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Cleveland | Mfg. S & E

Mfg. & Aux. | February 8, 1922.

G A Martin | Expenditures for January

Total expenditures for January, according to the report attached, amounted to $674,738, nearly double the amount for the same month last year, which was $352,765. Of this amount, disbursements for raw materials and factory equipment was $403,632.50 - Auxiliary items, $271,108.00. You will note the principal item under the Auxiliary caption is Linseed Oil, $107,940.

As previously reported to you, we bought 100% more oil than we actually consumed for the same period last year. According to reports received February 1st, our average supply at all plants did not exceed three weeks stock which indicates that we are consuming the oil as fast as it is being delivered. Large items included in purchases of raw materials and equipment are as follows:

Tin Plate	$ 25,000.00
China Wood Oil	44,300.00
Naphthas	26,500.00
Boxes	6,000.00
White Lead	11,600.00
Lithopone	22,300.00
Fish Oil	3,200.00
Acids	15,300.00
Shellac	24,200.00
Rosin	7,100.00
Turpentine	24,500.00
Gums	12,400.00
Kegs	9,000.00
Acetate of Lime	15,000.00
Bichromate of Soda	6,200.00
Aniline Oil	12,800.00
Tiff	3,600.00

From present indications, the month of February will be larger than January as the P&V Departments are operating on a basis of increasing the output over January in order to have stocks up to limits by March-April. We have already purchased for February 22 tanks of Linseed Oil which represents an investment of approximately $110,880.00. We have also bought 8 tanks of China Wood Oil representing an investment of approximately $52,800.00.

According to the last reports, all of our varnish stocks are considerably below the limits with the exception of Scarnot at Cleveland.

Our Lithopone and Lead purchases outside of our own production so far this month amount to $23,400.00 for Lead and approximately $7250.00 for Lithopone.

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This advance information I am passing to Mr. Schroeder for his guidance in arranging finances as disbursements for February commitments will be made March-April if we take advantage of discounts, and some during February on 10 days time on oil.

We have gone over with Mr. Schroeder the estimates made as to the amount required for disbursements for raw materials for all operating units and you will no doubt be interested in knowing that so far we have not exceeded our estimates.

To enable us to keep a closer check on our stocks of semi finished and finished materials that are tanked in the factories, arrangements have been made with Mr. Douglas to have Mr. Sieplein continually check up on the limits and make sure that we do not find ourselves with a heavy investment in finished materials tanked, as we did last year. As the monthly Balance Sheets are completed, they will be gone over carefully at our Stock & Purchase Committee meetings, together with sales figures and full comments made in the minutes of the meetings, in order to bring the matter to the attention of the Board of Managers should we find that sales are not keeping pace with our manufacturing and stockkeeping programes.

Information to date on sales for January, which includes four weeks with the exception of three days, indicates that they will amount to $1,119,577.48 as compared with our total expenditures for raw materials and factory upkeep of $403,626.00, and including Auxiliary items, $874,732.00, which is a good ratio.

Very truly yours,

CGB/LEL

Mgr. Mfg. Supplies & Expense.