

JOHN T. LEWIS & BROS. COMPANY
ANNUAL REPORT - JANUARY 19, 1948

During 1947 the following developments peculiar to our branch took place:

1. With the exception of the early part of the year when pig lead was in short supply, we manufactured as much White-Lead as required to fill all orders for paste and all of the dry lead required by our trade, in addition to which we were able to help out several branches.
2. During the first quarter we completed our Soybean crushing experiment with the result that we are convinced that our equipment does not lend itself to profitable operations. While the operation did not appear profitable, it nevertheless carried \$30,000.00 expenses of the department.
3. Likewise during the early part of the year, the periodic purchases of Commodity Credit Linseed Oil for processing and resale were made on too short notice and too infrequently to enable us to build up the volume of business to which we had been accustomed, and which is required to cover all expenses and show a profit.
4. During much of the year our Oxide Department was working six and sometimes seven days a week, thus realizing close to maximum profit possibilities for the White-Lead, Chemicals and Colors-in-Oil Departments, as well as itself.
5. Our Lead Chemicals Department continues its profitable operations, due in a large measure to the increase in demand for Lead Chemicals to such an extent that the manufacture of Dry Colors is now being terminated. In fact, pending a complete study of the modernization needs within the department, we have requested permission to purchase another dryer in order to turn out the increased demand indicated for these lead chemicals.
6. The manufacture of 45-X, although still subject to a few minor changes, has progressed to the point of our being able to take care of all of the demands which have thus far developed. We are planning to operate this department continuously during 1948.
7. Our Color-in-Oil Department was rearranged so as to afford maximum use of our facilities with minimum direct labor, thus enabling us to again take care of the company's Color-in-Oil business on a national distribution basis.
8. During the year we added to our transportation facilities to the extent of three fully enclosed trailers for the transportation of dry pigments, cartons, etc., fully protected from the weather.

9. As forecast a year ago, extrusion of 1/4" Cored Solder has enabled us to cut down our backlog of Cored Solder orders.
10. The addition of Cast Antimonial Lead bearings in our metal Department has been very helpful.

Although our lead supply is much shorter than at this time last year, we look forward to a good year in 1948 because:

1. More emphasis than ever is being placed on sales.
2. Most of the kinks have been worked out of the 45-X process and we should run almost continuously, using a relatively small tonnage of pig lead.
3. The demand for Lead Chemicals has built up to such an extent that we can operate the department without any Dry Color tonnage. The new dryer just ordered should increase our output approximately 25%. The rearranging and some modernization of the equipment of said department should further reduce costs and increase profits.
4. The rearrangement of our Color-in-Oil equipment almost completed in 1947 should continue to show improved profits.
5. The stepping up of Barton output should show improved oxide output and comparatively lower cost.

The use of YA by the Philco Plant of National Battery, replacing Eagle oxide, should be doubly helpful.

6. With the completion of our new oil refinery, we are no longer dependent entirely upon Linseed Oil for the fate of our oil business, although unfortunately we are not equipped for modern low cost extraction.

We have all been duly appreciative of the assistance rendered us in 1947 by all departments of the parent company. It has been especially gratifying to have our facilities used for development work in such fields as special oils, 45-X, Jet mill grinding of oxide, new Lead Chemicals, Cored Solders, and further development of the T.S.P. process. It is our desire to continue and expand these cooperative efforts in 1948.

RESPECTFULLY SUBMITTED,

J. W. Gardiner, Jr.,
President.

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