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Introduction

Because of the tremendous national significance that has been accorded the recent business recession, I have personally spent a great deal of time talking about and analyzing the problem in our industry publications and also in personal discussions and meetings. I steadfastly maintained that there would be no recession in the paint, varnish and lacquer business. Quite the contrary, I insisted that we were on our way to another record year as far as sales are concerned. To date, these convictions have been well founded, and we in the paint industry may be justifiably proud of the job we are doing.

However, it would be disastrous to assume that we cannot be hurt by adverse business conditions. Now is the time to recognize the benefits to be attained from a positive sales attitude at all times. We should endeavor to permanently secure the record-breaking sales that have been experienced---and then go out and beat them! This is the lesson we have learned, and we should all "profit" by it.

MEETINGS: Since the 71st Annual Meeting, I have attended the following conferences and meetings, in addition to my personal conferences:

Los Angeles Paint, Varnish and Lacquer Association, Los Angeles, Calif.
Golden Gate Paint, Varnish and Lacquer Association, San Francisco, Calif.

Retail Paint and Wallpaper Distributors of America, Cleveland, Ohio
Building Research Institute's Paint and Protective Coatings Conference, Washington, D. C.

Department of Health, Education and Welfare, Washington, D. C.
Labeling Subcommittee of Legislative Committee, Washington, D. C.
Regional Vice Presidents, New York, N. Y.
Public Relations and Publicity Committee, New York, N. Y.

INDUSTRY SALES: The latest Bureau of Census figures indicate that total sales of the paint, varnish and lacquer industry during October 1958 were \$140,600,000, a decrease of 3.3% compared to the previous month, but an increase of 4.6% over October 1957. Our ten-month total is \$1,386,309,000, or 0.6% below cumulative sales for the same period of 1957.

Trade Sales for October 1958 were \$87,600,000, a decrease of 9.3% compared to September 1958, but up 11.7% from the October 1957 figure. Total Trade Sales for the ten-month period was \$897,175,000, a 6.6% jump over the previous ten-month period.

Industrial Sales rose to \$53,000,000 during October 1958, an 8.6% increase over September 1958, but still 5.3% below the October 1957 figure. Total sales for the ten-month period were \$489,134,000, 11.4% below the ten-month total for last year.

The paint and varnish portion of Industrial Sales jumped to \$37,700,000, 9.9% above the September 1958 figure, but still 9.8% below the same month last year. The ten-month total was \$355,029,000, 14.7% below last year's ten-month total.

Lacquer sales in October were \$15,300,000 or 5.5% up from the previous month. This also represents an increase of 8.0% over the October 1957 sales. The ten-month total was \$134,105,000, a decrease of 1.4% from the same period last year.

Total gallonage rose to 54,400 gallons, an increase of 3.4% over the September gallonage of 52,600.

MEMBERSHIP: In the fourth quarter of 1958, eleven new members were elected -- three Class A members and eight Class B members. During the same period, five members were dropped from our membership rolls by the Board of Directors for non-payment of dues. Four were Class A members and one was a Class B member.

GOVERNMENT PROCUREMENT: At the present time there are no serious problems in the area of Government procurement. The Navy paint factories have been closed for over six months and the transition was smoothly accomplished. Due to the excellent industry cooperation, the delinquency rate on Navy paint procurement for the entire Armed Forces remains at a low 8%, compared to previous delinquencies as high as 60%.

TECHNICAL AND SCIENTIFIC

SCIENTIFIC AND TECHNICAL MEETINGS: Staff members attended the annual meeting of the Federation of Paint and Varnish Production Clubs in Cleveland, Ohio, October 5-8, and supervised a NPVLA exhibit, showing the functions of the Association. Copies of the Association's publications were also shown. Advantage was taken of the opportunity to discuss Scientific Section projects with available experts on such subjects as air pollution control and painting techniques.

A staff member represented the Association at the Health, Education and Welfare National Conference on Air Pollution, November 18-20, at the Shoreham Hotel in Washington, D. C. The paint industry was not referred to directly or indirectly. One manufacturer of pollution control equipment who attended the meeting later came to Association

headquarters and supplied detailed information on his equipment. He referred to some of his installations in paint and varnish factories.

BUILDING RESEARCH INSTITUTE CONFERENCE
ON FIELD APPLIED PAINTS AND COATINGS:

This Conference, held in Washington, December 3-4, was jointly sponsored by the Association and the Painting and Decorating Contractors of America. The attendance was good and the papers were well received. Two staff members conducted sessions, and we assisted otherwise in conducting the Conference. The published proceedings will be available by February 15.

SOVIET RUSSIAN LANGUAGE TECHNICAL LITERATURE:

Further investigation of Soviet Russian Language Scientific Literature on paint disclosed that little is being done on paint or coating development, or else the reports on paint and paint materials are not being published by the principal publications available outside the Soviet Union.

COOPERATION WITH OTHER ORGANIZATIONS:

The Atomic Energy Commission inquired if the paint industry would be interested in a project to investigate the possible advantages of the use of radioisotopes in the paint industry -- the AEC paying the costs of the investigation. After approval by the Executive Committee, the AEC was informed that we concurred in such an investigation and offered to assist wherever possible.

The National Oak Flooring Manufacturers Association, Memphis, Tennessee, in response to our inquiry, has offered to cooperate in publishing a pamphlet on finishing and refinishing wood floors.

Portland Cement Association, 33 West Grand Avenue, Chicago 33, Illinois, was invited to collaborate with us in preparing the pamphlet on "Painting Concrete". That Association tentative declined to be shown as a joint author, but requested the opportunity to comment on a final draft.

JOINT INDUSTRY EDUCATION COMMITTEE:

This year the Trigg Foundation is supporting three undergraduate scholarships at the University of Florida under Dr. Henry F. Payne, and three scholarships at North Dakota Agricultural College under Dr. R. E. Dunbar -- all at \$400 each. The Federation continued its selected high school teachers seminars last summer at North Dakota Agricultural College. For the new year, October 1, 1958 to September 30, 1959, the Federation and the NPVLA each appointed three members to the Joint Committee, and the Trigg Foundation named two representatives as additional members. The chairmanship for the new year is held by a Federation representative, Mr. Raymond C. Adams.

RAW MATERIALS:

Supplies of raw materials are ample and no shortages, except possibly local, or of specific materials, are envisioned in the near future. Production of all drying oils has been extremely large and surpluses of most have accumulated in Government hands. Apparently the sale of these surpluses abroad, at very low rates, is a continuing policy of the Government in spite of our vigorous protests against it.

PUBLICATIONS: Supplements to the Guide to U. S. Government Paint Specifications and to the Pigment, Drying Oils, Synthetic Resin, and Chemical Specialties Sections of the Raw Materials Indexes, have been issued. A complete revision of the Petroleum Thinner Index, to incorporate it in the Raw Materials Index and expand its coverage to other solvents, is under way and should be completed by the end of March.

SCIENTIFIC SECTION CIRCULARS: No Scientific Section Circulars have been issued during the period covered by this report, but a circular on "Heat Reflective Paints" is in preparation, and work is under way on several others.

TECHNICAL BULLETINS: Technical Bulletin No. 10 "Water Repellent Treatment for Wood Siding" was distributed in October. It showed that wood so treated absorbs water much more slowly than untreated wood, and paint on treated wood is less liable to blister or peel.

PAMPHLETS: The pamphlets "Painting Hardboard" and "Painting New Plaster" were published and distributed in October.

"Painting Concrete", "Painting Galvanized Steel", and "Painting Swimming Pools" are all in preparation and should appear before March 1. Work has started on writing pamphlets on painting insulating siding, painting aluminum, surface preparation of metals for painting, painting vinyl wall fabrics, finishing and refinishing wood floors, and finishing and refinishing furniture.

ABSTRACT REVIEW: The monthly Abstract Review has been issued on schedule. The annual author and subject index will be distributed in February.

LABORATORY WORK: Work continued on moisture vapor permeability of paints as related to blister resistance, both on our own initiative and in cooperation with the ASTM, to establish a standard test method for blister resistance. Some experimental work on painting vinyl wall fabrics, and determining the heat reflectance of painted roofs, was completed and circulars reporting the results will be issued. Work was also done to correlate the various consistency-measuring devices. The results will be published when the work is complete. A survey of methods of measuring fire-resistance of paint was made and further work is planned to correlate various flame spread test methods and to stimulate the adoption of some simple and inexpensive method or methods as standard.

Cooperation with the American Society for Testing Materials and the American Oil Chemists' Society in the development and improvement of various test methods was continued.

Project 8, Standardization of Test Methods, is continuing. The first set of samples for the current year was sent to cooperating laboratories in November. The results were tabulated and reported to the co-operators. The second set of test samples will be distributed late in January.

Cooperation with other divisions in the investigation of alleged false labeling and other problems was continued.

GENERAL COUNSEL AND LEGAL AFFAIRS

UNFAIR COMPETITION: Mary Carter Paint Factories: The Federal Trade Commission continues the study of its investigation report regarding Mary Carter Paint Factories to determine whether action can be started against this company for violation of the existing cease and desist order. The final decision depends upon studies of analyses of laboratory reports of Mary Carter's products and those of competing manufacturers.

The Mary Carter Company was convicted of a violation of a Florida false and misleading advertising statute by the City of Miami. The conviction has been appealed. Complaints under similar state statutes have been filed against this company in Tampa (Mary Carter's home office), Jacksonville and West Palm Beach, Florida; and Birmingham and Montgomery, Alabama. Our General Counsel has discussed prosecution with the District Attorneys in Harrisburg, Williamsport, Wilkes Barre and Scranton, Pennsylvania. Store managers in Harrisburg and Williamsport have been arrested and await preliminary hearings to decide whether the cases shall go to the Grand Jury.

Porcelain Enamel: The Federal Trade Commission decision banning use of the term "Porce-Enamel" to describe a metal awning coated with a baked enamel has been utilized by the Porcelain Enamel Institute to request discontinuance by fifteen paint manufacturers of the use of trademarks bearing some reference to porcelain enamel. The Association has advised each of its members involved and has filed with the Bureau of Consultation of the Federal Trade Commission a request for advice as to the scope of the decision with respect to the trade names used by various paint manufacturers. The Association has also asked the Commission to give full consideration to the interest of the paint manufacturers and their use of their trade names. No decision has been rendered as yet.

National Titanium Company: Mr. Jacob C. Swimmer, President of the National Titanium Company, died in Los Angeles, California, on January 1. The present Federal Trade Commission proceedings against the National Titanium Company undoubtedly will be dismissed since the complaint is directed against Jacob C. Swimmer in an individual capacity, trading as the National Titanium Company. We are awaiting the Commission's official decision.

If the present action against National Titanium is dismissed and similar advertising policies continue through a successor, then a new proceeding will have to be initiated which will entail a new investigation and complaint. We will keep a close watch on the future operations of this concern and be ready to assist the Commission in any action subsequently undertaken.

A consent order was recently approved by the Federal Trade Commission forbidding United States Asphalt Corporation, 576 Fifth Avenue, New York City, from misrepresenting the availability and price of "Neva-Leak", a roofing material it distributes.

LEGISLATIVE AND LIAISON DIVISION

FEDERAL HOUSING ADMINISTRATION: The new Minimum Property Requirements have been issued to all FHA field offices and are now available to industry members. They become effective in April. The paint section has been re-written with the cooperation of the Association and will greatly assist in improving paint application and performance.

POST OFFICE: The Post Office Department has been using a red stripe on its vehicles which is not a paint product. The Association has contacted the proper officials and the Division of Vehicles has agreed to test paints submitted to them. They must meet the requirements of reflective value and durability. The Post Office Department has 38,000 vehicles, 4,000 of which are either painted or purchased each year.

PUBLIC HOUSING ADMINISTRATION: Close liaison is being maintained with Public Housing officials. 35,000 units have been authorized by Congress. Paint purchases for public housing has risen from \$73,000 to \$251,000 in the past four years. Invitations to bid for the coming fiscal year will be issued in April.

AIR FORCE: The Air Force has adopted the safety program recommended by the Association and is painting 13,000 non-combatant planes with fluorescent paint. This was formerly made by one company but, at the insistence of the Association, specifications have been written and invitations to bid are being sent to members of our industry.

PRISON PAINT: Of great concern to the industry is the trend toward the operation of prison paint plants. Seven such plants are now in operation. They produce 800,000 gallons of paint annually. At an estimated value of \$3.00 per gallon this amounts to \$2.4 million. Work has started on a new prison paint plant in Lansing, Kansas, planned to produce 250,000 gallons of paint a year. Word was received of this only recently from a member in another state. However, we have just been advised that funds for plant equipment have not been made available.

Prison-manufactured paint is sold to city, state and tax-supported institutions. This is business which would normally be supplied by our industry. It is a vicious form of competition and officials cannot claim that the work is essential to the rehabilitation of prisoners.

If the Association is advised of such activities before they start, steps can be taken to halt them. We did this in Virginia. It is very difficult to intercede when the plant is already built. Constant vigilance by local associations is necessary if we are to successfully combat this menace to our industry.

STATE LEGISLATURES: Twenty-four state legislatures convened during the week of January 5; sixteen more met during the week of January 12; and one met this week, making a total of 41 bodies now in session. Alaska will meet January 26; Hawaii and North Carolina during February; Florida in April; and Alabama and Louisiana in May; Puerto Rico is now in session. Only Kentucky, Mississippi and Virginia are not scheduled to meet until 1960.

New York--Two perennial bills were introduced by Mr. LaFauci in the Assembly; both have been opposed and defeated in years past. The first is a vague prohibition against children's furniture finished with paint or enamel containing "poisonous, harmful or deleterious substances"; the second is also a vague provision requiring formula labeling. Both will again be opposed this year.

Massachusetts--The first air pollution bills have been introduced in the Massachusetts Senate and House. They are being studied at this time.

LABELING: The Uniform Bill--The Labeling Subcommittee of the Legislative Committee, on January 14, 1959, completed a draft of a Uniform Labeling Law capable of application at the National, State or Local level, for presentation to the Executive Committee at their January meeting.

The Baltimore-New York Problem--Dr. Huntington Williams, Baltimore Health Commissioner, wrote Dr. Leona Baumgartner, New York City Health Commissioner, in December asking that New York City approve the Baltimore wording for labels as acceptable under the New York law.

Dr. Williams attended a session of our Labeling Subcommittee and made a full presentation of his views on labeling in line with the Baltimore Ordinance. He said he was amenable to any adjustment in promoting uniform labeling, so long as he felt the public interest was protected.

Further discussions will be held with Dr. Williams and Dr. Baumgartner at the earliest opportunity.

Federal Hazardous Substance Bill--The 1958 AMA draft for a Federal bill regulating sale of "hazardous substances for household, commercial and industrial use" did not meet with the views of CSMA, MCA and the API at a meeting during October. Our interests were represented by a member of our Legislative Committee. As a result, an independent draft was produced and AMA notified. The new draft's principal changes were to remove commercial and industrial products from coverage; to specify that the purpose was for "the labeling of packages of hazardous substances" for household use, and to change basic definitions. In general the revised draft was in accord with the Bush Bill and the CSMA recommendations.

Lead Poisoning--Newspaper articles making paint a scapegoat for lead poisoning whenever any other cause could not be quickly located aroused such interest that a conference between a representative of the Lead Industries Association and this Association was held December 10 in New York to look into the situation. Dr. L. J. Goldwater of Columbia University's School of Public Health was consulted. An analysis by Dr. Goldwater of six cases of lead poisoning reported to the New York Poison Control Center indicated that diagnoses of lead poison were not justified in any of these cases. He also analyzed ten death autopsy reports from Baltimore finding justification for the conclusions of lead poisoning.

The result was to set up under the joint planning of the Lead Industries Association and this Association a study of standards and

criteria to be established for examination and diagnosis of lead poisoning to the end that the findings in such cases would be authoritative.

To initiate action on this program a meeting was held in New York on January 7 with the following represented: The National Paint, Varnish and Lacquer Association, the Lead Industries Association, Director of the National Clearing House for the Poison Control Centers of the Public Health Service, the American Academy of Pediatrics and the Advisor to the New York City Poison Control Center. The Chairman of our Toxicological Committee was also present.

After discussion, it was decided to set up standards for diagnosis of lead poisoning by prescribing criteria to be followed in the medical profession, as well as standards for adequate and accurate statistical reporting of lead poisoning cases.

It was agreed to limit the current project to standards for lead poisoning cases in children. The Advisor to the New York City Poison Control Center will prepare the first draft of the proposed standard which will then be reviewed by the other representatives. The Chairman of our Toxicological Committee will submit it, on behalf of the group, to the Public Health Service.

After review, the Public Health Service will promulgate the standards in an official Public Health Service Bulletin for distribution to the medical profession and especially to the Poison Control Centers throughout the country.

The Lead Industries Association and our Association will give public support to the program through press releases showing how this project came about as a joint venture in the interest of the protection of the public. It was agreed that there will be no criticism of any sloppy statistical set-up or careless diagnosis of the past, but that such press releases will reflect a purely constructive attitude.

Passaic County Cases--While the above discussions were proceeding, the prosecutor for Passaic County, N. J., notified Pittsburgh Plate Glass in Newark, N. J., of the need for an expert to discuss four lead poisoning cases with a Grand Jury, which was making a general inquiry into such matters. Upon learning that the purpose was simply to shed light on the matter, Dr. Goldwater volunteered to testify, and on December 11 gave a concise, conservative and plain statement of the causes of lead poisoning, emphasizing the fact that modern interior paints are non-toxic. I have sent the Prosecutor for distribution to proper authorities our pamphlets on lead poisoning in the home and on painting toys and children's furniture, together with a copy of our 1954 Recommendations for Precautionary Labels and the ASA Standard Z-66.1. I tendered full cooperation in any movement to educate the public and public officials in the matter of lead poisoning.

Revision of New York City Sanitary Code--There is pending for final action a revision of the New York City Sanitary Code, which will continue in effect current labeling requirements and will present no problem to this industry. Vice President Eckart has actively participated in, and carefully watched, the development of the revisions.

CHEMICAL COATINGS DIVISION

STEERING COMMITTEE: The Wood Finishes Educational Program which has been referred to the Subcommittee for Up-Grading Furniture Finishes for development is well on the way toward being fully implemented. This is a two-year program jointly supported by furniture finishes manufacturers and their raw material suppliers, and designed to increase furniture sales at the retail level. The program will accomplish this by educating sales personnel on furniture finishes and their care as a selling aid; educate warehousemen how to properly prepare furniture for display and delivery; and to educate the retailer's advertising personnel on how to advertise furniture finishes to their best advantage. The retail customer will be reached through store displays telling what to expect of finishes and how to care for them. A special breakfast meeting was held on January 8 in Chicago to complete preliminary arrangements, and it is anticipated that the necessary financial pledges will be secured by April 1, 1959. This program has been enthusiastically received by both finishes manufacturers and their suppliers and should be successful in increasing sales.

WOOD FINISHES MANUFACTURERS GROUP: This Group held its annual meeting in Chicago on January 8. An extremely informative and challenging paper, entitled "A Fresh Approach to Wood Finishing Problems", was presented by Mr. Donald Lubeck, Chairman, Wood Finishes Division, Forest Products Research Society. Mr. Lubeck is associated with the Hammond Organ Company as a wood technologist. In addition, Mr. J. A. Hager reviewed the progress of the Educational Program on Wood Finishes for the Wood Finishes Manufacturers Group.

TECHNICAL COMMITTEE: The following papers presented at the last Chemical Coatings Technical Committee meeting are available to all Association members:

- "The Use of Sugar Esters in Lacquer and Hot Malt Formulations" -
W. M. Gearhart, Eastman Chemical Products, Inc.
- "Epoxy Resin Coatings" A New Approach to Old Problems" -
R. E. Godard, Bakelite Company
- "Butoxy Resin: A New Surface Coating Material" -
F. C. LaMotta, Enjay Company, Inc.
- "Highway Lifelines: The Market for Traffic Paints" -
C. W. Gault, Hercules Powder Company
- "The Nitroparaffins and Their Uses in Coatings" -
R. F. Purcell, Commercial Solvents Corporation

CINCINNATI AGREEMENT: The annual meeting of the Cincinnati Agreement Signers was held in Chicago on January 8, 1959. In the past year, the number of signatories has increased from eighteen to thirty-nine, primarily as the result of the removal of the financial deposit and cost-of-sales audit which was effected at last year's meeting. The Agreement has remained unchanged in all other respects.

METAL TOY FINISHES: The report of the Special Committee to study the affects of ASA Z66.1-1955 on metal toy finishes, was submitted on December 12, 1958. The committee concluded that lithographed finishes for metal toys do not create a public health hazard

and recommended that the standard be revised to delete toys from its scope. This recommendation will be referred to the Executive Committee at their next meeting in January.

TRADE SALES DIVISION

The Trade Sales Management Workshops, at our recent 71st Annual Meeting, created a great deal of interest and will be expanded for next year's meeting. Workshop subjects were: "Market Research and Paint Merchandising", "Inventory Control and Multiplicity of Lines in Dealer's Stocks", "The Growing Importance of Color" and "Keep It Legal".

A consumer color booklet entitled "Decorate to Flatter Your Personality" was released at our 71st Annual Meeting. Other color booklets being prepared under the direction of the Trade Sales Color Promotion Subcommittee are: "Color Is Magic", "Different Colors on Various Woods", "Decorating to Create a Mood", and "The Effect of Light on Color".

A "Color Promotion Exhibit" was held at our 71st Annual Meeting. Association members supplied a display of their respective color promotion materials used during the past year. Material exhibited included Color Cards, Color Card Layout, direct mail pieces, point of purchase aids, etc. A total of thirty-five exhibits were shown.

PUTTY, GLAZING AND CAULKING COMPOUND DIVISION

The Putty, Glazing and Caulking Compound Steering Committee and Technical Subcommittee met in Washington, D. C., October 28.

Work continues on the revision of Federal Interim Specification TT-G-00410 "Elastic Glazing Compound for Metal Sash Face and Channel Glazing". Copies of this standard have been made available to Division members for their comment and suggestions for revision. Our technical subcommittee is presently consolidating comments received and will recommend specific changes. When this specification is completely revised, it will again be submitted to the General Services Administration and recommended for adoption as a Federal Standard.

A questionnaire has been sent to Division members to determine their interest in cooperating to have statistical information on the sale of putty, glazing and caulking compounds collected and made available.

Consideration is underway to recommend that the "U. S. Department of Commerce Simplified Practice Recommendation, E-144-55", relating to the type of containers for putty, glazing and caulking compound materials, be revised, changing from a pound to a volume unit of measurement for the sale of these products. Division members are being requested to indicate their approval or disapproval of this suggested change.

Final suggestions have been submitted to the Flat Glass Jobbers Association for inclusion in their new Glazing Manual.

Work continues with the ASTM and Asbestos Cement Products Association on the revision of Federal Specification TT-C-598, "Caulking Compounds".

The Putty, Glazing and Caulking Compound Manufacturers' Annual Forum was held October 28 with a general theme of "Modern Management Problems in the Putty, Glazing and Caulking Compound Business". Panelists presented papers on "Credits", "Distribution", "Quality" and "Guarantees".

ROOF COATING DIVISION

The Roof Coating and Roof Cement Manufacturers' Annual Forum was held October 27. During a panel designed to provide suggestions for "Modern Management Practices", papers were presented on "Developing New Products" and "A Selling Expense Reducing Spree".

Comments are being received for additional revamping of Federal Interim Specification SS-R-00451, "Roof Coating--Asphalt Brushing Consistency".

Considerations are being developed for inclusion in a suggested Aluminum Pigmented Roof Coating Specification. Test methods are being developed which can be used in a program of "Standardization of Test Procedures". Informative material on roof coatings in general is being collected for use in our Association's Publicity and Public Relations program.

Requirements are being determined for the inclusion of Asphalt Cutback in the Raw Materials Index.

JOINT PAINT INDUSTRY COORDINATING COMMITTEE

The Joint Paint Industry Coordinating Committee met in Chicago, December 5. Consideration was given to such topics as "Inter-Industry Cooperation", "Hidden Power" Sales Training Program, "Painting and Decorating Credit Program" and the "National Institute of Paint and Coatings Application".

Member associations are cooperating to support local painting and decorating promotions to educate end users on the availability of deferred payment for paint products and paint jobs.

PUBLIC INFORMATION DIVISION

Activities of the Division have increased tremendously to keep pace with public demands made as a result, largely, of the efforts of Ted Deglin & Associates, our national Public Relations and Publicity counsel. The Division, in addition to normal functions, serves as liaison and research center for Ted Deglin & Associates.

(Note: A special report of the far-reaching accomplishments of Ted Deglin & Associates has been prepared separately by that organization. This covers accomplishments through newspapers, magazines, radio and television, and other public relations and publicity outlets.)

New emphasis has been placed upon the servicing of more than 1,000 daily and weekly newspapers which receive our Editor's Desk and Filler Features, photos and mats. The same can be said for the cooperative activities, for mutual benefit, engaged in with other trade groups.

During the past year a new high was achieved in distributing "Here's How" booklets to individuals, schools, clubs and other organizations. More than 330,000 booklets were distributed, with a big assist from individual Association members. The latest booklet - "Decorate to Flatter Your Personality" has been particularly effective. The initial run of 25,000 is already exhausted and we have orders for that many more already on hand, although promotion of the booklet is just getting under way.

ARCHITECTS, BUILDERS, CONTRACTORS: Until the results of the Motivation and Market Research Study are available, further action on the proposed establishment of a bureau to service this group was postponed at the June 17 meeting of the Public Relations and Publicity Committee. A report on the Motivation Study is being made this week.

HIDDEN POWER SALES TRAINING: The "Hidden Power" section for Dealers and Dealers' Clerks will be released this month. Some delay was encountered in securing approval from the Officer of Distributive Education of the U. S. Office of Education. Full approval was finally received last week and they have prepared the Teacher's Manual which is now in the printer's hands. All other sections of "Hidden Power" are ahead of schedule.

INDUSTRY FILMS: The continued use of these films has shown a decided increase. One reason for this is a film strip produced by Ted Deglin & Associates, promoting the industry films, and distributed to 10,000 schools throughout the country for use in classes from the sixth grade up. Requests resulting directly from this film strip have been many, especially for "Here's How" and "Moisture... The Hidden Menace to Homes".

The "House in the Middle" film has been included in the "Building America" Series and is being shown on television throughout the country. To date, we have received 17 confirmations that this film was shown. As the spring Clean Up-Paint Up-Fix Up Campaigns begin to get underway in communities throughout the country, this film is being requested for use in conjunction with the Clean Up promotional material supplied by the National Clean Up-Paint Up-Fix Up Bureau.

Since my last report, "Moisture...The Hidden Menace to Homes" has been requested and used a total of 78 times by groups consisting of Association members, schools, Rotary, Kiwanis and Lions' Clubs, paint salesmen's groups, churches and vocational agricultural groups.

"Here's How" has been furnished a total of 126 times, primarily to schools and civic and women's clubs and 4-H Clubs.

Requests for "The House in the Middle" have totaled 67. This does not, however, include the bookings made by television stations.

CLEAN UP-PAINT UP-FIX UP BUREAU

The 1959 Clean Up-Paint Up-Fix Up Organization and Promotion Kit is now available. The Organization and Teacher's Guides have been expanded; the Publicity Manual completely revamped, and several new pieces of

display material added. In addition, the newspaper advertising mat proof sheets have been sectionalized for ready reference by advertising managers.

There has been an increase in the number of entries for the National Cleanest Town Contest, with many communities joining the spirited rivalry for the first time. Final judging will take place in late February or early March.

The Century 21 State Beautification Committee has requested Bureau assistance in its program for the State of Washington. Many communities in that state will conduct their first Clean Up-Paint Up-Fix Up programs this spring.

The West Penn Power Company is promoting Clean Up-Paint Up-Fix Up in Western Pennsylvania. The company is encouraging participation in the Bureau's National Cleanest Town Contest and indications are that possibly ninety new entries will be forthcoming as a result.

"Gasoline Alley", one of the nation's most widely read comic strips, has incorporated the Clean Up-Paint Up-Fix Up concept into its January story line in the form of a Neighborhood Improvement Circle dedicated to civic betterment and beautification. This unsolicited helping hand should do a great deal to increase interest and participation in this campaign.

MARKETING RESEARCH AND STATISTICS DIVISION

ANNUAL COLOR SURVEY: Our Annual Survey of Color of ready-mixed trade sales paints is under way. This report has proven valuable to trade sales manufacturers as a check on their own color line. Our survey will be further refined this year to include a more orderly grouping of Munsell notations into the Inter-Society Color Council - National Bureau of Standards Color System and then into fewer groups for tabulating and charting purposes in order to follow trends.

CREDITS AND COLLECTIONS: The monthly survey of industry trends in the number of days outstanding and percentage of collections continues. This report is not intended to be typical of any company; rather, it is designed to show industry trends. At each meeting of the Credits and Collections Committee, a member presents a paper on some phase of credit work. These papers have proven to be extremely helpful to manufacturers in strengthening relations between credit departments, sales departments and dealers.

COLOR CARD USAGE SURVEY: This annual survey is now being conducted to establish the use of color cards during 1958. In the past this report has been extremely helpful to individual companies as a basis for comparison of their handling of this very costly item.

WHOLESALE-PRICE INDEX: The recommendations of our Industry Advisory Committee to the U. S. Department of Labor were adopted, resulting in a revised wholesale price index of prepared paint and paint raw materials which will be first published in January 1959.

The Industry Advisory Committee will review these indexes annually in order to keep them current.

TRADE SALES MOTIVATION RESEARCH: A pilot study among consumers of trade sales paints to discover the WHY's behind the decision to paint or not to paint has been completed. The preliminary results were reviewed by the Marketing Research and Statistics Subcommittee earlier this week and a final report will be presented shortly to the full Marketing Research and Statistics Committee and to the Public Relations and Publicity Committee. The purpose of this pilot study is only to determine the feasibility of this type of research when applied to the paint, varnish and lacquer industry. The results of this pilot study should not be considered valid because the sample used was extremely small -- large enough, however, to accomplish the purpose of the study.

CHEMICAL COATINGS MOTIVATION RESEARCH: The pilot study among appliance manufacturers, users of chemical coatings, has just been completed. Preliminary results of this study will be received by the Marketing Research and Statistics Subcommittee on January 30 and examined by the full Marketing Research and Statistics Committee on a later date. A report of this study will be presented to the Chemical Coatings Steering Committee at their February 27 meeting. The Chemical Coatings Subcommittee for Interest of End Users has cooperated in every step of this project and will participate in reviewing the results of the pilot study.

COLOR TRENDS: As a result of this Division's request, the Inter-Society Color Council established a Committee to devise a compatible method by which all industries could collect data on their use of color. The possible advantages to the paint, varnish and lacquer industry of having information from all industries using color are endless -- but they all will result in more paint sold. This Division devised a unique method for the collection of this data and the National Bureau of Standards has perfected the scientific aspects of our method. This method will be presented to the membership of the Inter-Society Color Council at its Annual Meeting on April 1.

OTHER ACTIVITIES: This Division has always been interested in developing marketing and statistical information in the construction field. Recently, a Bureau of Building Marketing Research has been created by Industrial Publications, Inc., in order to explore and develop this area. This Bureau will set up national panels of builders, architects and building material dealers through which many varied surveys and studies will be conducted. The Bureau's activities will be directed by an Advisory Board, composed of industry, government and academic representatives. The Director of our Marketing Research and Statistics Division has been invited to serve as a member of this Advisory Board.