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LEAD INDUSTRIES ASSOCIATION

Graybar Building, 420 Lexington Avenue

New York, N. Y.

PIGMENTS DIVISION

White Lead-in-Oil Committee

New York, N. Y.

August 8, 1933.

A meeting of the White Lead-in-Oil Committee of the Lead Pigments Division of the Lead Industries Association was held at the Lawyers Club, New York City, on Wednesday, August 8, 1933, at 2:45 P.M.

Present:

W. E. Maston, Chairman
F. M. Carter
J. G. McNeir
Harold Rowe
P. E. Sprague
T. H. Zappert
S. B. Coolidge, Jr.
R. L. Ziegfeld, Assistant Secretary.

Representing:

Eagle-Picher Lead Co.
National Lead Co.
" " "
" " "
Euston Lead Co.
" " "
Sherwin-Williams Co.

Mr. W. E. Maston occupied the chair.

It was agreed that this group would consist of those companies now manufacturing White Lead-in-Oil, and be open to any other company or individual who may become manufacturers of this product as a member of the Lead Industries Association. The present membership follows:

Members:

Anaconda Lead Products Co.
Eagle-Picher Lead Co.
Euston Lead Co.
W. P. Fuller & Co.
National Lead Co.
Sherwin-Williams Co.
Wetherill & Brother

FEDERAL TRADE COMMISSION
DOCKET NO. 5153 EXHIBIT NO. 501 A
IN THE MATTER OF National Lead
DATE 6/10/33 WITNESS K. H. H. H.
ELECTROTYPE, INC., Official Reporter
BY W. H. H. H.

Non-Member:

E. I. duPont de Nemours & Co. Inc.

The Supplementary Code of Fair Competition for the Lead Pigments Division was discussed, but no definite recommendations as to its final form were made.



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The item of "reports" was given the most consideration, and it was the general sense of the meeting that individual reports of production, stocks, and shipments (or sales) as now reported to the Association be made available to all other members of the group at periodic meetings of the Committee.

Price Lists: At a given date, preferably on or before September 15, 1933, all members of this group will file with the Secretary their price list with terms and conditions of sale. Any change in the lists or terms to the trade shall be reported to the Secretary in writing. Upon making a sale or quotation at variance with this previously announced price list or terms, each member shall notify the Secretary in writing within 48 hours of such variation, giving name to whom made. It was left for decision at next meeting if these variations would be reported promptly to all members of the group or be held for distribution at a regular Committee meeting. Regarding the question of making a price concession on any lead pigment or products designed to cut the price of White Lead, dry or when ground in oil, or using either of these products to cut the other, should be effectively covered by the industry's code.

FEDERAL TRADE COMMISSION

Under Sec. 5 of the Commission's Order No. 381

Grinders Paste White Lead: This product has caused considerable disturbance among the trade, particularly where it has found re-sale as White Lead-in-Oil packed in standard kegs. It was the sense of the group that a means should be found to stop such practice, preferably by a guarantee from buyers that Grinders Paste is for use in their finished products only, and never offered for sale as Pure White Lead-in-Oil. Further consideration of this important point will be given at the next meeting, and include the possibility of restricting the sale of Dry White Lead when it is ground to paste form and sold as Pure White Lead-in-Oil in conjunction with other paint products at below cost.

The Agency or Consignment method of marketing White Lead-in-Oil, as now being used in a restricted territory, extending from New York City south to and including Washington, was thoroughly explained and discussed. At the present time the National Lead Co. and the Eagle-Picher Lead Co. are selling almost exclusively under this plan, and report that jobbers and dealers with hardly a dissenting voice have approved the plan. The Agency plan is not the exclusive type designed to give certain rights or privileges, which competitors cannot meet, but one under which a Distributor may sell as many

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brands as he chooses. It is expected the two companies now using the Agency plan will extend it over a much wider area on or before October first. Under the Agency plan of selling, it is evident many of the abuses and non-profit sales among distributors can be corrected at the same time it removes the practice of - Price Guarantees, Spring Datings, deviation from terms, etc. This method of selling will in the future be described as the "Agency Plan."

Freight Differentials: There is a lack of just what points in the country take on advance differentials over the par list price. It was suggested that a zone basis similar to that used by the Linseed Oil group might be worked out and thus simplify the arrangement. The Chairman agreed to offer further suggestions at the next meeting.

The West Coast situation was briefly discussed, and it was agreed that the Committee should work out some plan for coordinating with this group of manufacturers whereby their territorial conditions as to prices, terms, etc. would not be disturbed. It might be necessary to establish a dividing line between East and West to avoid confusion.

The question of open quotations on Government and State business was thoroughly discussed. Any plan to eliminate excessively low bids would be helpful to the entire industry. The possibility of apportioning such business was discussed. There was a difference of opinion as to the method which might be used - the following being suggested:

FEDERAL TRADE COMMISSION	
Bureau No. <u>5-53</u> Commission's Exhibit No. <u>501C</u>	
Capacity	
Last year's Government and State business	
Average last three years Government & State business	
	ness
Average last ten years Government & State business	

The group was asked to give this further thought.

Painter's Meetings: It was generally agreed that such meetings have considerable educational value, and therefore have proven useful. The manner of entertainment came in for the most criticism, particularly the advertising of such affairs as dinners, banquets, etc. From relatively small groups usually held in Distributors' stores with "light refreshments" the plan has grown to such an extent that outside halls and hotels are necessary to take care of the "banquet" feature.

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Vaudeville has recently come into the scheme of things, and the entertainment feature bids fair to overshadow the educational. Many of the meetings are "padded" for effect, and in some towns as many as four "feeds" have been on tap in one week. Some method might be worked out to keep this plan on its original basis.

The meeting adjourned at 7:45 P.M. to meet in Chicago, Monday, September 11, 1933.

W. E. Maston
CHAIRMAN

R. L. Ziegfeld
ASSISTANT SECRETARY.

FEDERAL TRADE COMMISSION
Bureau No. 5153 Commission's Exhibit No. 5117

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