in the United States. This valuation plan has caused considerable discussion pro and con in the United States. There can be no doubt, however, but that it will eventually result in increased duties on imported products, over and above the rate of duties established in the bill, as necessarily one would have to pay duty on all the costs, freights, insurance, etc., as well as the profits of imported goods, which is certainly an anomaly in assessing duties. An importer, as a rule, knows at the time of shipment the wholesale selling prices of the goods he buys abroad and, generally speaking, those prices are the prices he pays for the goods; and, therefore, he can safely add the freight, insurance and duty to his foreign cost and have some safe basis of cost, when offering his imported goods, but he will not know to any like extent the wholesale selling price of "comparable" goods in the United States; and he would have to keep exhaustive records of all such goods offered for sale in the United States. When there are no such "comparable or competitive products" offered for sale in the United States, the importer would be in a quandary as to what price he could offer his goods at in the United States, as he would not know what his duty was to be, until arrival, and, as buyers always want a fixed price laid down here, an importer stands a good chance of losing money on such an importation.

Another serious defect in such a valuation plan is the almost absolute impossibility of making a long time contract—say, for six months or a year—as the importer would not know the selling price in America of "comparable and competitive products" six months or a year hence.

Where there are specific duties on the new proposed Tariff, this objection, of course, does not hold, but take, as an example, one article used largely in the rubber trade—sulphure of antimony—(which is used extensively in the manufacture of tubes), the proposed duty is 25%. Suppose an importer should make a long-time contract for a very large quantity and the very few manufacturers of this article in this country should learn that they lost such a large sale, what would prevent them, under such a valuation plan, from materially advancing their prices for "comparable or competitive products," in order to make materially increased duties on such imported products, and cause the importer to suffer a loss.

RATES OF EXCHANGE.—It is contended by some advocates of the "American Valuation Plan," that there should be some such basis of valuation, because of the falling rates of exchange, but I doubt if you can find a seller of merchandise abroad, who does not take into account, in selling his goods for export, this drop in exchange, and who fixes his price accordingly; and, if he does not fix his prices by the American dollar (which he frequently does), then he adds a sufficient price to cover the drop in the exchange.

JOHN W. COULSTON.

President Evans—This subject affects every one of us, and our association is inclusive of members who are interested in importations as well as those of us who manufacture exclusively here. The administration of the association has deemed it the most important subject now before us, because of the post-war conditions, and of the fact that at the moment there is under consideration at Washington legislation which will profoundly affect every one of us. We little realize that in these two committees at Washington a little group of men really hold our destinies in the hollow of their hand. They are going to affect us adversely or beneficially. I think, as we make the facts of our industrial requirements known to them. And to the end that we might have the most adequate possible presentation of

this important matter, we have been fortunate in securing one of our most distinguished Americans to contribute further to the discussion on this tariff matter, especially as it refers to the colors that we use and the raw materials from which they are made, who will enlighten us. I am sure, as to the importance of this industry, from an American standpoint, not only for the arts and sciences in time of peace, but for our ability in time of war.

Joseph H. Choate, Jr., of New York, needs no introduction to this audience. Everyone knew of his great father, and as might have been expected in the son of such a father, Mr. Choate received the best of education, both here and abroad, and was at one time secretary of the American Bar Association. After twenty years of active practice of law in New York,

he saw the importance of this matter to America, interested himself in it, and has become the leading American exponent of

an American policy in respect to these matters. I now invite Mr. Choate to address you. (Applause.)

The Dye Situation and Its Importance to the United States

By Joseph H. Choate, Jr.

It has sometimes seemed to be one of the great paradoxes of nature that an industry which after all devotes itself merely to the beautifying of surfaces, should have more direct effect and importance in its bearing on the very heart and substance of everything which we make and everything which we do, and everything which we are, than any other. It has sometimes been necessary to explain to other audiences why this is so.



Joseph H. Choate, Jr.

It should not be necessary to make any such explanation to a plain audience. Your motto of "Save the Surface and You Save All," shows that you understand that I sometimes wonder, by the way, whether you have not carried that motto a little too far, and whether it has not had its influence upon the ladies, and whether, perhaps, the modifications which we have observed lately in their complexions have not been due to a too close an appreciation of that motto. (Laughter.) I don't want to say much to you about the economic importance of the dye industry, for rather of the organic chemical industry of which the dye industry is merely the most conspicuous part. You know that dye people could not get along without it. You know that the paper and ink people could not get along without it. You know that three billions' worth of goods a year could not be produced without it, and that without those goods three billions more a year would fail.

You know it is a small industry in itself—not to be compared for a moment with the magnitude of your industry—but by reason of the fact that its products are absolutely necessary to you and to the other consumer, it is a typical key industry. Therefore, you realize, as lay-audiences—outside audiences do not realize, that unless you have in this country a flourishing manufacturer from which you may draw your raw materials, you will be at the mercy of the country which does supply us with raw materials.

You don't want to be at the mercy of the Germans as you were before the war for your coal-tar colors, because you have seen from what they attempted to do in the beginning of the war, and what they were not able to do because of that time they were not able to send into this country their products which competed with ours and with the textile makers and with the leather makers and the ink makers. You have seen what they could have done had they been able, as they are able in time of peace, to send in such competing products, and at the same time shut off our supplies which would prevent you from making the products with which you hoped to compete.

I must say a word in the first place as to the peculiarities of the industry, which will show why it has attained such extraordinary importance and outstanding peculiarity of the industry is—First, its commercial difficulty and, second, its manufacturing difficulty. These two difficulties have stimulated such an extraordinary mass of effort in those who have to overcome the difficulties as to produce a technique and a mass of information—a mass of scientific data which is perfectly invaluable and on which the great value of the industry depends.

Commercial Difficulties

First, the commercial difficulties—These are chiefly due to the enormous number of products which the industry must supply. You know that before the war we used to import nine hundred dyes and, while some of these were unnecessary, most of them are not. You have probably heard of the statement which has been made on the authority of one of the government experts, Dr. Morton, that one German factory before the war was making eleven thousand different colors. You probably do not realize that these eleven thousand different colors are mostly separate individual products—each different from each other as wood and iron and different in their chemical substance as salt and sugar.

You probably don't realize that in the manufacture of these colors it is necessary to produce several by-products for each product and that for these by-products must be found uses. I don't know whether you realize that the demand for this enormous number of different products is not purely capricious; it is really necessary to have great numbers. Dyes for wool will not not color cotton. Dyes for cotton won't suit silk. We must have the materials to dye any different shade in any different fiber or any different mixture of fibers. We must have the materials to supply the needs of the textile men and of the other people who use dyes for all the extraordinary processes they like to use—processes such as dyeing goods in which a silk pattern is woven on a cotton back—with a dye that will take on the silk and won't touch the cotton.

Moreover, the requirements do not rest. They are not stationary. They change. Before I come to that I would say a word as to the requirements in the way of fastness. I think of dyes as fast or fugitive—but fast or fugitive to what? No dye need be fast to everything, because no textile and no other substance in which dyes are used is exposed to all possible conditions which may destroy the color. The colors that you use are not ordinarily attacked directly by water. The colors that we use in heavy curtains don't need to be proof against soap. The colors which are used in bathing suits only have to be proof against sun and salt water, but the requirements are not static. They do not remain. They have the most perplexing ways of changing. As an example I need only cite the case of ladies' stockings. A few years ago it used to be supposed that all that was necessary for this particular kind of goods was that they should be proof against the acids of human perspiration and against salt and water. Now they have to be as sunfast as the most valuable curtains. (Laughter.)

That requirement is not as severe as it used to be. Most of us are old enough to remember the time when they didn't have to be sunfast at all. Then came a period when the sunfastness was all-important, because the sun got a whack at a good part of the stockings and didn't get a whack at the rest, and if part of it faded and the rest didn't, you had a terrible state of affairs. Now that the entire garment is fully exposed (laughter) all they have to provide against is a change of shade, mere fading does not matter.

So much for the commercial difficulty.

Manufacturing Difficulties

The manufacturing difficulty is worse! Instead of their manufacture consisting of a mixing of products as your manufacture consists, or of the shaping of a given raw material into a new form, as was the case of the manufacture of furniture or locomotives, or automobile tires, it consists in the destruction of raw material. Each difficulty is the product of eight or twelve consecutive reactions. In each of these reactions all the raw material is destroyed and new products are formed. In each of these reactions the amount of the new product you obtain and of the by-products you get because you can't help getting them is controllable by skill. So that you may get in each step 10 per cent, or 90 per cent, of what you have a right to expect.

If you get 10 per cent, of 10 per cent, of 10 per cent, and have only three steps to go, you have only one-tenth of 1 per cent, when you get through. You could carry that on for twelve steps. Think of a microscopic fraction of your original materials you would have left in the finished goods! Imagine how you would like to be engaged in the manufacture of that sort when competing with a line of people who, like the Germans, have forty years of experience, and get 30 per cent, in every step!

See what it amounts to in the case of an individual manufacturer. Take the manufacturer of clothing—He knows perfectly well that if he buys 1,000 yards of goods he can absolutely rely on getting a given amount of finished product out of them. He knows that he can get from these thousand yards 200 men's suits, or as the case may be, 2,000 modern ladies' bathing suits. How would he feel if he didn't know whether he was going to get his 200 men's suits or just half a pair of trousers and waistcoat, and no material left for a coat?

That is the position of the dye manufacturer when he begins, and as a consequence, the burden placed upon his chemists and upon his technical manufacturing men, his foremen and his laborers is something altogether beyond that endured by any other industry. The consequence of that is that a great dye industry results in the foundation of the most enormous chemical laboratories that ever have been known and the accumulation of the greatest number of the highest grade research chemists that have ever been collected anywhere in the world. The only industry that I know of which requires any such grade of chemical assistance is the oil refining industry, and that requires only a small part of that number of men.

The result of all that is that a country which has a well-rounded, complete dye industry, an industry which is producing all these hundreds of products and these thousands of by-products, and is developing uses for every one of them, has to minimize the production of things which are not wanted, furnishes a constant mass of scientific information and a supply of scientific men such as is furnished in no other way.

It supports it offers a livelihood to 100 times as many research chemists as any other single industry.

Widespread Influence

Now, this has the most enormous effect upon all of our industries. It is safe to

say that not an industry in the German Empire was not vitally improved by the work of German dye chemists. Whenever they set about to solve the simplest problem presented by the dyestuffs or manufacturing forces they were constantly obliged to go far beyond the known bounds of scientific knowledge to start their research by throwing overboard everything that had been known on the particular subject, and beginning again and going out into the great unknown of science and accumulating again and again the knowledge of all subsequent workers in the same field. They are dealing with the whole world of organic chemistry. I suppose that the great chemical industries other than the organic chemical industry in this country hardly deal with more than fifty products, perhaps one hundred. The organic chemical industry deals with a mass of products, of which something like 250,000 have already been discovered and studied. The total number of such products which may exist and which may become useful is absolutely unlimited—unknown. You can see at a glance what a bonanza is hidden away as it conveys to the industrial science of every country which has it.

Now, think for a moment, I ask you of the scientific knowledge contained upon the medical science of the country which has such an industry. We are not going but the chemists of our bodies are great congeries of chemical factors; every gland in us is pouring into the systems of the body the most complex sort, which have a most vital effect upon our welfare.

The most every medicine which directly produces results upon the human system is an organic chemical. Almost every organic chemical known has some effect upon the human system. It is now well settled that the microbes affect the body by secreting chemical poisons and that the cures which nature produces in the body, the cures which we utilize by the means with which such poisons are broken down, are themselves organic chemical substances.

Now, the only way in which medical science can make advances is by ascertaining just what happens, by pouring into the human system experimentally anything that comes along, and the Germans did with the by-products of their chemical works, and by finding out precisely what happens when a new product is introduced. In that way, and in that way alone can medicine develop the actual specific which has some effect upon the human system. Advances have already been made along that line. The most conspicuous, perhaps, is the case of salvarsan. There is a direct means of neutralizing the organic chemical poison introduced by the microbes in the system, and it has been discovered, and where was it discovered? The discoverer developed his theory. To prove it, to carry it out, to find the substance that he believed must exist, required the elimination of thousands of substances. Where could he find such substances? Nowhere except in the great German dye laboratories, and there accordingly it was done by the chemists of the Cassell firm, where lots of you used to buy your colors.

So I say that the hope of the future in medicine lies in the extensions of the boundaries of science, from the headquarters established in the dye laboratory.

The dye is not the most important of this industry. Its most direct bearing upon the life of all of us is its bearing upon the national defense. It is a potential arsenal. You know, undoubtedly, that many of the best of the high explosives made, as TNT is almost made, in the process of making dyes. Perhaps you do not know that the most important of these explosives, of which perhaps half of our high explosive shells are made, is itself made in the most important drug and a high explosive. What is more, in making the sulphur black with which half of our most important explosives, the commonest of all dyes outside of indigo, you carry through the whole long process and without you make the last step, a comparatively simple step, by making a switch in that you can get picric acid or sulphur black.

So, every dye works offers the nation which has it, the means of getting all the explosives in the world without cost, without expense, without trouble, without any disadvantage. There the dye works are a potential reservoir of explosives, almost unlimited, and they alone have the men, the technique, the materials and the apparatus. The same is true of gases. All the German gases, with one trifling exception, were made in the German dye works without changing those works. Any nation which has good dye works is ready for chemical warfare as far as the supply of materials is concerned by gentlemen, that does not go very far. The essence of chemical warfare is supplies. The man who puts into the field a new gas has been beaten unless you have the scientific knowledge to identify it immediately, and the further scientific knowledge device means to neutralize it in the gas masks.

With the first gases that used to be quite simple. Any fool of a chemist could recognize chlorine when he saw it by its green vapor, and anybody would know enough to realize the simple means which could be used to combat it, but the later gases were very different, and only the fact that the dye works of the chemists had developed pretty good facilities enabled them to escape instant total defeat as each neutral gas was introduced.

Towards the end the gases were getting very complicated, and only those gases were introduced which the chemists had been working out and the manufacture fully developed months before. The worst of the gases are Long cores, and the end of the fighting the scientists had developed far worse than any which were used, various gases.

As General Fries, the head of our chemical warfare service, testified in 1917 and 1918, the German gases which went through our gas masks—they were the best in the world—as water goes through a sieve, and the only means for putting them over in full effect, nothing could have stopped a German victory.

Unless you have in the nation, and ready at all times, men who are capable of solving such problems, and determining instantly, you cannot hope for success in

the warfare of the future. All are agreed that the next war will begin where this war left off—as 100 per cent. chemical warfare.

America's Unpreparedness

The last time we succeeded because we succeeded in meeting the danger and we had time. You are sometimes told that the dye might be the subject of the dye themselves proud, and that at the end we were making more gas than anybody else. This is all true. It is true that for eleven months after the Germans introduced mustard gas we couldn't get a pound of it to shoot back at them. During those eleven months 300,000 casualties were suffered among our army and ourselves from that gas alone. During those eleven months we spent \$36,000,000 in establishing the great Edgewater plant to make mustard gas. That is how we were able to make it, and the Germans were making theirs in their dye works that they already had.

During those eleven months we did solve the manufacturing problem, and where did we solve it? Not in the chemists' laboratories, where you only learn how to do things with test tubes and little beakers and small scale stuff, which are no clue at all, no guide at all to actual manufacture. The problem was solved in a little French dye works—a former German branch taken over by the French and the British—the dye works of Leven-

During those eleven months, while we were fusing in the laboratories and working in the little dye works abroad, and establishing our huge plant here (a plant that is absolutely a waste in time of men and money stood behind the impenetrable wall of the bodies of our allies. The next time there may be no such wall, and if there is not, God be his aid.

Now what I have said leads to the next and perhaps the most important point of view. The industry is necessary to our national defense. It is doubly necessary to the hope of disarmament. When the war was over, the weapons were used as weapons. They were simply left loose with the wind to blow them upon the people. Afterward they were used in shells requiring artillery, but toward the end the trend was the other way again, and the weapons were being used as such could be cheaply made and by which any sea of gas you like could be laid down at a moment's notice.

The Germans have the greatest chemical industry in the world today—greater than any other country, and far more by far than any other. Accordingly, they are armed for warfare against any nation not completely equipped with modern weapons. They could put into the field tomorrow a host of hundreds of thousands, equipped with these purely chemical weapons, against which no army could stand, unless it had the means to counteract them. They could put in the field commercial airplanes capable of dropping bombs which could render useless any of the ocean's uninhabitable islands, and they could send them with a man left alive.

Accordingly, you have got to take your choice. You have either got to stand the risk of facing Germany and the other nations which have established dye industries, or you have got to stand the risk of meeting the attack which they may bring against us, or you have got to have the money to meet the attack which they may bring against us.

There are two choices, gentlemen. We can either abandon the hope of disarmament, and we can either stand with it four feet in the air and say: "By all means keep any military expense over us that you like, we don't care, we can destroy the German chemical industry, which is unthinkable, or you can protect us. If you can't do it, we can't give you. You can take your choice—it is up to you. It does not seem to me that the dye industry is a very important thing, but it is up to everyone of us to insure the protection of this extraordinary industry which has been built up so well built up during the war, so well built up that it satisfies all our needs. My only question is:—How can it be done?

Tariff Not Enough

Of course the normal, old-fashioned way of protecting American industries was by a tariff. Everybody wanted to protect this industry by a tariff in the past. Everybody wanted to protect it only in this country but in every other country, but it has been proven impossible to do it by one, the other powers have recognized it.

The British, who are a free trade nation, but who have used the tariff whenever they could to protect their industries, such as automobiles and magnetos and things like that, and chemical glassware, have been driven to what is called a selective embargo. In their case a license plan. They require a license to be granted for any importation of dyes from anywhere, and they grant such license only where the person who wants the dye can't get it from his domestic manufacturer. The result is that everybody gets what he needs. If he can't buy it at home he can import it. He has to pay a little more for the domestic goods, but if he has to pay too much they license the import, and the price comes down.

The result of that is that nobody is hurt and the industry is absolutely protected. The French have adopted the same measure, except that it is limited only to German dyes. The British license and embargo affect the importation of dyes from every other country, including ourselves. The Italians have recently adopted a universal embargo. The Japanese have a similar measure of some sort. We have a temporary war act, originally passed under the Trade with the Enemy act, and twice continued by emergency legislation. The emergency bill which is now before Congress expires on November 27, but which will probably be extended.

1918, the German gases which went through our gas masks—they were the best in the world—as water goes through a sieve, and the only means for putting them over in full effect, nothing could have stopped a German victory. Unless you have in the nation, and ready at all times, men who are capable of solving such problems, and determining instantly, you cannot hope for success in

That leads me to the last thing I have to say to you on this subject, which is to state the reasons why the tariff will not do it, and why these other nations have been able to do it. The tariff is the only possible means of protecting this industry.

The first reason is that the German industry is the largest in the world, as large as all the rest put together, has coalesced into a single gigantic trust which its whole power is wielded by one man, a trust expressly formed to fight for the recovery of its foreign market. That trust has five million dollars, real dollars, gold dollars of assets, and more. It was the most lucrative industry in the German Empire. It hopes to remain so. It was organized and equipped to supply the world. It cannot go on being a profitable industry if, instead of supplying the world, it can only supply one-third of the world. It is desperate; it is shut out from two-thirds of its markets because those markets are closed by the British, the French, the Italian and the Japanese embargo legislation. It must get back the market of this country or die, or go out of the business into other business. In such a situation as that, any honest business men controlling the destinies of such an organization would do anything in his power within his conscience to get back a market so vital to its welfare. Any one of us would be glad to see our own consciences would let us do, and the Germans haven't any consciences. (Applause.)

The entire commercial history, has proven that. Whenever a new American chemical industry has shown its head above the horizon, they have hit it. The Alien Property Custodian's report is full of such circumstances. Those would interest you and I could read them for two hours, but I won't do it. They will stop at nothing. They have all the enormous advantages of combination, which is no permitted by the Sherman law. Where we possess twelve separate plants and twelve companies producing for a market where there is not enough demand to supply one good manufacturer, the Germans use one company, where we have twelve different in disposing of by-products, the German trust does with ease, converts by-products which we have to turn into sewers, to drugs which they sell at \$5 an ounce. The advantages which they have are not only in the experience (of forty years), would make that instead of one-tenth of 1 per cent, 30 per cent. The advantage now is that the advantages alone would suffice to make it impossible for us to compete on even terms.

If that were not all, they have the advantage of the exchange. The Germans have five times as much as we have in foreign exchange in gold, which means that German wares can be sold here at a lower price than their raw materials for this industry. They don't have to import them—they are one-fifth of ours, other things being equal.

Working with all this tremendous advantage, and with this absolutely ruthless determination to recover our market, they are given a means of attack which will enable them to recover our market in a ridiculously low cost. One of the so-called selective tariff. It happens that none of our manufacturers of dyes make more than a few dollars of their products. The great bulk of the products are made by so many, under such conditions, that the price has been forced down below the point at which anybody makes any money. Most of our other products are so new and so cheap that they have lost the losses far exceed the profits. The only money that any American dye manufacturer can make is on those new products of which he has developed the manufacture so well as to escape most of the losses, in which case he has an advantage over his competitors—those few dyes which either come to him as a by-product of another industry, or which he can make better than anybody else.

The Germans know which those dyes are, and they know that they have to do to kill our industry is to pick our Americans off one by one. Take a company, for instance, and select six dyes on which they know that company makes money. These six dyes are probably small products, a few hundred thousand pounds apiece. The whole product of the dye industry could be brought in in three ships, by the way, don't forget that. They have got to do it to be in enough of a company's six money-makers to supply the market for a year and give them away with a pound of tea. It won't cost them but a few hundred thousand dollars to kill a company in that way. It can be done in a thousand concealed ways in which no anti-dumping law, no anti-Sherman law, no Corrupt Practices act can possibly hope to give remedy. Cause all such acts are slow in their results.

Having picked off A company, they proceed to B company; having picked off B company, they go to C company. Do you think it will take more than three lessons to teach the American dye industry where it stands? The little fellows under a tariff alone, if you put it at 1,000 per cent, would be driven out of business over night, and the big companies would not survive more than one or two such attacks.

We have our choice, gentlemen. We can take this sort of legislation, with its small inconveniences, or we can throw the industry into the net, or give it back to the Germans. That is what the attempt to protect this industry by a tariff will amount to.

So, gentlemen, I say it is up to us. We have got to convince our Congressmen that they must not take chances, that they must play safe, and that the interest of this industry is too vital to take chances. They know that it is the means of protecting this industry, and that they know no other means is safe.

If you don't do it for certain points, they shall—put back into the new tariff bill the embargo legislation which has been struck out of the tariff for further consideration.

Mr. Choate was greeted with a salvo of applause that lasted for several minutes, the members rising to their feet.

That we are tremendously indebted to Mr. Choate, his courtesy in coming here and giving us this most illuminating exposition of the dye situation. Its bearing upon our industry is direct. What we say, as consumers of these products, some of us as makers of these products, will undoubtedly contribute much to the final proper determination of this issue at Washington.

It occurs to me—and Mr. Choate has very kindly suggested—that if anyone has any questions he would like to propound in respect to this matter, Mr. Choate will be glad to answer them. If not, now, gentlemen, the whole tariff situation, as it affects our industry is before you for discussion.

The board expressed in the highest terms its appreciation of the work of the Tariff Committee, under the very able and unselfish leadership of Mr. Merz; but



Eugene Merz

It deemed the question of such importance that it wished to throw the whole matter on the floor of the convention, for such action as may be deemed best by us all. To that end, Mr. Merz has prepared a resolution which I will ask him to now present.

AMERICAN VALUATION PLAN DISCUSSED

Mr. Merz read his resolution:

Whereas, The Paint, Oil and Varnish Association, in convention assembled, is deeply concerned over present conditions in our country, be it Resolved, That in view of the present depressed condition of American industry, and the consequent low cost of production, and the unprecedented depreciation of currencies of countries seeking to sell their products in the markets of the United States, is our solemn conviction that it is imperative that there be no further delay in the enactment of an adequate protective tariff bill, and that Congress and the Administration proceed at once to complete the program to which they stand committed before the nation, and be it further

Resolved, That we specially emphasize the fundamental necessity of the American valuation provisions of the pending tariff bill as a means of standardizing import values which today are infinitely variable. Such standardization is the only means of insuring to other nations equality with exchange in our markets, and will neither prohibit importations nor increase the cost to our people of American made goods.

Mr. Merz: The convention held at White Sulphur Springs adopted a resolution favoring the embargo of which Mr. Choate has so well spoken. I have a copy of that resolution, but I would like to put it before you, and I would like to have you read it, and I would like to emphasize, if we so decide, our sympathy with the embargo legislation that is necessary to build up in this country not only a dyestuff industry—that is a misnomer—but to build up an organic chemical industry which shall be productive of value in times of peace, and protective in times of war. (Applause.)

President Evans: You have the resolution, and notice from Mr. Merz that he will in a few moments present a further resolution with specific reference to the organic chemical industry in the United States. Do I have a second to the resolution of Mr. Merz?

The resolution was seconded. President Evans: Now, gentlemen, the question is open for discussion.

Mr. Waldo Opposes the Bill

Frank Waldo: As an importer interested in the question of American valuation, I want to discuss the motion as presented by Mr. Merz, and to go on record first as saying that I heartily believe in the principle of American valuation. I think that the majority of the discussion of American valuation that has taken place among its advocates in Congress, in the American Valuation Society, and all advocates of American valuation, has hinged on the principle that American valuation overcomes in this country the inequality of manufacturing costs and the consequent loss in foreign competition. However, I do not believe that the question of the practical application of the bill as drafted in the pending House bill, in the hands of the Senate Finance Committee, has been given due consideration.

They must—and it is for certain points, they shall—put back into the new tariff bill the embargo legislation which has been struck out of the tariff for further consideration. Mr. Choate was greeted with a salvo of applause that lasted for several minutes, the members rising to their feet. I am sure that I express the feeling of everyone when I say

In regard to the proposed revision of the tariff, I am not aware of any provision for

While, of course, these things are not anything that we are interested in, still it means an increased cost to us, and it means when these gentlemen buy their imported merchandise, that they will be paying a premium on account of the American valuation. It would mean a higher trend of prices all over the country, and for that reason I for one am against the proposition.

Mr. Waldo:—Mr. President, if I may make a further remark, I would like to accentuate the fact that although it is true that in estimating American duty on the basis of which duty will be assessed the rate of duty will be taken

[illegible]

By Frank Waldo

A great deal has been written and said in favor of "American Valuation" in assessing and valorem duties, and some very strong arguments have been made against it. Apparently in principle, "American Valuation" would be a forward step in our customs administration, and would be the basis of assessing duties from all countries, regardless of the depreciation of the rate of exchange prevailing in any one country. This seems fair to our domestic producers and fair to the citizens of all countries.

Unless our customs laws are logical and

Then follow provisions for penalties for dumping. But what of dumping when done by American producers in foreign countries? It belongs to the proposed tariff, but in some proposed specific duties and also in the provisions for determining "American Valuation," will be a shield for dumping many American products in foreign markets.

That will put us as a nation in the position of saying that what is done to us is black, but when done by us to others is white.

Do we want to occupy that position? It will be unavoidable, if the present tariff, especially with the "American Valuation" as proposed, is made into law.

Dumping Investigation

201 (a) That whenever the Secretary of the Treasury (hereinafter in this act referred to as the "Secretary") shall determine that it is in the interest of the United States to acquire any interest in any property, the Secretary shall acquire such interest in accordance with the provisions of this act.

A great deal has been written and said in favor of "American Valuation" in assessing and valorem duties, and some very strong arguments have been made against it. Apparently in principle, "American Valuation" would be a forward step in our customs administration, as it equalizes the basis of assessing duties from all countries, regardless of the depreciation of the rate of exchange prevailing in any one country. This seems fair to our domestic trade and fair to the citizenry of all foreign countries.

Unless our customs laws are logical and

I have shown how easy it would be for American producers, while shutting out imported merchandise by "boycotted" American values to force consumers to buy their merchandise at low prices. With the high profit thus gained, what would prevent American sellers dumping their surplus merchandise in foreign markets at prices below the price at which foreign producers could sell?

Is that practice fair? Do we want to classify ourselves in international commerce as that kind of competitors? Can "American Valuation" be so regulated as to build up constructively, instead of building a lopsided, lopsided structure that eventually must fall of its own weight, crushing or injuring many of our country's most valued interests?

Certainly it never will be possible until the means for determining American value is based on fundamentals, which readily can be checked and proven, for the protection alike of our government and our consumers, as well as of our legitimate importers.

I believe there is a remedy available, the key to which we can find in some of the provisions of the "Emergency Tariff" measure, previously referred to.

In providing for "Ad Valorem Duties" based on foreign valuation, the bill states just what shall constitute the basis of value for ad valorem duties, how the data shall be gathered and how ascertained.

Under "Title IV—General Provisions," the following are some of the stipulations:—

Statements in Invoice

"Sec. 401. That all invoices of imported merchandise and all statements in the form of an invoice, in addition to the statements required by law in existence at the time of the enactment of this act, shall contain such other statements as the Secretary may by regulation prescribe, and a statement as to the currency in which made out, specifying whether gold, silver or paper."

Statement at Time of Entry

"Sec. 402. That the owner, importer, consignee or agent making entry of imported merchandise shall set forth upon the invoice, or statement in the form of an invoice, and in the entry, in addition to the statements required by the law in existence at the time of the enactment of this act, such statements, under oath if required, as the Secretary may by regulation prescribe."

Inspection of Exporter's Books

"Sec. 404. That if any person manufacturing, producing, selling, shipping or consigning merchandise exported to the United States falls, at the request of the Secretary, or an appraiser, or person acting as appraiser, or a general appraiser, or the Board of General Appraisers, at the date may be, to permit a duly accredited officer of the United States to inspect his books, papers, records, accounts, documents, or correspondence, per-

soned by such person. If such failure continues for a period of one year from the date of such instruction, the collector shall cause the merchandise, unless previously exported, to be sold at public auction as in the case of forfeited merchandise."

Inspection of Importer's Books

"Sec. 405. That if any person importing merchandise into the United States or dealing in imported merchandise falls, at the request of the Secretary, or an appraiser, or person acting as appraiser, or a collector, or a general appraiser, or the Board of General Appraisers, at the date may be, to permit a duly accredited officer of the United States to inspect his books, papers, records, accounts, documents, or correspondence, pertaining to the value or classification of such merchandise, then while such failure continues the Secretary, under regulations prescribed by him, (1) shall prohibit the importation of merchandise into the United States by or for the account of such person, and (2) shall instruct the collectors to withhold delivery of merchandise imported by or for the account of such person. If such failure continues for a period of one year from the date of such instruction the collector shall cause the merchandise, unless previously exported, to be sold at public auction as in the case of forfeited merchandise."

Why not apply the same general principles in determining "American Value" and, at the same time, in recognition of our responsibility to foreign nations to refrain from favoring by our home tariff, American dumping in foreign markets, have "American Value" based on "prices for home consumption or for export, whichever is lower."

Surely our domestic producers do not need protection at a price higher than they can afford to sell for export.

This provision should appeal to every consumer of domestic or imported merchandise, as it would tend to keep inflation out of our tariff assessments and so maintain costs of raw materials somewhere near true economic levels.

Only by such deflation will our manufacturers be able to secure cost prices that will let them compete in foreign markets—to say nothing of controlling home markets on a basis that will not lead eventually to stagnation and industrial disaster.

President Evans:—Chairman Merz has another resolution with reference to the dye and organic chemical industry situation.

Mr. Merz:—I am not prepared to offer a resolution at this moment. I can prepare it in a few moments and submit it to the convention.

President Evans:—While Mr. Merz is preparing that resolution, we can listen to the report on Fire Insurance by R. O. Walker, chairman of the committee.

Mr. Walker:—I have no voice this morning, and I would suggest that copies of the report be given to everybody to read. Also that you introduce Mr. Perrin, as it is the first time he has been to, an

association meeting, and let him say a few words.

President Evans:—The chairman of the Insurance Committee was too enthusiastic at the ball game, which is the reason he is unable to read this morning. I commend the report to your serious consideration.

Reports on ten fires in recent months give the following causes: (1) Overheated kettle. (2) Lamp used heating paste set fire to labels and other contents on table. (3) Dissolving stain near gas jet ignited stain. (4) Workmen carelessly hanging clothes too close to steam pipes. (5) Boiling over of varnish being heated on laboratory stove. (6) Spark caused by foreign substance in contact with grinding rolls. (7) Kettle boiling over. (8) Tank boiling over. (9) Smoke stacks not properly insulated at roof. (10) Leak in oil tank.

Every one of these fires caused loss of time to employees and loss of property and profits to the owners. Study this list of fire causes carefully. You will see that all of them, with the possible exception of No. 6, could have been prevented by proper care. Get your employees interested in fire prevention by showing them that thousands of dollars are being thrown away yearly by carelessness, and many of these thousands are lost to the employees while out of work as the result of fires.

A form of self-inspection blank has been prepared and the best results have been obtained by employees electing a committee among themselves to make weekly inspections. This committee can be changed at intervals and the inspection reports should be followed up carefully and immediately by the plant manager who should see that defects are remedied at once. It may be impractical to have committee inspections in your particular case and a responsible person can be instructed to do the inspecting. Keep the reports on file and go over them often.

Your plant may be the next to go. You can prevent this by proper care. It is certainly a matter worthy of careful thought and attention.

The inspection blank cites the following "defects" and urges that each department be checked as to its relation to these: **Oil Material:** (a) Oily rags or waste not in cans. (b) Cans not covered or defective. (c) Cans not emptied daily. **Heat Hazards:** (a) Stoves, boilers, etc., near combustible material. (b) Steam pipes near combustible material. **Rubbish and Sweepings:** (a) Not in cans. (b) Not removed daily. (c) Cans defective. **Lockers:** (a) Not clean. (b) Clothes not hung up. (c) Interiors not visible. (d) Wooden lockers. **Smoking and Matches:** (a) Evidences of smoking. (b) Matches carried or used. **Fire Doors:** (a) Not opening freely or obstructed. (b) Not automatic. (c) Hardware incomplete or defective. **Water-Sand Pails, Extinguishers:** (a) Missing. (b) Not full. (c) Defective. (d) Access obstructed. **Inside Hose:** (a) Valve leaking. (b) Hose defective. (c) Not properly racked. **Hose House and Hydrants:** (a) Hose defective. (b) Equipment missing. (c) Hydrant not operating freely. (d) Access obstructed. **Wiring and Fuses:** (a) Not properly supported. (b) Temporary wiring. (c) Current overloaded. (d) Fuses oversized or bridged. (e) Exposed to mechanical injury. **Pendent Light Cords—Guards:** (a) Tied aside or improperly supported. (b) Defective. (c) Guards defective, missing or needed. **Rheostats—Motors—Resistances:** (a) Rheostats not enclosed. (b) Defective in operation. (c) Resistances near combustible material. **Dry Colors—Oils:** (a) Hazardous material not segregated or properly stored. (b) More than day's supply of naphtha not removed at night. **Varnish and Oil Boiling:** (a) Electric equipment not vapor proof. (b) Switches and fuses not outside. (c) Steam jets not in order. (d) Kettle covers missing or not accessible. **Varnish Thinning:** (a) Done too near fire. (b) Careless handling naphtha. **Paint Grinding:** (a) Machines not grounded.

The departments to be checked are the following: Office, Packing, Shipping, Boiler House Engine Room, Reducing and Grinding, Filling and Labeling, Mixing, Kettle House, Thinning, Storage—Raw Materials. Storage Finished Goods. Tank and Pump House.

Regarding the growth of the Paint Trade Mutual Company your committee does not feel any need of denying the fact that it takes time to build up a mutual company, and profits cannot be divided until they are made. They cannot be made until the company has a large premium income. The only way to secure a large premium income is for every member of the trade to place as much insurance with his own company as possible. Policies are written on the same form and at the same rate as stock companies and the mode of procedure is to send an insurance form with a statement of the amount of insurance a member requires to the Paint Trade Mutual Fire Insurance Company, 137 South Fifth Street, Philadelphia, Pa.

Do you really want to see the Paint Trade Mutual take its place along side the older Mutual Companies that have been so successful? Then eliminate the causes of preventable fires by careful housekeeping, and also use your influence to secure as much additional insurance for the company as possible.

R. F. RAINEY,
F. MOORE,
MARCH G. BENNETT,
W. A. ALPERS,
R. O. WALKER, Chairman

President Evans:—I will ask Mr. Perrin, who is handling the work directly, to speak to us upon the subject of our mutual fire insurance organization.

MUTUAL INSURANCE DATA

Charles C. Perrin:—There are just a few points that we want to emphasize. When the proposition was presented to take up the management of this company we considered it very carefully, and investigated it for a long while. We decided that this paint trade mutual could be built into a strong insurance carrier that would be an asset to this industry in a great many ways.

The most important thing we found necessary was volume of business. You have heard the Membership Committee

report that there are 1,405 members in this association. We are in shape to give good insurance protection. We can now carry a much larger line of insurance than formerly.

The commission on the reinsurance portion of those lines goes back into the company's funds, which will help make a saving for the members. Yet after six months' work, during which we have secured about 50 new members who never before carried insurance in the Mutual Insurance Co., today we have policies with only about one-third of the members of this association. We are in shape to give you good insurance protection, give you a good service on fire prevention work in your plants, and to help in the reduction of rates on your individual plants.

Of course, the primary object of an mutual insurance company is a reduction

R. O. Walker

taining to the market value or classification of such merchandise, then while such failure continues the Secretary, under regulations prescribed by him (1) shall prohibit the importation into the United States of merchandise manufactured, produced, sold, shipped or consigned by such person, and (2) may instruct the collectors to withhold delivery of merchandise manufactured, produced, sold, shipped or

Report of Committee on Fire Insurance

Your committee has been active during the year in an endeavor to interest more of our members in taking out insurance in the Paint Trade Mutual and also in the direction of securing increased lines wherever possible. Much credit is due Mr. Perrin, Secretary of the company, for his earnest work among members of the different clubs. He has tried to impress upon our members that the company not only writes their insurance but is ready and anxious to render real service by thorough inspection and recommendations regarding their plants or by answering any questions which might arise on insurance matters.

Every insurance company, stock and mutual, has been handicapped during the past year by a large increase in the number of fires, and it is certainly discouraging to note that many, many fires would never have occurred if better housekeeping had prevailed. In this connection we wish to embody the following suggestions made by Mr. Perrin urging the need of proper and continuous inspection of plants.

Any person interested in a paint, oil or varnish property which perhaps may have had but few fires, or very likely none at all, knows that his property

of insurance costs, and the most outstanding example of that is the New England Mill Mutuals. After about thirty years' experience, the average insurance cost on the mills is today under 40 per cent. of the cost when the mutuals were organized and began business.

The reason they were able to do this was because the mills gave them their business. As the company grew in strength, and could carry larger lines of insurance, they gave it more business. Today you will find every mill in the United States carrying all the insurance that the mutuals can carry, and their costs are less than 40 per cent. of what it was when the mutuals started.

We can do the same thing in this industry, but must have the business of the people in the industry. We today can give you insurance policies that are concurrent with any other policies on your plants, at no greater cost than you are paying, and if you will put this business with your own company you will increase the volume, so that we can eventually show results, and, of course, reduce the

paign, and getting to every plant, and all we want is a hearing and a portion of your insurance—the amount that we can safely carry—and we won't overwrite our own strength at any one point.

The other thing that I desire to emphasize is an old subject with those who have entered insurance in the Paint Trade Mutual for a long time, and that is the reduction of the fire hazard. We have heard of it continually. The loss ratio in this industry is high. We took over the management on January 1. In the first six months we settled 23 fire losses. Of course, this was an abnormal year. Of the 23, there was no particular case where you could point to a moral hazard, but you could readily indicate, in over 80 per cent. of the cases, carelessness as the cause of these fires. Workmen in a clean and well kept plant are naturally going to keep themselves clean, and they are not going to throw rubbish and waste under benches and places to accumulate and cause fires.

I have been in paint plants where all the rooms and the floors were almost as

assured that such legislation would not pass. It did pass, however, and we are face to face with a situation that is, to say the least, most embarrassing and more critical than any that exists in any other State.

It may not be inappropriate to call attention again to a fact that is very well understood; that in the State of Wyoming, for example, there is not a single paint or varnish manufacturer, and that in neither North Carolina nor Wyoming is there a paint club composed either of jobbers or dealers, or any others interested in the paint business, who might naturally be on the alert for any legislation affecting their interest. Later on this report will discuss the tremendous importance of having some kind of representative whereby a legislative committee may be kept informed of what is going on from day to day while the Legislature is in session.

North Carolina

The North Carolina Paint Bill not only contains the drastic regulations against which the paint interests have so successfully fought for many years, that is, printing a formula on the label, but it goes beyond this by imposing what practically amounts to a tax upon every gallon of paint, varnish or stain sold in the State. It provides that the Department of Agriculture shall cause to be made such inspections, and chemical and other examinations as may be necessary, to determine whether any of the provisions of the Act have been violated. That inspectors and chemists shall have the authority to enter all stores, warehouses and other places where paint, varnish or stains are stored or offered for sale, and that for the purpose of defraying the expense incurred in the enforcement of the provisions of the Act, there shall be paid to the Commissioner of Agriculture—

An inspection tax at the rate of four cents per gallon for any and all paint, varnish or stain or materials used in same that are sold by measure, except materials that are subject to other inspection laws, which payment shall be made before the delivery of such paint, varnish or stain to any agent, retail dealer or consumer in the State.

And a tax "at the rate of one half cent per pound for all paint, varnish or stain, or material used in same that are sold by weight."

It further provides that "each can, box, barrel, tank or other container . . . shall have attached thereto an inspection stamp showing that the inspection charges specified in this Act have been paid."

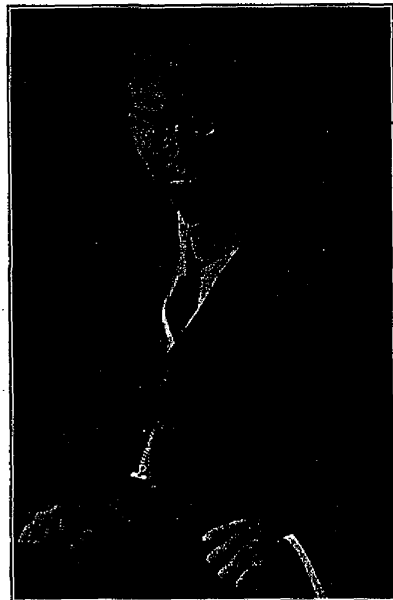
Here is a law that for the purpose of determining whether the contents of a package conforms to the law, inspectors are authorized to enter a store, warehouse or other place where such material is stored, to examine the contents of all packages, and at the same time provides that the payment for such inspection shall be made in the form of a stamp to be affixed to the container before the goods are delivered to such store, warehouse or other place. This is illogical, contradictory and, we believe, unenforceable, because it requires the Department of Agriculture to violate the law by way of enforcing the law. In other words, it is possible to affix an inspection stamp to a paint container before the same leaves the place of the manufacturer, the stamp certifying that the goods have been properly inspected and found to conform with the law before any mortal, except the man who makes the goods, sets eyes upon it. Because of this and other incongruities, a conference between representatives of the Paint and Varnish Manufacturers' Associations and the State chemist charged with the enforcement of the law was held at Washington with the result that pending the adoption of regulations that would regulate an extension of time for printing the formula on labels was granted in the case of paint until November 1, 1921, and of varnish until January 1, 1922.

There was considerable difference of opinion among manufacturers, as to the wisdom of affixing the stamps before shipping the goods into North Carolina. Many manufacturers decided that if a stamp was to be affixed it must be done at the place of distribution and by the distributor. Other manufacturers assumed that the better policy would be to comply with that part of the law requiring the fixation of stamps before delivery, with the result that there was more or less internal conflict. Many cases might occur where paint shipped to distributors in North Carolina would be shipped in turn by them out of the State to neighboring border towns, and the question arose as to whether such goods should be stamped inasmuch as they did not enter into the State consumption. This was only one of the embarrassments that presented itself. There were numerous others and the result is, we are informed, that at the present time none of the manufacturers are affixing stamps, but have decided to place the burden upon local dealers and distributors. This, then, has resulted in a State-wide protest against the enforcement of that part of the law. The Hardware Dealers' Association have been particularly active in demanding some relief from what is an unnecessary hardship. There is a strong feeling throughout the State that the bill should be either repealed or amended in such manner as to wipe out this unjust restriction on legitimate industry. The Governor of the State has called the General Assembly to meet in special session on December 6, 1921, for the reconsideration of certain financial laws that were passed. It is the intention of your committee to ask that consideration be given to the question of either repealing or modifying the present paint law, and we are convinced that the sound judgment and good sense of the legislators will see the inquiry that has been unconsciously, we believe, imposed upon their own citizens by putting them in a position of disadvantage, at least as far as their effort to compete for business just beyond the State line is concerned. If they have to pay the added tax on paint they handle they certainly cannot compete against their neighbor across the line of whom no such tax is required.

We believe, therefore, that this and other reasons that will be advanced are quite sufficient to cause a radical modification of the bill, and your committee begs the indulgence of your Association until such time as this matter is thoroughly thrashed out. Meanwhile, we strongly recommend that all manufacturers shipping goods in the State of North Carolina refrain from complying with the stamp tax provision of the Act. We urge this generally upon the ground that in order to comply with the law they would be compelled to perform an illegal act by affixing inspection certifications to materials that have not been inspected.

Wyoming

In the State of Wyoming a bill was passed by the Legislature and made effective as of July 1, 1921. This is a straight Formula Labelling Bill and contains the general provisions for printing the formula on the label. This bill we believe to be unenforceable because it provides in Section 14:



Arthur S. Somers

fire insurance cost for the entire industry.

That is the big thing, volume of business. We ought to have a policy of insurance with every firm that is a member of this organization. We carry large lines with many of the firms.

The Pittsburgh Plate Glass, for instance. We have insurance at every point in the United States where they have stocks of goods, and also at their plants. We have the same sort of insurance with many other leading concerns. But there are two-thirds of the members of this organization that today have no insurance at all with us.

We are getting to you as fast as we can. We are making a personal cam-

well kept as rooms in this hotel; and I have been in other plants that have been operating for twenty or twenty-five years, use the "Save the Surface" on their stationery, and I don't believe a nickel's worth of their own product has ever been put on their own plant in all that time.

President Evans:—I would like to say, in respect to the insurance organization, that I have personally made it my duty to investigate several aspects of it, and that I am glad to be able to say that our Mutual Insurance Co. is in competent hands.

A. S. Somers presented the following report for the Legislative Committee:

Report of Legislative Committee

Your Committee on Legislation presents herewith its report for the year 1921:

Paint Legislation.

When presenting our annual report at the last convention of your Association, we called attention to the fact that there was every indication of an active legislative year during 1921, and in this our prediction was verified, as during the year, the legislatures of forty-two States held sessions. Figures are not available to indicate the number of bills proposed and the number written into the statute. In order that your Association may have some idea of the craze that seems to exist everywhere for legislation regardless of its character, we call your attention to the fact that during the year 1919 over fifteen thousand laws were written into the statutes of the various States in the United States, and it is estimated that during the year closed, this number was exceeded very considerably.

It is not pretended that even a considerable number of the bills proposed had to do with the paint or its allied industry, but our calling attention to the matter is solely for the purpose of impressing upon you the immensity of the work of looking out for mendacious legislation. As far as our special work is concerned, suffice to say that in nearly every State some form of legislation was attempted directly or indirectly affecting your industry.

With the exception of a paint bill adopted in North Carolina and another in Wyoming all this attempted legislation failed to pass. In both of the States referred to, however, bills were passed that have given your committee, and have caused the entire trade, much concern. Your committee makes no attempt to shirk the responsibility for this legislation. There are innumerable causes that may be recited, but rather than make excuses we accept whatever responsibility with which we may be charged. It is due, however, to your Association and the committee to say that from neither of the States above referred to did there come any intimation whatsoever that legislation was proposed or would be proposed. In fact, in the case of North Carolina, after several attempts to pass a paint bill, your committee was

That no dealer shall be prosecuted for selling or offering for sale any article of paint in the original unbroken package in which it was received by such dealer provided he can establish a guarantee by the wholesaler, jobber, manufacturer or other person residing in the United States from whom he purchased such article, to the effect that said article is not adulterated or misbranded within the meaning of the act designating it. Such guarantee to afford protection shall contain the name and address of the person making the sale of such article to such dealer, and in such cases said person shall be amenable to the prosecution, fines and other penalties which would attach in due course to the dealer under the provision of the act.

Section 15 rules with definitions. Section 16 reads as follows:

That for the purpose of this chapter, and for the purpose of getting service on foreign companies, corporations or firms, any agent or any person who shall sell, keep for sale, offer for sale or handle goods made, sold or offered for sale by any company or corporation, shall be deemed the agent thereof upon whom the process of any court may be served for the purpose of carrying into effect the provisions of this chapter and service upon such agent shall be binding upon his principals.

Section 16 is purely contradictory of Section 14. The former absolves any dealer from responsibility providing he can furnish a satisfactory guarantee from the manufacturer or distributor that the goods are not adulterated within the meaning of the law, yet here is an attempt to constitute such dealer an agent for any goods he may carry on his behalf.

To our mind, it was clearly the intent of the Legislature to absolve the dealer and release him from responsibility upon furnishing a guarantee. The question occurs, by what authority, even the courts of the State of Wyoming would have the right to impose a penalty upon a manufacturer in New York who shipped goods into that State under a guarantee, which goods may be described by an examiner or chemist as not in strict conformity with the law. Your committee makes no attempt to discuss this legal tangle, but common sense suggests that even though the State could proceed criminally against a corporation by service on its agent, the agent (dealer) is protected by the guarantee and cannot be fined or imprisoned. How can they fine the corporation or the foreign firm? They cannot compel a person to come into the State for the purpose of being prosecuted, nor can they confiscate the goods, because they doubtless have been paid for and only the dealer would be punished. To use a common expression, the whole thing looks "up in the air," and your committee has no idea that the law can be or will be enforced.

We have no record as obstructionists, for, ever since this controversy has arisen, we have offered constructive suggestions by recommending the adoption of a general Mis-branding and Mis-labeling Law that would prevent any deceitful practice, and while the presence of a Formula Labeling Bill on the statute books of Wyoming may not be regarded seriously, we believe that an attempt should be made to clear up this situation also, and in that direction we will bend our efforts.

Assistance Needed

Earlier in this report we called attention to the fact that both of the bills discussed at some length were passed without any knowledge on the part of your committee or any manufacturer. Two reasons are offered in explanation of this, both of which are vital and are deserving of your serious consideration. In neither State are there any local clubs, and it points out the wisdom of endeavoring to organize paint clubs even in the States where there are no manufacturers, though such clubs may be composed only of dealers and jobbers. Only good can result from an association composed of such and we anticipate that the experience of the past year will serve as an incentive to the officers of your Association to spread this influence and strength into many sections heretofore uncultivated.

Another reason is, that because of lack of funds your committee has had no power to arrange for the reporting of bills affecting the paint industry. In former years arrangements were made with reporting bodies and local representatives to keep us informed, but for several years past this practice has been discontinued, and we urge upon you the necessity of considering the re-establishment of some agency which, of course, will call for an expenditure somewhat in excess of the meager amounts asked for by your committee in recent years. During the year 1920, for example, our expenses were approximately \$300. For the year closed our expenses were about \$700, so it must be conceded from this that the committee has not been a source of financial strain upon those it represents.

We strongly urge, however, that whatever committee may be appointed to continue legislative work shall be strengthened by an appropriation that will enable it to arrange for the reporting of bills affecting the paint trade in every legislature while in session. Our estimate is that in 1922, when fewer legislatures meet, this can be done for a sum not exceeding \$2,500. How much of this should be borne by each of the associations is a matter that must be determined.

Another matter to which your committee would direct your serious attention is that during the past year your committee had occasion to direct a letter to President Evans, of the National Paint, Oil and Varnish Association, asking that he communicate with the secretary of each local club included in its membership, urging upon them the necessity of keeping informed of legislative matters and getting into immediate communication with the Chairman of the Committee as soon as anything of importance presents itself. We believe that it would be the proper thing to appoint the secretary of each local club chairman of the local legislative committee, and that they hold themselves in readiness to act quickly upon any proposition affecting our interest and emanating from their particular locality.

Recommendations

Your committee, therefore, makes the following recommendations:

First: That an attempt be made to organize local clubs in States where no clubs now exist, if for no other reason than to protect themselves against unjust, unwise and burdensome legislation.

Second: That the secretary of each local club be made chairman of the local legislative committee for the purpose of co-operating with the Central Committee on all legislative matters that may affect the general interest emanating from their individual localities.

Third: That a conference be called with representatives from the National Paint, Oil and Varnish Association, Paint Manufacturers' Association, and Varnish Manufacturers' Association and determine to what extent they are willing to go in the matter of appropriating a sufficient sum of money to engage the necessary reporting service.

In conclusion, the committee desires to again express its appreciation for the splendid help rendered by so many during the past year. If we could

recount the number of bills that have been defeated, it would give you some idea of the value of this help, and after all is said and done, the situation was only saved through the generous response and industry of local merchants and manufacturers. That this co-operation has been general is very gratifying, and in presenting an account of our stewardship we do so with the full conviction that the integrity of the Paint Industry has been preserved.

To the officers of your Association we tender our sincere thanks for their wholehearted support and immediate service every time it was asked.

Respectfully submitted,

ARTHUR S. SOMERS,

Chairman.

NORTH CAROLINA LABELING

Mr. Goldsmith: We are much interested in the enforcement of the North Carolina Paint Law. As we understand it is necessary to put the formula on the cans after November 1. Our firm is not prepared to do this, though we like to know what the law will require, or what some other firm in this line expects to do, so we are not prepared to comply with the formula.

Mr. Somers: I think I can answer the gentleman by saying that the content of the label will depend entirely upon the regulations adopted by the State chemist, who is in charge of the enforcement of the law. Those regulations have not yet been formulated. The statute requires that the content of the package shall be plainly stated. That is, the solid and the liquid, and its component parts, as may be determined by an analysis.

It has frequently occurred that those charged with the enforcement of the law have allowed a wide latitude for the expression of such information as the label should contain, and until Dr. Allen, who is in charge of the law in North Carolina, determines that matter, no one can say what may be required for the label, any more than to follow the expressive language of the act—and that is very specific.

As far as the varnish regulation is concerned, that has not yet been determined because of the many difficulties that surround the question of deciding what constitutes a proper analysis for varnish. An attempt has been made to have a regulation adopted that will conform with the Western States, where label laws have been enforced, but whether that will be agreed upon or not, the committee does not know. There is to be another conference in a few days between the chemist of North Carolina and those interested in this question.

President Evans: The Secretary will read the recommendation of the board upon the report of the Legislative Committee.

LEGISLATIVE PLANS

Secretary Horgan: Upon motion made by Mr. Vessey, seconded by Mr. Graves, it was voted to amend the second recommendation to read: "That the secretary of every local club, or some specially constituted member, be made chairman of the local legislative committee, for the purpose of co-operating with the central committee on all legislative matters that may affect the general interest emanating from their individual localities."

With reference to the third recommendation, upon motion made and duly seconded, it was voted that the chairman of this meeting appoint a committee of one to invite a conference with it has to be a similar committee of the other associations, to work out the financial end of the matter and that the National Paint and Varnish Association function as the larger operating body.

Evans has appointed on that committee Mr. Somers and H. G. Sidebottom, the secretary of the New York Paint Club. The next morning Mr. H. G. Sidebottom was voted that the Executive Committee be authorized to appropriate funds not exceeding \$2,500 for reporting service for the coming year, as in the judgment of the Executive Committee may be advisable.

It was then voted that the report of the committee as amended by the board be adopted.

M. G. Bennett: It may possibly be of interest to the chairman of the committee to know what action the New England Club took upon the suggestion.

The Boston Chamber of Commerce—and I think it is the practice of many other chambers of commerce—have a department for examining the bills that are submitted to the Massachusetts Legislature, and any of the industries represented by the Chamber of Commerce may have those bills reported to them upon request. It was voted to have the secretary of our club request the Boston Chamber of Commerce to notify the secretary of any legislation affecting the paint industry proposed in the Massachusetts Legislature. Possibly that plan can be carried out in other States.

Mr. Lewis: We had a bitter experience in the State of Wyoming, to the extent of over half a million dollars. Consequently, we are somewhat interested. I would be pleased to describe the complete details of our case to Mr. Somers.

Mr. Minehart: I did not intend to say anything about this Wyoming proposition, because I feel rather sultry. We in Denver are about 100 miles away from the capital of Wyoming, Cheyenne.

The year ago a senator killed my proposed formula labeling bill. We were advised of it. We went up and consulted with the senator and had it amended. I personally feel that the Denver Paint Club, or its Legislative Committee, of which I am a member, is responsible for this being slipped over, in apology, I wish to say that we relied entirely upon a jobber in the State of Cheyenne, who is more or less of a politician of influence, to keep us posted on any legislation that might arise.

There had never been an occasion, for ten years, until this. I understand that he was favorable to this law, but because he thought it would give him a prestige over some of the manufacturers, and for that reason he did not advise anyone in the Colorado club of its existence.

I want to say in this connection that I understand one of the paint manufacturers—the largest in the country—was written

ten to by their representative regarding this particular law, and they wrote back and said, "It does not concern us or affect our product so don't bother about it."

I think that is a very wrong position for the paint manufacturer to take. There are one or two matters that are rather serious. I would not hesitate to say that the Colorado Paint Club will undertake to do this, to straighten this matter out the earliest opportunity, and I believe it can be done. As far as the establishment of a paint club in the State of Wyoming goes, there is no material for that purpose, and I think you have to look to us in Denver to do whatever work is necessary. I believe it can be accomplished whenever the opportunity arises. For the present, probably, we will have to run along and accept the provisions as they are.

The North Carolina Tax

Mr. Bullington:—In regard to Mr. Somers' statement that he had some assurance that this bill would not be passed, no one in North Carolina knew anything about it. No one in Virginia knew anything about it, until after it had been passed for a month or six weeks. It was put over at the last session of the Legislature, and there are certain features in connection with it that are very nagging and annoying, and are causing a good deal of friction with the trade in Philadelphia, Baltimore and Richmond. We happen to be on the first line of defence, and we have caught it good and proper.

I understand the State chemist has stated that the tax on heavy oils does not apply to varnishes, fillers or stains coming into the manufacturing plant, but that an understanding that they cannot enforce that 4 cent tax to the consumer, which allows the mail order house to ship to the consumer without paying the tax, and the dealer naturally is not protected. I believe if this committee will work closely with the secretary of the Retail Hardware Association of North Carolina, much good can be accomplished.

Speaking for the Richmond trade, we ship a great deal of goods into North Carolina, and I do not believe that there are five instances where any goods have been stamped, and probably twenty or thirty instances where stamps have been attached to invoices.

Some concerns take the position that they cannot stamp goods. I don't suppose there is any manufacturer in this association who will consider for a moment that he is going to absorb this 4 cents a gallon tax. If they do they are running a great risk, because their customers are certainly entitled to 4 cents a gallon better price. It will cost the consumer of North Carolina money. The manufacturer cannot absorb it; the jobber cannot absorb it; it has to be paid by the consumers of North Carolina. If they insist upon the law, the stamp should be put on at the time of sale, the same as it is done in the drug business.

I understand that some manufacturers have considered the question of absorbing it. If he does it in North Carolina, it will be my pleasure to advise the customer in Virginia that he should have a 4 cents better price.

Mr. Somers:—What Mr. Bullington said is exactly what the State chemist has advised in a recent communication on this subject:—That it will be a simple thing for the manufacturer to affix this 4 cents tax per gallon to the cost of manufacturing his goods, and add it to the price of same. In an open letter he recommends that the dealers and consumers in North Carolina be discriminated against to the extent of 4 cents a gallon, on every gallon of paint they use. It is not going to be very much to the individual, but in the aggregate it means a wide disadvantage that the dealer in North Carolina suffers, as against those outside of the State.

Mr. Bullington:—He has also suggested that the trade in North Carolina give their business to such concerns as will affix the stamps. In every organization of business men, there is always some weak-kneed sister who is afraid she is going to lose something and does not want to stand pat.

Speaking for my own business, in only two instances have we sent stamps attached to invoice, and they have been charged for. We have stamps for sale at present. I don't know whether we are going to get rid of them or not. Personally, I would be very glad to stand the expense of my stamps, if the thing were settled in a satisfactory manner all around.

Heckel:—First of all, that bill is evidently written for the purpose of obtaining revenue, because there is introduced in it an item that does not appear in any other paint bill that has ever been introduced in the United States—that is, that stain imported into the State shall bear the formula and the inspection tax. Everyone knows that the formula on a stain means nothing whatever, and the only excuse for adding that to the law must have been the desire to obtain as much revenue as possible.

At the conference we obtained with the State chemist he promised to interview the Governor and Attorney General and secure permission to defer the enforcement of certain provisions of the act to a later date. The provision of the paint formula, as Mr. Somers has stated, has been deferred until November 1. Some of the manufacturers are being prepared to comply with the law at that date.

The attitude of the chemist will probably be colored somewhat by his agitation

over the stamp feature of the law. In the beginning, few manufacturers affixed stamps, but at the present time not one national distributor buys stamps or affixes them. Two or three small manufacturers will continue to buy and affix stamps, I believe.

Also, I think I am qualified to state that no large important manufacturer, either national or local, buys the stamps and furnishes them with the invoice. A few of them did in the beginning, but the practice has been discontinued.

On Saturday there is to be a conference between the State chemist of North Dakota, who is with us today, the State chemist of Minnesota, where there is a varnish law waiting enforcement on January 1, and the State chemist of North Carolina. They will endeavor to reach an understanding on uniform regulations for the three States, so that the labels used, if they must be used in North Carolina, shall be the same as the labels required in the other States.

Just how far we can go, I don't know. The law as it stands today is not enforceable, because regulations which are required by the law have not yet been issued by the State chemist. Therefore he is himself derelict under that law in providing you gentlemen who are in doubt with the information necessary for your compliance with the law. He has expressed himself in many letters as inclined to be favorable to those manufacturers who endeavor to comply with the law, but has evidently been most exercised over the payment of the stamp, and he is very angry over that at the present time.

The results of the conference will be reported as promptly as possible to everybody concerned.

President Evans: If there is no further discussion, those in favor of adopting the report in accordance with the recommendation of the Directors, will please say "aye."

The motion was carried.
President Evans: We will now have the resolution by the Tariff Committee, with reference to the dye industry:

PROTECTION OF ORGANIC CHEMICAL INDUSTRY URGED

Eugene Merz presented the following resolutions:
Whereas the National Paint, Oil and Varnish Association, in convention assembled, is deeply concerned for the danger to our nation from the unlimited importation of foreign synthetic organic chemicals; and

Whereas the National Paint, Oil and Varnish Association recognizes that on the upbuilding of an American organic chemical industry depends our national development, welfare and security—

It does hereby resolve that Congress be urged to the immediate enactment of such legislation as will prohibit the importation of all synthetic organic chemicals except those manufactured in these United States in sufficient quantity, of adequate quality, and upon satisfactory terms of delivery and price;

And it does further resolve that a copy of these resolutions be sent to each member of the House Committee on Ways and Means and of the Senate Finance Committee.

F. P. Cheesman: I move its adoption.
Mr. Lewis: I would like to make one suggestion. If Mr. Merz could possibly include tar products, that itself would cover 99 per cent. of the whole wide range of synthetic chemicals.

Mr. Merz: In answer to that, I would say that the tar products are organic



R. O. Walker L. T. Minehart

synthetic chemicals, so they are already included.

Mr. Lewis: Would there be any harm in including that? I notice that the previous committees in Washington have made a special feature of tar derivatives for the reason that the man in the street understands what tar means, whereas synthetic chemicals might mean something in regard to Salvarsan, in which he is not so widely interested.

Mr. Merz:—I can see no objection to including it in the resolution if it is the sense of the meeting that the resolution will be strengthened.

The suggestion was accepted, and the resolution as amended was adopted.
Mr. Merz then read the following report of the Committee on Association Emblem:

Report of Committee on Association Emblem

The change in the name of the Association suggested at the last convention was to substitute the word International for National in the title of the Association.

After weighing the advantages to be gained from a change in the name against the resulting disadvantages, and in the absence of any great pressure to make the change, the committee recommends that the Association continue with the name under which it was organized, and under which we have successfully operated and been favorably known for thirty-three years.

The resolution under which the Committee on the Design of a New Emblem was appointed carried with it the instructions to use the palette, bearing the Association name, and that the design should not resemble our national flag.

A number of designs were suggested and considered. The committee concluded to recommend but one to the convention for adoption as the Association emblem, and that to be of the following design:

The name of the Association or its initials in gold, on a band of white, horizontally across the middle of the palette; the upper field to show the sky studded with stars; the lower field to show the seven rainbow colors arranged in proper order from right to left, beginning with red.

Respectfully submitted,

MARCH G. BENNETT,
GEORGE V. HORGAN,
H. E. MIHELL,
EUGENE MERZ, Chairman.

Mr. Merz:—It might be mentioned that the artist in painting the left-hand side has got the blue, the violet, the indigo a little bit too dark and out of balance with the light effect of the right-hand side. In the permanent emblem that correction will be made. We didn't consider that it was worth while to have an entire new painting made.

President Evans:—In other words, you

will secure the actual rainbow colors?

Mr. Merz:—Yes.
F. O. Walker:—Is "N. P. O. & V. A." on a horizontal line?

Mr. Merz:—We can change that so it will read "on a band horizontally arranged"—that covers the point.

It was voted to adopt the report of the Committee on Association Emblem.
Adjournment was taken at 1:40 p. m.

SIXTH SESSION

Thursday Afternoon

It was 8 o'clock when the afternoon session was opened with President Evans in the chair.

First in order came the report of the Committee on Arbitration. It was presented by L. T. Minehart.

Report of Committee on Arbitration

About eight months ago your Committee on Arbitration indulged a hope that at this convention it would be able to report an actual case submitted to us and verdict rendered.

At that time, a New York member brought to our attention a controversy existent between himself and a prominent house in the Middle West relative

to violation of contract. He submitted to us file of correspondence containing his side of the case and expressed his willingness to submit the case to our committee and abide by whatever decision we would render. Your Chairman, after conferring with his associates, and with their approval, offered the services of our committee to both parties in this controversy, hoping that the offer would meet with a prompt acceptance. Unfortunately, we were not able to obtain the assent of the other party, this house taking the position that they had nothing to arbitrate.

This case was the only one submitted to our committee during the year and, therefore, we are obliged to again report that we have been on the job, ready for work, but have had no opportunity to serve our members. If one controversy is the only one that has come up among our members during the year then all are to be congratulated, such a showing speaks well for our industry.

Six years have passed since an Arbitration Committee was added to the list of standing committees of our Association. At the time of the appointment of our committee, there was a deep and strong belief that a committee of this kind would be of value to the trade. It was thought that our members would support such a committee and thereby save the vexatious delays and waste and expense that occur where commercial disputes are settled by the courts.

We hope the time is not far distant when all the members of our Association may be willing to at least take a sporting chance and submit their commercial disputes to this committee for attention, thereby giving it an opportunity to be active and show the advantages or disadvantages that may come from submitting controversies among our own members to a fair committee of our Association.

The parent of the idea of commercial arbitration was the Chamber of Commerce of the State of New York and they still believe in the economy and value of this plan. The Chicago Association of Commerce has organized an arbitration court. The American Wholesale Lumber Association, Chicago, Ill., have an arrangement for arbitration of disputes arising between its members and manufacturers with whom they deal. This is said to be working in a very satisfactory manner.

In concluding this report, your committee offers the following resolutions:

Resolved, That the National Paint, Oil and Varnish Association, in convention assembled, reiterates its faith in the advantage of settling disputes through the medium of its Arbitration Committee and strongly urges all members to submit to that committee such disputes as may arise regarding commercial practices.

Resolved, That the incoming Arbitration Committee formulate rules of a procedure under which disputes shall be submitted to the committee, such rules to be given fullest publicity among our members.

Respectfully submitted,

F. P. CHEESMAN,
GEORGE E. WATSON,
L. T. MINEHART,
RICHARD MOORE,
GEORGE C. MORTON, Chairman.

President Evans:—The secretary will read the recommendation of the board in respect to this report.

COMPULSORY ARBITRATION DISCUSSED

Secretary Horgan:—Upon motion made by Mr. Chatfield, duly seconded by Mr. Moore, it was voted that this report be referred back to the committee with a request that they hand in an amended report with also a suggestion from the board that the committee take under consideration recommending that this association go on record as favoring compulsory arbitration on contracts.

Mr. Minehart:—Mr. President this was handed to me, but in the absence of Mr. Morton I did not feel at liberty to change the report. I therefore would suggest that the matter be submitted to the membership for a discussion upon the floor.

President Evans:—Have you drawn a suggested resolution in accordance with the recommendations of the board?

Mr. Minehart:—No, sir.

President Evans:—I might say that the board is long and careful in considering this matter, which developed that the board is in favor of a national law, drawn upon the lines of the New York State law, which makes it necessary for disputants over contracts to submit them to arbitration before they can go to other courts, and then only on appeal by reason of error.

The New York State law has worked very satisfactorily, and has saved manufacturers and merchants a great deal of time and much money. The board recommended, without dissenting vote, that the association go on record as favorable to such a law.

Mr. Minehart:—I shall be glad to submit a resolution to the effect that it is the sense of this association that we favor giving a law, and make a motion that the resolution be adopted. The motion was seconded.

President Evans:—Discussion is now in order, gentlemen.

Mr. Minehart Questions Step

Mr. Minehart:—I didn't quite understand that the board was unanimous about this resolution. Personally I doubt the advisability of any action by the association that would tend to dictate to a man as to the legal conduct of his affairs, but I do not question that we can go on record as an association favoring such a law.

I think I owe the chair an apology for not giving this a little more attention.

President Evans:—No apology is necessary, Mr. Minehart.

Mr. Chatfield Favors Arbitration

Mr. Chatfield:—I fought for that resolution in the Board of Directors because I am the New York member who submitted this proposition on arbitration. I don't agree with Mr. Minehart that we should not dictate policies. When a man

enters into a contract, if he knows what he is doing at the time, he should not be unwilling to submit to his friends or enemies as to the business ethics. He either knows what he is doing at the time or he does not. If he does, and then begins to shrink his responsibility, I think there should be some way to compel him.

If this law is good enough to stand the test of the courts in New York and if the Chicago Lumbermen's Association and various other organizations have seen fit to adopt it, it seems to me, without being any more specific than that this association is in favor of it, and that we recommend national legislation, we would be proceeding along a wise course.

The members of this association who live up to their purchase and sale contracts are living up not only to legal obligations but to moral obligations, and any member of this association who does not, who simply rears up on his hind legs like a bucking bronco and says, "I don't care what I did then; it is the way I feel now," should be brought to book.

Mr. Minehart:—I take it that Mr. Chatfield was on the right side of the fence in this controversy. I regard it only a question of personal liberty; that is all. I believe in arbitration. I believe that is the way to settle it; but it is a question as to whether as an association or as a nation we should pass a law of that kind. That is the only objection I have.

Mr. Chatfield:—That law has already been passed and I think that question is eliminated. It has not been spread out broadly enough because the large matter of the cancellation of contracts has come on during our reconstruction period when conditions were bad; but we can certainly guide ourselves in the future on our experiences in the past. I am strongly in favor of this proposition.

President Evans:—The proposal, Mr. Minehart, really involves the setting up of an additional tribunal having jurisdiction over disputes in respect to contracts, Mr. Chatfield. I might further add that if you are in foreign business, you are compelled under your contracts to arbitrate. If you don't, no doubt the foreign bankers will take you to court; and if you deal with any reputable merchant abroad, and refuse to arbitrate once, you never can do business with him again. I take that same attitude. A man who waffles on a contract with me can never have business relations with me again.

ARBITRATION IS FAVORED

There being no further discussion, the motion to adopt the report as amended by the board was put by the President and carried.

President Evans:—We will now have the resolutions from the various clubs.

RESOLUTIONS FROM LOCAL CLUBS

The Secretary then proceeded to read the resolutions, the first one being as follows:—

From the New York Club Opposing White Lead Prohibition

Whereas, It is proposed to present to the International Labor Convention, to be held in Geneva, Switzerland, in November, a proposed prohibition of the use of white lead in paints; and

Whereas, Experience has taught the manufacturers of lead and paints that the use of white lead under proper conditions is not detrimental to health; therefore,

Resolved, That the National Paint, Oil and Varnish Association, in convention at Atlantic City, October 24 to 27, 1921, go on record as being opposed to any prohibition against the use of white lead, or against prohibiting lead in any form when manufactured and used under sanitary conditions.

The secretary of this association is instructed to send a copy of this resolution to the International Labor Convention. Secretary Horgan—Upon motion of Mr. Kurtes, seconded by Mr. Daniels, the board voted to adopt this resolution. Upon motion made by Mr. Chatfield, duly seconded, the convention voted to adopt the resolution as read.

In Favor of Mileage Tickets

The National Paint, Oil and Varnish Association, in convention assembled at Atlantic City, October 24 to 27, 1921, favors the adoption of Bill No. 845, introduced by Senator James E. Watson of Indiana, and the bill in the house which reads identical, known as Bill No. 2894, introduced by Congressman Julius Kahn of California, which proposes to amend Section 22 of the Interstate Commerce Act by permitting the issuance of interchangeable mileage tickets on railroads, to be sold at the rate of two and one-half cents a mile, and urge upon Congress to pass these bills.

The secretary of this association is instructed to send a copy of this resolution to Senator James E. Watson and Congressman Julius Kahn, and the proper committees in Congress.

Secretary Horgan—The action of the board on this was to adopt the resolution as presented. Upon motion made by Mr. Cassidy, duly seconded, it was voted that the action of the board be concurred in.

From the Chicago Club

For Lower Retail Prices

Whereas, The manufacturers and jobbers represented in this organization have made an earnest effort to meet the great and increasing demand for lower prices and have offered to the dealers of the country milked paints at large discounts from previous prices, reducing their own profits to a minimum; and

Whereas, A certain proportion of the retail dealers of the country are not appreciating the importance of the effect on the general public and the actual loss due to restricted future trade have maintained their prices at war-time rates; now, therefore, be it hereby

Resolved, That the National Paint, Oil and Varnish Association, in convention assembled, urges on its members to endeavor in all proper ways through their regular trade representatives to induce these retailers to share in the lowering of prices for the benefit of the general public and help bring about better business relations and future conditions in the trade.

President Evans—The Secretary will read the action of the board in this matter.

Secretary Horgan—Upon motion made by Mr. Kurtes, seconded by Mr. Cook, it was voted that the resolution be adopted, with the amendment that the dealers be urged to advertise their reduced prices in show windows and other ways.

Mr. Minehart—Mr. President, do I understand that that request is made to the dealers in paints?

President Evans—To make reductions equivalent to the reductions made them on paints.

Mr. Minehart—I am inclined to believe if we could just say "the retailers in the country" and not refer to any particular line of business, either in a wholesale or retail way, but urge the retailers of the country to reduce their margins, it might set better in our own trade.

President Evans—I was reported from various sections that retail dealers had grudgingly, and in some cases in no wise, reduced the prices of paints over the counter, and that such action on their part was holding back the whole business of distributing paints. That was the reason why the board, in the light of that information, made the recommendation that this report be concurred in.

Ernest T. Trigg—Mr. President, I think the idea of that resolution is a very proper one. I believe, however, there is one phase of the situation which is not recognized in that resolution which has an important bearing on it.

We all know that the cost of distribution after the material leaves its original

source is greatly increased over that which existed prior to the war. To illustrate what I mean, if a manufacturer makes a reduction of a dollar a gallon in his paint, the dealer cannot consistently make a reduction of a dollar a gallon to that which existed prior to the war.

The cost of land and paint, the minute those goods are put on a freight train to be shipped to him, he is faced with a dollar a gallon increase in the cost of freight. I call your attention to one instance where the freight rate prior to the war in his retail selling price, if he expects to maintain a profit per gallon equal to that which existed prior to the war.

I am sure we do not want to say to the public that they must demand that the retailer shall absorb that increase in freight rate himself. I think it is true that many dealers, retailers, have not yet taken that arithmetic in which great many others have. I would like to see a resolution of this kind prevail, but I suggest that it should recognize in its expression the fact that where there is an increase beyond the seller, which the buyer must take care of in his selling price.

President Evans—That point is very well put.

Mr. Coon—On point costing the dealer \$4 a gallon, sold at \$6, he is making a profit of \$2. If the freight rate is reduced by the manufacturer to \$3 a gallon, and still sold at a differential of \$2, there is a \$1 a gallon increase, there is a difference of 25 to 33 per cent.

Mr. Trigg—I think we all recognize that, Mr. President. That is a matter of detailed arithmetic in every town. The point I wanted to bring out was that we should recognize a condition which does affect the retailer's operation, and that is cartage and taxes, and insurance and store wages, and everything practically that goes into the retailer's operation.

President Evans—I take it the resolution would be satisfactory to all parties if it involved merely the recommendation that our retail dealers study their present-day selling prices, and see to it that they are in proper relation to reduced costs, bearing in mind, of course, the increased costs of transportation and doing business at the present time.

Mr. Trigg—That is in right. President Evans—Would that be satisfactory to Chicago?

Mr. Chairman—Yes, I think it would.

President Evans—We can then vote on this resolution as recent in their form. The motion to adopt the resolution as amended was carried.

Resolutions to Be Explained

Whereas, We believe in the importance of full and free discussion at our conventions as the best means of educating our members in important matters affecting the interest of the trade and arriving at the most satisfactory conclusion for all concerned; and

Whereas, It has been the custom for the Board of Directors to select and report the resolutions submitted by the various clubs through the secretary, practically without comment; now, therefore, be it hereby

Resolved, That the National Paint, Oil and Varnish Association, in convention assembled, requests that hereafter each resolution submitted by the Board to the members be formally presented by a member of the Board, with a brief statement of the reasons for or against its adoption, with a view to stimulating discussion and arousing a greater personal interest among the members of the association at large.

Secretary Horgan—This resolution was favorably passed upon by the board. Upon motion made by Mr. Chatfield, duly seconded by Mr. Cheesman, it was voted that the resolution be adopted.

Zone Arbitration Conferences

Whereas, The Committee of Local Arbitration of this club has been found very useful in settling differences between different groups of members; and

Whereas, There are some questions of disputed territory between different clubs which occasionally lead to misunderstandings and differences not for the best interests of the business; now, therefore, be it hereby

Resolved, That the National Paint, Oil and Varnish Association, in convention assembled, believes that it would be highly desirable if an understanding could be reached on such matters between the arbitration committees of the different clubs in each zone and would suggest that the vice-presidents of the different zones call conferences of the various committees for this purpose.

Secretary Horgan—This resolution was adopted by the board.

President Evans—What is your pleasure?

Mr. Chatfield—As I have already said,

something on arbitration, I move that the action of the board be concurred in.

The motion was seconded by Mr. Minehart and was carried.

Legislative Information Bureaus

Whereas, There is an apparent tendency on the part of many State legislatures to use their leisure moment in devising new and horrible methods of annoying the paint trade by legislation which is not only comparatively useless to their constituency and the general public and also necessarily adds to the expense of paint and hence discourages its general use; and

Whereas, The only method of meeting this difficulty is by educating the legislators and having some properly qualified representative to do this when the legislation is first proposed; and

Whereas, The members of the local paint clubs should be the best posted men on the subject of proposed paint legislation in their own State, and, therefore, be it hereby

Resolved, By the National Paint, Oil and Varnish Association, in convention assembled, That it be suggested to the different clubs which are members of this association that standing committees on legislation be appointed regularly in each club, whose duty it shall be to maintain bureaus of information at their State capitals and to send full information to the Secretary of the National Paint, Oil and Varnish Association of all such proposed legislation at the earliest possible moment.

Secretary Horgan—I might say this resolution is somewhat along the lines of the report of the legislative committee appointed from the board consisting of Mr. Daniels, of Minneapolis, and Mr. Crawford, of Cincinnati, presented the following resolution which had the approval of the board:

Whereas, The members of the National Paint, Oil and Varnish Association, in convention assembled in Atlantic City, October 24 to 27, 1921, believe that further action on the resolution regarding the normally will result by congressional action on the tax and tariff bills, be it hereby

Resolved, That the Secretary be and is hereby directed to forward a copy of the resolution to the chairman of the Finance Committee of the Senate.

Mr. Cheesman—Believe that was covered by our resolution passed this morning. I think it is needless to put in another one of the same sort.

President Evans—I think we can pass that over by reason of the fact that it is already disposed of.

RESOLUTION OF THANKS

O. H. Greene—I desire to offer the following resolutions: That we, the members of the National Paint, Oil and Varnish Association, Incorporated, assembled at this, our thirty-fourth annual convention, extend a hearty vote of thanks of Hon. Edward L. Bader, Mayor of Atlantic City, for his cordial words of welcome and very timely appeal to the true American spirit, as expressed in his splendid address delivered at the opening exercises of our convention, which will be printed in the records of proceedings of this convention.

Resolved, That a cordial vote of thanks be extended to Rev. P. J. Petrie for his presence at the opening session of our convention and the uplifting invocation delivered at that time.

Resolved, That we express our appreciation for the work of the Entertainment Committee, of which Harry J. Schnell is chairman, and also the Ladies Committee, of which Mrs. Carl H. Black is chairman, for arranging the series of delightful entertainments that have contributed so much to help us to pass most pleasantly the time between our business meetings.

Their work means that we shall carry home with us most pleasant recollections of this convention. Resolved, That a vote of thanks be extended to Mr. and Mrs. O. McC. Howard for their work in arranging all the details and supervising the golf tournaments; also a vote of thanks to the Seaview Golf Club of Atlantic City, N. J., for the courteous and hospitable club and course for both the ladies' and men's tournaments.

Resolved, That we take pleasure in extending our heartfelt thanks to our President and other officers of the association for the splendid service that they have given the association during the past year, and be it further

Resolved, That the cordial thanks of this body be extended to the chairman and members of all committees for the excellent reports that contributed to make our convention one of great interest and profit to all.

Resolved, That we express our sincere thanks to the following gentlemen and companies who have contributed prizes and awards to the winners of our ladies' and gentlemen's tournament. These prizes have helped very much to add to the interest of the various events:—Mr. S. Marshall Evans, Golden State Paint Club of California, American Can Co., Spencer-Kellogg & Sons, National Lead Co., Sherwin-Williams Co., Wm. O. Goodrich Co., Archer-Daniels, Lindsey Co., Breinig Brothers, Ditzler Color Co., Eagle-Holter Lead Co., New Jersey Zinc Co., Heller & Metz Co., Shellac Importers Association, J. F. Hughes & Sons, Mr. W. H. Andrews, Kasebier-Chatfield Shellac Co., and American Paint Journal.

Resolved, That we extend a hearty vote of thanks to the Press Committee, Mr. Trafford and his associates, for the splendid work that they are performing in the matter of procuring the minutes of this convention and answering calls of various newspapers for copy, etc. The work requires many hours of time and is of great value in giving publicity to the work of our association.

Resolved, That the thanks of this association be extended to John J. Horne, Jr., and his assistants in charge of the Registration Bureau for the able and efficient manner in which they performed their very important duties.

Resolved, That we are thoroughly appreciative of the excellent work done by the official stenographer, Mr. Horne, and his corps of able assistants, who have done splendid work in recording the minutes of the convention proceedings.

Resolved, That a vote of thanks be extended to our sergeant-at-arms, Harold G. Russell, and his able assistants.

Resolved, That we recognize and appreciate the management by J. A. Keefe of Philadelphia and H. M. Howard of New York of the various games which afforded so much pleasure and entertainment to our members.

President Evans—What is your pleasure, gentlemen, with respect to this report?

It was regularly moved and seconded that the report be adopted.

Mr. Schnell—May I as Chairman of the Entertainment Committee, express my appreciation for the resolution regarding the Entertainment Committee, which is now before you, and may I see that there be no name in this resolution? The names of my associates on the Entertainment Committee, both the Men's Committee and the Ladies' Committee? I wish to say at this time, in appreciation of their work, that my associates have co-operated with me very sincerely and have done credit is due to all of the members of the committee. With your permission, I should like to have their names appear in the report.

As you know, I came into the work rather late, following Chairman Hoskinson Gates of New York, who, because of the serious illness of his good wife, was compelled to relinquish the chairmanship of this committee, and likewise Mrs. Gates, chairmanship of the Ladies' Committee. The success of the program of entertainment is due in no small measure to the painstaking work done by Mr. and Mrs. Gates in a preliminary way, and my associates and I have endeavored to carry out their ideas in the program of entertainment of this convention. It was my pleasure to consult with Mr. Gates on many occasions and be guided by his very good judgment.

I feel that the Association should record its appreciation of the work done by Mr. and Mrs. Gates, and I move that this convention appoint a special committee, or, if you please, delegate me, as Chairman of your Entertainment Committee, to send a telegram to Mr. and Mrs. Gates, telling them how much we missed them assuring them of our deep affection, and expressing the hope that Mrs. Gates will soon be restored to her former good health. Great applause.

Mr. Cheesman—I heartily second that motion.

Mr. Schnell's motion and Mr. Green's resolution were both carried unanimously by the convention.

President Evans—In this connection it seems to me fitting to call the attention of the members to the fact that two of our old war horses and friends who are dearly beloved are seriously ill. One of them is here, and a few of us have had the privilege of seeing him; but I think it would be in accord with all of our wishes to send greetings and love to George L. Gould and to R. P. Rowe. If some one will be kind enough to accept the suggestion and to make it a motion, we will do it.

Mr. Minehart—I make that motion, Mr. President.

The motion was seconded by Mr. Cheesman, and carried.

PRIZE ESSAYS

President Evans—The effort to make 1922 the greatest paint and varnish year



The Board of Directors

led to an effort to get the concentrated thought of our best minds upon new ways and means. To this end, as you all know, I offered some prizes. Many papers have been submitted; a distinguished jury has passed upon them and three papers have been selected as worthy of prizes. Those three papers will now be read, and Mr. Cheesman will please do it.

Mr. Cheesman:—In order to get it properly on our records, I would like to say that the following extract is taken from Bulletin No. 28 of the National Paint, Oil and Varnish Association, from President Evans' special appeal in that bulletin:

Mr. Cheesman read the following extract from Bulletin No. 28 of the National Paint, Oil and Varnish Association:—
The effort to make "1922 the greatest paint and varnish year" should result in a high and honorable competition among us all. As I see it, the greatest success will be to that man who evolves out of hard work and experience the most successful method of getting home to all property owners the knowledge that frequent painting is the most primary form of economy. The man who does this most successfully may be today a more or less obscure person.

In order to bring out and make available for all the fruit of genius, obscure or renowned, I offer three prizes:—First, \$100; second, \$50; and third, \$25. The best suggestion as to procedure or method which will, in the judgment of a competent jury, contribute most to increasing

the service of our industry to our people through the greater sale of paint and varnish will be the winner. For details outlining the conditions of this contest, please read carefully the enclosed leaflet.

The jury of award will be composed of:—E. T. Trigg, chairman, vice-president and general manager, John Lucas & Co., Philadelphia; G. E. Martin, vice-president and general manager, Sherwin-Williams Co., Cleveland; N. E. Gregg, vice-president, National Lead Co., New York; C. R. Cook, president, Cook Paint & Varnish Co., Kansas City; J. H. McNulty, president, Pratt & Lambert, Inc., Buffalo; P. P. Cheesman, executive secretary, president, Cheesman-Billott Co., Inc., Brooklyn. Announcement of the successful contestants and those who may receive honorable mention will be made on the last day of the convention in Atlantic City, October 27, and the three prize-winning papers will be read at the convention.

There were approximately thirty essays contributed. These essays were kept by the secretary of the association, and only he and his stenographers saw them. Copies were made of them and the originals were sealed in an envelope. The envelope was not opened until after the awards had been made, so that the jury did not know the contents of the essays. Hence, therefore, that we can say that it is entirely on the merits of the essays that the awards were made.

The first prize was awarded to Essay No. 6, written by E. R. Smead, of Cleveland, Ohio, and I will read that essay:—

A National Paint and Varnish Day

By E. R. Smead

The procedure that I suggest for increasing the service of our industry through the greater sale of paint and varnish is as follows:—

To have the President of the National Association declare a day, and, in one of the early spring months to be known as National Paint and Varnish Day; that he appoint a committee composed of three prominent men in the trade who in turn will notify the president of each local club to call this committee to carry out the plans for the National Paint and Varnish Day.

It will be the duty of the National Committee to send that the local committees carry out in detail the following:—

To notify every paint and varnish manufacturer as well as all allied industries, house painters, journeyman painters, hardware stores, chemical companies, etc., also every company that in any shape, form or manner has anything to do with paint and varnish or its manufacture and sale, that the President has declared a National Paint and Varnish Day.

It should be the duty of the National Committee to get out an attractive circular copy of each of the above, and to the president of each local club and have the local committees print enough circulars to send to every paint and varnish dealer in each city where we have a local club. The circular should be an attractive one explaining why this day should be observed. Each city would be divided into districts, and employees of every paint and varnish factory, house painter, salesman, house painter, etc., would, on the morning of the National Day, distribute these circulars, devoting the entire morning to the distributor should be handing and talking paint and varnish to every

The second prize was awarded to H. E. Mihell, of Toronto, Canada. It is entitled

To Increase the Service of the Paint and Varnish Trade to Mankind

By H. E. Mihell

Determine the broadest problem on which to work.

Our President states that not one-tenth of the nation's property is adequately painted. This leaves nine-tenths on which we can expend our business. The reason for this great nine-tenths of unprotected property is largely indifference and the lack of realization of the economic value of paint and varnish.

We do not face a glutted market of painted property. We face a golden opportunity for service.

Printer's ink, used in both individual and co-operative campaigns, has contributed immensely to the development of the trade. Printer's ink is the only medium the sole offensive method towards our objective. What it has paved the way to must be consolidated by more intensive individual salesmanship.

Printer's ink will continue to overcome a great deal of this indifference. The greater contact will come through increased "personal contact" of the individual salesman with the prospect. Nothing can take the place of "personal contact" in completing the sale. It should be made to go hand in hand with printer's ink.

How can this be done?

The tithing system of Biblical times has proven successful in accomplishing many tasks of great moment.

Let every paint and varnish man set aside one-tenth of his time for "personal contact" with some one portion of that unprotected nine-tenths. Seek out the owners of this portion of the nation's wealth and apply the arguments stored up in the great advertising campaigns of the paint and varnish trade.

Let that tithing commence today.

Our president can take the initiative by tithing his share in the convention

Price No. 3 was awarded to Gilbert Little, of Atlanta, Ga., for his essay en-

Ten Timely Suggestions to Make 1922 the Greatest Paint and Varnish Year

By Gilbert Little

1. All manufacturers, jobbers and dealers to use the slogan "Make 1922 the Greatest Paint and Varnish Year" on all correspondence.

2. Let the trade, as a whole, co-operate

one they meet. It is my idea that everybody should work on the circular proposition, from the president down to the laborer in the factory.

At 4 P. M. on the afternoon of the National Day each city should stage a parade having in line, both with automobiles and on foot, every branch of the industry. It should be made obligatory on the part of every employee, from the president down to the laborer, to participate in the parade. Without exaggeration, if the idea was properly carried out, at least 25,000 people could be in line. Taking into consideration all of our paint clubs and all the employees, I believe there would be at least one-half million people in parade throughout the United States on the National Day. Every man, woman and child who takes part in the parade should carry a paint or varnish can. Individual concerns should have their floats and banners advocating the use of paint and varnish. The slogan for these banners should be uniform and should be written by the National Committee.

Local committees as well as the local committees should do everything in their power with their newspapers, moving pictures, radio, etc., to give the greatest amount of publicity possible out of the National Day. Undoubtedly Pathe's pictures would be the place for free publicity for paint and varnish out of this suggestion.

The plan is so large to give full detail in 500 words. If the suggestion is approved, will be pleased to meet with a committee and go into full detail as to how I believe this method should be handled.

"To Increase the Service of the Paint and Varnish Trade to Mankind."

president occurs, to spur on the sales force to greater efforts in honor of their president.

4. Every town, village and hamlet to endeavor to have a real "Clean Up and Paint Up" week—or better still, a month—by making the necessary arrangements with headquarters in St. Louis to this end.

5. Take up the matter of Paint Protection being Property Insurance with the public school authorities and educational centers throughout the country, having the National Association, or some designated committee prepare interesting articles on "Paintology" for distribution to the same.

6. The National Association to appoint a prominent paint man in each State to watch for any proposed legislation governing the distribution and sale of paint and varnish, as such legislation already passed has undoubtedly decreased the sale of these items.

7. Every manufacturer to follow the example set by President Evans, and offer a prize for the best suggestion from their employees as to how to make 1922 the Greatest Paint and Varnish Year.

8. All dealers should be requested to make a more liberal use of their funds to educate the public as to the 3001 uses of Paint and Varnish.

9. Suggest the Secretary of the National Association visit all the Paint Clubs during the year 1922, and give an illustrated address on the many uses of Paint and Varnish.

10. The Paint Clubs to raise a general advertising fund to be used in each community to make Clean Up and Paint Up month, or week, an assured success.

President Evans—I take it the Secretary has the names of each of these winning gentlemen, and that the prizes will be sent to each of them.

CHINESE TUNG OIL SITUATION

President Evans—Before we have the final report of the Nominating Committee, a matter has been presented for consideration which, owing to the lateness of the hour, it will not be possible for me to make final disposition of, but for the information of those here I will read from the Buffalo club a resolution they presented:—

Resolved, That the National Paint, Oil and Varnish Association views with alarm the interference with shipments of tung oil by Chinese rebels and consequent danger of serious disturbance to our industry; be it therefore

Resolved, That the Department of State of the United States be urged to facilitate by all diplomatic means the production and movement of this oil destined to our ports, and that a copy of this resolution be sent to the Secretary of State and the Secretary of Commerce.

We will not have time to refer this to the Board of Directors of the Special Resolutions Committee. I think it may properly be turned over to the incoming Board of Directors for their disposition as they deem proper. If that will be satisfactory to the Buffalo Club, we will dispose of it in that way.

Mr. Robinson:—That will be entirely satisfactory.

GREETINGS TO EX-PRESIDENTS

J. S. Felton:—For several years we have missed the cheering and inspiring presence of some of our ex-presidents who

WHITE LEAD PROTEST TO GENEVA

H. S. Chatfield:—At the time the Board of Directors considered the President's address, I made a motion that a committee be appointed to consider the recommendations contained therein. Complying therewith, the President appointed me as chairman, Allen W. Clark and J. B. Keisler on that committee, and we report as follows:—

The special committee from the board, appointed to consider the President's address, begs to report that they consider the report the most concrete and statesmanlike one ever submitted to our association, and that the association should heartily concur in all of his recommendations, and in particular the one referring to the prohibition of the use of white lead, and that his views be transmitted to the Geneva conference. So the committee has drawn the following resolution, to which we ask your favorable consideration:

The National Paint, Oil and Varnish Association, assembled in its annual convention, today unanimously directed its Secretary to transmit to your conference its earnest protest against the proposal to prohibit the use of white lead in paint.

We want that transmitted by cable to the Geneva Conference. (Applause.)

President Evans:—What is your pleasure, gentlemen?

R. S. Wessels:—I move the recommendation be adopted.

The motion was seconded and carried.

FINAL NOMINATION REPORT

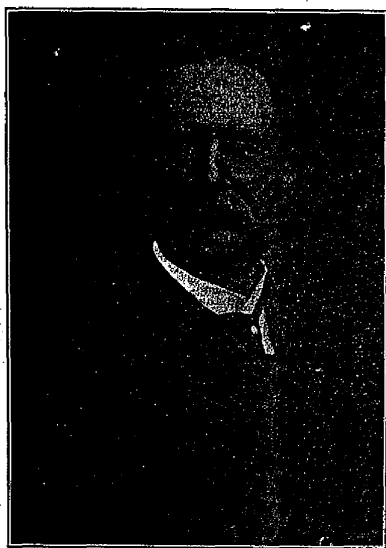
L. S. Minehart:—The following is the final report of the Nominating Committee:

For President, Ernest T. Trigg, Philadelphia.
For Zone Vice Presidents:—Eastern Zone, March G. Bennett, Boston; Southern Zone, R. S. Wessels, Atlanta; Central Zone, R. V. Thomas, Chicago; Western Zone, P. M. Erwin, Los Angeles; Canadian Zone, George Henderson, Montreal.

For Treasurer, D. E. Breinig, New York.

For Board of Directors:—Atlanta, S. L. Rhorer; Baltimore, Leon S. Hamline; Birmingham, W. A. Currie; Buffalo, A. B. Graven; Central, J. P. F. Collins; Chattanooga, K. Y. Benson; Chicago, Frank L. Sutzberger; Cincinnati, W. H. Crawford; Cleveland, G. S. Gardner; Colorado, Frank A. Traylor; Columbus, L. E. Wemple; Dallas, T. S. DeForest; Dayton, G. Lowe; Detroit, H. S. Boutell; Duluth, Frank R. Beatty; Fort Worth, C. A. Bennett; Houston, H. J. Kuhn; Indianapolis, F. W. Dunkle; Jacksonville, J. H. Gay; Kansas City, Ferdinand Hauke; Los Angeles, F. M. Brinkwood; Louisville, J. F. Kurfess; Memphis, Finley Carson; Milwaukee, G. W. Patek; Minneapolis-St. Paul, J. W. Daniels; Nebraska, T. F. Coleman; New England, F. W. Nisling; New Orleans, A. Dousson; New York, W. E. Harmon; Philadelphia, Howard Waterall; Pittsburgh, R. P. Rainey; Portland, Maine, L. M. Forbes; Portland, Oregon, I. D. Timms; Richmond, R. McC. Bullington; Rochester, W. C. Remington; Seattle, M. Carter; St. Louis, C. E. DeLore; Savannah, J. C. Nash; Toledo, Fred E. Pile; Toronto, John Anthony; Utah, John Daly; Wichita, A. H. Parrett.

Individual Members:—R. C. Currier, Sioux City, Ia.; R. M. Hodges, New Haven, Conn.



George L. Gould

Former president of the association whose death occurred this week

could not be with us owing to the weight of years. I would like to move that the secretary be requested to send our greetings and hearty good wishes to F. J. Gilden, William Waterhall, and any of our other ex-presidents who were unable to meet with us at this convention. The motion was duly seconded and carried.

Place and Date of Meeting

Your Secretary has received letters of invitation from various cities in the United States and Canada, the most interesting of which are from Colorado Springs, supplemented by a letter from the President of the Colorado Club, pro-

fering the earnest support of each and every member.

Your committee favors Colorado Springs, but in view of conditions in business and railway circles considers it wise to leave the final selection of place of meeting and date to the incoming Executive Committee.

Howard Biting.
Charles Casper,
H. S. Chatfield,
Howard Green,
L. T. Minchhart, Chairman.

OFFICERS ARE ELECTED

Mr. Chiesman—I move that the Secretary be instructed to cast one vote for the entire ticket as read.

The motion was seconded.

Mr. Minchhart:—That would include the adoption of the suggestion contained in the resolution, to the effect that the meeting place be determined by the incoming Executive Committee.

President Evans:—Yes, it includes that. The motion was carried.

President Evans:—The entire conven-

tion perhaps some of you have heard about Philadelphia. You know, they do tell stories about that old city. This story or statement is to the effect that a business man in Philadelphia never drinks coffee in the morning, for fear it will keep him awake all day. (Laughter.)

I always like to tell that story when I come to an audience, because it gives me a proper sort of background against which to tell of the return which our wonderful old city statisticians in Philadelphia, E. J. Gattel, offers. He is the greatest booster we have in Philadelphia, and we have some boosters there. When ever he hears stories of that kind, his reply is, "Well, that is all right, but if Philadelphia asleep can do what she is doing, God help the rest of the world if she ever wakes up." (Laughter and applause.)

In accepting the honor which has been bestowed upon me by your organization today (any and every very great honor), I am doing so with a full realization of the fact that we are entering upon a period of readjustment and reconstruction which, as I said to you last Tues-

day, bids fair, according to all of the charts of the past, to last for a period of twenty to twenty-five years.

I regret in connection with that statement that I have been quoted in some of the newspapers as having predicted a period of lower prices for a period of fifty years. This statement has been made in error, and I am sorry that the newspapers who have made the statement with regard to a period of lower prices for fifty years will find that it is incorrect.

We have a great year ahead of us, but it is going to mean work. There are probably many difficulties which we will have to meet during that twelve months which we do not realize or see today. I am sure we are all of one accord in the thought that there is no difficulty or there is no barrier to our success that is insurmountable, if we will but co-operate.

I think I sensed in this meeting during the last few days and today a spirit of unity which is not often present in so large a gathering. If I sensed the feeling right, if I have interpreted correctly the attitude of the members of the paint and varnish industry who are present at this meeting, then I feel sure that we will accomplish the goal for which we have set ourselves, to make 1922 the greatest paint and varnish year.

Your President and your officers can do little toward accomplishing that or any other goal for which we may set ourselves without the support, without the co-operation and without the willingness to work on the part of all of the men in the organization. The old saying that a chain is as strong as its weakest link applies absolutely to our situation. In accepting this responsibility, which I did reluctantly, but which I do nevertheless willingly, because of the call to service which it presents, I am doing so with the understanding that every member of this industry is going to get back of our work in the strongest kind of way. Not with reservations, not merely at times when he feels it is perfectly convenient to do so, but that he is going to do something, whether it be committee work or some other special duty, for the good of the paint and varnish industry, going to respond promptly and willingly, and is not going to require the President or the officers of the Executive Board to urge him to do it, but that

he is going to accept the call as a duty which he is to perform for the organization of which he is a part.

I want to make it just as clear as I can, that during these months ahead of us, during this time of readjustment, while we are finding our new moorings, when the old chart by which we sailed the ship is no longer dependable, that each one of us has got to get in and do his part. I am accepting the responsibility that is placed upon me today with the intention, from my standpoint, to give you the best I have in me. I am going to throw myself into this work heart and soul. I am going to accept the responsibility of the position. I am going to take up the challenge which we have all got to back up, if we are going to make 1922 the greatest paint and varnish year. But so far as the President is concerned, the measure of success which he is able to bring before you twelve months from now will simply be the adding machine total of what all of you men and others in the industry try to do throughout the next year.

I thank you for the honor. I pledge myself to your work, and I am taking into consideration that you are going to be mindful every day of the next three hundred and sixty-five that I am simply your servant; that I am carrying out the things you want done to make your industry and to make your business for the year 1922 the greatest you have ever had. Thank you. (Applause.)

President-elect Trigg:—I believe it is a customary procedure at this time to call upon the Vice-Presidents to say something to us. They are known to all, I am sure, but they were not until now known to us as Vice-Presidents of the organization, excepting Mr. Wessels, who I understand is continuing in office. I am going to call first on Mr. Bennett, of Boston. (Applause.)

Mr. Bennett was escorted to the platform amid applause.

March G. Bennett:—I wish to express my hearty appreciation for the honor that has been conferred upon me, but I wish at the same time to emphasize some of the remarks that the President has made about the man whom he follows in his job, and ask the kindly consideration of the organization for me in my position, for the man that I am following in my job, Mr. Trigg, with his well-known reputation and energy for accomplishments, follows Mr. Evans. I follow Mr. Christ.

A man who sleeps four hours a day and the rest of the time he is moving like a machine. My job, therefore, to follow him in my position, I regard as much more difficult than the job of Mr. Trigg.

However, I will do whatever I can to

enjoyed in many ways by my association with Marshall Evans. (Applause.) It is a great privilege for any man to be associated with him. His keen business instinct and judgment, tempered with sweetness of nature, has brought into my life a friend whom I shall always value.

I want to speak a word, while on my feet, about our clubs. The various clubs of this organization are the component units, with the individual members forming the association. I want to urge all of the delegates and all of the members to give close attention to their clubs, and to use that machinery as a means to bring about the objectives we are reaching out for. I want to urge you to give close attention to the election of officers of your clubs and the committee chairmen. If a club functions, it becomes a strong factor in our organization; if it does not, it is a drawback.

I once heard of a club which in considering men for the office of president had presented to them the name of a certain member. When they asked why he should be elected president, the man replied, "Well, he is so funny when he is drunk." I hope, gentlemen, that you will take this matter seriously and get your clubs on a basis where they amount to something.

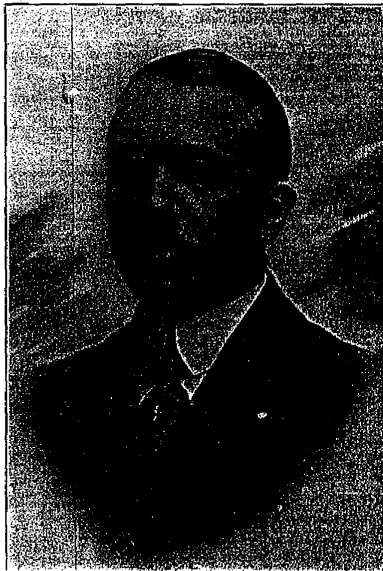
Our clubs should enjoy that great human element of fellowship and development to the highest possible point. We have a wonderful opportunity in building up the strength of our organization in the care and work of the club. Mr. Trigg, I assure you that I shall give you the very best support that I can. (Applause.)

President-elect Trigg:—Thank you. R. V. Thomas, Chicago. (Applause.)

Mr. Thomas:—On behalf of the Chicago club I wish to show our appreciation for the honor that has been extended to the club. Our new national president is a Chicago boy. We were brought up together. We loaned him to Philadelphia, but she has forgotten to send him back. We have every confidence that the new administration is going to continue the association in all its forward steps.

As a representative of the Central Zone, I wish to offer our best to the new President. I believe the Chicago Club will back you to a man, and I liked the expression made a few minutes ago that this association should act as minutemen so that we shall be ready at any time to respond to the call of the President.

On behalf of the National Association of Paint Jobbers, of which I am the humble president, I wish to assure you that our association appreciates this bond which ties us closer to the mother association. We are trying to build up our



Robert S. Wessels
Re-elected Southern Zone Vice-President

tion votes "aye." I congratulate the association.

I have never had a more interesting, more delightful, more instructive, more beneficial business or social experience than I have had during the past year, in visiting with and among you. There never will perhaps be another such experience for me, and I shall always look back to it with great happiness.

I have this moment a greater happiness than I have had in my life. I have the privilege of introducing as your new president a man whom I love, whom I have known for twenty-five years, who has met many a great emergency successfully, who has met every responsibility that has been put upon him 100 per cent. He came to Philadelphia not so many years ago from Chicago, assuming that there was to my knowledge very difficult and very onerous. He met the situation again 100 per cent. In the time of reconstruction, when we are all seeking for the best way out of the difficulties that we are in, seeking for the ways most effectively to advance the interests of our industry, we have found the logical leader, the man who by his work for our industry has shown himself to be the best among us all. I predict for him a continuance of the success which has met his efforts in all that he has tried to do, and all that he has been charged with doing, and it gives me great pleasure to introduce my friend, Ernest T. Trigg, as your new President. The convention arose and greeted the President-elect with warm applause.

President-elect Trigg:—Mr. Evans has embarrassed your new president. I wish I had the words with which to express to you, in his presence, my feelings toward him, not only my high regard for him, but my very deep affection and love for him.

I feel that the task before me is made doubly difficult from a personal standpoint because I follow in the footsteps of a man so able and a man who has to such a wonderful extent the confidence and the good will and the personal support of everyone in the industry, as Mr. Evans has.

You know, it is a little hard for people from Philadelphia (which they say is a slow city) to come back as quickly as they would like at times like this. It reminds me of one of the many stories

day, bids fair, according to all of the charts of the past, to last for a period of twenty to twenty-five years.

I regret in connection with that statement that I have been quoted in some of the newspapers as having predicted a period of lower prices for a period of fifty years. This statement has been made in error, and it is my hope that the newspapers who have made the statement with regard to a period of lower prices for fifty years will find that it is incorrect.

We have a great year ahead of us, but it is going to mean work. There are probably many difficulties which we will have to meet during that twelve months which we do not realize or see today. I am sure we are all of one accord in the thought that there is no difficulty or there is no barrier to our success that is insurmountable, if we will but co-operate.

I think I sensed in this meeting during the last few days and today a spirit of unity which is not often present in so large a gathering. If I sensed the feeling right, if I have interpreted correctly the attitude of the members of the paint and varnish industry who are present at this meeting, then I feel sure that we will accomplish the goal for which we have set ourselves, to make 1922 the greatest paint and varnish year.

Your President and your officers can do little toward accomplishing that or any other goal for which we may set ourselves without the support, without the co-operation and without the willingness to work on the part of all of the men in the organization. The old saying that a chain is as strong as its weakest link applies absolutely to our situation. In accepting this responsibility, which I did reluctantly, but which I do nevertheless willingly, because of the call to service which it presents, I am doing so with the understanding that every member of this industry is going to get back of our work in the strongest kind of way. Not with reservations, not merely at times when he feels it is perfectly convenient to do so, but that he is going to do something, whether it be committee work or some other special duty, for the good of the paint and varnish industry, going to respond promptly and willingly, and is not going to require the President or the officers of the Executive Board to urge him to do it, but that

live up to the standard that has been set for me. Also I will make Mr. Chatfield work with me and therefore accomplish for the organization more than I could possibly do for myself. I believe that with the men who surround me on the board I shall be able to make a response for their consideration that will not disgrace New England. I hope that I can contribute a small part toward this great goal of making 1922 the greatest paint and varnish year. I thank you. (Applause.)

President-elect Trigg:—R. S. Wessels, of Atlanta. (Applause.)

Mr. Wessels:—I am deeply honored by being made an exception to the general custom of retiring from office at the close of the year, and of being retained as an officer for the ensuing year. I pledge to you, Mr. Trigg, my best efforts, and am glad for one reason, if for no other, to have this opportunity to express here, and bear testimony to the personal pleasure, the personal delight and the gain I have



D. E. Breinig
The New Treasurer

little organization, and we depend upon you to help us become stronger. I thank you. (Applause.)

President-elect Trigg:—I don't think Mr. Breinig, of Montreal, are here. They are the representatives of those two districts. Mr. Breinig, of New York, is not present.

President-elect Trigg:—May I announce to the Executive Committee that the new Vice-Presidents are Messrs. Bennett, Wessels and Thomas. Mr. Breinig is the new Treasurer. A meeting of the Executive Committee will be held immediately upon the adjournment in Room 232, as there are a few matters which require the attention of that committee promptly.

If there is nothing further to come before the meeting, a motion to adjourn is in order.

The motion was duly made and carried, and the memorable thirty-fourth annual convention of the National Paint, Oil and Varnish Association was ended.

There is not a commercial center of any importance in any part of the World where the Oil, Paint and Drug Reporter does not circulate.



"No," he said, "I want a Jewish-rabbit. Do you think I want our priest to go the smallpox?" (Laughter and applause.) The speaker had a large audience of Christians or the members of the National Paint, Oil and Varnish Association, wonder what it is that I am going catch. (Laughter.)

Now, I make this association. I did not know they were busy industry in America today that could afford to have a dinner like this. I wonder whether there is a relationship between the surprising prosperity of the National Paint, Oil and Varnish Association and

Wetherell & Co., Inc., Geo. D.,.....	16
Wilson Imperial Co.,.....	30

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San Francisco, Calif.

Wetherell & Co., Inc., Geo. D.,.....	16
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and tar oils which have been introduced artificially are also treated in this manner. Such substances as sulphur must be removed before

are located in the several cities about San Francisco Bay.