MINUTES OF MEETING OF THE
EXECUTIVE COMMITTEE
OF THE GLIDDEN COMPANY

Minutes of the meeting of the Executive Committee of The Glidden Company, held at the office of the Company, 1396 Union Commerce Building, Cleveland 14, Ohio, on Friday, January 27, 1950, at 2:00 o'clock P.M.

The following members of the Committee were present:

Adrian D. Joyce
Dwight P. Joyce
Clifton M. Kolb
W. J. O'Brien
P. E. Sprague

Mr. Adrian D. Joyce, Chairman, presided and Mr. R. D. Horner recorded the minutes.

The Chairman announced that the meeting had been called to consider additional equity financing. He pointed out that the expenditure of over $14,000,000 in plant and capital additions since November 1, 1945 had deprived the Company of additional working capital which might otherwise have been available from sustained profits. Additional working capital was particularly desirable he said to enable the Company to continue its hedging operations without resorting to the sizable borrowings which were presently required.

Current security market conditions, he stated, were favorable for the issuance of additional shares of common stock and he suggested that the Committee tentatively consider the sale of these shares on the basis of 1 share for each 10 shares now issued and outstanding. With the current book value of the Company's common stock at approximately $26.80 per share, and with the market price of the stock continuing to rise, he anticipated that a good opportunity for the sale of additional securities might well occur in the near future. The large public following which the Company had received during recent months, he believed, would contribute to the salability of a common stock issue at that time.

As an alternative election, the Chairman submitted for consideration of the Committee the issuance of long term notes which would provide working capital, but which would have the disadvantage of falling due at a predetermined but financially uncertain date. Considerations also to be taken into account, he stated, should be the features of tax deductibility of interest payments vs taxability of earnings paid out in the form of dividends, as well as the total loss of earnings involved in making interest payments on a given amount of capital as opposed to the considerably greater demand on earnings to be made by common stockholders furnishing comparable equity.

Mr. Clifton M. Kolb estimated that the Company's working capital requirements as of November 1, 1950 would approximate $5,000,000, an amount equivalent to the notes payable to banks on November 1, 1949. He recommended that the Company, instead of issuing bonds or debentures, obtain additional working capital to offset this anticipated liability through the sale of common stock, which, he stipulated, should be underwritten to assure the Company of the sale of the securities which it proposed to issue.

Mr. W. J. O'Brien concurred with Mr. Kolb, expressing his support of a stock issue as being the safest course available to the Company in obtaining needed additional working capital.

Mr. P. E. Sprague reviewed briefly the advantages which might be gained by obtaining capital through long term loans. Although he believed these factors should not be overlooked, Mr. Sprague supported the sale of additional common stock as a means of obtaining capital at this time. However, it was his expressed hope that the Company might reach a point where it could look to its earnings rather than to the sale of common stock as a means of financing its expansion.

Mr. Dwight P. Joyce supported the issuance of additional common stock, providing the issue could be advantageously underwritten and that market conditions were favorable. He stated that he believed this type of financing to be the soundest for both stockholders and the corporation, and that the funds obtained from this source would create additional earnings which would more than offset the amounts paid out as dividends.

Upon motion duly made and seconded, unanimously approving further negotiations by the Chairman directed toward obtaining a satisfactory underwriting contract, the Committee decided to obtain further data relative to a common stock issue and to present a suitable plan to the February 9th meeting of the Board of Directors.

The Chairman briefly reviewed developments relating to the discovery of ilmenite deposits in Canada and their development by Kennecott Copper Company and New Jersey Zinc. He reported that the Company had received assurances that sufficient slag would be available by 1952 to justify the expansion of TiO_2 manufacturing facilities at Baltimore from the present capacity of approximately 800 tons per month to a proposed capacity of 1400 tons per month. Plans proposed by the Chemical & Pigment Division called for the gradual transfer of all lithopone manufacturing equipment from Baltimore to Collinsville and Oakland, thereby permitting acceleration of titanium dioxide production in the plant space made available at Baltimore. The Division, it was reported, was confident that any increase in the production of TiO_2 could be marketed without difficulty. In view of the impossibility of competing with slag to be available in 1952 by using ordinary ilmenite and the importance of obtaining necessary drawings and plans for plant expansion at Baltimore, prior to undertaking the required changes, the Committee gave its unanimous approval to the immediate procurement of suitable architectural drawings and plans. Necessary PFE's it was stated would be submitted for architects fees and planning at a later meeting. PFE's for engineering fees, purchase of machinery, and other required steps in expansion would be submitted as plans progressed. Effort would be made, the Chairman stated, to carefully handle as many phases of the project as possible within the Company's own organization. Upon motion duly made and seconded, the project as outlined to the Committee was unanimously approved.

After due consideration and upon motion duly made, seconded and unanimously carried it was

RESOLVED, that the following purchases of vegetable oil to cover February requirements of the Company's margarine plants, and not to be considered a part of the Company's authorized long position be and they are hereby approved:

Plant	Cottonseed Oil	Soybean Oil
Iron Street, Chicago	35 tanks	7 tanks
Macon, Georgia	5	2
Norwalk, Ohio	22	8
Total	62 tanks	17 tanks

The Committee also adopted by motion duly made, seconded, and unanimously carried the following resolution:

RESOLVED, that authorization be and it hereby is given the Trading Department of this Company to extend its current long position in soybeans to a total of 1,000,000 bushels at a market price of not greater than 11 cents below the current government support price of $2.36 per bushel, as approved by Mr. Dwight P. Joyce and confirmed by Mr. R. G. Golseth by letter dated August 29, 1949.

FURTHER RESOLVED, that authorization be and it hereby is given the Trading Department to cross hedge 3,000,000 bushels of soybeans in wheat, corn or oats as approved by Mr. Dwight P. Joyce, on or about August 29, 1949 and confirmed by Mr. R. G. Golseth by letter of that date.

The Committee, upon the recommendation of Mr. P. E. Sprague, unanimously rejected the adoption and/or authorization of a long position on soybean meal by the Feed Mill Division.

The following PFE's were submitted to the Committee and were upon motion duly made and seconded unanimously approved:

CHEMICAL & PIGMENT COMPANY DIVISION		
Baltimore, Maryland		
10 - 90	Installation of Selenium Cottrell Gas Washing System to eliminate fumes	$ 11,947.65
FOOD DIVISION		
Iron Street, Chicago		
24 - 88	Purchase of one Transrider Stacker and Generator set, one Yale pallet truck and one carload double faced pallets	4,999.25
NAVAL STORES DIVISION		
Jacksonville, Florida		
71 - 88	Purchase of one Beckman Spectrophotometer and accessories	1,647.40
PAINT DIVISION		
Dallas, Texas		
47 - 3	Purchase of a Burroughs Sensimatic Style F-101 Bookkeeping Machine	1,618.00

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

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