

BOARD OF OPERATORS - 1104th MEETING

July 22, 1940

Present:

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

Absent:

F. E. Davis
E. E. Ware
G. H. Griffiths
T. J. McDowell

Copies To:

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

9017 - REPORT ON FACTORY OPERATIONS:

Orders for heavy liquids amounted to 160,000 gallons as compared with shipments of 166,000 gallons and production of 143,000 gallons.

Factories continued to operate on a forty hour week.

Sales for the week were 11% ahead of last year and gains of 8% for trade sales and 20% for retail stores.

9018 - REPORT ON NUMBER OF HOURS PLANTS HAVE OPERATED:

	P&V		Operated at 40 hour week			
Chicago	P&V	-	"	"	40	" "
Newark	P&V	-	"	"	40	" "
Cleveland	P&V	-	"	"	40	" "
Oakland	P&V	-	"	"	40	" "
Los Angeles	P&V	-	"	"	40	" "
Dallas	P&V	-	"	"	42	" "
Chicago Lacquer		-	"	"	42	" "
Dry Color		-	"	"	40	" "
Flushed Color		-	"	"	40	" "
Acme		-	"	"	40	" "
Lowe Brothers Company		-	"	"	40	" "
Lucas		-	"	"	40	" "
Martin-Senour Company		-	"	"	40	" "
Chicago White Lead		-	"	"	75%	capacity
Lithopone		-	"	"	0%	"
Tin Can		-	"	"	80%	"
Coffeyville Lithopone		-	"	"	100%	"
Loaded Zinc		-	"	"	66%	"
Cleveland Linseed Oil		-	"	"	100%	"
Castor Oil		-	"	"	100%	"

9019 - CHINA WOOD OIL CONSUMPTION:

Mr. Mills reported that total industry consumption of China Wood oil was about the same in 1939 as it was in 1934 and that from the figures for the first four months of 1940, it is apparent that consumption this year will be only about 15% less than last year. This would seem to indicate that the smaller paint companies have not made the progress that Sherwin-Williams has made in finding satisfactory wood oil substitutes.

9020 - NEW YORK STATE TRAFFIC WHITE:

Mr. Sieplein reported that we have been awarded the contract for 48,000 gallons of traffic white for New York on a performance specification. Production will require 3500 gallons of perilla oil and 4000 gallons of Dehydrol.

Mr. Mills advised the Board that we will soon have cleaned up all stocks of perilla oil and that when stocks are exhausted, we will get along without it.

9021 - PERISEAL:

In view of the low gross profit on the suggested selling price of our match for Periseal, the Board decided that it should not be added to the line.

9022 - STOCK OF CHINA WOOD OIL:

Mr. Schabel's report on consumption and stock of wood oil indicated that we have an ample supply to last until the end of August with an allowance for the August 31st inventory. Mr. Steudel suggested that any further deliveries be postponed until after the first of September.

9023 - STOCK OF GUM AT NEWARK:

Mr. Schabel reported that at Newark we have a large stock of gums ordered to fulfill sales contracts for spirit label varnishes. Mr. Baldwin was requested to write Mr. Van Cleve to be sure that as much as possible of this is taken out before the end of the year.

Mr. Schabel will see whether part of the stock can be sold.

Mr. Mills reported that factory supplies of other raw materials are very well in line.

9024 - LINSEED OIL:

The Board requested Mr. Coolidge to watch the stock of linseed oil very carefully and to regulate it so that we will have no more than what has been calculated necessary for inventory August 31st.

9025 - MARKET PRICE REPORTS:

The Board approved Mr. Mills' suggestion that only one figure be shown on the daily market reports. The figure to be shown will be either market or pool price, whichever is to be used in cost figuring.

9026 - DEHYDROL:

Factory consumption of Dehydrol amounted to approximately 74,000 pounds as compared

with production of 175,699 pounds. There are now six tank cars that have been sold but not delivered. It was pointed out that we now have enough Dehydrol to last until the end of the fiscal year.

9027 - GUMS TO BE SOLD TO COOK PAINT & VARNISH:

The Board approved the sale of gum from our Chicago stock to Cook Paint and Varnish Company since it can be replaced after inventory.

9028 - PERILLA OIL FROM COOK:

The Board approved the suggestion that delivery of perilla oil due from Cook be postponed until after the August inventory.

9029 - DRY COLORS FOR DEVOE AND RAYNOLDS:

Mr. Baldwin was instructed to write Mr. Van Cleve to see that stocks of dry colors carried for Devoe and Raynolds are cleaned out before the end of the year.

9030 - NEW STORE:

Mr. Prescott reported that we have taken over our dealer at Bristol, Tennessee, as a retail branch.

9031 - AUTOMOTIVE MIXING MACHINES—duPONT:

Dr. Van Stone reported that duPont has asked us to sell them fifty of our automotive mixing machines for export. Since our patent protects us only in the domestic market, it was decided that there is no objection to the sale unless it may interfere with our own export trade. Dr. Van Stone will investigate and decide what should be done.

Mr. Prescott advised the Board that duPont is also buying forty scales to be used for automotive mixing colors from Chandler-Beckwith for the South American market.

9032 - REICHOOLD PATENT—BENZOYL PEROXIDE:

Mr. Coolidge reported that Reichold Chemical has applied for a patent to cover the use of benzoyl peroxide as an agent for drying oils. He was requested to advise Professor Ware so that an interference may be filed if necessary.

9033 - INVENTORY JUNE 30th:

Mr. Stanton reported the inventory as under for June 30th:

S-W Factories and Warehouses	decreased under May	\$ 1,113,680
" Stores	" " "	22,850
The M-S Company	" " "	104,775
Acme	" " "	57,360
Lowe	" " "	133,382
Lucas	" " "	82,993
Lawrence	" " "	16,424

Total decrease during June \$ 1,531,464

Compared with a year ago, there is an increase of 1,673,320

" " August 31, 1939, the increase is 3,663,460

Mr. Steudel pointed out that it would be necessary to make substantial reductions in order to reach the quotas that have been assigned.

Mr. Stanton's bulletin covers the regulations which will determine what is to be considered as part of the August 31st inventory.

9034 - RAW MATERIAL USED--JUNE:

Mr. Sieplein reported that the cost of raw materials used during June was 8.27% higher than last year. The year-to-date cost is 6.97% higher than last year.

9035 - WALLPAPER SALES:

Mr. Sieplein reported that profit on sales of wallpaper to dealers and stores has averaged 22.1% as compared with an estimate of 20.7%. More sales than expected have been made of higher priced papers. Sales by price groups have been as follows:

Low priced papers	29.8%
Medium " "	22.7%
Medium High Priced Papers	20.7%
High Priced Papers	26.8%

Mr. Mills reported that the tests made on wallpaper at Chicago have showed material somewhat off-standard but for the most part not sufficiently bad to reject. The testing is serving the purpose of gradually making the quality uniform and satisfactory.

9036 - WALLPAPER CLEANER:

Dr. Van Stone reported that the total quantity of cans needed for wallpaper cleaner is not large enough to justify our considering production of them.

Tests are to be made to see whether we can profitably produce the wallpaper cleaner itself.

9037 - BID BUSINESS:

Mr. Sieplein reported that we have filed a bid on 600,000 cans for the Navy Department paint plant, and another bid on 1,500,000 cans of metal polish.

Mr. Coolidge reported that a bid on 600,000 pounds of dry white lead for the Panama Canal is coming up very soon.

9038 - COMPANY-OWNED TRUCKS--CLEVELAND TO CHICAGO:

Mr. Baldwin reported that the estimated cost of operating our trucks between Cleveland and Chicago is so close to our cost under a contract carrier rate that we would not be justified in buying and operating our own equipment.

9039 - DEHYDROL PATENT:

Mr. Steudel advised the Board that although the patent on Dehydrol has not yet been granted, there is good reason to believe that it will be granted and that it will give us adequate protection.

9040 - HICKS PATENT--SYNTHETIC METALLIC FINISHES:

Dr. Van Stone reported that a license arrangement will be set up on synthetic metallic finishes just like the duPont lacquer license agreement. From present indications other companies are willing to enter such an agreement.

Mr. Hasson will be in charge of getting the license arrangements set up.

9041 - DECO-PASTE:

A report from Mr. Griffiths showed that in the first ten months of this year, about 36,000 gallons of Deco-Paste have been sold and that stock has been turned 9.2 times in the ten month period.

9042 - RESIN EMULSION PAINTS:

Dr. Van Stone advised the Board that calcium titanium cannot be practically used in resin emulsion paints. This would indicate that resin emulsion paints should provide a large outlet for sales of lithopone.

9043 - OFF-GRADE LITHOPONE:

Dr. Van Stone reported that Mr. Higgins has done an excellent job of helping the factory dispose of a substantial stock of off-grade lithopone.

9044 - TRADE SALES PRICE LIST:

A report from Mr. Griffiths listed a number of sizes and items to be dropped from the trade sales line. Mr. Mills will follow through to be sure that these and other items on which production is small are dropped.

9045 - LUCAS INVENTORY:

Mr. Stoudel read the Board a letter from Mr. Gorrell which gave assurance that Lucas inventory on August 31st would be lower than last year. The Board agreed it is better to concentrate supplies of raw materials of our own manufacture at factories rather than at auxiliary plants on August 31st so that factories will be able to swing into production September 1st.

9046 - FLAXOAP:

The Board approved Mr. Stoudel's suggestion that we should continue to make experiments with Flaxoap in order to improve the original and residual odor. It was decided that samples of Flaxoap should be given to a perfume company for test and recommendation.

9047 - PUBLIC BID:

Since September 1, 1939, 2132 invitations to bid have been received. A total 1795 amounting to \$4,936,231 have been placed and of this total we have received awards on 224 amounting to \$608,902.00.

9014 - FACTORY OPERATIONS, week ending July 16, 1940
HEAVY LIQUIDS - S-W PLANTS

Total orders received	-	159,668	Total production	-	142,680
Total factory stocks	-	708,263	Inventory Dec.	-	21,180
CHICAGO	-	Orders recd. 74,412	Production 71,418	Stocks 301,333	gals.
NEWARK	-	Orders recd. 34,232	Production 30,527	Stocks 177,038	"
CLEVELAND	-	Orders recd. 38,849	Production 30,633	Stocks 158,435	"
OAKLAND	-	Orders recd. 12,175	Production 10,102	Stocks 71,457	"

TOTAL PLANT OUTPUT

CHICAGO	P&V	-	132,199 gals.	Operated at 85%
NEWARK	P&V	-	49,244 "	" " 85%
CLEVELAND	P&V	-	41,593 "	" " 85%
OAKLAND	P&V	-	17,286 "	" " 127%
LOS ANGELES	P&V	-	14,176 "	" " 55%
DALLAS	P&V	-	24,014 "	" " 200%
CHICAGO LACQUER		-	45,185 "	" " 95%
DRY COLOR		-	107,557 <u>Lbs.</u>	" " 82%
FLUSHED COLORS		-	68,543 "	" " 85%
CHEM. PRODUCTS		-		" " 80%

BOUND BROOK INSECTICIDES

-	Lead Arsenate	150 tons	:
	Arsonic Acid	130 "	:
	Calcium Arsenate	124 "	:
	Basi-Cop	26 "	:
	Paris Green	25 "	:

7 days - 3 shifts

OAKLAND INSECTICIDES - 6 days - 3 eight hour shifts.

ACME - Produced 45,363 gals. Paint Dept. operated at 39%, Enamel & Lacquer at 13%, and Varnish & Thinner at 14%.

LOWE BROTHERS COMPANY - Manufactured 42,918 gals. with Paint Depts. operating at 81%, Enamel Dept. at 81%, and Varnish Dept. at 25%.

LUCAS - Manufactured 48,345 gals. Operated at 70%.
MARTIN-SENGOUR COMPANY - Manufactured 25,170 gals. Paint Dept. operated at 120%.

7-22-40.

##9015 - PLANT REQUISITIONS APPROVED:

RETAIL STORES

#1496 - Retail Stores Dept.

1 typewriter and 1 steno. oak desk 142.56

#1470 - Long Beach, Cal.

1 foam extinguisher 8.50

#1494 - Ft. Lauderdale

New installation 2,010.98

#1497 - Daytona Beach

Awning 32.00

#1499 - St. Petersburg

Westinghouse fan 27.00

#1500 - Middletown

1 reconditioned typewriter 35.00

#1501 - Ashtabula

Mail scale 4.50

MISSISSIPPI VALLEY DIST.

#373 3 Westinghouse oscillating fans for St. Louis Office 60.75

NORTH CENTRAL DIST.

#716 Typewriter 83.56

SOUTHWESTERN DIST.

#392 Elevator gate for Omaha Whse. 75.00

WESTERN DIST.

#5806 Royal typewriter and 1 - four drawer metal filing cabinet 140.31

#5807 Typewriter desk 53.00

CHICAGO FACTORY

#454 Install new fir tub for A.F.A. - Fuchsine 983.90

#503 Install Speedmaster on Karl Kiefer filling mach. P&V 80.15

#512 100 Holmes Depth Gauge transformers and 250 - #86 transformers with clip 213.15

#522 Second hand typewriter for Resin Research Dept. 15.00

#523 Install non-rusting steel hopper in Q.P.W.L. 503.50

CLEVELAND ADMIN. OFFICES.

#1510 - Cost Dept.

1 oak swivel chair 18.40

CLEVELAND FACTORY

#3339 Table and 8 arm chairs for Conference Room-6anal Rd. 103.00

COFFEYVILLE

#754 Bucyrus-Erie Shovel - Powered 5,100.00

#755 Diesel engine 55.00

#756 Diesel engine, foundation, pulleys, etc. 385.00

NEWARK FACTORY

#654 Files for 4 x 6 formula cards 117.00

TOTAL PLANT REQUISITIONS APPROVED - - - - - \$ 10,206.76

#9016 - LARGE EXPENSE REQUISITIONS APPROVED:

RETAIL STORES

#1498 - Rockford

Iron bars on alley window, guard at loading platform
and painting warehouse 1 coat 111.00

CHICAGO FACTORY

#504 Repair broken teeth in spur gear - Lacquer 157.30

#509 Replace broken pinion on #3 Dry mixer, etc.-C.P. 103.28

#510 Repair fire doors through out plant - Various Depts. 248.60

#513 Parts for centrifugal pump - W.L. 163.00

#524 Repairs on steel casing of lead blowing hopper W.L. 281.40

CLEVELAND FACTORY

#3340 Repairs and painting of Club Room, Lunch Room, etc. 705.00

CLEVELAND L. O. MILL

#775 Repairs at Castor Oil Plant 1,154.00

#779 Repairs to cooker 70.00

COFFEYVILLE

#631 Repair "B" Furnace, bag ribbon and mixer 4,000.00

#632 Reline pebble mill in Lithopone unit #2 345.00

HAVANA FACTORY

#392 Two sets of 30" mill stones for Mills No. 1 and 5 322.65

TOTAL PLANT REQUISITIONS APPROVED - - - - - \$ 7,666.23

Total Plant Requisitions approved to date \$ 1,425,926.97

Total Expense " " " " \$ 199,286.47

ACME - DETROIT

ES 573	1 Model 86 1/2 Pony Labelrite machine	1,600.00
ES 833	Replace wooden foundation with concrete	1,288.42
ES 998	Replace 2 broken ball bearings and repairing drive	51.04
ES 1081	Repair #11 elevator Bldg. #46	134.24
ES 1082	Electric hoist and I beam	340.00
ES 1083	Remind burned out motor and replace coupling	60.29
ES 1089	Tube closing machine	700.00
BE #410	Painting exterior of Durham branch	93.27
BE #416	Repairs to Burroughs machine - Detroit Office	54.29