A SHORT HISTORY OF

THE LOWE BROTHERS COMPANY

* * *

In the spring of 1869 two Dayton boys graduated from Eastern colleges at the ages of 19 and 20 respectively. Houston Lowe who was 19 graduated from Yale where he studied chemistry and his brother Henry graduated from Williams College in Massachusetts. This was just four years after the close of the civil war in which Henry took part. Houston was too young.

When they returned to Dayton Henry went into the malleable iron business and Houston went to work for Stoddard and Company that operated a paint store, a color mill, a putty mill and a linseed oil mill all in Dayton. At that time the Miami Valley was the center of the linseed oil industry of the United States, and even thirty years later small linseed oil mills were still operated in Dayton.

In September, 1872 Houston and his brother bought the paint store of Stoddard and Company and started in business for themselves under the name of Lowe Brothers. They retailed and jobbed paint and glass, brushes and sundries, very much like we do down at our store today. After they had been in the business for only a few years, they built a glass warehouse in the rear of their store which was located on East Third Street, not very far from where Lowe Brothers Paint Store is located today.

In 1883 they changed the glass warehouse into a paint factory and started to manufacture paint. Mr. Houston Lowe, who had the chemical education, was determined to produce a line of paint that was better than anything he could buy in the Eastern market. This paint was sold at retail here in Dayton and jobbed to customers in this vicinity. He was a student of paint all his life and wrote several books on the subject. THe Lowes were sons of wealthy parents. They were both high grade men, in fact rather outstanding men, and it was only natural that they should want to make a high grade product. Their primary object in starting into the manufacture of paint was to produce a product that would be better than any line then on the market.

About this time, in 1888, they built the building at 450 East Third Street, immediately East of the building in which our general offices are located, and moved their office into the front end of the first floor, using the balance of the four stories for warehouse and manufacturing. They had one traveling salesman and Mr. Henry Lowe, who was the President, handled all the correspondence in long hand. The building when erected was only four stories. About twenty years later, they put on two extra stories to bring it to its present size.

A few years later they built a paint factory on Wayne Avenue in the rear of the present office building. That factory was a four story brick structure, forty by one hundred and twenty, which is the center one of the buildings now there. This building was finished in 1893 and the fall of that same year, the partnership of Lowe Brothers was incorporated under the Ohio laws as The Lowe Brothers Company.

In 1897 they sold the local store to Horace Irvin who had been the secretary of the company. He operated it as an independent store under the name of the Irvin Paint & Glass Company, and retailed and jobbed Lowe Brothers paints. In a few years he started to manufacture paint and Lowe Brothers put in their own store under the name of The Lowe Brothers Paint Store Company. The Irvin Paint & Glass Company later

Both the Lowes and also the Treasurer of the company, Mr. Currigan, were ultra conservative men. Henry, the President, was not quite as conservative as Houston who was the Vice President. They were both modest gentlemen. The Sales Manager at one time had to argue for several days before he could secure Henry Lowe's permission to put a sizeable sign on the front of the office building. An indication of how conservative they were is the fact that each brother put $15,000 into the business, and that $30,000 was all the new money put in. It grew in value entirely from its earnings, and at the time of Houston Lowe's death the business was worth over $2,500,000.

It is interesting to contrast this condition with that of another company which started about the same time - Sherwin-Williams Company. Their ideas were entirely different. They borrowed money and sold stock and promoted their business in that manner. They developed into a very large concern at the same time that Lowe Brothers were developed into a comparatively small concern, but a very sound one financially. The Lowes did not want a big business but wanted a good substantial one that would grow slowly. They never made an improvement until they were sure they needed it and had the money to pay for it. They considered at one time moving out into the East end of town. There was a tract out there of about 20 acres. We went out to look at it and almost sold the management on making the move, but the Lowes did not want to spend the money and did not want to expand that rapidly and turned it down. A few years later they bought a 16 acre tract on the West side of town with the intention of moving the plant there. Houston Lowe was in favor, but Henry Lowe turned it down. After his death the plant was enlarged on the present location, additions were added on the North Side of the original plant factory, and later a large brick and concrete building was erected on the South side of the old factory. This was all completed by 1911. These additions were made only as required by the growth of the business and in every case, only after the money to pay for them had been earned and sent aside for the purpose.

It is interesting to consider the conditions that existed in our Industry thirty years ago. The standard paint cans were all short measure. The can companies made gallon paint cans that held about 7/8th or 15/16th of a gallon and other sizes in proportion. Everybody sold short measure and no one seemedto think there was anything wrong about it, and all paste paints were sold gross for net. Graducally we had begun putting some of our better paint into a can that we had made especially for us that was full measure.

We bought by the carload at that time, lead blume which was known by that name throughout the trade. We still buy it but just call it by its proper name - barytes. We made a line of paste paint containing about 60% of zinc oxide and 40% of barytes. This was a pretty good paint and we stopped making it not very many years ago.

Those of you who have been in the paint business have heardof vitalized oil that Patton advertised a few years ago, and thermolized oil promoted by the O'Brien Varnish Company. Prior to 1900 The Lowe Brothers Company had been treating oils that could well be classified as either vitalized or thermolized oil. These were linseed oil put through a special process we still follow. We did not callthem by those names. We called them #24 and #26. We still have similar liquids under different numbers. The one that was thinned with benzine was known as #24 and the other one thinned with turpentine was known as #26.

This company was one of the first to advocate the use of petroleum distillate as a thinner in paint instead of turpentine. Inasmuch as the function of the thinner is simply to thin out the paint and make it spread a little easier and flow toghether better, it is obvious that the one is as good as the other provided the physical properties are essentially the same. We now have petroleum distillates that will do what turpentine will not do and in many cases we use them in preference to turpentine.

The use of petroleum distillates is now general throughout the Industry, in paints of the highest quality, and the former unreassonable prejudice against them has been almost entirely overcome.

Since 1900 we have seen the introduction of China Wood Oil now considered an essential raw material in the manufacture of varnish. The original name is being replaced by the simpler one of Tung Oil. This has been followed by Soy Bean Oil, Perilla Oil and a number of other drying and semi-drying oils of less importance. Lithopone, sublimed lead, leaded zinc oxides and titanium pigments also have come into general use since that time.

In 1900 this company established its first branch at Chicago. This was followed by others, at New York, at Kansas City, at Boston, at Minneapolis and finally at Atlanta. In addition we have warehouses at Indianapolis, Philadelphia, Jacksonville, Memphis, New Orleans, Omaha, Houston and Dallas.

In 1907 Dr. Ladd in North Dakota became very active in securing the enaction of paint legislation. The North Dakota paint law glorified white lead. We have not been able to live that down entirely. The lead people were more clever than the liquid paint people. Paints made out of lead and linseed oil did not have to have a composition statement but all other paints did. The paint manufacturers were forced to place a composition statement on practically all of their products.

In 1913 we had the Dayton flood. The water in our office building and in our factory was up to a foot of the ceiling of the first floor. It cost us about $60,000.

In 1904 we started a varnish factory and in 1926 we started our lacquer plant. Mr. Fasig has the credit for starting the lacquer plant. He thought there would be quite a demand for industrial lacquers and brushing lacquers. In making brushing lacquers we learned now to make industrial lacquers.

Henry Lowe, the first President of this company, died in 1909. His will provided that for ten years the dividends on his stock were to be divided among the employees of the company. He specified that employees receiving under $1,000 per year, were to receive a certain percent of the total, employees receiving up to $200 per month were to receive another percentage and the balance was to be divded between employees getting more than that compensation. That was a very fair and equitable division at the time of his death, but before the ten year period was over, it was no longer equitable because of radical changes in compensation rates. Houston Lowe who succeeded his brother as President of the company was the executor of his brother's will and lived through the period of that will and was able to carry out its provisions in a very satisfactory manner. He died in 1920. Houston Lowe's sons, Charles Lowe, also died in 1920. Mr. John Lowe succeeded his father as President, but retired from the business in 1927 and moved to Denver, Colorado. The present organization then came into the administration of the business.

Those years of 1927-8 and 9 were boom times and many promoters called on us trying to get us to sell the business. They tried to make a deal for us to combine with Pratt & Lambert. The object of the whole thing was not to develop our business, or Pratt & Lambert's business, but to develop commissions for the promoters. There were mergers and sales and reorganizations. Henry Lowe left no heirs at all. He willed his business interests to his brother and his brother's family after the ten year period was over. So Houston Lowe at the time of his death controlled 95% of the stock.

After his death and after Charles Lowe's death, there were only five heirs left, the widow of Charles Lowe, and the four Children of Houston Lowe, one of them a window, two married daughters, and Mr. John Lowe. No one was in control and after Mr. John Lowe retired and moved to Denver, the husbands of the girls and the girsl themselves became more or less restless as to the heavy investment they had in this business.

None of them knew much about its operation so it was not strange that when the promoters continued to come around these owners listened radily to the various propositions presented. To make the situation more delicate the Treasurer of the company also wanted to get his money out and so was in favor of anything that would accomplish that purpose. Finally two of these promoters worked up a deal with Dillon, Reed & Company in 1928 whereby this business and about fifteen other companies were to be combined into a new paint organization that was to have not only paint factories, but also wallpaper factories, lead plants, linseed oil mills and other raw material factories. We could get no definite committment out of the promoters as to how the new organization was going to be formed and, as we were all old employees and were very much interested in the welfare of our own organization and knew what the history of our company had been, we were greatly concerned as to the outcome of the new proposition. This company, and one other were the only real producers in the whole proposed organiztion and although the promoters offered a fancy price, it looked to us as though such a merger might result in rather disastrous fate for our organization. Looking back over what happened in the fall of 1929 we were quite sure now that it would have been a most serious mistake because of the impossibility of getting such an unwieldy conglomeration of units united into one solid company before the depression came.

Mr. Parrott kept urging us to get in touch with Sherwin-Williams and that seemed to be a very reasonable proposition. The Sherwin-Williams Company was in our opinion that best unit in the paint industry, other than The Lowe Brothers Company. We had a high regard for them. They were amply strong financially; they were a going concern, and I had known Mr. Martin, the President, for a good many years. So I frankly went to him and told him that this business was going to be sold and asked him if he wanted to buy it. He was very much interested at once, and after quite a number of conferences and agreements made satisfactory to us, the merger was completed in May of 1929. Mr. Martin had agreed to quite a number of stipulations that we made and offered several important ones of his own, among which was that the plant was to remain indefinitely in Dayton and that we would be represented on the Board of Operators of The Sherwin-Williams Company. I am happy to say that everyone has been carried out in the spirit and also the letter of the agreement. Our respect for The Sherwin-Williams Company has increased ever since our connection with it. It was a financial transaction entirely. Mr. Martin never came into our office. He bought the business on its record of what it had been and not on the bricks and mortar or inventory. He was very insistent on knowing from me whether I could bring the organization with me. Our organization knew pretty much about the Dillon, Reed proposition and I told him I felt sure I could, that we looked upon him as the lesser of two evils. It has been an excellent thing for the former stockholders of The Lowe Brothers Company. They exchanged their stock for the stock of The Sherwin-Williams Company. It has been an excellent thing for our organization. Naturally quite a number in the organization had some regrets at being changed from an independent concern to one of the units of this larger organization. However, since a change was inevitable we accepted the one most agreeable to us. We are just as happy now as we ever were, and as a matter of fact, the management here has had a freer hand and a more definite control over the business than we had in the two years after Mr. John Lowe withdrew from the old organization.

DAK-REM

September 22nd, 1936

JAN 24 1938

A SHORT HISTORY OF

THE LOWE BROTHERS COMPANY

* * *

In the spring of 1869 two Dayton boys graduated from Eastern colleges at the ages of 19 and 20 respectively. Houston Lowe who was 19 graduated from Yale where he studied chemistry and his brother Henry graduated from Williams College in Massachusetts. This was just four years after the close of the civil war in which Henry took part. Houston was too young.

When they returned to Dayton Henry went into the malleable iron business and Houston went to work for Stoddard and Company that operated a paint store, a color mill, a putty mill and a linseed oil mill all in Dayton. At that time the Miami Valley was the center of the linseed oil industry of the United States, and even thirty years later small linseed oil mills were still operated in Dayton.

In September, 1872 Houston and his brother bought the paint store of Stoddard and Company and started in business for themselves under the name of Lowe Brothers. They retailed and jobbed paint and glass, brushes and sundries, very much like we do down at our store today. After they had been in the business for only a few years, they built a glass warehouse in the rear of their store which was located on East Third Street, not very far from where Lowe Brothers Paint Store is located today.

In 1883 they changed the glass warehouse into a paint factory and started to manufacture paint. Mr. Houston Lowe, who had the chemical education, was determined to produce a line of paint that was better than anything he could buy in the Eastern market. This paint was sold at retail here in Dayton and jobbed to customers in this vicinity. He was a student of paint all his life and wrote several books on the subject. THe Lowes were sons of wealthy parents. They were both high grade men, in fact rather outstanding men, and it was only natural that they should want to make a high grade product. Their primary object in starting into the manufacture of paint was to produce a product that would be better than any line then on the market.

About this time, in 1888, they built the building at 450 East Third Street, immediately East of the building in which our general offices are located, and moved their office into the front end of the first floor, using the balance of the four stories for warehouse and manufacturing. They had one traveling salesman and Mr. Henry Lowe, who was the President, handled all the correspondence in long hand. The building when erected was only four stories. About twenty years later, they put on two extra stories to bring it to its present size.

A few years later they built a paint factory on Wayne Avenue in the rear of the present office building. That factory was a four story brick structure, forty by one hundred and twenty, which is the center one of the buildings now there. This building was finished in 1893 and the fall of that same year, the partnership of Lowe Brothers was incorporated under the Ohio laws as The Lowe Brothers Company.

In 1897 they sold the local store to Horace Irvin who had been the secretary of the company. He operated it as an independent store under the name of the Irvin Paint & Glass Company, and retailed and jobbed Lowe Brothers paints. In a few years he started to manufacture paint and Lowe Brothers put in their own store under the name of The Lowe Brothers Paint Store Company. The Irvin Paint & Glass Company later combined with the Jewell & Vinson Company and formed the present organization of the Irvin, Jewell & Vinson Company. Both Jewell and Vinson, as well as Horace Irvin, were former employees of The Lowe Brothers Company.

Both the Lowes and also the Treasurer of the company, Mr. Curigan, were ultra conservative men. Henry, the President, was not quite as conservative as Houston who was the Vice President. They were both modest gentlemen. The Sales Manager at one time had to argue for several days before he could secure Henry Lowe's permission to put a sizeable sign on the front of the office building. An indication of how conservative they were is the fact that each brother put $15,000 into the business, and that $30,000 was all the new money put in. It grew in value entirely from its earnings, and at the time of Houston Lowe's death the business was worth over $2,500,000.

It is interesting to contrast this condition with that of another company which started about the same time - Sherwin-Williams Company. Their ideas were entirely different. They borrowed money and sold stock and promoted their business in that manner. They developed into a very large concern at the same time that Lowe Brothers were developed into a comparatively small concern, but a very sound one financially. The Lowes did not want a big business but wanted a good substantial one that would grow slowly. They never made an improvement until they were sure they needed it and had the money to pay for it. They considered at one time moving out into the East end of town. There was a tract out there of about 20 acres. We went out to look at it and almost sold the management on making the move, but the Lowes did not want to spend the money and did not want to expand that rapidly and turned it down. A few years later they bought a 16 acre tract on the West side of town with the intention of moving the plant there. Houston Lowe was in favor, but Henry Lowe turned it down. After his death the plant was enlarged on the present location, additions were added on the North Side of the original plant factory, and later a large brick and concrete building was erected on the South side of the old factory. This was all completed by 1911. These additions were made only as required by the growth of the business and in every case, only after the money to pay for them had been earned and sent aside for the purpose.

It is interesting to consider the conditions that existed in our Industry thirty years ago. The standard paint cans were all short measure. The can companies made gallon paint cans that held about 7/8th or 15/16th of a gallon and other sizes in proportion. Everybody sold short measure and no one seemedto think there was anything wrong about it, and all paste paints were sold gross for net. Gradually we had begun putting some of our better paint into a can that we had made especially for us that was full measure.

We bought by the carload at that time, lead blume which was known by that name throughout the trade. We still buy it but just call it by its proper name - barytes. We made a line of paste paint containing about 60% of zinc oxide and 40% of barytes. This was a pretty good paint and we stopped making it not very many years ago.

Those of you who have been in the paint business have heardof vitalized oil that Patton advertised a few years ago, and thermolized oil promoted by the O'Brien Varnish Company; Prior to 1900 The Lowe Brothers Company had been treating oils that could well be classified as either vitalized or thermolized oil. These were linseed oil put through a special process we still follow. We did not callthem by those names. We called them #24 and #26. We still have similar liquids under different numbers. The one that was thinned with benzine was known as #24 and the other one thinned with turpentine was known as #26.

This company was one of the first to advocate the use of petroleum distillate as a thinner in paint instead of turpentine. Inasmuch as the function of the thinner is simply to thin out the paint and make it spread a little easier and flow toghether better, it is obvious that the one is as good as the other provided the physical properties are essentially the same. We now have petroleum distillates that will do what turpentine will not do and in many cases we use them in preference to turpentine.

The use of petroleum distillates is now general throughout the Industry, in paints of the highest quality, and the former unreassonable prejudice against them has been almost entirely overcome.

Since 1900 we have seen the introduction of China Wood Oil now considered an essential raw material in the manufacture of varnish. The original name is being replaced by the simpler one of Tung Oil. This has been followed by Soy Bean Oil, Perilla Oil and a number of other drying and semi-drying oils of less importance. Lithopone, sublimed lead, leaded zinc oxides and titanium pigments also have come into general use since that time.

In 1900 this company established its first branch at Chicago. This was followed by others, at New York, at Kansas City, at Boston, at Minneapolis and finally at Atlanta. In addition we have warehouses at Indianapolis, Philadelphia, Jacksonville, Memphis, New Orleans, Omaha, Houston and Dallas.

In 1907 Dr. Ladd in North Dakota became very active in securing the enaction of paint legislation. The North Dakota paint law glorified white lead. We have not been able to live that down entirely. The lead people were more clever than the liquid paint people. Paints made out of lead and linseed oil did not have to have a composition statement but all other paints did. The paint manufacturers were forced to place a composition statement on practically all of their products.

In 1913 we had the Dayton flood. The water in our office building and in our factory was up to a foot of the ceiling of the first floor. It cost us about $60,000.

In 1904 we started a varnish factory and in 1926 we started our lacquer plant. Mr. Fasig has the credit for starting the lacquer plant. He thought there would be quite a demand for industrial lacquers and brushing lacquers. In making brushing lacquers we learned now to make industrial lacquers.

Henry Lowe, the first President of this company, died in 1909. His will provided that for ten years the dividends on his stock were to be divided among the employees of the company. He specified that employees receiving under $1,000 per year, were to receive a certain percent of the total, employees receiving up to $200 per month were to receive another percentage and the balance was to be divded between employees getting more than that compensation. That was a very fair and equitable division at the time of his death, but before the ten year period was over, it was no longer equitable because of radical changes in compensation rates. Houston Lowe who succeeded his brother as President of the company was the executor of his brother's will and lived through the period of that will and was able to carry out its provisions in a very satisfactory manner. He died in 1920. Houston Lowe's sons, Charles Lowe, also died in 1920. Mr. John Lowe succeeded his father as President, but retired from the business in 1927 and moved to Denver, Colorado. The present organization then came into the administration of the business.

Those years of 1927-8 and 9 were boom times and many promoters called on us trying to get us to sell the business. They tried to make a deal for us to combine with Pratt & Lambert. The object of the whole thing was not to develop our business, or Pratt & Lambert's business, but to develop commissions for the promoters. There were mergers and sales and reorganizations. Henry Lowe left no heirs at all. He willed his business interests to his brother and his brother's family after the ten year period was over. So Houston Lowe at the time of his death controlled 95% of the stock.

After his death and after Charles Lowe's death, there were only five heirs left, the widow of Charles Lowe, and the four Children of Houston Lowe, one of them a window, two married daughters, and Mr. John Lowe. No one was in control and after Mr. John Lowe retired and moved to Denver, the husbands of the girls and the girsl themselves became more or less restless as to the heavy investment they had in this business.

None of them knew much about its operation so it was not strange that when the promoters continued to come around these owners listened radily to the various propositions presented. To make the situation more delicate the Treasurer of the company also wanted to get his money out and so was in favor of anything that would accomplish that purpose. Finally two of these promoters worked up a deal with Dillon, Reed & Company in 1928 whereby this business and about fifteen other companies were to be combined into a new paint organization that was to have not only paint factories, but also wallpaper factories, lead plants, linseed oil mills and other raw material factories. We could get no definite committment out of the promoters as to how the new organization was going to be formed and, as we were all old employees and were very much interested in the welfare of our own organization and knew what the history of our company had been, we were greatly concerned as to the outcome of the new proposition. This company, and one other were the only real producers in the whole proposed organiztion and although the promoters offered a fancy price, it looked to us as though such a merger might result in rather disastrous fate for our organization. Looking back over what happened in the fall of 1929 we were quite sure now that it would have been a most serious mistake because of the impossibility of getting such an unwieldy conglomeration of units united into one solid company before the depression came.

Mr. Parrott kept urging us to get in touch with Sherwin-Williams and that seemed to be a very reasonable proposition. The Sherwin-Williams Company was in our opinion that best unit in the paint industry, other than The Lowe Brothers Company. We had a high regard for them. They were amply strong financially; they were a going concern, and I had known Mr. Martin, the President, for a good many years. So I frankly went to him and told him that this business was going to be sold and asked him if he wanted to buy it. He was very much interested at once, and after quite a number of conferences and agreements made satisfactory to us, the merger was completed in May of 1929. Mr. Martin had agreed to quite a number of stipulations that we made and offered several important ones of his own, among which was that the plant was to remain indefinitely in Dayton and that we would be represented on the Board of Operators of The Sherwin-Williams Company. I am happy to say that everyone has been carried out in the spirit and also the letter of the agreement. Our respect for The Sherwin-Williams Company has increased ever since our connection with it. It was a financial transaction entirely. Mr. Martin never came into our office. He bought the business on its record of what it had been and not on the bricks and mortar or inventory. He was very insistent on knowing from me whether I could bring the organization with me. Our organization knew pretty much about the Dillon, Reed proposition and I told him I felt sure I could, that we looked upon him as the lesser of two evils. It has been an excellent thing for the former stockholders of The Lowe Brothers Company. They exchanged their stock for the stock of The Sherwin-Williams Company. It has been an excellent thing for our organization. Naturally quite a number in the organization had some regrets at being changed from an independent concern to one of the units of this larger organization. However, since a change was inevitable we accepted the one most agreeable to us. We are just as happy now as we ever were, and as a matter of fact, the management here has had a freer hand and a more definite control over the business than we had in the two years after Mr. John Lowe withdrew from the old organization.

DAK-HKM

September 22nd, 1936