

2104

MINUTES OF THE REGULAR MONTHLY MEETING
OF THE BOARD OF DIRECTORS
OF THE GLIDDEN COMPANY

Minutes of the regular monthly meeting of the Board of Directors of The Glidden Company, held at the office of the Company, 1396 Union Commerce Building, Cleveland, Ohio, on Friday, July 16, 1948, at 9:30 o'clock A.M.

The following directors were present:

Adrian D. Joyce	A. D. Duncan
B. H. Horsburgh	J. P. Ruth
Dwight P. Joyce	H. Retzold
W. J. O'Brien	L. Y. Pulliam
P. E. Sprague	Clifton M. Kolb
J. A. Peters	

Mr. Adrian D. Joyce, Chairman of the Board of Directors, presided and Clifton M. Kolb, Secretary, recorded the minutes.

The minutes of the previous meeting were considered and upon motion duly made, seconded and unanimously carried, the reading of such minutes was dispensed with, and they were approved.

The Chairman stated that the dividends on the Convertible Preferred and Common Stock of the Company, payable October 1, 1948, should be given consideration. The matter was discussed and upon motion duly made, seconded and unanimously carried, the following resolutions were adopted:

RESOLVED, that a dividend of Fifty-Six and One-Quarter Cents (\$.56 $\frac{1}{4}$) per share be and the same is hereby declared out of surplus on the 4 $\frac{1}{2}$ % Convertible Preferred Stock of the Company, for the period commencing July 1, 1948, and ending September 30, 1948, payable October 1, 1948, to holders of record of such stock at the close of business September 3, 1948; and

RESOLVED, that the officers of the Company be and they are hereby authorized to do everything necessary to carry out the terms of this resolution.

RESOLVED, that the regular quarterly dividend of Thirty-Five Cents (\$.35) per share be and the same is hereby declared out of surplus on the Common Stock of the Company for the period commencing July 1, 1948, and ending September 30, 1948, payable October 1, 1948, to holders of record of such stock at the close of business September 3, 1948; and

RESOLVED, that the officers of the Company be and they are hereby authorized to do everything necessary to carry out the terms of this resolution.

The Secretary submitted a list of the P.F.E.'s approved during the period from June 19, 1948 to July 13, 1948 by the Vice Presidents in charge of the various Divisions, in accordance with previous arrangements. After due consideration, upon motion duly made, seconded and unanimously carried, the P.F.E.'s shown on the list as follows were approved:

<u>DIVISION</u>	<u>Maint. Not over \$5,000</u>	<u>Emergency Capital Not over \$5,000</u>	<u>Non-Emergency Capital Not over \$1,000</u>	<u>Division Total</u>
Chemical and Pigment	\$1,650.00	-0-	\$ 277.50	\$ 1,927.50
Durkee Famous Foods	4,734.99	\$1,420.00	2,687.71	8,842.30
Feed Mill	-0-	-0-	610.34	610.34
Metals Refining	-0-	-0-	-0-	-0-
Naval Stores	198.40	-0-	1,067.50	1,265.90
Oil Mill - Buena Park	25.00	-0-	3,075.00	3,100.00
Paint	3,565.23	1,167.00	9,719.27	14,451.50
Soya Products	4,218.00	-0-	867.79	5,085.39
TOTAL	\$ 14,391.22	\$ 2,587.00	\$ 18,304.71	\$ 35,282.93

Mr. Dwight P. Joyce, President, requested that the list be sent to each Director a few days prior to the regular meeting, so that each Director would be familiar with the requisitions that had been approved.

The Secretary presented a resolution for transferring the stock which the Company owns in the Indianapolis Board of Trade from the name of Cecil Marsh to Mr. Bernard H. Sloan, an employee of the Company at Indianapolis who handles the transactions with the Indianapolis Board of Trade. Upon motion duly made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED, that the stock owned by the Company in the Indianapolis Board of Trade now standing in the name of Cecil Marsh, be placed in the name of Mr. Bernard H. Sloan and that the officers of the Company be and they are hereby authorized to do everything necessary to carry out the transaction.

The Secretary presented the following resolutions relative to lost stock certificates NE 178195 for 15 shares of Common Stock and certificate ND B3960 for 100 shares of the Common Stock of the Company which were, upon

motion duly made, seconded and unanimously carried, adopted:

WHEREAS, the Company has received the Indemnity Bond of the Royal Indemnity Company, holding it harmless from all loss resulting from the loss of Common Stock certificate No. NE 178195 for 15 shares of the Common Stock of the Company, registered and outstanding in the name of Carl Reich, which has been lost, burned or destroyed,

THEREFORE, BE IT RESOLVED, that The New York Trust Company, the Transfer Agent of this Company, and The Chase National Bank of the City of New York, the Registrar of this Company, be and they are hereby authorized to issue a new stock certificate in the name of Carl Reich for 15 shares of the Common Stock of The Glidden Company to replace certificate No. NE 178195 for 15 shares of the Common Stock of said Company, issued in the name of Carl Reich.

WHEREAS, the Company has received the Indemnity Bond of the Hartford Accident and Indemnity Company, holding it harmless from all loss resulting from the loss of Common Stock certificate ND 83960 for 100 shares of the Common Stock of The Glidden Company, registered and outstanding in the name of Frederick Leighton and Mrs. Ruth G. Leighton as joint tenants with right of survivorship and not as tenants in common, which has been lost, burned or destroyed,

THEREFORE, BE IT RESOLVED, that The New York Trust Company, the Transfer Agent of this Company, and The Chase National Bank of the City of New York, the Registrar of this Company, be and they are hereby authorized to issue a new stock certificate in the name of Frederick Leighton and Mrs. Ruth G. Leighton as joint tenants with right of survivorship and not as tenants in common for 100 shares of the Common Stock of The Glidden Company to replace certificate No. ND 83960 for 100 shares of the Common Stock of said Company, issued in the name of Frederick Leighton and Mrs. Ruth G. Leighton as joint tenants with right of survivorship and not as tenants in common.

The Secretary presented the following bank resolutions which were upon motion duly made, seconded and unanimously carried, adopted:

RESOLVED, that the signature of Mr. W. B. Parshall be added to the regular account of the Norwalk plant of our Durkee Famous Foods Division maintained with the Huron County Banking Company at Norwalk, Ohio, said change to be effective as of the date letter of notification is received by said bank (letter of notification dated June 28). After said change has been made in this account, it should appear on the records of the bank as follows:

Any Two: J. A. Peters, Treasurer
Clifton M. Kolb, Secretary
E. Betsold
L. F. Betsold
F. W. Keyser
D. C. Mathews
C. G. Ringholz
W. B. Parshall

RESOLVED, that the signature of Mr. W. B. Parshall be added to the payroll account of the Norwalk plant of our Durkee Famous Foods Division maintained with

the Huron County Banking Company at Norwalk, Ohio, said change to be effective as of the date letter of notification is received by said bank (letter of notification dated June 28). After said change has been made in this account, it should appear on the records of the bank as follows:

Any One: J. A. Peters, Treasurer
Clifton M. Kolb, Secretary
W. Betsold
L. F. Betsold
F. W. Keysor
D. C. Mathews
W. B. Parahall

RESOLVED, that the authorization of Mr. H. L. Slaughter and Mr. G. R. Ganen to sign on the working fund account of the St. Louis plant of The Glidden Company maintained with the Mercantile-Commerce Bank and Trust Company at St. Louis, Missouri, be cancelled and that the signatures of Mr. F. B. Wickham and Mr. W. H. Hoelke be authorized thereon, said changes to be effective as of the date letter of notification is received by said bank (letter of notification dated June 30). After said changes have been made in this account, it should appear on the records of the bank as follows:

Any Two: J. A. Peters, Treasurer
Clifton M. Kolb, Secretary
F. B. Wickham
Charles H. Berkmeier
R. J. Sandmeyer
(Miss) B. H. Ridley
W. H. Hoelke

RESOLVED, that the authorization of Mr. H. L. Slaughter and Mr. G. R. Ganen to sign on the payroll account of the St. Louis plant of The Glidden Company maintained with the Mercantile-Commerce Bank and Trust Company at St. Louis, Missouri, be cancelled and that the signatures of Mr. F. B. Wickham and Mr. W. H. Hoelke be authorized thereon, said changes to be effective as of the date letter of notification is received by said bank (letter of notification dated June 30). After said changes have been made in this account, it should appear on the records of the bank as follows:

Any One: J. A. Peters, Treasurer
Clifton M. Kolb, Secretary
F. B. Wickham
Charles H. Berkmeier
R. J. Sandmeyer
W. H. Hoelke

RESOLVED, that the authorization of Messrs. W. Betsold and F. W. Keysor to sign on the regular account of the Norwalk, Ohio plant of our Durkee Famous Foods Division maintained with the Huron County Banking Company of Norwalk, Ohio, be cancelled; said cancellation to take effect as of the date letter of notification is received by said bank (letter of notification dated July 6). After said changes have been made, the account should appear on the records of the bank as follows:

GL0022962

Any Two: J. A. Peters, Treasurer
Clifton M. Kolb, Secretary
L. F. Betsold
D. C. Mathews
C. G. Ringholz
W. B. Parshall

RESOLVED, that the authorization of Messrs. E. Betsold and F. W. Keyser to sign on the payroll account of the Norwalk, Ohio plant of our Durkee Famous Foods Division maintained with the Huron County Banking Company of Norwalk, Ohio, be cancelled, said cancellation to take effect as of the date letter of notification is received by said bank (letter of notification dated July 6). After said changes have been made, the account should appear on the records of the bank as follows:

Any One: J. A. Peters, Treasurer
Clifton M. Kolb, Secretary
L. F. Betsold
D. C. Mathews
W. B. Parshall

RESOLVED, that instructions be issued to the Bank of America, Day and Night Branch, San Francisco, California, to hereafter honor checks drawn against the Payroll Account of our San Francisco paint plant maintained with said bank signed by any one of the authorized signers on said account instead of two of said signers; said change to be effective as of date letter of notification is received by said bank (letter of notification dated July 14). The account should hereafter appear on the records of said bank as follows:

Any One: J. A. Peters, Treasurer
Clifton M. Kolb, Secretary
E. L. Ehrke
Charles W. Hartford
R. T. Hall, Jr.

The Chairman stated that some question had arisen about the location of the Company's Margarine and Mayonnaise and Salad Dressing plants on property owned by the Central of Georgia Railway Company near the city of Macon, Georgia, because of fumes and odors from the Macon Kraft Company; that the matter had been investigated carefully by representatives of the Company through the Chamber of Commerce and a reputable attorney in Macon, Georgia, and that it was the conclusion of all parties concerned that such fumes and odors as are being emitted by the Macon Kraft Company at the present time will not in any way interfere with the manufacture of margarine, mayonnaise and salad dressing. The purchase of the property from the Central of Georgia Railway Company for the purpose of constructing a margarine and salad dressing plant

GL0022963

and a refinery and a paint plant in the future was further discussed, and upon motion duly made, seconded and unanimously carried the following resolution was adopted:

RESOLVED, that the arrangement made June 2, 1948, between The Glidden Company and the Central of Georgia Railway Company, Atlanta, Georgia, relative to the purchase of land adjacent to Macon, Georgia, for the purpose of erecting a margarine, mayonnaise and salad dressing plant, refinery and paint plant, as negotiated by Mr. R. H. Horsburgh, Vice Chairman, and the exercising of the option under said contract on June 16, 1948, by Mr. R. H. Horsburgh, Vice Chairman, be and they are hereby approved, and

RESOLVED, that the Chairman, the Vice Chairman, the President and the Secretary and Assistant Secretary be and they are hereby authorized to do all things necessary to carry out the purchase of the property in accordance with said agreement.

The Chairman pointed out that because of the decision in the Cement Case and the trend toward f.o.b. factory prices on the part of manufacturers that the Vice President in charge of each Division should carefully study the question of selling on an f.o.b. factory basis and that we were favorably located with our paint plants to go to such basis.

The Chairman stated that business was becoming more competitive and that there were a number of opportunities to secure business on a reciprocal basis, and that the Vice President in charge of each Division should keep in mind in buying equipment or making sales how such transactions will affect the possibility of securing business in the other Divisions.

The Vice Chairman suggested that the Company employ an aggressive, outstanding individual to handle the development of reciprocal business and the coordination of such business through the various departments and Divisions of the Company. He stated further that he had found that the name of The Glidden Company was not on the list for bids of the Central of Georgia Railway and that he had been able to secure some nice orders for paint business in connection with the negotiations relative to the purchase of the property near Macon, Georgia

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The Chairman indicated that he thought we were using old-fashioned methods in handling railway sales, which were now a division of Industrial Sales instead of a separate department, using up to date methods. It was decided that the matter should be investigated and that further consideration should be given to it at the next meeting of the directors.

The Chairman stated that conferences had been held with representatives of the American Norit Company relative to the contract for supplying the American Norit Company with charcoal from the Company's plant at Jacksonville, Florida, and that it had been found that charcoal could be sold to other people at more favorable prices than the American Norit Company was offering and that the completion of the contract with American Norit Company had been deferred until a further investigation could be made with respect to prices of charcoal.

The Chairman also stated that the representatives of the American Norit Company were experienced in the use of charcoal and its manufacture and that they had pointed out that the Cline Retort, in their opinion, would be adversely affected by the formation of carbon and might not run longer than a year, and that it might be advisable to extract the oil from the wood before making the charcoal, and that information might be secured from people experienced in the construction and building of Retorts, and requested that the Naval Stores Division bring to the attention of the directors the matter of increasing the capacity of the plant at Jacksonville for the manufacture of charcoal and the methods and equipment to be used for doing so.

Mr. W. J. O'Brien emphasized the problem of cutting stumps for securing wood for the manufacture of charcoal in Jacksonville and indicated that this is very important and should be given first consideration.

The Chairman called attention to the fact that the Cleveland lacquer plant of the Arco Company had been destroyed by fire and that we had been making

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their lacquers for them; that we had discovered that they were using quite a bit of shellac in their lacquers to give them gloss, which we could also do. He also pointed out that the volume of our lacquer business would be confined to small package lacquers when we no longer made lacquers for Arco, and that he would like to have attention given to the securing of additional lacquer business. He stated that he had seen the Arco Company's lacquer plant in Los Angeles and that it was quite busy at that time; that the San Francisco lacquer plant of the Company was not operating when he was in San Francisco because we did not have a superintendent or a salesman, and that he thought this matter should have immediate attention.

Mr. P. E. Sprague pointed out that working conditions in the Laboratory of the Soya Products Division could be improved by the installation of an air conditioning system. Mr. W. J. O'Brien stated that the air conditioning system which had been installed in the Sterol Building at the Soya Products Division was not being used. It was decided that Mr. P. E. Sprague should investigate the proposition of moving said air conditioning system from the Sterol Building to the Laboratory and report.

The following requisitions were submitted, and upon action duly made, seconded and unanimously carried, approved:

Soya Products Division

37 - 14	Ventilating existing Extraction Bldg.	\$ 3,700.00
37 - 16	Encasing acetone storage tanks	1,110.00
37 - 17	Ventilating Lecithin Bldg.	3,700.00
37 - 18	Underground tanks for solvent storage	8,100.00
37 - 19	Ventilating for Sterol Bldg.	1,400.00
37 - 20	Providing vents for grain bins in Elevator "A"	750.00
37 - 21	Underground ether storage tanks	9,900.00
37 - 23	Installation of flame arresters	750.00

Adams and Elting Plant

B-2890	Purchase of new Pebble Mill to replace old one	9,493.50
17 - 2	Six 110-gallon change cans	1,050.00

A. Wilhelm Company - Reading

2 - 1	5" Steam Main and 3" return in connection with the erection of a new warehouse project	5,200.00
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GLD022966

Fubian Paint and Varnish Company Division

2861	Laboratory equipment for 2nd floor of the new laboratory	\$ 36,424.00
2862	Laboratory equipment for 3rd floor of the new laboratory	42,523.80

Euston Lead Company - Scranton, Pa.

9320	Additional Packer for dry white lead	6,526.98
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Durkee Famous Foods - Iron Street plant

24 - 5	Expenditures over and above those shown on on PFE #4533 covering building changes, machinery and installation of Mayonnaise and Salad Dressing Plant	
	Machinery	\$ 4,694.44
	Bldg. and installation	<u>10,337.15</u>
		15,031.59

Durkee Famous Foods - Norwalk, Ohio

26 - 1	Additional expenditures made over and above amounts shown on PFE No. B-1154 Construction of Mayonnaise and Salad Dressing Plant	35,058.33
26 - 2	Additional expenditures made over and above amounts shown on PFE No. B-1155	
	Box Sealing Unit	\$ 2,912.66
	Jar Unscrambling Unit	2,225.00
	Oil Cooler	5,600.00
	Installation costs	<u>5,272.05</u>
		16,009.71

The last three P.F.E.'s relative to additional expenditures in connection with the Mayonnaise and Salad Dressing plants at Norwalk, Ohio, and Iron Street, Chicago, Illinois, were submitted by Vice President L. Y. Pulliam. The Chairman inquired as to why the expenditures approved in the original P.F.E.'s had been exceeded in completing the Mayonnaise and Salad Dressing plants without securing the approval of the Board of Directors or the Executive Committee before the additional expenditures were made. Mr. Pulliam stated that it was his understanding that the men in charge of the plants approved the expenditures while the plants were being constructed, without calling the matter to his attention, which is contrary to the policy of the Company, and

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that in the future he would see that no additional expenditures were made in connection with approved requisitions without first securing the approval of the Board of Directors or the Executive Committee. The Chairman called this matter to the attention of all of the Vice Presidents and directors and cautioned them about expenditures in addition to those that were approved, so that a situation of this kind could be avoided in the future.

There being no further business to come before the meeting, same was on motion duly made, seconded and unanimously carried, adjourned.

Clifton M. Kell

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