

MINUTES

EXECUTIVE COMMITTEE MEETING

National Paint, Varnish and Lacquer Association, Inc.
Pennsylvania Hotel - New York, N.Y.

January 27th, 1937

A regular meeting of the Executive Committee of the National Paint, Varnish and Lacquer Association, Inc. convened at ten A. M., Wednesday, January 27, 1937 in the Pennsylvania Hotel, New York, N. Y., with Vice-Chairman F. L. Sulzberger presiding. The following were in attendance:

S. C. Dunning
D. W. Figgis
M. L. Havay
D. A. Rohr

Wells Martin
S. R. Matlack
H. A. Melum
C. J. Roh
C. N. Seidlitz

F. L. Sulzberger
J. Heath Wood
W. W. Zintl
Ernest T. Trigg

GUESTS

F. M. Carter

J. E. Ingram

L. P. Moore

ASSOCIATION STAFF

H. A. Gardner

Laurence Kiefer ✓ (present)

ABSENT

E. J. Cornish (represented by F. M. Carter)	O. J. S. de Brun
W. C. Dabney	E. D. Griffin (represented by J. E. Ingram)
DeLancey Kountze	R. A. Plumb
J. B. Lord	H. W. Rice

CALL TO ORDER

The meeting was called to order by the Vice-Chairman with an introduction of new members and guests. ✓

ELECTION OF CHAIRMAN

It was pointed out by President Trigg that the former Chairman of the Executive Committee, Mr. E. S. Phillips, has finished his term of service on the Executive Committee and that nominations were in order for a new Chairman. Mr. Roh nominated Mr. Frank L. Sulzberger. This nomination was seconded by Mr. Zintl, and it was moved that nomination be closed. The question was put by the President and the Acting Secretary was authorized to cast a ballot for the election of Mr. Sulzberger as Chairman. ✓

ELECTION OF VICE-CHAIRMAN

The office of Vice-Chairman being vacated by the election of Mr. Sulzberger as Chairman, Mr. Melum nominated Mr. H. W. Rice. This nomination was seconded by Mr. Matlack, and it was moved that nominations be closed. ✓

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The question was put to the members and the Acting Secretary was authorized to cast a ballot for the election of Mr. H. W. Rice as Vice-Chairman.

MINUTES OF LAST MEETING

The Acting Secretary stated there was no unfinished business left over from the last meeting which was not cared for in the agenda of the present meeting. The Chairman stated that inasmuch as copies of minutes of the last meeting had been mailed to each member of the Committee, the minutes would be approved without reading if there were no objections. There being no objections, the minutes were approved without reading. ✓

REPORT OF THE BUDGET AND FINANCE COMMITTEE
AND OF THE TREASURER

Mr. C. J. Roh, Chairman of the Budget and Finance Committee, reported that the Committee held a meeting last night (January 26th) at which time a proposed budget for 1937 of \$ 10,752.00 was given very careful consideration and was allocated over the various departments of the Association. Mr. Roh gave a detailed explanation of the set-up of the budget and stated that returns which have already come in indicate that the income of the Association for 1937 will be approximately 10% over 1936.

Mr. Roh moved the approval of the budget as presented. This motion was seconded by Mr. Matlack and carried. ✓

The treasurer, Mr. Charles J. Roh, presented a statement of income and expense for the period from October 1st to December 31st, 1936 and a balance sheet showing assets, liabilities and surplus as of December 31, 1936. (Copy attached)

On motion duly made and seconded, the report of the treasurer was approved as given. ✓

POSSIBLE PURCHASE OF GREGG MEMORIAL
BY GOVERNMENT

Mr. Charles J. Roh reported there was a possibility that the Government would purchase the Gregg Memorial building in Washington this year for the purpose of making space available for a new War Department building. He suggested that a small committee be appointed by the Chairman to handle the situation if it became necessary to make a move. ✓
T.V.N.

President Trigg reported that the only information he had regarding the possibility of the Government purchasing the building was newspaper reports that the building was on the ground where a new War Department structure was proposed, and that provision had been made in the appropriation bill this year to purchase all land and property in the neighborhood. He stated that the members would recall that last year a bill was presented in Congress for this purpose, but it did not pass. According to newspaper reports, however, the President has now asked Congress to go ahead with the plans for the new War Department building. It seems, therefore, that if the President is behind this legislation, there is a very good chance that it will be put through.

President Trigg called attention to the fact that the Association purchased the headquarters property at a time when prices were very nearly at the peak and it also spent considerable money in additions and improvements to the building at the high market. He further stated that if we are obliged to sell to the Government at the going rates, we will be selling somewhere near the bottom. The Association, therefore, may possibly face the necessity of taking a loss on the property. However, if it is necessary to sell on a lower market, it is fair to assume that we will be able to buy other property on a lower market.

President Trigg pointed out that last year he looked at several large properties and found some places that looked like desirable locations. He pointed out that properties of the size that would be needed for our purpose are more or less a drug on the market and can probably be secured at a very reasonable figure.

It was moved by Mr. Roh that a committee be appointed by the Chairman to take care of interim details regarding the sale and purchase of property between meetings of the committee. This motion was seconded and duly approved. ✓

The Chairman, therefore, appointed a committee to consist of the President of the Association, Mr. Ernest T. Trigg, the Treasurer of the Association, Mr. Charles J. Roh, and the Vice-Chairman of the Executive Committee, Mr. Herbert W. Rice. ✓

EVERARD PAINT MFG. CO.

The Acting Secretary reported that an amount of \$62.50 was owed the Association by the Everard Paint Manufacturing Company of California and that it was now possible to settle this account for \$20.00. This would mean charging off an amount of \$42.50.

It was moved, seconded and approved that the Treasurer be authorized to make settlement of this account and charge off the amount of \$42.50. ✓

LUMBER PRODUCTS BETTER PAINT CAMPAIGN

President Trigg reported that for some time the Association had been concerned about circulars printed as a part of the Lumber Products-Better Paint Campaign and put into each bundle of lumber that was sold through the lumber yards. He stated that statements made in these circulars were objectionable to manufacturers of mixed paints in that they have unduly emphasized white lead and inferentially damned mixed paint. He reported that the Association had gone on record with the Lumber Products-Better Paint Campaign strenuously objecting to this literature, and that Mr. Carter of the National Lead Company had wholeheartedly joined with the Association in this objection. He reported that the Association's position was not critical of white-lead-in-oil but that it wanted the field left open to all manufacturers of paint instead of being closed to only one type. He stated that negotiations have been going on with the Lead Industries Institute which conducts the Lumber Products-Better Paint Campaign for about two years, and that finally good results have been accomplished. ✓

President Trigg reported that a conference was held a few weeks ago in New York with several manufacturers who could be gotten together on short notice. He reported that Mr. Carter was present at the meeting and volunteered to see what ✓

could be done to get the matter straightened out to the satisfaction of all. Mr. Carter arranged with Mr. Wormser to come to Washington to confer with President Trigg and Dr. Gardner. As a result of that conference it was suggested to Mr. Wormser that if the language in the circular could be changed along the lines of specifications Dr. Gardner had written for the Lumber Manufacturers Association, it would be satisfactory to everybody concerned. Mr. Wormser was very receptive to this and took the matter back and talked it over with his associates. President Trigg and Dr. Gardner attended a conference in New York with Mr. Wormser, Mr. Carter of the Eagle Picher Lead Company, Mr. Colcord of the United States Smelting and Refining Company, Mr. Hallett of the National Lead Company, and Mr. Peters of the St. Joseph Lead Company. This meeting was very satisfactory and after the meeting Dr. Gardner and Mr. Hallett got together on the details of the language to be used in future circulars. As a result another circular was written and Mr. Wormser took it up with some of his group and they have approved the circular. The proposal is now that Mr. Wormser and President Trigg go to Chicago to talk the matter over with Mr. Dulany and other lumber men and secure their acceptance of the new proposal. 6. 11

President Trigg also reported that Dr. Gardner had been asked by Mr. Wormser to look over a new traveling exhibit that was being prepared by the Lumber Products-Better Paint Campaign and to make any suggestions he thought advisable. Dr. Gardner has taken care of this matter. President Trigg reported that there is at present a very real evidence of cooperation which can be accomplished with the lumber people, and he believes that the whole matter will be cleared up to the satisfaction of all. ✓

REPORT OF SCIENTIFIC SECTION

Dr. Gardner discussed the various circulars which had been sent out to the members since the November meeting of the Association. He also discussed the work he had been doing in connection with the National Retail Lumber Dealers Association. This work is of a cooperative nature and includes the issuing of circulars for distribution to 25,000 members of that Association. He also discussed his work in connection with the National Lumber Manufacturers Association Small Homes Demonstration. He has aided the Association in drawing up specifications for the paint to be applied to these homes, such paints to be either high quality mixed paint or lead-in-oil. He also discussed his work with the PWA Housing Division, for which organization he has recently drawn up revised specifications, including high quality mixed paints and lead-in-oil. He also discussed the work he had done in connection with Mr. Trigg for the Lead Industries Association in connection with the Lumber Products-Better Paint Campaign. He also referred to his work with the National Bureau of Standards and the Federal Specifications Board in connection with new specifications for interior paints, based entirely on physical properties, such specifications having now been issued as a part of Scientific Section Circular No. 525.

Dr. Gardner also discussed the results of perilla plantings during 1936, and outlined the work to be carried on during 1937 in this direction, as well as the work he will do in connection with the experimental planting of chia thruout the United States.

Dr. Gardner also discussed the work he is carrying on in connection with the painting of brick, and the contact he has made with the Brick Manufacturers Association.

He also touched upon the work he is doing in connection with the gathering of data to prove that the theory of the incompatibility of paint coatings has been overstressed.

APPOINTMENT OF UNFAIR COMPETITION COMMITTEE

The by-laws provide that the Unfair Competition Committee shall be appointed by the President in collaboration with the Chairman of the Executive Committee, subject to the approval of the Executive Committee. In accordance with the by-laws, therefore, President Trigg reported that in collaboration with the Chairman of the Executive Committee he now presented for the approval of the Executive Committee, the Unfair Competition Committee to consist of the following:

W. C. Dabney
O. J. S. de Brun
Frank Juison
E. S. Phillips

Charles J. Roh
W. M. Zintl
W. I. Longworth
Carl J. Schumann

H. E. Webster, Chairman

It was moved by Mr. Matlack, seconded by Mr. Havey that the above committee be approved. This motion was carried. ✓

TRADE ORGANIZATION BLOC

The Acting Secretary submitted the following report:

"At the last session of our annual convention in Chicago, Mr. John R. MacGregor of the Eagle-Picher Lead Company presented a recommendation that trade associations be joined together in a council so that industry might have a medium through which to make its voice heard in connection with proposed federal legislation.

"On motion by Mr. N. D. Chapin, the suggestion was referred to the Executive Committee for further consideration.

"A check of other agencies indicates that the American Trade Association Executives have a definite policy not to express any group opinion in matters of this kind and while they have discussed this general subject, no definite action has been taken.

"The United States Chamber of Commerce in October, 1931, sent out Referendum No. 58 'On the Report of the Special Committee on Continuity of Business and Employment'. This Referendum had as one of its major objectives the development of an 'Economic Council', in which trade associations were to play an important part.

"The American Paint and Varnish Manufacturers' Association and the National Paint, Oil and Varnish Association voted affirmatively on all ten questions submitted in this Referendum and the Referendum was approved by a large majority of the members of the Chamber of Commerce and to quote the report which was sent out by the chamber of Commerce and the vote on the Referendum 'the Chamber is committed in favor of propositions I to X inclusive.'

"Investigation indicates that in spite of the large favorable vote on this Referendum, nothing has been done looking towards the establishment of this 'Economic Council'. A letter addressed to Mr. David A. Skinner, Secretary of the United States Chamber of Commerce, requesting information as to what was done regarding this matter has not as yet been answered.

"Our Association has membership in the National Industrial Council, affiliated with the National Association of Manufacturers, and this Council has recently suggested that 'It seems highly advisable in the light of the proposed legislation affecting trade practices, amendments to the anti-trust act, new Patman legislation and various proposals of N.R.A. type measures, that the members of our national manufacturing trade associations group in the Council meet to exchange information and viewpoints.'"

It was recommended by President Trigg that the Association do all it can to carry out the thought of Mr. MacGregor's suggestion through the Industrial Council of the National Association of Manufacturers and if this does not work out satisfactorily, the Association should do something else later on. T.L.G.

This suggestion was approved by the Committee.

DECLARATION OF PRINCIPLES OF AMERICAN INDUSTRY

The following letter was read by the Acting Secretary:

NATIONAL INDUSTRIAL COUNCIL
11 West Forty-second Street
New York City

December 21, 1936

"Mr. Ernest T. Trigg, President
National Paint, Varnish and Lacquer Assn.
2201 New York Avenue, N. E.
Washington, D. C.

"Dear Mr. Trigg:

"The most important conclave of business executives in this country in a generation of years.' That was how J. D. Tompkins, writing for the New York Herald Tribune, characterized our recently concluded 41st Annual Meeting.

"The Congress of American Industry was 'most important' because the 'Principles' adopted at that time affect not only industry, but labor, the public, and our future national welfare itself. As I said in closing the Convention, 'This meeting has established a new, sound and progressive note in the industrial life of the nation.'

"The Principles are more encompassing than ever before in their industrial acceptance of social and national responsibility, yet the sound fundamentals of private enterprise have in no way been sacrificed.

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"The theme of the Convention as a whole can be summarized in three steps:

1. The public's continuing desire for better living offers the manufacturer his greatest opportunity, since the providing of the things people want is his stock in trade.
2. To most effectively demonstrate his superiority as the supplier of the nation's goods, the manufacturer must accept and keep before him certain ideals of performance.
3. To secure the sympathetic cooperation of the public, he must keep constantly before them the facts, not only of his product and his methods, but of the motives and objectives of the system of private enterprise under which he operates to their advantage.

"The popular appeal of this basis of understanding is amply evidenced by the public and editorial reception given to this year's Convention document, which is enclosed.

"I know I may assume that you will read it thoroughly. But there is more to it than that.

"First of all, every manufacturer should analyze the Principles carefully in the light of his own company's procedure. Only as general acceptance is secured can we hope to convince the public of our devotion to them.

"Your association can help immeasurably in this respect. The Principles should be considered by your Board and, upon adoption, circulated throughout your membership together with the official comment of your own Directors.

"For this purpose, additional copies will be sent you without cost upon request.

"Secondly, after insuring that they are generally approved, we must bend every effort to inform the public of that fact.

"The Council's 1937 public information program, with which you will be invited to cooperate, will hinge on these statements of principle. So will the material designed for employees and shareholders. More information regarding these phases will be sent you shortly.

"All the sessions of our Annual Meeting emphasized the 'new horizons' for American industry and the American people. By the application of these Principles to our daily industrial life, and by our selling of them to the public, there lies the best expectation for achieving the higher goals and better living envisioned at that time.

"I will appreciate being kept informed of your association's action.

Very truly yours,
/s/ C. H. CHESTER
Chairman "

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This matter was discussed carefully by the Committee and Dr. Kohr asked if the Association approved the sending out of the Principles referred to whether or not it would be an indication that our industry had not been carrying on its business in this manner in the past and would it not indicate that we were turning over a new leaf. It was Mr. Roh's opinion that the National Industrial Council is doing a very good job and that the Association should support it in this connection. It was Chairman Sulzberger's that that distribution of these Principles by the Association with the approval of the Executive Committee would have a very good effect on all of the members of the Association.

It was moved by Mr. Roh, seconded by Mr. Wood and approved that the Association send out the Principles with a letter stating that the Declaration of Principles have been considered carefully by the Executive Committee and that the Declaration expresses the things for which this industry has stood for a number of years, and the Principles have the full endorsement of the Executive Committee. ✓
L.C.
2-10-37

ELECTION OF SOUTHERN ZONE VICE-PRESIDENT

President Trigg reported that because of the unfortunate death of Mr. Booker, the position of Southern Zone Vice-President was left vacant. He recommended that Mr. Primm of the Sherwin-Williams Company of Atlanta be elected to fill this position. He stated that Mr. Primm was formerly local manager in Atlanta of the Sherwin-Williams Company and that last year he was President of the local association in Atlanta. He has recently been made District Manager for Sherwin-Williams and this undoubtedly means that he will be travelling around thru the Southern territory and will be in a position to call on our local clubs throughout the South. He stated that Mr. Primm had always taken a very active interest in Association affairs, and that he believed he would be an ideal man for the job.

On motion duly made, seconded and approved Mr. Primm was elected Southern Zone Vice President. ✓

1937 CONVENTION SITE

The Acting Secretary read a list of cities that had invited the Association to hold their 1937 convention.

President Trigg reported that invitations this year had been received from more places than ever before. In reply to a question, the Acting Secretary said invitations had come through the local associations from Buffalo, Cincinnati, Philadelphia and St. Louis, and that invitations have been received from the following cities: Asheville, N. C.; Atlanta, Ga.; Atlantic City, N. J.; Chicago, Ill.; Cleveland, Ohio; French Lick, Ind.; Halifax, Nova Scotia, Canada; Hollywood, Fla.; Mexico City, Mexico; Milwaukee, Wisc.; Nashville, Tenn.; New York, N. Y.; Pittsburgh, Pa.; Rochester, N. Y.; Shamsee-On Delaware, Pa.; Toronto, Canada; Union Town, Pa.; and Washington, D. C.

Mr. Matlack stated that Philadelphia wanted very much to entertain the Association at its convention this year.

It was moved by Mr. Roh that the question of the 1937 convention site be left in the hands of a small committee appointed by the Chairman. This motion was seconded and duly approved.

Ch. Ex. Com -
G. Ch. " "
Pres. Assn.

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APPLICATIONS FOR MEMBERSHIP

The Acting Secretary presented the following applications for membership in the Association:

Class A

CREO DIPT CO. INC.
North Tonawanda, N. Y.

WESTERN WOOD PRESERVING CO.
Los Angeles, Calif.

HARRINGTON PAINT CO. INC.
East Cleveland, Ohio

WILBUR & WILLIAMS MFG. CO.
Boston, Mass.

Class E

W. R. WINSLOW COMPANY
Washington, D. C.

It was moved, seconded and approved that these memberships be accepted.

CANCELLATION OF MEMBERSHIPS

The Acting Secretary reported that the Membership Committee recommends the cancellation of the following memberships:

Art Cement Mfg. Co. ✓	Miami, Fla.
Coal Tar Products Co. ✓	Brooklyn, N. Y.
Connors Paint Mfg. Co., Inc. ✓	Troy, N. Y.
DeHart Paint & Varnish Co. ✓	Louisville, Ky.
Everard Paint Mfg. Co. ✓	San Francisco, Calif.
Fuller Clarkson Co. Inc. ✓	Berkeley, Calif.
The Gorton Co. ✓	Portland, Ore.
Orleans Paint Works ✓	New Orleans, La.
Pinol Mfg. Co. Inc. ✓	Philadelphia, Pa.
Rhodes & Co., D. H. ✓	San Francisco, Calif.
Schweitzer Paint Mfg. Co. ✓	Portland, Ore. Reinstated
Seaboard Paint Co. ✓	Seattle, Wash.
Skinner Paint & Varnish Corp. ✓	Galesburg, Ill.

It was moved, seconded and duly approved that cancellations of the above memberships be authorized.

ROBINSON-PATMAN ACT

The Acting Secretary reported that the following letter had been received from Dr. Kohr:

"THE LOWE BROTHERS COMPANY
Dayton, Ohio

January 18, 1937

"Dear Mr. Trigg:

"At our meeting a week from Wednesday it is my guess that much of the discussion will be around the Robinson-Patman Act and I hope that

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such will be the case. Your office has done a real service to the industry by keeping it informed of the action taken by the various members of the industry to comply with this law. Of course, it is our hope that our industry will present a united front in the manner in which the different units of the industry modify their sales policies to carry out the intent of the law.

"It is my judgment that it would be a great help to us here in Dayton if it were possible for you to collect before the meeting from trade association executives or elsewhere, information as to how other lines of industry, whose products are handled by the same class of trade that handles the products of our industry, are modifying their sales policies to comply with the law.

"The most strenuous objection I have met in dealing with those of our customers who object to our policy has been that we are the only vendors among all from whom they buy that are asking their customers to segregate their retail and wholesale business, with the result that the distributor will secure a lower gross profit on his retail business than he formerly secured when he paid the same price for all of his requirements that he purchased from our Company. In more than one case I have been embarrassed by being told by a good customer that we were the only supply house that asked him to make such a segregation, and it happens that in each case of this kind our customer was a combination wholesale and retail hardware house. While I could point out to him that the leaders in the paint industry were using a plan similar to our own, my position would have been much stronger if I could also have pointed out the fact that a similar plan was being used by the manufacturers of hardware and other commodities that are commonly purchased by the trade that we serve.

"Inasmuch as this is such an important matter to us, I imagine you may have had similar requests from other sources and this letter may for that reason be entirely uncalled for. However it certainly would be a great help to us in meeting the difficulties that we face if it were possible to have the information outlined above from a source as reliable as yourself."

Very truly yours,

/s/ D. A. KOHR "

The Acting Secretary reported that headquarters had been unable to get any definite information about Robinson-Patman plans from any association. It appears that the hardware manufacturers are using two different plans. In one they have the wholesaler give them a statement that last year a certain percentage of their business was wholesale and they are asked to estimate what their wholesale business will be this year and on that estimate the manufacturer allows a wholesale functional discount. The steel wire manufacturers are handling wholesalers in the same way that some of the paint manufacturers are. That is, they are billing their customers at list and making them furnish a certified statement as to the sales made at wholesale and then allowing a wholesale functional discount on such sales.

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Headquarters is unable to secure any other information. All associations that we believed would have plans in their industry were contacted and no one seemed to have any definite information which they were willing to give us.

ARRANGEMENT WITH DR. HENRY A. GARDNER

President Trigg reported that the Budget and Finance Committee had approved entering into another three-year arrangement with Dr. Gardner. He stated that he was reporting this to the Executive Committee because he believed it would be well for the Executive Committee to approve such an arrangement. President Trigg reported that Dr. Gardner desires more time to travel to give attention to the development of oil bearing seed and that it was the thought of the Budget and Finance Committee that he should be encouraged to do this.

It was moved by Mr. Roh, duly seconded and approved that the arrangement entered into by the Budget and Finance Committee be approved. ✓

CODE OF ETHICS

President Trigg reported that he had talked with Mr. Rice and Mr. Dabney who were very much concerned about the violations of certain parts of the Association's Code of Ethics, particularly that one applying to the enticing of employees. Mr. Dabney reported that quite a bit of this was going on and that he wanted to find out just what the feeling of the Executive Committee was and whether the Code of Ethics still stood or whether it was an open season. President Trigg stated that it was his opinion that some manufacturers, when the NRA code of our industry was terminated, took it for granted that all parts of the code were terminated. He stated that steps were being taken by the Association to bring the Code of Ethics to the attention of all members of the industry and that this would be continued. ✓

Mr. Roh thought that reference to different parts of the code should be brought out in future association publications. ✓

MISCELLANY

It was moved by Mr. Havey, seconded and approved that the Executive Committee go on record expressing its feeling about the situation in the flood area and that a message be sent to the Presidents of each local club in the flood area. Accordingly the following telegram was dispatched:

"The Executive Committee of the National Paint, Varnish and Lacquer Association in session today extends through you to the members of your local association its very sincere sympathy for the loss of life and property in your community due to the terrible floods stop. It earnestly hopes that the worst is over and that the members of the industry in (name of city) will suffer as little loss and interruption to their business as possible." ✓

There being no other business before the meeting, it adjourned at 1:30 P. M.

Laurence Kiefer

Acting Secretary

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