

# Oil, Paint and Drug Reporter

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## Oil, Paint and Drug Reporter

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### This Is the Paint Conventions Extra

To facilitate the publication of our regular issues, we publish this extra number of the Oil, Paint and Drug Reporter for the convenience of our readers who, we feel sure, desire to get in one issue a full account of the several Chicago conventions of national organizations in the paint industry. A copy of this extra edition is being mailed to every subscriber without additional charge, as a part of the valuable Reporter Service.

This issue contains the full official stenographic report of the N.P.O.&V. A. meeting, with complete text of all reports and addresses. It also contains comprehensive reports of the P.M.A. of U.S., N.V.M.A. and F.P.P.C. conventions and the various group meetings which took place during the industry's big week. Portraits of the newly elected officers and of others who participated prominently in the several meetings are included.

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**New Executive Board**

Top Row:—E. C. Currier, Central Zone Vice-President; J. B. Lord, Eastern Zone Vice-President; F. J. Penberthy, Canadian Zone Vice-President.

Bottom Row:—L. R. Atwood, Last previous President; N. B. Gregg, President G. V. Horgan, Secretary.

and was a right jolly good fellow. I lived up to the meeting in good shape. At that time they were agitating paint on the lamp posts of Chicago. I remember there was discussion as to what color they should be painted. I will leave it to you what color they suggested, but it seems very fitting that at this meeting, nearly thirty years after, we should have the first assistant corporation counsel of the city of Chicago to welcome you in behalf of the city, and I take great pleasure in introducing Frank M. Padden, the first assistant corporation counsel of Chicago.

### Chicago's Official Welcome

Frank M. Padden:—I am very sorry that the report had to be made to you this evening that Mayor Dever could not be here with you. You will understand, of course, that the presence of a distinguished guest from a foreign land requires that the chief executive of the city be much more than a mere figurehead. It is impossible to be here. He asked me to convey over to you his warmest wishes, to say he was glad to have you here, and to express his regrets at his inability to present.

I consider it for myself an honor to address this distinguished audience. I will know that in your disappointment I will have to ask your indulgence. I don't know anything about the business you are in, although I do feel a sort of kinship with you after looking at your motto that is over the platform here tonight. You claim to be in the public service. Well, too, am in the public service, to that extent at least I claim kinship with the paint, oil and varnish people of the United States.

Some one has mentioned here this evening that the city of Chicago is a great convention city. It is a great convention city, not only because of the facilities we have here for entertainment of our guests, but because the city is a place well worthy of a visit. I hope that before you go away, those of you who are strangers in our town, you will take advantage of the facilities offered and that you will learn what Chicago has here. If you will traverse our boulevards, and will visit our public parks, you will pass down Michigan avenue from Park row to the Wrigley building and behind there what I believe service the greatest artificial piece of scenery in the world, you will understand why Chicago is known as the Garden City of the western world.

These great boulevards of Chicago are the result of a dream of some great man of the past, and we still have some dreamers in Chicago as well as practical men. These dreamers have reached out into the districts surrounding this municipality and are building their forest preserves, as they call them, which some of you will see. They are building their parks for the city of Chicago when the city extends its borders out further in the country, surrounding our town. And it is this great vision in the minds of great men that has made Chicago great.

Chicago, as your chairman has said, rose from its ashes in 1871 and became one of the greatest cities of the world. We have in Chicago the spirit, I think, which makes a city great, and that city that has worked wonders for this western country.

The World's Fair in Chicago in 1893 is probably the most outstanding achievement of its kind that the world affords. Chicago in that day was what we call a "chick" town (which will excuse the slang expression), but it was the beginning of Chicago's greatness, and the most wonderful affair that has ever been held in this city. It was a beautiful exposition that was built upon the lake front here in this city, and it reached Chicago, but it reached the whole country, and I think it had its effect upon the world at large. It gave Europe a new understanding of what we are, and it gave the people of Chicago an idea of the beauty which they needed, and it needed badly. It was a picture of a dream put into a picture by the people of Paris, London and other great things combined with the imagination of great men to produce this great thing that has caused the great development to the city of Chicago.

Now, I would like to say a few things in general way about away about this kind. I think the people of America fail to realize what a wonderful effect conventions of various trades and professions and manufacturing industries have upon the welfare of this country. This great nation of ours, stretching as it does from ocean to ocean and from the Canadian border to the Gulf, seems almost too large for one people, and yet it has. And one of the things that has knit it together has been organizations of this kind, bringing people who are like, and to combine the efforts in a common and mutual interest, and the more of such gatherings we have the more benefit it will be to our great nation.

I am very glad, indeed, to be here just to say a word or two. You will appreciate the fact that I was called here at the last moment. I had little understanding of what this convention was about. I had not the opportunity to prepare an extended address or a classical oration, and while I am here, let me pay my respects to the very remarkable, wonderful and artistic talk delivered by our friend Mr. Thomas of the Chicago Paint, Oil and Varnish Club. As I was sitting there with him tonight, he said to me, "I am glad to get you here, for he had little that he could say, and then he delivered a very remarkable oration. In it he quoted Mr. Guest, the poet; Tom Moore, the poet; Aristotle, the scientist and philosopher, and gave you a picture of an hour in which to talk to you I am sure that he would have run the whole gamut of literary and scientific subjects. In fact, he was so startled by his oration after what he had said to me that I find it impossible to get going myself. Perhaps I might tell you a little story that runs through my mind. I only know

one or two stories and I seldom tell them. But it seems to me appropriate on this occasion. As I told you a minute ago, I didn't expect this afternoon to come up here, and I think I find myself somewhat in the situation, or maybe you do, of the stinky man died. Then his friends got very stinky, but he used to go out with the boys at various times. He would always drink, but never buy. He was never known to set them up. Finally this stinky man died. Then his friends got together and said, "Well, Bill was a pretty close fellow, but in other respects he was all right. Suppose we get up a subscription and buy him a little headstone for his grave." And that was what they did. They appointed one of their number to purchase the headstone and put an appropriate inscription on it. He did that, and on the appointed day he called his friends to the cemetery. There was the grave and the headstone with an American flag draped over it. The man who had been appointed to buy the headstone made a pretty speech. Then he pulled back the drape, and this is the inscription which had been placed on the headstone. "In memory of Bill, I am sure whether this is on me or you, but I can reiterate, as I think I said once or twice, that we very glad I had an opportunity to be here. Let me tell you one story illustrative of that point."

You have all heard, of course, about the Scotch clergyman whose parishioner sent him a bottle of brandied peaches. Some time after the parishioner heard from the minister. He said, "I have not yet tasted the peaches, but I appreciate the spirit in which they were sent. And you will appreciate the spirit, perhaps, in which I was sent here."

I want to say on behalf of the mayor that he asked me to say to you that he wants you to take advantage of all Chicago offers. He bids you a most hearty welcome. He hopes that you will enjoy yourself and that you will come again.

Chairman Watson:—We will ask E. V. Peters, New York, to respond to Mr. Padden's address.

### Response to Welcome

E. V. Peters:—On behalf of the National Paint, Oil and Varnish Association and in essence it is a great pleasure and honor to respond to these very cordial addresses of welcome to your great city. Chicago is not only a world center to the geographic center of the industry you see represented here tonight, but we have here also because of its fact that we appreciate the warmth of the hospitality that we know always awaits us here. It may be interesting to note, Mr. Padden, that this is the thirty-sixth annual convention of this association, and we have held more of our meetings in your city than in any other city in the country. We share with you Chicagoans a just pride, I think, in the greatness of your city. Any one reading the history of Chicago from the days of Fort Dearborn to the present time, a period, I believe, of a little less than thirty years, will find therein a record of municipal progress and achievement unequalled in the history of municipal development in the world.

It has been said that anything in the city of Chicago fifty years old is an antique, and that anything that antedates the great fire is prehistoric, so that when we come to realize the very shortness of your municipal life we can not help but take pride with you in your great accomplishment in such a short period of time. Mr. Padden has said he is not very familiar with the industry represented here tonight, so if I may be permitted for just a moment I would like to say for his benefit something of the industry represented here, which he has so cordially welcomed on behalf of the city of Chicago. I believe it is a fact that the physical well-being of this nation consists primarily of its physical properties, and to contemplate what would occur to this great physical wealth with an industrial accident, or the production of the industry represented here tonight would be too terrible to contemplate. What would be the place through decay and depreciation, so that the motto of this convention, the motto of this industry, "In the Public Service," is no advertising motto but is an actual fact.

It is a great inspiration to this industry, I think, to meet in such a city as Chicago, whose record of achievement has been so remarkable. I think that it probably extends a stimulation to us on the eve of our thirty-sixth annual convention to greater things in our association work.

It may be of interest to Mr. Padden to realize, I think it was in 1920 or 1921, that the industry which you see represented here tonight through great leadership realized a great opportunity as well as an obligation to the public, and undertook in the year 1921 to double this industry in a period of five years. It was during a time of industrial inactivity. The industry wasted no time or effort in grumbling over conditions or in seeking to leave what other American industries are about through its organizations on a constructive program to figuratively "beat the industry its best traps," not only to a higher volume of business, but to a higher plane of ethics. So that it is gratifying to all of us associated with the industry to realize that with about half of our five-year period already elapsed we are the possessor of accomplishing our great object one or two years possibly ahead of the time set, certainly no mean achievement. So that we are about to end our deliberations and make our plans for the next year it is very fitting, I think, to hold our meeting in such a city as Chicago with our work half done. It reminds me a little of an experience I had one day a paper which ran something to this effect: "The time of day we do not tell as some do by the clock. Nor is the distant climbing bell set on some sleepy rock. But, whether by the progress seen in what we have to do—It's either none of clock to us or only half-past thought."

Furthermore, we are particularly glad to meet here in Chicago under the guiding hand of the spirit, the motto of which I believe is Chicago's great motto, "I will." I thank you very much, gentlemen, on behalf of the National Paint, Oil and

Varnish Association for your cordial welcome to Chicago.

Chairman Watson:—Chicago has had the honor of being host to this association four times. I will recall the first time we met here, which was in 1893. At that time I had been elected president of the Chicago Paint Club, and during that year George H. Vrooman, Chicago, who had been elected president of the National Association in Boston the year previous, died. When the Board of Directors met in Chicago, at the suggestion of Howard French, Philadelphia, they decided to elect some Chicago man as president of the association to all out Mr. Vrooman's unexpired term, and elected me.

It has been a great deal of pleasure to have had this convention here that number of times. I recall that in 1895 we had a registration, I think, of about 190. They were all men. There were a few women who came with their husbands, but no provision had been made for their entertainment, so a hurry-up dinner was arranged for them at the Union League Club. After the dinner they were privileged to come into the banquet and hear their Julius Caesars orate.

The presidency of the national association was very different today than it was in the days when I served. At that time about all the presidents had to do was to preside at the annual convention and to attend to a little correspondence.

But today a great deal is expected of the president of this association. In the last few years the presidents have visited almost all of the local clubs from the Atlantic to the Pacific, and they have participated in the organization of a number of new clubs in the association. This calls for a great deal of their time and a great deal of expense. We ought to be very grateful to these gentlemen for the time and money which they have put out to further the interests of this association. During the past year we have been particularly fortunate in having such a president as we have had. He is a little different from most of the other presidents, as I remember. He is bubbling over all the time with that genial Southern hospitality, and we have learned to be very fond, indeed, of him. And I think we have all fallen in love with his charming and beautiful wife. He does not like to have anybody call him Mr. Atwood, and he calls all his friends by their first names. When I met him in the lobby downstairs I went up to him and said I was delighted to see him, calling him Mr. Atwood. He said, "George, I am tickled to death to see you. Excuse me, I can call you George, can't I?"

The kind of man I mean is very glad, indeed, to call on him for his annual report.

President Atwood delivered the following address:—

### Address of President Atwood

This great gathering here tonight is a fine expression of the esteem in which our Association is held by its members, a splendid tribute to its usefulness. If this were not so we would not be here. We have a commendable and righteous pride in what we are and what we are trying to do in the economic life of our two countries. Whenever men feel this just sense of elation in their purposes and achievements the first to whom they turn to share it with them are the women of their families, and that is why we are so glad to have all these charming ladies with us tonight, to give us their inspiring sympathy in our self-felicitation.

Although we are all the guests of this great city our whole Association is in the position of host when it comes to our Canadian brethren. It is delightful to have them with us, not only on account of their agreeable personality, but such gatherings help to cement the never-to-be-broken friendship of our two countries. Their active and intelligent support in Canada of our work is most helpful. It is also pleasing to know that London is represented at this Convention and we extend to our guest, Mr. Leslie O. Thornberg of London, England, a cordial greeting and the right hand of fellowship.

### In the Service of the Public

"In the Public Service," as the slogan of this meeting, was a most happy choice. It represents the finest spirit in modern business and the practice of this precept by all industry in such a way that the public it serves will realize its sincerity would be the surest defense against Socialism and all the other fallacies of the crooked-thinking radicals of these unsettled days.

This fundamental principle of service is being recognized by thoughtful men in all lines and, indeed, all industry seems to be steadily climbing toward the mountains tops of a practical idealism.

Such service does not involve the relinquishment of reasonable profits in the conduct of business, for the servant must live if he is to serve, but we should ever keep before us the thought that as we serve so do we prosper. In a recent address Mr. Julius H. Barnes, President of the Chamber of Commerce, said:

"Organized industry is clearly possessing itself not only of a higher conception of efficiency in the conduct of industry, but a higher conception of the ideals properly comprised in public service. If you doubt this idealism think back conscientiously to the code of business ethics commonly accepted without general protest as late as ten, twenty and thirty years ago."

The organization of this industry of ours into our great affiliated associations is responsible for the progress we have made in the elevation of business ethics, in better methods and technique in our manufacturing departments and in the education of the public to the conservation of its property by the use of our products. Surely this is service in its truest and fullest sense and it is a service that none of us operating as individuals could have accomplished in such full measure. We are growing in our realization of this thought and in our appreciation of our responsibility to the public that we have the privilege of serving. Certainly this justifies us in the belief that our associations not only are worthy of our greatest support, but in our responsibility to the public it has become our duty to maintain them in fullest efficiency.

### Government Backs Associations

It is indeed pleasing to know that the United States Government is back of such properly conducted trade associations as ours. In reading the book recently issued by the Department of Commerce entitled "Trade Association Activities," in the Foreword and in the Introduction, by Secretary Hoover, it reads as if he had in mind our organization as a model for a properly conducted trade association, as everything he says that ought to be done we do and everything that ought not to be done we do not do.

There is a popular misconception that associations such as ours act as a restraint on competition, but it is our observation that quite the contrary is true and we should do all we can to correct this erroneous impression wherever existent. It is doubtless the experience of most of us that whenever we attend these conventions, club meetings and our other trade gatherings that we find other concerns who are doing certain things better than we do ourselves, and we go home and immediately try to bring our own performance up to the high standard we learned from others. This in itself creates a keen and healthy rivalry for better service and we not only benefit ourselves, but the whole consuming public.

In visiting the clubs in the various cities a spirit of good fellowship was much in evidence and, generally speaking, everyone seemed to recognize the advantages and benefits of our work and the large part it was taking in the development of the industry. All seemed willing and anxious to stretch out a helping hand.

*Western Regional Zone Meeting*

One of our great experiences was at the Convention of the Western Regional Zone at Del Monte. Full accounts of this have been published and it is needless to go into that further, but one thing should be mentioned and that is the splendid example that was given us there of prompt, regular and practically 100 per cent. attendance throughout the entire meeting—nothing seemed to interfere with this and everyone was present promptly at the opening every day and remained until the finish—one session lasting until eleven at night, with everyone showing most intense interest in all that was said and done.

We can, with profit to our meeting, emulate this fine example.

*Flax Development Work*

Without minimizing in any way the work of all our able and efficient committees special mention is called to the fine work of the Flax Development Committee, to whom it is safe to say much of the credit is due for the large increase in our flax crop. It is hoped that it is not showing too much faith to believe that the time will come when North America—the United States and Canada—will produce most if not all its flax requirements. It seems an anomalous condition with the farmers of the Northwest complaining of inadequate returns that they should permit about fifty million dollars to go out of the country every year for imported flax. Recently at a Cabinet meeting the substitution of flax growing for wheat in the Northwest was favorably considered, which was probably the result, indirectly, if not directly, of the propaganda of our Committee.

Full credit should be given the Chairman of this Committee, Mr. Charles T. Nolan, on whom has fallen the brunt of this work.

Our Membership Committee has done an immense amount of work towards the mobilization of the entire industry and the details of the result of their work will be fully covered in the Report of the Chairman of that Committee, Mr. Charles J. Caspar.

The insistent efforts of the Naval Stores Committee, under the leadership of Chairman Crawford, bore fruit at last in the passage of the Harrison bill and it is continuing its efforts to get a similar bill passed in the various states so as to cover intra-state transactions.

Our Transportation Committee has been diligent in carefully watching our interests in regard to changes in rates and classifications and successfully combatting such changes as would have worked undue hardships on our industry. In the Chairman of this Committee, Mr. W. J. Pitt, we have a man who has a thorough knowledge of transportation in detail, including construction of all territorial rates. He is, indeed, a man of the calibre and character that is sought by the railroads as their freight traffic manager and we are quite fortunate in having him at the head of our Transportation Committee.

It is hardly necessary to mention our Entertainment Committee as its work will be much in evidence within the next few days. It has been untiring in its efforts and has handled every proposition that has come to it with greatest energy and intelligent discernment. That a series of delightful and novel functions has been provided we are all certain.

Our Save the Surface Advisory Committee has held nine meetings since our last Convention with an average attendance of twenty-two.

Our Educational Bureau has held four meetings, with an average attendance of twenty-three.

The men attending these meetings came from all parts of the country on their own time and at their own expense, their only regard being the approval of their own consciences for a duty well done for the benefit of the whole trade. It would be interesting to know the aggregate expense incurred in this thoroughly unselfish work in the benefits of which we all share.

*Promotional Work*

Our Clean Up and Paint Up work is growing in usefulness every year, but is suffering from a lack of financial nourishment.

The imponderable influence of the Save the Surface Movement is what makes it difficult to draw some men to its support. Could we weigh it and measure it and show them what it is actually doing we believe that its support would be very largely increased.

The best we can do to convince these doubting minds is to point to the tremendous increase in the paint and varnish industry which has taken place since this movement was started, especially the increase of the past three years after it had gained considerable momentum.

Save the Surface is the plus sign to all our individual advertising.

It gives "punch" to our own sales efforts and has changed the attitude of the consuming public toward painting, making our selling approach comparatively easy.

It is, perhaps, the most widely known advertising slogan in existence today, and each day adds to its strength, value and effectiveness.

No reasonable man can doubt that our apparently successful effort to double the industry by 1926 is largely attributable to the Save the Surface campaign. The effort that is being made to lengthen the painting season and eliminate the dull months will be greatly aided by greater support to the Save the Surface work.

As a great industry, we cannot afford to do otherwise than to give these activities the financial maintenance they require and deserve.

All I have said in regard to the Save the Surface movement applies, I think, with equal force to our Clean Up and Paint Up propaganda.

I will not attempt to go into further detail as to the year's work, as that will be fully covered by the report of our secretary. And let me say here, in passing out of the presidency, one of my great regrets will be the severance of the official relations which for the past year have existed between your secretary and myself. We have formed a personal attachment which will last throughout our lives. He has been untiring in his efforts and has handled all matters that have come to his office with discretion and broad vision.

*Recommendations*

Your retiring president recommends for the consideration of the incoming administration the following matters, which, in his opinion, constitute important problems confronting the association and the industry at large:

A careful study of our methods of distribution.

The education of our salesmen and of retail dealers.

The much needed increase in the number of painters.

The mechanical application of paint.

Lengthening the painting season.

The adequate financing of all proper association expenses.

Greater support to the Save the Surface, Clean Up and Paint Up movements, and Flax Development work.

Securing, as nearly as possible, 100 per cent. co-operation with the Department of Commerce in compiling statistics for our industry.

A practical and workable Simplification Program.

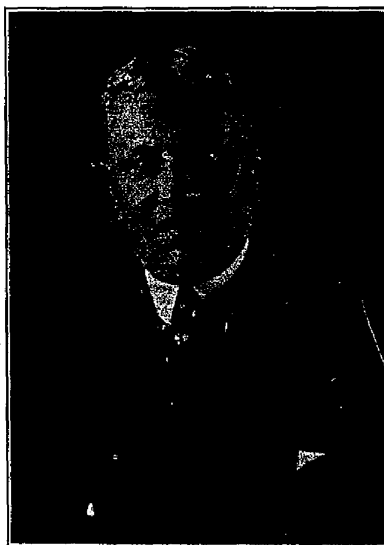
Most of these matters have already had much thought and attention and are now in the hands of capable committees and are mentioned here for the purpose of emphasizing their importance.

*Doubling the Industry*

We are all interested in knowing what headway we are making towards our great objective—"Doubling Our Industry by 1926."

You have doubtless read the report on Statistics of Paint and Varnish Production from January to June, 1923, issued by the Department of Commerce, and which was published in the trade papers. This report requires some analysis in order to arrive at an intelligent understanding of its import.

It deals only with tonnage and gallonage, disregarding entirely the matter of values and prices. While previous reports covered only the matter of



Lewis R. Atwood  
The Presiding Officer

production, the Department has gone into this more thoroughly and the report this year covers both production and sales, the production being somewhat in excess of sales.

Although only 403 establishments were represented in the report for the first half of 1922, there were 426 reporting for the second half of that year and 441 for the first half of 1923, showing a decided and steady increase in the number of our members co-operating with the Department in supplying these statistics.

For various reasons, sales were only reported by from 73 per cent. to 85 per cent. of those reporting production. It is a fair assumption, however, that the average of about 80 per cent. reporting sales will represent the percentage of sales to production of the entire industry, and this analysis is based upon this postulate.

It seems fairer and more accurate in making a comparison of one year with another to do so for the same periods, and we will, therefore, disregard the last half of 1922 and base our comment entirely upon a comparison of the first half of 1923 with the first half of 1922.

We will reduce all quantities to pounds, as in Mr. Trigg's figures of a year ago, using an average of 14 pounds to the gallon for mixed paints and 7½ pounds to the gallon for varnishes.

The increase in production for the first half of 1923 over 1922 was as follows:

|                                         | Per Cent. |
|-----------------------------------------|-----------|
| White Lead .....                        | 7.4       |
| Zinc Oxide in Oil .....                 | 170.0     |
| Other Paste Paints .....                | 31.9      |
| Ready Mixed and Semi-Paste Paints ..... | 34.0      |
| Varnishes, Japans and Driers .....      | 41.2      |

Based on these figures, the average increase in production over the same period of 1922 was as follows:

|                                                                                                                                  | Per Cent. |
|----------------------------------------------------------------------------------------------------------------------------------|-----------|
| Ready Mixed Paints and Varnishes .....                                                                                           | 36.17     |
| Average increase in production for the entire industry, including Lead, Zinc, Paste Paint, Ready Mixed Paint and Varnishes ..... | 31.90     |

In the absence of any statistics from the Department of Commerce for sales for the first six months of 1922, and assuming that the volume of sales for the entire industry, as compared with their production, was the same as those reporting sales, the following figures are arrived at:

|                                                           | Pounds      |
|-----------------------------------------------------------|-------------|
| Total sales White Lead in Oil.....                        | 133,626,000 |
| Total sales Zinc in Oil.....                              | 8,347,000   |
| Total sales other Paste Paints.....                       | 78,229,000  |
| Total sales Ready Mixed Paints and Semi-Paste Paints..... | 594,319,000 |
| Total sales Varnishes, Japans and Driers.....             | 259,114,000 |

Total sales, first half 1923.....1,073,635,000

Total production for the period being.....1,143,339,700

The percentage of sales, therefore, to production, was 93.9 per cent.; that is to say, 93.9 per cent. of the goods produced was sold.

The total production for the first six months of 1922 is computed at 866,672,000 pounds, on the basis of 14 pounds per gallon for mixed paints and 7½ pounds for varnishes. It will be seen, therefore, that the sales for the first six months of 1923 exceeded the production for the first six months of 1922 by 206,962,000 pounds.

The percentage increase, therefore, of the sales for the first half of 1923 over the total production for the first six months of 1922 was 23.9 per cent. for the entire industry; and the percentage increase of sales of ready mixed paints and varnishes over total production of same for the first six months of 1922 was 29.7 per cent.

#### Fewer Firms Report

It should be borne in mind, however, that in 1923 411 establishments reported to the Department, while for the first half of 1922 reports were received from only 402, a difference of about 10 per cent. in the number reporting. In the absence of any information as to the volume of the additional 39 reporting for the period this year over last year, it is impossible to state just what effect it has had on these figures.

The effort to obtain these figures for us by Mr. W. M. Stewart, director of Bureau of the Census of the United States Department of Commerce, is most praiseworthy and is to be greatly commended, as it is most useful to our industry. It is gratifying to know that our members are showing their appreciation of this work, as evidenced by the steadily increasing number of those co-operating with the Department by promptly furnishing reports on their individual business. The information thus obtained is valuable to us all, as it enables us to determine whether and how fast we are going. It assists us also in determining the value and efficiency of our trade expansion activities. A thorough and complete 100 per cent. co-operation is urged upon all our members.

It is pleasing to feel that the Department's figures apparently confirm the preliminary investigation made by a questionnaire through Mr. Heckel, resulting in the report at the Del Monte meeting that the first four months showed an increase in the Mixed Paint and Varnish part of our business of 30 per cent.

We seem to be well on our way toward "doubling the industry by 1926," and, indeed, justifying the hope that we will even reach our goal before the scheduled time.

With these encouraging figures behind us, we can, with confidence and hope, turn our faces to the future with a full realization that, whether in periods of prosperity or depression, our individual efforts are fortified by the added strength of these great federated associations working for the common good of us all, and aiding us in our attempt to serve the public fairly and with the highest degree of efficiency.

Chairman Watson:—I will ask the Secretary to call us the disposition of the president's address by the Board of Directors.

Secretary Horgan:—The Board of Directors approved the annual message of the president and the accompanying recommendations.

Chairman Watson:—You have heard the president's address and the report of the Board of Control. What action will the convention take?

Mr. Minehart:—I move that the message be resolved and the action of the Board of Control concurred in.

(The motion was seconded and carried.)

Chairman Watson:—This completes my

part of the program. The meeting will now be turned over to President Atwood, and he will conduct the remainder of it, but in closing I just want to add one word of sentiment:

Give me six or eight old friends,  
Gathered round when day is done,  
Full of mirth and honest fun;  
And when the convention ends,  
You declare with joy divine  
That you've had a real good time.

(President Atwood took the chair.)  
President Atwood:—I trust the business program is not very much longer. I will now call for the secretary's report.

Secretary George V. Horgan read his report as follows:

## Report of the Secretary

Our Constitution and By-laws provide that the Secretary shall submit at the Annual Convention a report on the affairs of the Association and a summary of the work accomplished throughout the year. It is with gratification we submit that the year just closing has been one of substantial growth and constructive progress in our Association. With the largely increased membership has come a corresponding increase in the functions and responsibilities of the Secretary's office.

One so often attends a meeting of some Association and listens to the Secretary deliver a report so long and verbose that his hearers are inclined not only to lose interest, but to develop symptoms of "sleeping sickness." I therefore promise not to encroach too much on your time if you will bear with me for a few moments while I briefly review our principal activities and achievements.

The thought back of Trade Associations is sound, but no Trade Association has the right and cannot long exist unless founded and ruled by the desire to best serve the public. The spirit of this Convention is expressed in its slogan: "In the Public Service."

Every man has some good in him, and most men have qualities that are noble and fine. Business should develop rather than crush these higher qualities and the Trade Association is one important means to this end—to help men not only to gain material success, but also to grow hearts and souls and so gain the greater reward of spiritual happiness. No man can live unto himself alone—we have to live and let live if we are to enjoy the fullness of life.

President Atwood's leadership and direction of the Association's affairs has been an inspiration to us all and the industry is greatly indebted to him for the whole-hearted and conscientious manner in which he has advocated the forward policies of the Association and inaugurated new movements for better trade conditions.

The Executive Committee has held four meetings during the year—one in

Atlantic City, one in New York, two in Chicago—all of which have been presided over by your President. At these conferences momentous matters were disposed of and plans formulated for still further extending the usefulness of the Association as an agency through which the members may clear their problems and receive intelligent and greater co-operation to the end that we might in fact achieve our goal to make 1923 the greatest paint and varnish year as the second step towards doubling the industry by 1926.

#### 1923 Year Book

The annual Year Book of the Association was edited and compiled by the Secretary and mailed to members early in the year. This publication contains a review of the year's work as embodied in the Convention proceedings, membership list, personnel of committees, trade mark information, constitution and by-laws, etc.

In accordance with the action of the 1922 Convention, your Secretary was made Secretary-Treasurer of the Flax Development Committee and has co-operated with that Committee in raising funds for carrying on this important activity. Three meetings of the Committee have been held and your



George V. Horgan  
N.P., O. & V.A. Secretary

Secretary has been in constant touch with Chairman Nolan on the situation. The report of Mr. Nolan will be presented at the Thursday morning session.

#### Bulletin

The Secretary's Bulletin has been issued at regular intervals, each number containing an introductory message from President Atwood. Through this media the members are kept informed of committee activities, trade mark registrations and other up-to-the-minute trade information.

#### Participation in Trade Meetings

In addition to the various committee meetings of our Association, your Secretary attended annual meetings of the U. S. Chamber of Commerce, National Association of Manufacturers of the U. S., National Trade Executives' Association, regular meetings of the Educational Bureau, Advisory Committee, Save the Surface, two simplification meetings at Secretary Hoover's office, Department of Commerce, Washington, meetings of the Joint Committee on 1923 Convention and of Joint Program Committee for the Convention.

#### Market Trends

The Oil, Paint and Drug Reporter inaugurated in April the issuance of a charted analysis of market trends covering sixteen commodities, or closely relating groups, many of which are of particular interest to members of this Association. Believing this afforded excellent opportunity for study, your Executive Committee approved a plan for distributing reprints of these analytical charts to our members. Accordingly the Secretary's office has mailed to each member copies of the charts as they have been issued.

#### Broadcasting Via Radio

Arrangements were made by the Secretary's office with the various local clubs in the Association to broadcast a story—"One Way to Conserve the Nation's Capital." This material was compiled by a committee appointed by Chairman Trigg of the Save the Surface Advisory Committee. At the time the committee was appointed, the suggestion was made and favorably received that the machinery of the N. P., O. & V. A. be utilized in securing the broadcasting.

#### Publicity

Recognizing the importance of publicity in our associational work (aside from that which goes out through our own trade papers), President Atwood this year appointed a National Publicity Committee, the object being to make use of the daily press in various cities throughout the country wherever possible to obtain space in connection with our association activities as well as promotional work of the industry. The Secretary's office has collaborated with the committee in this effort.

#### Conference Between Staff Heads

In April a plan was inaugurated of holding monthly conferences between the Secretaries and Managers of the various Associations and Bureaus in the industry. The gentlemen participating are Messrs. Heckel, East, Gard-

Mr. Maddonald, Pitt and your Secretary. Through these conferences it is felt that much duplication of effort and work will be avoided and greater efficiency obtained.

#### International Relations

At our December Executive Committee meeting Vice-President Henderson of the Canadian Zone reported that while in England he found considerable interest on the part of the industry in that country with respect to Associational and Business Promotion activities being conducted in America, such as Save the Surface, etc. In his opinion there appeared to be opportunity for closer co-operation in the industry between the two countries, and after discussion, the Secretary was directed to extend to the organized agencies of the trade in England a cordial invitation to send a delegation to the next annual convention of the N. P., O. & V. A. The Secretary was also instructed to take this matter up with the Advisory Committee of the Save the Surface campaign, suggesting they communicate with the British Association. Your Secretary wishes to report that considerable correspondence has passed between his office and that of Mr. E. M. Gollance, Secretary of the National Federation of Associated Paint, Color and Varnish Manufacturers of the United Kingdom, London, England, and a representative of that Association is our guest at this Convention.

Our Association was represented at the Annual meeting of the International Chamber of Commerce in Rome, Italy, March 19-26, by Mr. Ludington Patton and Mr. N. B. Gregg.

#### Western Zone Convention

The Second Annual Regional meeting of Western Zone members was held at Del Monte, Calif., June 21, 22, 23. Your Vice-President, Western Zone Vice-President and Secretary attended and participated in the various sessions. The Secretary's office devoted considerable time to the arrangements for this meeting, co-operating with the various local committees. The attendance was very gratifying. At the conclusion of the Convention a meeting of the Executive Committee of the Western Zone was held, and, after careful consideration, it was unanimously voted to hold the third annual regional meeting in Los Angeles during the late winter or early spring of 1924.

#### Trade Mark Bureau

It would be difficult to give any brief summary of the value of the Trade Mark Bureau to the Association, nor is it necessary to do so. More than half of the concerns who are members of the Association use trade marks and under present-day business conditions find that they are very important. The data in our Trade Mark Bureau has been brought up to date and is available to those concerns who request information.

The Trade Mark Committee now has under revision a list of all marks used in the industry. This list will be published and distributed to members in due course.

Your Secretary again wishes to record the appreciation of the officers and membership generally of the untiring efforts of Chairman D. W. Edgerly of the Trade Mark Committee in making this activity of useful service to the membership.

#### Business Promotion

##### "Clean Up and Paint Up"

Practically all of the Paint Clubs have conducted campaigns this year. Although the Financial Committee did not reach the objective it set, the Committee and Executive Secretary have secured a larger amount in contributions than ever before in the history of the movement (see Financial Report of Committee for details).

A notable achievement is the large increase in the sales of Campaign Bureau supplies, indicating the substantial interest of the dealers and painters in the campaign and their willingness to buy supplies at their own expense.

The amount of newspaper publicity received reached such a point that the funds of the Bureau were insufficient to subscribe for the clippings. A conservative estimate is that the amount of free publicity obtained was 50 per cent. more than last year, totaling close to twelve million lines.

##### Save the Surface Campaign

Committees in forty-two Paint Clubs have been actively co-operating this year with the Save the Surface headquarters at Philadelphia. These committees in some thirty cities have held mass meetings of the entire paint trade in the interest of the effort to lengthen the painting season by such measures that will turn periods of dullness into months of activity. This co-operation on the part of the Paint Clubs in bringing together the painters and retailers of the trade in their community is to be commended. Every Paint Club this fall should give consideration to ways of getting rid of the dull seasons.

Two years ago the Save the Surface Campaign launched the objective to "Double the Industry by 1925." It will place before this Convention a recommendation asking the adoption of the objective for next year: "Make 1924 the greatest paint and varnish year and double the industry ahead of time."

With the assistance of local Paint Clubs, Save the Surface Salesmen's Clubs have been organized in eight different cities, making a total of sixteen Salesmen's Clubs whose members are ready to co-operate with the Paint Clubs in all proper trade promotion.

#### Membership

Our membership at the present time is 1,519, an increase of 32 over a year ago. (See report Membership Committee for details.) Chairman Caspar and his Committee have been unflinching in their efforts to mobilize every eligible concern in the industry.

#### Department of Commerce

Secretary Hoover is anxious to bring to the attention of our members the valuable business information services that may be obtained by them through the monthly Survey of Current Business published by the Department of Commerce. The cost is purely nominal, \$1.00 per year. Members desirous of obtaining this service will be placed on the mailing list upon application to the Secretary.

Your Secretary takes this occasion to again thank the trade press for their constant co-operation in the various activities promoted by the Asso-



PAINT PRODUCTS  
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UNDER EVERY CONDITION

## Thirty-six Sixty

If the National Paint, Oil and Varnish Association is privileged to look back with pride upon thirty-six years' activity in its field, we may be pardoned for being a bit chesty about our own sixty years of intensive efforts toward producing better coverings for all surfaces.



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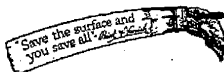
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elation. The year has not only been marked by such special achievements as have been mentioned in this report, but also has been notable for the steady advance of the Association as an agency in not only National, but International, expression of trade opinions. Progress of this kind is possible only through wide co-operation and general contribution of personal effort, both of which we are receiving to a very considerable degree.

The National Paint, Oil and Varnish Association is in the highest sense a clearing house of information based upon the collective practical experience of its members. Good will flows from mutual respect and the friendship of an industry crystallizes around the opinions of its component members who come into close contact with each other through an Association like ours.

Your Secretary is mindful and appreciative of the effective co-operation accorded him by the President, members of the Executive Committee, Directors, Committeemen and other members. The success with which we are meeting in our work is due largely to that co-operation.

#### Visits to Local Clubs

Your President and Secretary have—jointly or separately—visited and addressed forty-one Paint Clubs:

|                                    |                              |
|------------------------------------|------------------------------|
| Atlanta                            | Minneapolis, St. Paul        |
| Baltimore                          | Mobile                       |
| Birmingham                         | Nebraska                     |
| Buffalo                            | New England                  |
| British Columbia Paint Mfrs. Assn. | New Orleans                  |
| Chattanooga                        | New York                     |
| Chicago                            | Philadelphia                 |
| Cleveland                          | Pittsburgh                   |
| Cincinnati, Dayton, Indianapolis   | Portland, Ore.               |
| Colorado                           | Puget Sound                  |
| Columbus                           | Richmond                     |
| Dallas, Fort Worth                 | St. Louis                    |
| Golden Gate                        | Savannah                     |
| Jacksonville                       | Tampa, Knoxville, Montgomery |
| Kansas City                        | Toledo                       |
| Los Angeles                        | Utah                         |
| Louisville                         | Washington                   |
| Memphis                            |                              |

Incidentally, it may be noted this sets another high mark for Clubs visited in one year.

President Atwood:—You have heard the report of your secretary. What will you do with it? The usual course is that it be received and filed.

Mr. Minehart:—I move that it be received and filed.

(The motion was seconded and carried.)

President Atwood:—We will now call for the report of our treasurer, John Pine.

John Pine:—The treasurer is the silent man of this organization. The president,

vice-presidents, and the secretary get to go around the country and travel and eat, as the secretary has just told, but I have to stay at home. All they ever hear from me is "Please remit!" and this is one opportunity I have of getting before you to have a look at you. I was afraid there was not going to be very many present after President Atwood finished his address, but I see they are coming back again now.

### Report of the Treasurer

In presenting the following financial statement your Treasurer takes pleasure in reporting that your Association still continues in a good financial condition and ends up the year, as of October 6,



John H. Pine  
N.P. O. & V.A. Treasurer

1923, with assets of \$11,350.41, the only liabilities being Reserve Funds for the Trade-Mark Bureau, amounting to \$727.72, leaving net Assets of \$10,622.69.

Following is a summary of the fiscal report of your Treasurer:

|                                    |            |
|------------------------------------|------------|
| Cash balance November 1, 1922..... | \$7,079.41 |
| Receipts .....                     | 22,766.57  |
| Expenditures .....                 | 24,895.62  |
| Cash balance October 6, 1923.....  | 4,962.36   |

Outstanding dues have been collected with the exception of a few members who have joined clubs relatively recently.

Your Treasurer would recommend calling the attention of officers of various clubs to the fact that when members are reported as of November 1, clubs are liable for such members, whether they are

retained for the entire year or not, as the National Budget is based on membership reported at the beginning of the year.

Your Treasurer also desires to thank clubs and members generally for the splendid co-operation given him during the year.

President Atwood:—When this report was presented to the Board of Directors it took the usual course and was referred to the Auditing Committee. I would like to have the report of the Auditing Com-

President Atwood:—I think it is in order to have someone move that the reports be received and approved.

Mr. Minehart:—I move that the report be accepted and approved.



D. E. Breinig

mittee before acting on the report of the treasurer.

D. E. Breinig:—Your Auditing Committee has examined the books and accounts of Treasurer Pine and found them to be correct in every detail. The committee desires to compliment the treasurer on his work and for the excellent way in which his books are kept.

(The motion was seconded and carried.)

President Atwood:—Every year that we come here we miss some of the faces of those that were here before. I will now call on O. McG. Howard to present the Memorial Address.

Mr. Howard spoke as follows, prefacing his prepared report:—

### Memorials to Deceased Members

The curfew tolls the knell of parting day:  
The lowing herd winds slowly o'er the sea:  
The plowman homeward plods his weary way  
And leaves the world to darkness and to me.

Through the many lines of this beautiful poem we are conscious that for all its beauty it is saturated with the hopefulness of sorrow. To the contemplative introspective poet of the eighteenth century "the path of glory led but to the grave." Eighteen centuries of Christianity had brought him no nearer the great spiritual lesson of the resurrection than this. Human thought is slow to give up the old material ideas and yet we believe that the current thought of today has risen far above the plane of the "Elegy."

It is fitting and right that we should pause a moment in sympathetic silence for our friends who have gone before. There is a human sense of loss and sorrow which we can best express by silent meditation.

These men stood beside us sharing our work and play, and now they are gone and "the places that knew them shall know them no more."

Each year the list grows. Each year it holds some name which means a permanent sense of loneliness and loss of companionship to some of us, but "how beautiful upon the mountains are the feet of Him that bringeth good tidings." The countless ages of mankind have seen the ever-growing, ever-widening conception of immortality. Now we know that these, our friends, are "not lost but gone before." Those whom we have loved and lost we shall know again.

As each human life itself becomes more spiritual, more beautiful, more consecrated, a little of the vision of the angels is granted it, the veil seems to be drawn aside and to the eye of faith appears the wonders of celestial beauty, the glory everlasting, the visible presence of the infinite omnipotent God, who is the God of love and understanding, the God of sorrow and rejoicing.

May it not be, then, not so much in a spirit of sorrow and deprivation as of recognition and fellowship for these our friends who have passed to their reward, that we arise while the list is read.

(The members arose while the names were read.)

|                         |                        |
|-------------------------|------------------------|
| Andrews, William H.     | Judge, Robert C.       |
| Andrews, Robert F.      | Klipstein, E. C.       |
| Bidstrup, Axel J.       | Kohnstamm, M. V.       |
| Bolce, Louis H.         | Ludwig, Alvah W.       |
| Braun, William F.       | Naylor, Benjamin B.    |
| Brown, George Elliott,  | Phillips, William H.   |
| Charlton, Luther Martin | Putnam, Walter A.      |
| Clemens, Ashton         | Richmond, Maurice J.   |
| Deacon, Arthur R.       | Randall, Frederick B.  |
| Dyer, George T.         | Talbot, William P.     |
| Ellis, Harry P.         | Rudolph, Franklin      |
| Ensley, O. P.           | Taylor, John A.        |
| Hanrahan, William R.    | Tyler, Daniel Gage     |
| Hill, Lew C.            | Wells, Charles F., Jr. |
| Jones, David B.         | Wheeler, Edwin G.      |

#### W. H. ANDREWS

William H. Andrews, Chairman of the Board of Pratt & Lambert, Inc., and a former president of the National Paint, Oil and Varnish Association, for many years prominently identified with the activities of the industry, died at his summer home at Watch Hill, R. I., June 18, 1923.

A host of friends all over the country share in the loss of this genial, public-spirited citizen and business builder. His winning personality ever drew men to him, and this, combined with a generous nature and good judgment, made him a natural organizer. Intensely practical and at the same time possessing a broad vision for business development, Mr. Andrews' counsel

was eagerly sought and appreciated by his colleagues in the various enterprises in which he managed.

Mr. Andrews was a man of great patriotism, and during the war a tireless, enthusiastic worker in the Red Cross, Liberty Loan and subsequent charity drives. His popularity in the paint and varnish industry won him the presidency of the National Varnish Manufacturers' Association and the National Paint, Oil and Varnish Manufacturers' Association, respectively.

As an after-dinner speaker or as toastmaster, Mr. Andrews was ever equal to the occasion. He had the happy faculty of driving home some good sound common sense by telling a story with an appropriate moral.

Like most energetic business men, he also had time for play. In fact, one of his bits of advice was: "Play while you play and work while you work," and he exemplified this in his own life.

The character and career of Mr. Andrews was illustrative of the qualities and pursuits of an able man, energetic and enthusiastic in everything he undertakes, and making manifold activities center upon sound ideas of duty and citizenship.

William H. Andrews was born in Thomaston, Me., November 17, 1860, of an old New England line, going back to the early part of the 17th century. His ancestors were prominent in many of the events which culminated in the war for American independence. William H. Andrews was educated in the common schools of Thomaston and also at the Thomaston Academy.

When 17 years of age Mr. Andrews started his career in the paint and varnish business by entering the employ of Wadsworth, Howland & Co., of Boston. In 1889 he associated himself with Pratt & Lambert, Inc., and during the next ten years he had charge of their Chicago plant, which was built under his supervision. In 1895 Mr. Andrews went to New York City as treasurer of the company and in 1896 he was made general manager as well. He went to England in 1897 and completed negotiations which brought about the association of Pratt & Lambert, Inc., with Messrs. Robt. Ingham Clark & Co., Ltd., of London. In 1907, after the main plant and headquarters were built in Buffalo, Mr. Andrews became president of the company, and in 1917 chairman of the board of directors, a position he held at the time of his death. Prior to his illness he was director of the Citizens' Trust Co., Buffalo, a director of the Mathews Paint Co., Los Angeles, and in a large number of other companies both in Buffalo and elsewhere, as well as a member of many clubs and other organizations.

#### ROBERT F. ANDREWS

Robert F. Andrews, a widely-known figure in the Cleveland paint trade, died November 2nd, 1922, at his home in Cleveland Heights, at the age of 60 years. His birthplace was East Liverpool, O.

For seventeen years Mr. Andrews was a member of the sales department of the Glidden Co., and on January 1st of this year he joined the sales forces of the Ferbert & Schorndorfer Co. Mr. Andrews was closely affiliated with steamship interests on the Great Lakes.

He was a charter member of the Shaker Heights Country Club and was active in civic enterprises.

#### AXEL J. BIDSTRUP

Axel J. Bidstrup, organizer and president of the United States Color Card Co., Chicago, died February 15th at the age of 50. He was a native of Copenhagen, Denmark, coming to this country about 20 years ago. He organized the U. S. Color Card Co. in 1920.

#### LOUIS H. BOLCE

Louis H. Bolce, 73, veteran paint dealer and president, Louis H. Bolce & Co., Cincinnati, died at his home in Hyde Park, a suburb of Cincinnati, on Dec. 22, 1922. Mr. Bolce began his career as a house painter and established the company which bears his name about 40 years ago. He was a member of the Cincinnati Chamber of Commerce, the Cincinnati Paint, Oil and Varnish Club, and Masonic bodies.

#### WILLIAM F. BRAUN

William F. Braun, manager of the Hotopp Varnish Co., of Hoboken, New Jersey, died on July 28. He was sixty-eight years old and had been connected with the Hotopp Varnish Co. for over fifty years and was quite prominent in Masonic circles in New Jersey.

#### GEORGE ELLIOTT BROWN

George E. Brown, vice-president of the Swan & Finch Co., New York, died at his home on January 24. He was born in Newburgh, N. Y., May 31, 1868. There he spent his early life and received his education. He joined the Swan & Finch Co. in 1897 as a salesman and rapidly rose to positions of responsibility. In 1905 he became sales manager, in 1908 he was secretary, and in 1922, vice-president of the company.

#### LUTHER MARTIN CHARLTON

Luther Martin Charlton, president of Blinn & Wolf Co., Philadelphia, died April 12. He was 38 years of age and had been with this company for twenty-five years, being president for the past six years.

#### ASHTON CLEMENS

Ashton Clemens, of the Standard Glass & Paint Co., Des Moines, Iowa, died Friday, August 24. He was born January 27, 1872, on a farm near Omaha, Neb. He entered the paint business at the age of 18, when he became associated with the Kennard Glass & Paint Co.

In 1902 he organized the Standard Glass & Paint Co. The business has expanded until at present it has three branch jobbing houses and retail stores in each of the following cities: Waterloo, Des Moines and Cedar Rapids.

As head of the Des Moines Chamber of Commerce during the years 1916-17-18 Clemens gave largely of his time in war and philanthropic drives.

At the time of his death he was president of the Clemens Automobile Co., a state-wide motor distributing organization; vice-president of the Jaeger Manufacturing Co.; vice-president of the Ankeny Linseed Manufacturing Co.; chairman of the board of directors of the National Law Book Co., and a member of the board of directors of the Bankers Trust Co.

He gave freely of his time to every civic and philanthropic need of his city.

#### ARTHUR R. DEACON

Arthur R. Deacon, treasurer of the St. Louis Surfacor & Paint Co., died at his home in Webster Groves, St. Louis, January 9. He was sixty-four years old.

Mr. Deacon was born at Witham, England, but had been in this country for forty-eight years. He was secretary of the Lambert Pharmacal Co.

He was also vice-president of the Allen-Hanbury Co., Ltd., Toronto, and connected with the Lambert-Deacon-Hull Printing Co., and a prominent member of many social organizations.

#### GEORGE T. DYER

George T. Dyer, vice-president of the Pioneer Cooperage Co. of St. Louis and Chicago, passed away November 15, 1922, in Chicago.

As a young man he entered the office of the Pioneer Cooperage Co., in Chicago, and all his business life had been devoted to their interests. In 1914 he was elected vice-president of the company, in charge of the Chicago factory.

For many years Mr. Dyer was associated with the Paint, Oil and Varnish Club of Chicago. He left the memory of a strong character, a progressive executive, and a faithful friend.

#### HARRY P. ELLIS

Harry P. Ellis, 50 years old, of Lakewood, O., secretary of the Forbes Varnish Co., died March 4. Mr. Ellis came to Cleveland from Milwaukee nine years ago and was one of the organizers of the Forbes Company.

#### O. P. ENSLEY

Oliver P. Ensley, president of the A. Burdsal Co., Indianapolis paint manufacturers, died March 25, at the age of 56. In addition to being president and principal owner of the A. Burdsal Co., Mr. Ensley was president of the Burdsal-Haffner Paint Co. of Fort Wayne, Ind.

He devoted a great deal of time to the A. Burdsal Co., although this was only one of many businesses in which he was actively interested. During the war Mr. Ensley was active personally and gave liberally to the Community Chest and other war-time charities. He was a member of many fraternal and social clubs.

He started his business career at Auburn, Ind., came to Indianapolis in 1890 and took an active part in Republican politics. He was elected treasurer of Marion county twice and served as Republican district chairman for four years from 1904 to 1908.

#### WILLIAM R. HANRAHAN

William R. Hanrahan, secretary of the McMurtry Manufacturing Co., Denver, Colo., died June 3. He was born in Halifax, Nova Scotia, in 1887, and came to the United States with his father in 1891.

As a young man he enlisted in the United States Navy. After being discharged from the navy he went to Kansas City, and three years later, in 1898, to Denver. He at once took employment with the McMurtry Manufacturing Co. In 1911 Mr. Hanrahan was placed in charge of the production department of the company. In 1916 he was advanced to the position of secretary, retaining his authority over production.

#### LEW C. HILL

Lew Cass Hill, president of the John L. Whiting-J. J. Adams Co., brush manufacturers, Boston, died August 24 at his home in the Hotel Westminster, Boston.

He was born at Fair Haven, Vt., in 1852. His boyhood was spent in his native town at Saratoga Springs, N. Y., and at Hammonden, N. J. He learned the iron molders' trade in New Jersey and in 1873 went to Boston to work at his trade. John L. Whiting, having observed the young man's aptitude for figures, engaged him as bookkeeper in his brush business. He made good and was advanced until in 1887 he became a member of the partnership doing business under the name John L. Whiting & Son. When the John L. Whiting & Son Co. was incorporated in 1893 Mr. Hill was made secretary, and in 1908 he became president of the late John L. Whiting-J. J. Adams Co. This position he held until his death.

Mr. Hill served the New England Genealogical Society as counselor and treasurer, and compiled and published a book on the descendants of his ancestor, John Hill, of Dorchester, who landed at Plymouth in 1633. He had been governor of the Society of Mayflower Descendants, and was a member of many historical and other societies. He had served the Paint and Oil Club of New England as both president and secretary.

#### DAVID B. JONES

David Benton Jones, retired capitalist and chairman of the board of directors of the Mineral Point Zinc Company, died at his summer home in Lake Forest, August 22nd, at the age of 75 years.

As president and chairman of the board of directors of the Mineral Point Zinc Co., Mr. Jones was one of the leading capitalists of the Middle West. He founded the Mineral Point Co. about thirty years ago, and merged it with the New Jersey Zinc Co. in a nation-wide organization in 1897.

He was born in Pembrokeshire, North Wales, in 1848. He came to this country as a boy and received his education here, graduating from Princeton University in 1876. He was a close friend of ex-President Wilson's in his under-graduate days—an association which culminated, when Mr. Wilson became President, in their co-operation in several plans. Mr. Jones stayed at Princeton for an A. M. degree in 1879 and then plunged into the zinc industry as a life work.

He went west early, founded the gigantic zinc works at Mineral Point and became first president of the Mineral Point Zinc Co. Later he took up permanent residence in Chicago.

He was formerly a trustee of Princeton University and former president of the University Club of Chicago. At the time of his death he was a member of many well known clubs and organizations.

#### ROBERT C. JUDGE

Robert C. Judge, vice-president of the Penslee-Gaulbert Co., of Louisville, Ky., died at his home March 11, from a stroke of apoplexy.

Mr. Judge was 63 years of age and had spent all his life in Louisville and was prominent in all of its affairs. He began his business career as a clerk

in the Franklin Insurance Co., going shortly afterward to the Peaslee-Gaulbert Co., with which he was connected until his death. Besides being vice-president of this company, he was general manager of the Louisville Lead & Color Co., a subsidiary concern and a director in two of the local banks.

He is survived by his widow and a foster son, a student at Princeton University.

#### E. C. KLIPSTEIN

E. C. Klipstein, former treasurer of A. Klipstein & Co., New York City, died April 29, at the age of 72.

He was a chemist of exceptional ability and a man of wide culture. Born of Revolutionary stock in Marshall, Fauquier County, Va., December 24, 1851, he received his education at Roanoke College, from which he graduated with the degree of A. M.

Mr. Klipstein's interest in the development of the dyeing industry prompted him to found E. C. Klipstein & Sons Co., for the manufacture of colors.

Other concerns with which he was identified were: The Bulls Ferry Chemical Co., the Carbona Products Co., the Manetto Co., and the Warner Klipstein Chemical Co. He was an honored member of many scientific and social organizations.

#### M. V. KOHNSTAMM

Max Victor Kohnstamm, vice-president of H. Kohnstamm & Co., Inc., New York and Chicago manufacturers and importers of chemicals and colors, and manager of the Chicago branch, died July 23, age 60.

He had been a resident of Chicago for thirty-eight years.

#### ALVAH W. LUDWIG

Alvah W. Ludwig, member of the firm of Gamble & Ludwig, paint jobbers, and a resident of Minneapolis for 41 years, died June 10.

Mr. Ludwig was born in Waldoboro, Me., August 5, 1868. He came to Minneapolis in 1882 and entered the employ of the T. K. Gray Drug Co., later forming the firm of Gamble & Ludwig.

He was a member of the Minneapolis-St. Paul Paint, Oil and Varnish Club, the Athletic Club, Rotary Club, Automobile Club, Interlachen Club and the Town and Country Clubs.

#### BENJAMIN B. NAYLOR

Benjamin Naylor, superintendent and vice-president of the Dean & Barry Co., paint manufacturers of Columbus, O., died on June 24 at the age of 70.

#### WILLIAM H. PHILLIPS

William H. Phillips, president of Devos & Reynolds Co., Inc., died February 17, at his home in New York City.

Mr. Phillips was born in New York City in the year 1865 and received his education at the college of the City of New York.

After leaving college he became connected with Devos & Reynolds Co. and continued with this company in various capacities, gradually advancing from one position to another until he became general manager in 1914 and president in 1918. Under his able management as president, Devos & Reynolds Co. showed unusual development and progress. His executive ability brought him many honors. He served as president at different times of the Paint Manufacturers' Association, of the U. S. & National Varnish Manufacturers' Association, president of the New York Paint Club and also of the Drug & Chemical Club.

During the war he was a member of the War Industries Board, giving his time and energy unstintingly to this work.

Mr. Phillips was known throughout the trade as a man of the soundest principles and one whose ideas of business were of the highest.

#### WALTER A. PUTNAM

Walter A. Putnam, vice-president during fifteen of his twenty-two years with the Boston Varnish Co., died at his home in Belmont, Mass., on February 11. He was born in Enfield, Mass., fifty-two years ago and, as a young man entered the varnish trade in Boston, and rapidly rose to the position of vice-president. He was a member of many organizations and a man of the highest character.

#### MAURICE J. RICHMOND

Maurice J. Richmond, senior member of the firm of Richmond Bros., and one of the oldest paint manufacturers in the Middle West in point of experience, died at his home in Covington, Ky., on November 2nd, 1922, of heart trouble. Mr. Richmond had been in the paint business in Cincinnati for the past forty-two years, his manufacturing and retailing concern having been established by him and his brother, Joseph Richmond. Mr. Richmond was one of the charter members of the Cincinnati Paint, Oil and Varnish Club and prominent in business and fraternal organizations.

#### FREDERICK B. RANDALL

Frederick B. Randall, secretary of the Mann Brothers Co., died at his home in Buffalo, March 3rd.

After completing his school training, Mr. Randall entered the employ of Mann Brothers. He was appointed secretary in 1901, which position he held at the time of his death. He was an active member of the Paint, Oil and Varnish Club, and served as treasurer and director of the club. Mr. Randall was held in very highest respect by club members, for his sincerity, dependability and many likable qualities.

#### WILLIAM P. TALBOT

Wm. P. Talbot, one of the founders of Benj. Moore & Co., died at his residence in Brooklyn, N. Y., February 17, at the age of 72.

Mr. Talbot was born in Brooklyn and resided there most of his life and was prominent in civic and commercial affairs. He was with Benj. Moore & Co. for 30 years, serving in various official capacities. He was at one time treasurer of the company and at the time of his death was a vice-president and director, although he had retired from active service six years ago.

#### FRANKLIN RUDOLPH

Franklin Rudolph, vice-president of the American Can Company, died December 28 at Winnetka, Ill. Mr. Rudolph was born in Chicago in 1858. He entered the business world at an early age and built up a large business

as a manufacturer of metal containers, which was absorbed in 1901 by the American Can Company, of which he became a director. Three years later he was made vice-president in charge of operations for the central district. He was a man of the highest character and greatly beloved.

#### JOHN A. TAYLOR

John A. Taylor, 48, vice-president of the Gilman-Chipley Co., New Orleans, died on May 8. Mr. Taylor was born in Wilson, N. C., in 1875, was associated with the Gilman-Chipley Co. for over 17 years and was vice-president for the past eight years.

#### DANIEL GAGE TYLER

Daniel Gage Tyler, who, for fifty-four years, had been prominent in the paint, oil and chemical trade of Boston, and who for fourteen years up to the time of his retirement four years ago was president of the B. & F. King Co., Inc., died at his home in Lexington, Mass., on February 9. He was born in Pelham, N. H., February 28, 1844, and at the age of twenty entered the employ of B. F. King in Boston. When the firm was incorporated eighteen years ago he was elected president and retained the office until his retirement. He was at one time president of the Paint and Oil Club of New England.

#### CHARLES F. WELLS, JR.

Charles F. Wells, Jr., vice-president and treasurer of the National Lead and Oil Co. of Pittsburgh, Pa., died at Cedarville, Mich., on June 11. Mr. Wells was 62 years of age and was born in Pittsburgh and lived there all his life. After leaving school he became connected with the National Lead and Oil Co., of which his father was president. Mr. Wells continued with the company in various capacities until his death. He was a past president of the Pittsburgh Paint, Oil and Varnish Club and a member of many social and business societies.

#### EDWIN G. WHEELER

Edwin G. Wheeler died at his home in River Forest, Ill., on August 1. Mr. Wheeler was a man of force and energy, with an engaging, kindly personality which made for him a great circle of warm and admiring friends. Born in Nora Springs, Iowa, Nov. 25, 1881, he was brought to Chicago by his parents as a child and grew up in the beautiful suburb of Oak Park. He entered the paint trade in 1904, when he joined his father, E. S. Wheeler, in the Wheeler Varnish Works, at that time just succeeding to the business of the Watts-De Golyer Co. He was a great factor in the development of the business.

He was an active member of the Chicago Paint, Oil and Varnish Club, of which he was treasurer at one time.

President Atwood:—This great industry has had a number of factors, all of them being very important. One of the factors performing a very important function is the National Association of Paint Distributors. I believe they are represented here tonight by their president, E. T. Holmes, to whom we extend our most cordial welcome, and from whom we would be glad to have a few words. Mr. Holmes.

#### Greetings from Distributors

E. T. Holmes:—We do feel that perhaps we are to a certain extent a rather well-established cog in the wheel of this great trade organization. Our members, while we are a separate organization, most of us through our local paint clubs are members of the parent association. On behalf of the National Paint Distributors, Mr. President, we assure you that we deeply appreciate your kind words, and that we feel always very much at home when we come to the convention and feel that any recommendation which we make as an association will be given consideration and acted upon with the very best spirit.

It may be that some of us do not realize just the functions of the paint distributor. In the first place, we call our paint distributors instead of paint jobbers, as formerly we were called, because we think perhaps it is somewhat a more comprehensive name, and indicates more clearly just our function, inasmuch as the term, "jobber," has been somewhat abused and is more or less ambiguous.

The distributor simply acts as a middleman, perhaps as an agent, or, we might say, salesman, on commission for the manufacturer. By doing so he relieves the manufacturer of certain overhead expense, and in repayment for that the manufacturer is willing to concede him a certain bonus or differential or commission, as you might call it. These services, of course, include the purchasing of material in larger quantities and the distribution of them to the dealer or the contractor. They also include carrying of credits, and what is still more important, they include that personal acquaintance among the dealers of a certain territory which cannot be obtained from a manufacturer who does a national business.

Our membership is composed of what we consider representative distributors throughout the country. We are just ten years old and we feel that we have made good progress. We feel that we are going to make a great deal more progress. We are working right along the lines of high ethics which are being recommended by the National Paint and Varnish Association. We have had as our president since our organization started some of the best known, well regarded men in the trade.

As to how the present incumbent came into such an office is possibly related by a story as told by Alford Atwood of Minneapolis when referring to a past-president of the United States Chamber of Commerce. The story goes that this man had in his factory a colored man who was absolutely no good; he was lazy and no good in every way, but in spite of the fact he was elected deacon in his church, and this ex-president asked him how it came about that such a good-for-nothing fellow as he was could be elected a deacon in the church.

Sam said:—"Well, you see, there are some pretty bad folks in my church, and I just suspect they had to have some one to represent them."

Now, I don't mean that as a reflection on any of my colleagues in the organization, but it may explain somehow how I came to be here in honor to your invitation.

President Atwood:—We have another very important factor in our industry without which we would be comparatively helpless. That is the man who gets the paint on the place that it has to go. Those men are represented here tonight. That factor is embraced in an association known as the International Association of Master House Painters and Decorators of the United States and Canada. They have three representatives with us. We want to welcome you, gentlemen, and we are very glad to have you with us; we are glad to have your co-operation, and we believe you want ours. We are all working together for a common interest. I would like to hear from the president, Mr. Rubins, if he would be so good.

H. W. Rubins:—It is rather an unexpected duty that falls upon me due to my inexperience at speaking, but I want to say to your chairman and members that it has been a great pleasure to me and very instructive to be brought in contact with the members of the committees that I have met with the past year. If you want to know one reason, I am glad to be here I ask you to read your president's splendid address. I am very glad to be here and as the president of our association I am enjoying the present pleasure. I am looking forward to a very delightful memory of this meeting, and in the name of the master painters I thank you all.

President Atwood:—The secretary has a few announcements to make at this time.

Secretary Horgan announced the names of the sergeants-at-arms for the convention, and that the following would constitute the Press Committees: Chairman, N. T. Stott, New York; O. C. Harn, New York; C. A. Steadman, New York; E. C. Wright, Chicago; G. E. Hackett, Philadelphia.

Following a few matters of minor routine the session was adjourned at 10:30 o'clock.

## Thursday, October 18 Second Session: Thursday Forenoon

The first business session of the National Paint, Oil and Varnish Association (the second session of the convention) was called to order in the ballroom of the Drake Hotel at ten o'clock Thursday forenoon by President Atwood.

President Atwood:—The meeting will

please come to order. The first thing on our program this morning will be the report of the Transportation and Classification Committee by W. J. Pitt, chairman.

W. J. Pitt read the report of the Transportation and Classification Committee as follows:—

## Report of Committee on Transportation and Classification

We are glad to announce a material improvement since our last Annual Report. Transportation conditions are generally better, and with the exception of delay in movement from the West to the Atlantic Seaboard operating conditions are, on the whole, very satisfactory. This desirable state has been brought about through the stimuli of necessity and the firm conviction in the mind of the Carriers' management that further decline in the direction following the post-war period would inevitably lead to political experiments advocated by certain elements that are adjudged highly destructive both of transportation and industry.

In formulating a program of reconstruction the railroads have wisely sought the counsel and cooperation of the public, which has universally been given, and enabled the performance of transportation in an operating sense that is a little short of marvelous. We will not dwell upon the causes of this decadence or recite our opinion as to the reasons why such striking progress toward improvement in operating conditions was achieved with practically the same transportation machinery we have had for several years, but confine ourselves to the improvements that have brought such a high degree of satisfaction and such hopeful promise for meeting the future needs of the Nation.

The Carriers, in April, 1923, launched a program to provide adequate transportation and authorized appropriations for the rehabilitation of the property and renewal of equipment exceeding a billion dollars. In November, 1922, there were 2,595,674 revenue freight cars. Since January 1, 1923, there has been added 116,117 cars, or 4.4 per cent., and there are now on order as of September 1, 1923, 73,906. There were in November, 1922, 74,876 railroad owned locomotives; and there has been added 2,583, or 3.4 per cent.; and there are on order as of September 1, 1923, 1,517 locomotives. The excellent progress the Carriers are making is reflected by the following record of cumulative loading for thirty-five weeks ending September 1, 1923:

|      | No. of Cars Loaded                  |
|------|-------------------------------------|
| 1920 | 29,913,592                          |
| 1921 | 26,754,571                          |
| 1922 | 27,607,701                          |
| 1923 | 33,161,743 (Increase over 1922 20%) |

For the six months ending June 30, 1923, the per cent. of unserviceable to total locomotives was 22 per cent. as against 21.9 per cent. for the same period of 1923. The per cent. of unserviceable of the total cars on line for that period was 8.6 per cent. as against 14 per cent. for the same period of 1922, which shows that considerable progress has been made to repair freight cars for service. The miles per car per day has been increased from 23.9 to 28.3 miles for that period, indicating improved efficiency in conducting transportation. The net tons per loaded car increased from 25.4 to 28.2 tons for that period. This brief analysis speaks for itself and clearly shows the remarkable progress made even in the face of such a slight increase in equipment and slight decrease in repair of rolling stock. It is gratifying to know that such a large measure of cooperation has been given by the shippers and consignees as reflected by the miles per car per day and the tons per loaded car, and your Committee, as in the past, by bulletin and otherwise, strongly urged this cooperation upon our members.

As to the financial side, the operating revenues and expenses for the seven months ending July 31, 1923, as compared with the same period of 1922, also shows steady progress except with the Western lines, and promises to yield sufficient income to enable the Carriers to build up the transportation system as planned through their program previously mentioned. The following statistics are interesting and enlightening bearing on the financial side of the Carriers.

|                                 |      | (By Thousands)   |                   |                  |
|---------------------------------|------|------------------|-------------------|------------------|
|                                 |      | Eastern District | Southern District | Western District |
| Ry. Oper. Revenue.....          | 1922 | \$1,390,202      | \$400,397         | \$1,145,003      |
|                                 | 1923 | 1,746,879        | 471,859           | 1,283,016        |
| Ry. Oper. Expenses.....         | 1922 | 1,116,849        | 312,279           | 907,605          |
|                                 | 1923 | 1,368,971        | 364,332           | 1,028,345        |
| Net Ry. Oper. Income.....       | 1922 | 179,171          | 61,200            | 145,477          |
|                                 | 1923 | 260,002          | 77,624            | 162,110          |
| Perc. Ratio of Expenses to Rev. | 1922 | 80.34%           | 77.99%            | 79.27%           |
|                                 | 1923 | 78.37%           | 77.21%            | 80.15%           |

The net operating income for the first six months of 1923 represents an annual rate of return of 5.64 per cent. on the Carriers' tentative valuation prescribed by the Interstate Commerce Commission as against 4.58 per cent. for the same period of 1922.

The latest report of the Commission shows the number of employees on Class 1 railroads as of June, 1923, as 1,333,929, or 14.7 per cent. over the same month last year. The monthly earnings by groups show practically no change. This increase in the Carriers' forces has doubtless contributed largely to the improved transportation conditions we are now enjoying.

During the year numerous specific rate adjustments have been undertaken by the Carriers and the Commission, but mostly of a general nature. We will deal only with the more prominent adjustments, viz.:

**SOUTHEASTERN CLASS RATE ADJUSTMENT I. C. C. 13494**—The Commission has taken a mass of testimony in this proceeding. Hearings have been closed and the case is now under advisement. It is not expected a decision will be handed down before July 1, 1924. This case is of supreme importance and involves practically all class rates within, to and from points south of the Ohio and Potomac Rivers and east of the Mississippi River, and between those points and Central Freight, Trunk Line and New England territory.

**TRUNK LINE MILEAGE CLASS RATE SCALE**—The preliminary submission of these radically increased rates, particularly on less than car load traffic, was, prior to our last Convention, opposed and are still under revision by the Trunk Line Association Freight Committee. We do not anticipate any substantial change in the principles of construction of the mileage scale to which we objected as presented, and your Committee will doubtless find it advisable to offer objection to their adoption. The salient reasons why they are objectionable are elaborately set forth in our last report.

**EXPRESS RATES**—In our last report we set forth the increase applied for by the express companies before the Interstate Commerce Commission. Hearings were held and the case closed, but express companies have filed a supplementary application with the Commission for an additional increase to offset a wage award to employees of about Six Million Dollars by the United States Railroad Labor Board. The Commission has reopened the case for further hearing. The Commission has held in Decision 12784, Southeastern Express Company versus American Railway Express Company, that joint rates shall be maintained between points on each line regardless of direct single-line routes over either line; joint through routes shall be established and tariffs shall provide for the right of shipper to designate the routing. This subject has been contested by the American Railway Express Company in the United States Court.

**OIL RATES FROM ATLANTIC SEABOARD TERRITORY TO CENTRAL FREIGHT ASSOCIATION TERRITORY**—Your Committee challenged the proposed cancellation of commodity rates before the Trunk Line Freight Committee, and we are pleased to announce that no action has yet been taken by the Carriers to make the increase effective. The subject requires careful watching, however, as in the event the Carriers do publish the increased rates your Committee will unquestionably find it necessary to act to protect the interests of our members.

**OIL RATES FROM PACIFIC COAST PORTS TO CENTRAL FREIGHT ASSOCIATION TERRITORY, ETC.**—Your Committee opposed extensive increase proposed by the Western Lines and we are glad to report that their docket on the subject has been cancelled. This is especially gratifying because it will weaken the attempt by the Eastern Trunk Lines to advance the rates from Atlantic Seaboard Territory to Central Freight Association Territory mentioned in the preceding paragraph.

**NAVAL STORES FROM SOUTHERN POINTS TO NORTHERN POINTS**—This is a very important subject that has required a great deal of attention, conferences, traveling, etc., and involves increased Carrier revenue of hundreds of thousands of dollars, a large proportion of which would fall upon our members. The increase amounts to as much as 70.8% over existing rates, and doubtless would constitute a factor in the final cost of products. The Carriers represented that the advance was necessary to remove certain violations of the Long and Short Haul Clause of the Interstate Commerce Act which have existed for many years, but in reality it is a flagrant attempt to impose unjust and unreasonable rates that would yield an enormous amount of revenue to them.

Your Committee after unsuccessful conferences with the Carriers' Freight Committee towards compromise, found it necessary to organize the opposition among the Naval Stores, Soap, Paper and Paint and Varnish industries. Petitions to the Interstate Commerce Commission to suspend the increased rates were filed and, we are pleased to say, granted by the Commission. Numerous conferences of the traffic representatives of these industries were held to formulate a plan to prevent these grossly unjust rates from becoming effective. The hearing before the Interstate Commerce Commission on the suspension proceedings was held October 1. The rates stand suspended until December 30, 1923, although the Carriers first announced they intended making them effective May 1, 1923.

The importance of this case cannot be over-estimated and your Incoming Committee should take a deep interest in the proceedings to avoid the imposition of heavy transportation charges on these raw materials, as the Carriers are endeavoring to establish.

We have had the full cooperation of the Chairman of the Naval Stores Committee in these efforts.

**RATES FROM NORTH ATLANTIC PORTS TO PACIFIC PORTS ON PAINTS, VARNISH, ETC.**—The Intercoastal Shipping Conference, embracing all lines operating between the North Atlantic and Pacific Ports, has been stabilized, and by concerted action revised the rates on all traffic about 25%, effective August 17, 1923. The United States Shipping Board is a member of this conference. The present adjustment is intended to be temporary, but a further readjustment is contemplated to be made effective at an early date. These rates were demoralized through the breaking up of the former conference and it was to be expected that some increase would have to be made or the service become impaired.

Your Traffic Committee should observe the progress along this line very closely and take steps to prevent excessive increases being made by protest, or formal complaint before the Shipping Board if it finally becomes necessary.

The new rates are:

|                                                    | C. L. | L. C. L. |
|----------------------------------------------------|-------|----------|
| Dry Paint .....                                    | .50   | .35      |
| Paint in Oil or Paste (Cans, Boxed, Barrels) ..... | .65   | .50      |
| Varnish (Cans, Boxed, Barrels) .....               | .65   | .50      |

This adjustment is not entirely satisfactory when the entire paint and varnish schedule is considered, and efforts are now progressing towards bringing about reduction in the entire schedule.

**PULLMAN CHARGES**—The Commission have undertaken an investigation in I. C. C. 14785 "in re charges for accommodation of passengers in parlor and sleeping cars." The United Commercial Travelers of America are urging the elimination of the surcharge which accrues not to the Pullman Company, but to the railroads.

It is the opinion of the traffic representatives, generally, that it is inadvisable to advocate the removal of this charge at the present time in view of the impaired financial condition of the railroads, and the earnest efforts they are exerting at this time to extensively build up the property to render a satisfactory service. It is needless to say that any decrease of this nature must necessarily be placed upon freight traffic, in view of the present rate of return upon the tentative investment being far below that prescribed by the Interstate Commerce Commission.

**PASSENGER MILEAGE RATES**—The order of the Commission establishing a system of script books at reduced rates, protested by the Carriers, and involving a reduction of Sixty Million Dollars per annum, has been carried to the United States Supreme Court, but decision is unlikely to be rendered for at least six months.

**SOUTHEASTERN RATES ON VARNISH**—The Commission has by

I. & S. Docket 1876, suspended to December 2, 1923, proposed increased rates from Chicago, Memphis, St. Louis, etc., to Texas points. The advance was to be made by cancelling the commodity rates, which are now on the paint basis, and applying class rates.

#### Fourth Section Investigation I. C. C. 14941

The Interstate Commerce Commission has entered upon an inquiry as to the administration of the 4th Section of the Interstate Commerce Act, involving the question of the Long and Short Haul Clause, as directed by a Senate Resolution. This is of importance, as it is generally recognized as inadvisable to enforce a strict Long and Short Haul principle regardless of water competition, carrier competition and market competition. Efforts in this direction in the past have met with failure.

Your Traffic Committee are following these proceedings as the adoption of such a principle would work great changes in the present rate fabric of the country.

#### Parcels Post

The Post Office Department has not yet completed its investigation of the cost of administering the Parcels Post Section, but it is anticipated that it will show the service is being rendered below cost. When that investigation is completed the Interstate Commerce Commission will doubtless be requested to authorize an increase in the charges. We have reason to believe that efforts will also be made by the railroads and express companies to curtail the parcels post privileges, especially with respect to the size and weight of the packages, as well as the charge for the service.

#### Valuation of Railroads

Your Committee has closely observed the activities of the Interstate Commerce Commission in the valuation of railroad property, and has collected some highly interesting data on the subject. Great misunderstanding exists upon the part of the public, generally, as to the significance of this work in its relation to the measure of freight and passenger rates, and the return to be allowed the Carriers on their investment.

While the Commission fixed the tentative valuation, for the purposes of a fair return, in 1921 at \$18,900,000,000 (and subsequent improvements have brought this up to \$20,000,000,000) and later prescribed 5% per cent, as a fair rate thereon, the final valuation of such properties on which report has been made show very clearly that the Carriers' Book Investment Account, as well as their Capitalization and other outstanding obligations, are far in excess of the value ascertained by the Commission. A large number of reports of the tentative valuation have been passed without contest by the Carriers and a number are now and will be in litigation for years.

Your Committee deems it inadvisable to give full details in this report, though it has followed the subject closely, and when it assumes a more definite shape should present it to the membership as it is of vital importance to the whole system of transportation and the cost of and the charge for the service.

#### Freight Classification

Your Committee has been in close contact with the Classification Committees and our members who have sought our advice and aid. We are pleased to say that no adverse change is contemplated in our existing ratings, although efforts are under way to secure favorable changes.

#### Bureau of Explosives

Your Committee has co-operated with this department of the American Railway Association to the end of protecting our industry against any efforts to impose a greater burden upon our traffic. A proposal of the Bureau of Explosives to prescribe specifications for tight coopeage containers, is still in suspense, and your Committee is prepared to give assurance that the strict regulations contemplated by the Bureau will not be adopted; that we are co-operating to draft specifications that will be appropriate without imposing any hardship upon our members. Numerous other subjects have been handled with the Bureau of Explosives relating to package specifications, etc.

#### Freight Claim Division American Railway Association

Your Committee has co-operated with this branch of the Carriers' organization, and their report of 1922 shows that the co-operative work they have done with the public has been substantially rewarded by practically cutting in half the loss and damage account of the Carriers.

#### National Transportation Institute

We desire to bring to the attention of our members the National Transportation Institute, whose object is to conduct nonpartisan and impartial investigations and research into every kind of transportation and the relationship of transportation agencies to each other and to Agriculture, Industry, Finance and Commerce and to disseminate the facts thus acquired to the public through the platform, press, educational institutions, motion pictures, and other available mediums, with a definite object of aiding the people of the United States in promoting, co-ordinating and maintaining the most efficient transportation facilities.

This Institute will not in any way become the representative either of transportation agencies, producers, or any special group.

Membership is \$100.00 per year.

It is highly commended by former and present members of the Interstate Commerce Commission and numerous senators and representatives who have taken deep interest in transportation subjects.

Unquestionably all trade associations will take membership in the Institute, and we respectfully recommend that one of our associations do so. For this purpose we would recommend that the National Paint, Oil and Varnish Association, Inc., become a member of the Institute.

At the present time we have no agency of this nature for the purpose of investigation and research, statistical work, etc. If such an Institution existed in the past we would have unquestionably escaped many of the cumulative evils afflicting the transportation system today. Anyone desiring further information of the objects and functions of the Institute will be informed upon application to the committee. We believe the investment a good one.

#### General

Numerous serious transportation problems are now engaging the attention of the commercial interests of the country. These problems are being carefully followed by our Traffic and Transportation and Classification Com-

mittees. Many investigations and rate adjustments have been and are now proceeding, requiring a great deal of labor and traveling, but, on the whole, we are glad to say that the interests of our members have been amply protected in every way. These fundamental problems are receiving the careful attention of our members and we are submitting herewith three appropriate resolutions for consideration, and particularly the one dealing with the agitation of certain elements towards serious changes in the Transportation Act of 1920. We earnestly commend to our membership careful thought on this subject, and believe that the said resolution should be adopted as a declaration of policy.

Your Committee desires to bring to your attention the recommendation in the Committee's last report that an appropriation annually of \$500.00 by each association be made to defray the expenses of these Traffic and Transportation and Classification Committees. This nominal sum has not been exceeded during the past year, and we would respectfully recommend that each association appropriate \$500.00, or a total of \$1,500.00, to cover traveling and incidental expenses of these committees for the ensuing year.

Your Committee wishes to extend their thanks to the secretaries of these associations for the aid rendered by them in carrying on this important work.

#### RESOLUTION

##### THE TRANSPORTATION ACT OF 1920

Whereas, The Transportation Act of 1920 was intended to aid in the rehabilitation of the transportation system of the country in order to overcome the adverse conditions growing out of the World War, and to restore to the public the high character of service at reasonable rates which obtained before that destructive period, and

Whereas, The future prosperity of the Nation depends largely upon the maintenance of efficient and economical transportation, and

Whereas, The carriers have been stimulated and encouraged under the provisions of that statute to adopt a program of rehabilitation, including the replenishing of their equipment and improvement of terminals and proper Maintenance of Way in recognition of the growing needs of the commerce of the country, and are striving in a commendable spirit and under great difficulty to accommodate the greatest movement of tonnage in their history in a satisfactory manner, and

Whereas, The Interstate Commerce Act vests in the Interstate Commerce Commission authority to regulate the service, charges and finances of carrier to a degree that is ample to protect the public, and administers its provisions in a fair and intelligent manner based upon investigation of facts and application of sound principles, and

Whereas, Certain elements are at work to bring about the enactment of ill-advised legislation calculated to arrest the wholesome progress now being made toward restoring the transportation system to a firm and necessary basis in order to meet the expectations of the public and the needs of the Nation, and

Whereas, The future commercial advancement of the country's business depends upon the rendition of safe, efficient and economical transportation,

Therefore be it resolved, That these associations are opposed to any experimental legislation involving change in the Transportation Act of 1920, or any modification of any fundamental provisions thereof, until the operation of the said Act has been given a full and fair trial for at least two years, and

Be it further resolved, That the secretaries of these associations be directed to bring these resolutions to the attention of the senators and representatives in Congress, and the Traffic and Transportation and Classification Committees of these associations be directed to co-operate in carrying out the spirit of these resolutions in their public activities and in their relations with the carriers.

##### RESOLUTION TO AMEND THE SHIPPING ACT OF 1916 TO PROVIDE FOR THE PUBLICATION OF DEFINITE RATES TO AVOID THE ENFORCEMENT OF UNJUST, UNREASONABLE AND DISCRIMINATORY RATES

Whereas, Section 16 of the Shipping Act of 1916 provides "That it shall be unlawful for any common carrier by water, or other person subject to this Act, either alone or in conjunction with any other person, directly or indirectly—

"First. To make or give any undue or unreasonable preference or advantage to any particular person, locality, or description of traffic in any respect whatsoever, or to subject any particular person, locality, or description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatsoever,

"Second. To allow any person to obtain transportation for property at less than the regular rates then established and enforced on the line of such carrier, by means of false billing, false classification, false weighing, false report of weight, or by any other unjust or unfair device or means," and

Whereas, Section 18 of the said Act provides "That every common carrier by water in interstate commerce shall establish, observe, and enforce just and reasonable rates, fares, charges, classifications, and tariffs, and just and reasonable regulations and practices relating thereto and to the issuance, form, and substance of tickets, receipts, and bills of lading, the manner and method of presenting, marking, packing, and delivering property for transportation, the carrying of personal, sample, and excess baggage, the facilities for transportation, and all other matters relating to or connected with the receiving, handling, transporting, storing, or delivering of property.

"Every such carrier shall file with the board and keep open to public inspection, in the form and manner and within the time prescribed by the board, the maximum rates, fares, and charges for or in connection with transportation between points on its own route; and if a through route has been established, the maximum rates, fares, and charges for or in connection with transportation between points on its own route and points on the route of any other carrier by water," and

Whereas, The provision regarding filing of the maximum rates only is calculated to open the door to gross abuse and discrimination against the public and enables the carrier to withhold information as to the rates it is actually charging on the same commodities between the same points for different shippers, and

Whereas, The Interstate Commerce Act regulating carriage by railroad, or

partly by railroad and partly by water, in interstate commerce, requires the carriers to definitely state in their schedules the freight rates applicable to the specific traffic between point of origin and point of destination, which can only be changed on thirty days' notice unless the Interstate Commerce Commission in special cases directs otherwise,

Therefore be it resolved, That these associations advocate that the second paragraph of Section 18 of the Shipping Act of 1916 be amended to read, viz.: "Every such carrier shall file with the board and keep open to public inspection, in the form and manner and within the time prescribed by the board, the rates, fares, and charges for or in connection with transportation between points on its own route; and if a through route has been established, the rates, fares, and charges for or in connection with transportation between points on its own route and points on the route of any other carrier by water," and

Be it further resolved, That the secretaries of these associations be directed to bring these resolutions to the attention of the senators and representatives in Congress, and that the Traffic and Transportation and Classification Committees of these associations be directed to co-operate to secure the passage of this Amendment.

RESOLUTION

To amend Section 15 of the Shipping Act of 1916 to vest in the United States Shipping Board the same power to suspend rates, pending investigation of lawfulness, of steamship companies engaged in Interstate Commerce, as is now vested in the Interstate Commerce Commission as to rates by railway, or partly by railroad and partly by water:

Whereas, Section 15, Paragraph 7, of the Interstate Commerce Act, as amended, provides that:—

"Whenever there shall be filed with the Commission any schedule stating a new individual or joint rate, fare, or charge, or any new individual or joint classification, or any new individual or joint regulation or practice affecting any rate, fare, or charge, the Commission shall have, and it is hereby given, authority, either upon complaint or upon its own initiative without complaint, at once, and if it so orders without answer or other formal pleading by the interested carrier or carriers, but upon reasonable notice, to enter upon a hearing concerning the lawfulness of such rate, fare, charge, classification, regulation, or practice; and pending such hearing and the decision thereon the Commission, upon filing with such schedule and delivering to the carrier or carriers affected thereby a statement in writing of its reasons for such suspension, may suspend the operation of such schedule and defer the use of such rate, fare, charge, classification, regulation, or practice, but not for a longer period than one hundred and twenty days beyond the time when it would otherwise go into effect; and after full hearing, whether completed before or after the rate, fare, charge, classification, regulation, or practice goes into effect, the Commission may make such order with reference thereto as would be proper in a proceeding initiated after it had become effective. If any such hearing cannot be concluded within the period of suspension, as above stated, the Commission may extend the time of suspension for a further period not exceeding thirty days, and if the proceeding has not been concluded and an order made at the expiration of such thirty days, the proposed change of rate, fare, charge, classification, regulation, or practice shall go into effect at the end of such period, but, in case of a proposed increased rate or charge for or in respect to the transportation of property, the Commission may by order require the interested carrier or carriers to keep accurate account in detail of all amounts received by reason of such increase, specifying by whom and in whose behalf such amounts are paid, and upon completion of the hearing and decision may by further order require the interested carrier or carriers to refund, with interest, to the persons in whose behalf such amounts were paid such portion of such increased rates or charges as by its decision shall be found not justified. At any hearing involving a rate, fare, or charge increased after January 1, 1916, or of a rate, fare, or charge sought to be increased after the passage of this Act, the burden of proof to show that the increased rate, fare, or charge, or proposed increased rate, fare, or charge, is just and reasonable shall be upon the carrier, and the Commission shall give to the hearing and decision of such questions preference over all other questions pending before it and decide the same as speedily as possible"; and

Whereas, There is no similar authority vested in the United States Shipping Board, resulting at times in the enforcement of unjust, unreasonable and discriminatory rates by carriers by water in interstate commerce without affording opportunity to the public to protest such rates and without authority on the part of the Shipping Board to investigate such rates before they become effective to determine the lawfulness thereof, and suspend the same, thereby imposing great hardship and injustice upon the public; and Whereas, Said carriers by water in interstate commerce are generally

organized into conferences in particular trades or routes, or between particular ports; and by concerted action and without notice at times enforce said unjust and unreasonable and discriminatory rates upon the public without opportunity to challenge their lawfulness or propriety:

Therefore, be it resolved, That these associations record themselves in favor of an amendment to the Shipping Act of 1916, vesting in the Shipping Board the same power of suspension and investigation of rates by water carriers in interstate commerce as is now vested in the Interstate Commerce Commission with respect to transportation by railroad, or partly by railroad and partly by water; and

Be it further resolved, That the secretaries be directed to bring these resolutions to the attention of the senators and representatives in Congress, and that the Traffic and Transportation and Classification Committees of these associations be directed to co-operate toward the passage of said amendment.

President Atwood:—Mr. Secretary, what was the action of the Board of Directors in regard to this report and this resolution?

Secretary Horgan:—The Board of Directors approved the report of Mr. Pitt, voted him special thanks for the painstaking work he had done during the year, and approved the recommendations contained in the report, also the resolution which has just been read.

Joseph W. Bray:—I make a motion that the report be approved in accordance with the action of the Board of Directors.

(The motion was regularly seconded and carried.) President Atwood:—We will now have the report of the Tariff Committee by Eugene Merg, chairman.

Report of Tariff Committee

The new tariff law has now been in effect for a year. It must be conceded by the warmest advocates of the new law as well as by its most bitter opponents that the past year, with its international disturbances, may not be a fair criterion by which to judge the true effect of the law. Nevertheless, it is well worth while to survey the effects of the Fordney-McCumber Act as far as they may be now recognized.

The cost of living has not been increased. According to the U. S. Bureau of Labor, the average wholesale cost of four hundred commodities is now lower than the average cost of the same commodities was in July, 1922, before the new law was enacted.

The effect on our foreign trade, if it is not yet too early to judge the law from this viewpoint, is shown by the annexed chart, on which the imports of the United States are shown graphically by the dotted line, the exports by the solid line, and the balance of trade by the shaded area when favorable to the United States and by the white area when our imports exceeded our exports in value. The white area which developed and continued throughout this year is noteworthy. It is the first which has occurred since 1914, when it was more limited in extent.

The statistics of imports and exports are as follows:

| Total Imports of Merchandise                  |                 |
|-----------------------------------------------|-----------------|
| 1922 Twelve months ending December, 1922..... | \$3,112,548,772 |
| October (September 22nd to October 31st)..... | 345,082,699     |
| November .....                                | 291,905,785     |
| December .....                                | 293,463,592     |
| 1923 Seven months ending July, 1923.....      | 2,375,253,318   |

| Total Exports of Merchandise                  |                 |
|-----------------------------------------------|-----------------|
| 1922 Twelve months ending December, 1922..... | \$3,831,932,192 |
| October .....                                 | 370,720,154     |
| November .....                                | 380,052,248     |
| December .....                                | 344,425,364     |
| 1923 Seven months ending July, 1923.....      | 2,248,675,214   |

Our average imports for the first nine months of 1922 were in round numbers 242 million dollars worth per month as compared with 339 million dollars worth per month for the first seven months of 1923. Our average exports for the first nine months of 1922 were in round numbers 304 million dollars worth per month, as compared with 321 million dollars worth per month for the first seven months of 1923.

|                     | Imports Per Month | Exports Per Month |
|---------------------|-------------------|-------------------|
| Underwood Law ..... | 242,000,000       | 304,000,000       |
| Fordney Law .....   | 339,000,000       | 321,000,000       |

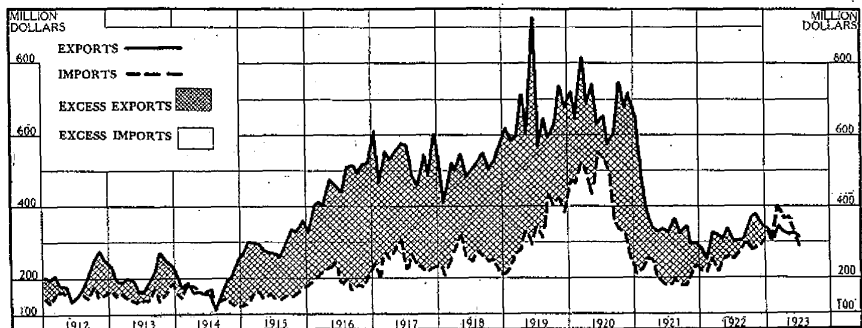
Contrary to the predictions of the opponents of the Fordney-McCumber Act our export trade has grown, and, contrary to the general expectations, our import trade has grown in still larger ratio.

The low tariff advocate must admit that the rates of the Fordney Act are not so high as to interfere with our international trade. The protective tariff advocate fears that the rates are not yet high enough to give adequate protection to the American industries.

Flexibility Feature

The flexibility feature of the new tariff law is an innovation. It was regarded with much suspicion and found its way into the bill only because

Foreign Trade of the United States (Through July, 1923)



(Courtesy Standard Statistics Co.)

of the disturbed financial and industrial conditions of our foreign competitors. By this measure the President is empowered within certain limitations to increase the rates of duty on any commodity if the duty be found insufficient to equalize the differences between American and foreign costs of production; or, on the other hand, to reduce them if found to be excessive.

The Tariff Commission is called upon to ascertain the facts. The scope of the Tariff Commission's activities was greatly increased by the flexibility measure. The work of the Commission is interesting from two points of view:

First: The Commission had hardly been organized before it was flooded with appeals for tariff revisions.

Second: It had hardly begun to function before it reached out for powers which had not been conferred on the Commission by Congress. To date 316 applications for revision have been made; about 100 requested free importation of game birds and the remaining 200 relate to commodities on which thirty-one investigations have been ordered. No case has been completed. The members of this Association are particularly interested in the appeals to revise the rates on vegetable oils and on lead and lead products. Your Tariff Committee considers the interests of the members in this Association too diversified on both questions for the Committee to take active part in the controversies.

The members of the Tariff Commission were not in agreement among themselves as to their powers. One faction wished to construe the law so as to give the Commission power to open the entire tariff question at will, quite regardless of the authorization of the President of the United States. This controversy was soon cleared up by President Harding. His policy was clearly stated in a letter by him to Mr. Wilbur F. Wakeman, dated April 19, 1923, from which we quote:

"I do not think we are going to have any disturbing situation develop in formulating a sane policy for the Commission to follow. I have no thought of allowing the flexibility feature of the Tariff Act to become a dead letter, nor do I have any intention of permitting the Commission to create a situation which will put the American producing world in a constant situation of turmoil."

It is understood that President Coolidge will follow the policy of his distinguished predecessor. We certainly had turmoil enough when every manufacturer and merchant saw in the activities of the Tariff Commission a continuance of the uncertainty that prevailed during the preceding twenty-two months of tariff legislation.

The constant state of turmoil referred to by President Harding against which he wished to guard the American producing world has been so often the situation in which the American business men found themselves that they have looked to other means of tariff revision than the method followed by our Congress. The Tariff Commission idea naturally suggested itself. It was first tried during the administration of President Arthur—40 years ago—but it accomplished nothing and did not again come into prominence until the German Tariff laws had been revised by a commission. After their work had been accomplished we heard of it; because that is all we knew of it we were inclined to regard it as a success. The German Tariff Commission consisted of forty-five members and it took them five years to frame a tariff law. When it was completed the agrarians felt dissatisfied because they had not received protection enough and the manufacturers felt dissatisfied because they felt they had been discriminated against in favor of the agrarians; but on the whole everybody was willing to take the law as it stood rather than go through another period of suspense and uncertainty. Germany was particularly adapted to the Commission method of tariff revision; from the time of the organization of the empire in 1870 Germany had but one tariff policy—a high protective policy. There were changes in schedules, but there was no deviation from the protective idea. The United States, on the contrary, in one hundred and forty-four years since the adoption of our Constitution has changed its tariff policy on an average of once in every nine or ten years—not merely revised its schedules, but actually reversed its policy.

The voters at the polls will determine our tariff policy. When they wish to revise it or to reverse it they will elect representatives and executives pledged to their desired policy. Our laws provide no way by which we can become committed to a fixed economic policy. We must be prepared for periodic revisions; whether these revisions will be more wisely made by the Committee on Ways and Means and the Committee on Finance or by a Tariff Commission is still an open question.

Your Tariff Committee believes it the part of prudence and wisdom to await further experience with the Tariff Commission in its new work on flexibility before extending to it the approval or disapproval of the National Paint, Oil and Varnish Association.

President Atwood:—I am sure we have all enjoyed very much this very clear exposition of the tariff. Mr. Secretary, what was the action of the Board of Directors in regard to this report?

Secretary Horgan:—The Board of Directors voiced its appreciation of the manner in which Mr. Merz presented this subject and also concurred in the suggestion contained in the last paragraph of his report. They referred it to the convention.

President Atwood:—The suggestion contained in the last paragraph is, I believe, that the convention withhold any action of approval or disapproval. What will we do, gentlemen, with the report? Is there any discussion of it? If not, I will entertain a motion for the approval of the report in accordance with the action of the Board of Directors.

Mr. Bray:—I make a motion that we approve the report in accordance with the action of the Board of Directors.

(The motion was regularly seconded and carried.)

President Atwood:—We will now have the report of the Naval Stores Committee from its chairman, Mr. Crawford. I want to say that Mr. Crawford made considerable sacrifice to come here to this meeting. He got out of a sickbed to come here, gentlemen. He has done efficient work and we owe him a great debt of gratitude. Mr. Crawford, will you present your report?

Mr. Crawford read his prepared report on naval stores as follows:—

To that end every effort was made and bills prepared for introduction in 27 States, but, owing to State calendar limitations, and lack of co-operation, we are able only to announce that the laws of two States (Florida, the largest producing naval stores State, and Ohio, the largest consuming naval stores State) are in absolute harmony with the standards established by the Congress.

Copies of these acts have been filed with the Secretary of the Association for record.

Your committee exceedingly regrets its inability to accomplish more, but desires to express keen appreciation for the opportunity which you so graciously bestowed in their selection, in permitting them, individually and collectively, to have been the instrumentality through which expression has been given in Federal and State statutes, of the purpose of this great National Paint, Oil and Varnish Association, Inc., as a trade organization, to serve the public.

Your committee purposely omits commenting upon proposed naval stores freight rate increases, in order that the subject may be more ably presented by the Transportation and Classification Committee.

President Atwood:—This short report represents the culmination of a vast amount of work. Mr. Secretary, what is the action of the Board of Directors with reference to Mr. Crawford's report?

Secretary Horgan:—The Board of Directors approved the report of Mr. Crawford and felt that in accepting and approving it, it is entitled to more than just a passing vote. An expression of thanks was tendered to Mr. Crawford for the year's work he has put in on this activity.

President Atwood:—Gentlemen, do you wish to discuss this report? If not, what will be your action?

Mr. Hennessey:—I move you that, the report be accepted and filed.

(The motion was seconded and carried.)

### Nominating Committee Named

President Atwood:—I would like to announce at this time the Nominating Committee. I hope the gentlemen whom I have selected will serve on this committee, and I think they have a pretty big job before them. They are as follows:— Ernest Trice, chairman; E. V. Peters, P. H. Callahan, F. M. Brininstool, George Henderson, J. A. McNulty.

President Atwood:—We will now call on the Committee on Spray System of Paint and Varnish Application; Herbert Rice is the chairman.

Mr. Rice read the following report:—

### Report of Committee on Spray Systems

The past year has been marked by unusual activity in the Mechanical or Spray Painting Equipment Industry.

Substantial progress has been and is now being made by the Equipment Manufacturers.

One of the outstanding features of the work of this committee has been its close cooperation with the manufacturers of equipment.

At the suggestion of the Chairman, President Atwood appointed Mr. Wm. J. Pitt, Promotion Manager of the Educational Bureau of the Paint Manufacturers' Association of the U. S. and the National Varnish Manufacturers' Association, a member of our committee. Through the efforts of the Promotion Department a conference was arranged at Pittsburgh, Pa., May 22, with practically all of the manufacturers of painting equipment for the purpose of:—

1st.—To bring about closer cooperation between the Paint and Varnish Manufacturers and the equipment manufacturers and better understanding of the problems that confront each group with respect to furthering the use of mechanical equipment.

2nd.—To aid and encourage the equipment manufacturers to greater promotional effort, especially in rural and farming communities, and to determine in what ways the Paint and Varnish Manufacturers can assist to that end.

3rd.—To learn what is now being done along the line of itinerant painting, development of markets, and in a general way, advertising plans, etc.

4th.—To develop the attitude of equipment manufacturers toward greater mechanical improvement to render the apparatus more adaptable to general use.

5th.—To suggest the wisdom of forming a permanent group or association, whereby close contact and interchange of views can be had with the Paint and Varnish Manufacturers, especially in matters common to all, such as legislation, promotion, etc.

This initial meeting was a success and resulted in the formation of a working committee of equipment manufacturers to follow up the various subjects there discussed or that might arise. This meeting was most salutary from any point of view. For the first time it brought the various equipment manufacturers together into conference and established contact with the Paint and Varnish Manufacturers in such a way as to create a feeling of confidence that the latter were really trying to aid the development of the painting equipment, removed prevailing misunderstandings and set up a modus vivendi of incalculable usefulness to both equipment and material manufacturers.

The committee from the equipment manufacturers consists of the following gentlemen, viz:—

W. F. Gradolph, chairman (DeVilbiss Manufacturing Co.).

Howard G. Bartling (Peerless Pneumatic Systems).

H. W. Norman (Paasche Air Brush Co.).

J. Jarvis Freble (Spray Engineering Co.).

C. C. Fredericks (W. N. Matthews Corp.).

A further meeting of this committee with the members of your committee (including Dr. H. A. Gardner, Director Scientific Section Educational Bureau, and Mr. A. H. McGhan, General Secretary, International Association of Master House Painters and Decorators of the United States and Canada) was held at New York, August 15, when the various angles of the entire field of mechanical painting were canvassed.

Discussion at that meeting developed that, while the equipment manufacturers felt it untimely to form a permanent organization of their own to co-operate with the Paint and Varnish Industry, yet the need of that co-operation was manifest and these committees are of the opinion the good work that has been started can successfully be prosecuted if the manufacturers of painting equipment become members of the local Paint Club and/or this Association, and we would respectfully recommend that they be invited by our Membership Committee to join the Association and local Paint Club under the head of "Allied Industries," and further recommend that the incoming President consider—in his appointment for the committee on spray system of paint and varnish application—the names of some of these manufacturers as members thereof.

### Legislation

Legislation was proposed in about 12 states to prohibit or restrict the use

### Report of Committee on Naval Stores

Acting, in so far as it has been possible, in accordance with the resolution presented by the Pittsburgh Club, and adopted by the Convention held at Minneapolis, October, 1913, your committee informs you that the 67th Congress passed and the late President Harding signed the Naval Stores Bill, No. 478, March 2nd, 1923.

Your committee recommended to the Executive Committee the seeming desirability to have the several State Legislatures in session ratify the Federal standards as established by Congress.

of spray painting apparatus, but through the efforts of our Legislative Committee, also the Educational Bureau of the Paint Manufacturers' Association of the United States and National Varnish Manufacturers' Association, manufacturers and users of equipment, etc., these bills were defeated.

Attention, however, is particularly directed to the situation in Wisconsin, which is engaging the efforts of this committee, the manufacturers of equipment, and others. No law has been passed by the Wisconsin legislature, although two bills have, during the past two sessions, been proposed and defeated. In defeating the last bill there was a general understanding that the Wisconsin Industrial Commission would thoroughly investigate spray painting and devise rules and regulations governing same. That Commission, in order to make a thorough and impartial investigation, appointed an Advisory Committee consisting of a representative from the users of equipment in the industrial field, the Master Painters' Association, as a user of this equipment, the Journeymen Painters' Union, the Trades Unions, the U. S. Public Health Service and the Paint Manufacturers, the latter being Mr. F. L. Theurer of the Pittsburgh Plate Glass Company, Milwaukee, Wis.

Numerous meetings have been held and whatever regulations result may be used in other states as a model to regulate the use of mechanical equipment.

Your committee has submitted information in defense of the use of equipment to the Paint Spraying Advisory Committee of the Industrial Commission of Wisconsin. The committee of equipment manufacturers that was delegated by practically all the manufacturers of equipment to co-operate with paint and varnish manufacturers has also made representations to the Wisconsin authorities and offered to send equipment and men to demonstrate the safety, healthfulness, efficiency and economy of painting equipment.

Your committee realizes that it is of the utmost importance that just and reasonable regulations proceed from this investigation and we respectfully recommend that our Legislative Committee be requested to also follow these proceedings and that every influence be brought to bear to thus insure the protection of the spray painting principle.

Notwithstanding the apparent antagonism of journeymen painters in certain localities to the use of this equipment, your committee is of the impression that with greater knowledge on the part of the journeymen painter and realization by him that a great many painting jobs would not be undertaken but for the use thereof, this opposition will in due time largely abate. The prevailing misconception of its usefulness and permanence can only be removed by education and the gradual recognition of its real functions and field, also the realization that hand brush painting is necessary to a great extent through the increased use of paint and varnish by the public.

We are pleased to report that the manufacturers of equipment assure us intensive efforts towards education for the purpose of removing the misunderstanding and breaking down the prejudice which exist in some quarters will be undertaken promptly by them.

#### General

The American Railway Association—Equipment Painting Section—have made a thorough test of the use of the spray gun and their Special Committee on Protection of Steel Equipment highly endorse this means of application. To quote their conclusions:—

"With the knowledge of these facts before us, are we to close our eyes to the great advancement that has been gradually made in the paint spraying devices in the past few years. One of the great objections formally made against the spray was, that the air passing through the paint enamels or varnish left air bubbles in the paint film; and that the moisture in the air was detrimental to paint (Dr. Dudley, Chief Chemist for the Penn. R. R., has advocated 5 per cent. moisture in paint) without admitting this would be beneficial.

"We call your attention to the fact that devices have been perfected that will remove the moisture from the air and spray guns that are now in use that do not in any manner mix air with the paint enamel or varnish, but are only used to atomize them so as to apply a good even coat on the surface to be protected or ornamented.

"Your committee respectfully submits photographs of different classes of railway equipment that have been painted and varnished with 'air guns.' Every coat applied on these jobs except the kniving coat, was applied with 'gun.' Please note the smoothness, depth and brilliancy of the surface on the locomotive tenders in the exhibit.

"In view of our present knowledge of the improvements made and the increased demand for economy, are we fair to our employers, the public, or ourselves in letting our prejudices close all doors to economy except that which leads to uncleanness and disease in turning out equipment that is not only uncouth but unsanitary?

"Your committee, believing that the mind, disposition and to a great extent the health of the individual are affected by their surroundings firmly believe that the traveling public are entitled to have their temporary home (the passenger car) maintained in a cheerful, sanitary condition, recommend that it is the sense of this division of the A. R. A. that the present tendency of destroying the appearance of the passenger carrying equipment is not in accord with good business principles or economy in upkeep."

We have abundant evidence of the progress in various lines of the merits of this method, but it would be too lengthy to detail these instances. One of the outstanding facts in connection with the use of the equipment is that experience has shown that factory operations can proceed normally without interference while painting is being done. We have a good illustration of this in the case of a large paper plant where the delicate process of sizing paper was carried out while the interior of the plant was being painted.

In due time the manufacturers of painting equipment, in cooperation with the paint and varnish manufacturers, will disseminate the information of an educational character setting forth the position of mechanical equipment in the painting field, and our members will have the benefit of these bulletins giving detailed information in particular cases.

We learn that in some states a prominent mail order house is undertaking the painting of farm buildings, silos, etc., furnishing paint, equipment and operators.

#### Conclusion

Your committee feels that, while considerable progress has been made during the past year along all lines relating to the subject, the industry is still in its infancy; that the principle is thoroughly sound, economical, practical and efficient, and has a great future for development; that the operative effort described herein will be fruitful in every way to both equipment and material manufacturers; that by continuing this work along promotional as well as protective lines the mechanical application of our products will be greatly accelerated, and that its adoption generally unquestionably offers the solution of the vexatious problem of the means of application commensurate with our expansion without prejudicing the position of the experienced, skilled painter.

We respectfully recommend:

1st—That the manufacturers of Paint and Varnish give consideration to the advantages to the industry generally by proper recognition of spray painting equipment in individual advertising, wherever possible, and that this fact be impressed upon the advertising departments. Further, that our national advertising be utilized wherever possible to further the use of this method.

2nd—That wherever it can consistently be done, mention be made of the fact that the product may also be applied by a competent operator with suitable apparatus.

3rd—That Sales Managers be requested to familiarize themselves with the merits of machine application and instruct their salesmen thoroughly as to its uses.

4th—That where the particular circumstances permit, and especially on large jobs or industrial work, the advantages of its use be passed on to the consumer.

5th—That purchasers who are contracting painters, when solicited, be informed of this modern labor-saving method and encouraged to examine into the subject.

6th—That inquiries respecting painting equipment manufacturers, and other similar inquiries, be referred to the Secretary.

Herbert Rice:—Since this report was put in print there has come to my notice a magazine article on this subject by Samuel Gompers. He has taken an attitude in favor of machines which possibly may percolate through to the situation which is the subject of this report. I notice there is a copy of this magazine in the chairs this morning, so I will just read that short article.



Herbert W. Rice

Samuel Gompers, president of the National Federation of Labor, and foremost representative of the organized workmen of America, has taken a wise step in coming out strongly in favor of mechanical aids in human labor.

He points out in a recent article in the American Magazine that a labor-saving machine is not a competitor, but an aid to the working man—and that he delays his own progress when he fights it. There is work enough in this world of ours for everybody many times over, and the seasons of unemployment are due to lack of organized distribution of the work, not to the lack of work. Much better conditions will prevail too, when men can be provided with mechanical methods which will prevent overstrain and too long hours.

Every student of history knows that this is only plain common sense, as proved by the historical record of the various labor-saving devices of the past century. Inherent opposition has always been overcome and has perished as a result of its own utility.

We hope the wisdom and vision shown by Mr. Gompers may penetrate to the supposed labor union leaders in the paint journeymen's union who have been trying to pass legislation opposed to mechanical methods of painting. While this legislation is supposedly based on hygienic grounds, every one knows that the real object is to destroy a supposed competition, and there is no real menace either from the standpoint of health or unfair competition.

As the paint business grows the value of paint as a protective coating will become better known. Its use will become universal, and the number of men employed, as well as the period of time they are employed each year, will be far greater than ever before. Mechanical methods of applying paint will be one of the great causes of this increase in the industry, and the wise painter will recognize this condition and adapt himself to it.

Now just what methods the American Federation of Labor had in mind I do not know, but I do feel that we should comment on the fact that there is a possibility that this situation may be developed very largely in case the opposition to its use in some places on the part of the union painters is removed.

Whether or not that is carried out through any formality, I think all of us can assist to the end by educating them to believe in what we have found to be

true—that the use of the Spray System develops business. I think there will be more business developed because there is a lot of business that is done by cheaper machines not perfect enough to do it all. In addition to the work that is done by the machine, there will always be that work that must be done with the brush; so there is work added to the business. Therefore there is more work to be done and the best results will be secured only through good workmen.

A good machine works exactly in the same way as a good brushman. None of us can take a brush and do a good job; because we are not good painters; we have not mastered the art. So it is with the machine; if the machine is of the best it will be helpful all the way round.

The committees of previous years have gone into the other phases of this work, particularly the committee of last year which went into the matter of costs. We have not touched on that subject at all, but it has seemed to us this year that it would be well to have a representative of some good spray equipment bring before us some of the details of this equipment. It was thought that it would be well to have this information given to you firsthand, and that has been arranged. Following your action on this report, C. C. Fredericks, St. Louis, will address you on the subject of "Mechanical Painting."

President Atwood:—You all no doubt, realize the immense amount of energy that has been spent by Mr. Rice and his committee on this subject in an effort to get the practical manufacturers to co-ordinate their efforts and bring them into harmony with our own efforts. Our interests are very largely the same in this direction. What action did the Board of Directors take on this report, Mr. Secretary?

Secretary Horgan:—That it be approved and referred to the convention for its information.

President Atwood:—Do you wish to discuss this subject?

H. P. Fritsch:—I move the report be accepted.

(The motion was seconded by Mr. Felton and carried.)

President Atwood:—Now, as stated by Mr. Rice, we are going to have an address by C. C. Fredericks, St. Louis, on the subject of "Mechanical Painting."

### Mechanical Painting

By C. C. Fredericks

It is a pleasure and an appreciated pleasure to have the opportunity of speaking to you men. It is in deep appreciation of your recognition of mechanical manufacturers in asking me to be here and talk to you. The message I have to give comes from the manufacturers in the form of just a few service planks in the platform of co-operation which has been so ably and so successfully worked out by your fine Educational Committee, and I hope you will take the planks that I may suggest and use them in building that grandstand that you have undertaken more firmly in the public service.

It would be foolish for me at this time to take your time in discussing the economic conditions which are receiving attention from the economists and the general thinking public as to what is best for the mechanical in taking the place of manual.

It is absolutely necessary, in fact, it is imperative, that in every line of endeavor for the working man to continue to earn that ever increasing wage which is necessary for him to have in order to live up to that ever increasing standard of scale of living. It is necessary that he does produce more to earn that wage, and I think fundamentally the mechanical in the line of producing as well as in every other endeavor must come into use in a more increasing degree.

#### Economies of Machine

My attention was called to the fact that even the hod carrier and the wheelbarrow pusher, the two classes of work that were considered barbaric heavily, have

*John Hamilton*

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almost become obsolete by the use of labor-saving devices. It is useless for me at this time to discuss the economics, because they are all apparent and have been demonstrated. They are capable of actual demonstration and need no discussion. So the facts that do need to be mentioned and mentioned briefly are the points which will bring about realization of the mutual aim of the mechanical painting, and its use will not bring about any immediate revolution in painting. It will not make possible those things which are impossible; it will not paint or cover any surface that is to be protected or beautiful, as probably mechanical painting is not divorced from the established rules of general painting; it does not change paint, oil or varnish and their characteristics; it does not change surfaces and their characteristics, and when anyone says that a small tire pump type of compressor will give a sufficient volume of air to properly atomize and propel paint he is creating in the minds of people an idea which is not only wholly improbable but also misleading, to say the least.

As I speak to you this morning I want to suggest to you that the thought that we have agreed upon, when your educational committee asked some of the leading manufacturers to be present at this meeting first in Pittsburgh and second in New York, was why is it that the mechanical equipment over the country does not have a more concerted or more uniform idea of its uses.

There are mechanical painting devices of all kinds. You find them in the basement, in the workshop, in the paint rooms of many and many a master painter in the country. The equipment is probably efficient, but probably inefficient, correct, and still it is not performing the services it was built for. So the leading manufacturers of spray painting equipment want to deliver this thought to you, that we are going to market equipment that is not simply so much machinery, but that is serviceable. We are going to sell and guarantee results. We are going to follow that equipment into the hands of the man with whom it is placed. We are going to make certain statements as to the results and we are going to see that those results are borne out in the equipment.

### Skill Is Still Needed

Mechanical painting is an art, proficiency in which is dependent entirely upon experience, study and practice. To say that any ordinary workman can take mechanical painting equipment, no matter how efficient it is, and produce the same results that can be obtained by a brush painter who has served an apprenticeship of several years is foolish, and foolish in the extreme. To say that the novice with a little outfit in his home can get the same results as the brush painter having several years apprenticeship behind him is equally foolish. But to say that good mechanical painting equipment, properly operated, will produce from three to six times the actual results per man per day and that better results will be obtained by workmen with far less experience can be said and said truly.

Mechanical painting equipment in the hands of men who understand painting materials and surfaces to which you would apply paint, and their preparation and the meeting of the requirements, will bring about results where mechanical painting is applicable which are more economical and more satisfactory than can be obtained by these same men with brushes.

That brings a thought to my mind of something I heard from one of the men yesterday. He said, "Successful painting is not so much a matter of applying a surface covering material as it is a diagnosis and the application of the proper remedies." I think that is so good that I am repeating it to you. This man further went on to say that the duty of work of the painter was not the application of any surface covering material or any material, but was first to analyze the conditions of the surface which was to be covered, and then to bring to that surface in the proper way the proper material to accomplish that result whether it be beautification, protection, sanitation or illumination. So I say that mechanical painting in the hands of the man who is able to diagnose the condition, who understands painting material and surfaces and their preparation, will bring about results which are far more economical and more satisfactory than can be obtained by these same men with brushes.

### Results Which Will Ensur

As sure as day follows night, so surely these things will follow the adoption of the mechanical application of paint and varnish:

- (1) More pay to the skilled artisan.
- (2) Lower costs to the property owner.
- (3) Because of lower costs, more demand for painting, not only to save the surface and for beautification, but for sanitation and illumination as well.
- (4) More skilled men needed to apply paint and varnish.
- (5) More paint and varnish needed, more people required to make them and a greater and wider expansion of your great industry.

The position of mechanical painting at the moment is a conspicuous one, not along in the fact that it has established its place in the industrial world by reason of its economic and basic savings, but because of the realization of those most interested that something must be done to supplement the efforts of the inadequate supply of manual painters.

Finally we wish that the paint and varnish manufacturers, the master and journeyman painters, and the public generally would think of mechanical painting as an art, mechanical painting where applicable as superior to manual painting, because of the results that can be obtained.

This we wish because we know that the thought of the public, of the paint manufacturers, and the master and journeyman painters along this line will mean a better attitude toward mechanical painting on the part of all concerned, and will result in more paint being more efficiently applied, at a less final expense to the public.

President Atwood.—Mr. Fredericks, I have been sitting here trying to find the

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proper adjectives to apply as an expression of opinion of your report. It is interesting. It is forceful. It is illuminating. It is forthright looking. It is everything that it ought to be. And I know that I express the opinion of the convention in saying these things about it. I think you have mustered more forceful presentment of the future in the mechanical means of painting and what is necessary to be done in order to bring it to the place it ought to occupy.

I would like to hear some expression of opinion from some one else, and I am going to suggest that we hear Mr. Fredericks and the men associated with him in this industry a vote of thanks for this splendid exposition.

Horace S. Felton:—I so move you, Mr. President.

(The motion was seconded.)  
John Dewar:—Before we take final action on this very important question, I would like to say a few words. While I am your guest and realize the position as a guest in a measure, I don't know Webster's definition for it, but it appears to me that art is the science of painting the picture or the figure, the fact of doing it well is an art. The fact of applying paint properly is an art.

### Mr. Dewar Evaluates Machines

Mr. Dewar:—The question has been brought before us, and I agree to say very emphatically, that painting by this mechanical or mechanisms machine is an art. I have not thought of it as such. Now what is art? I don't know Webster's definition for it, but it appears to me that art is the science of painting the picture or the figure, the fact of doing it well is an art. The fact of applying paint properly is an art.

Now I accept, and have done so all along the line since its inception, the machine application of paint is a science, and the gentleman who preceded me has spoken in such an intelligent manner regarding the opinion of the convention that I quite agreed with him in almost everything he said. There are some reservations which come in there, but the gentleman has so clarified matters that the reservations have been quite largely minimized.

Now what is the art or the science of painting? Why, the young man when he goes to learn to become a mechanic in the application of paint is taught first to rub his paint well. That is the science of painting. Now there is a difference in painting. There are those who make application of paint to exterior work where it is subject to all of the weather conditions, disintegrating, and so on, and so on. The paint should be rubbed well in and well out, so that the standard pigment meet and become an armor plate to resist the action of the weather in all its different phases.

We have been taught from the beginning that lead and zinc are the principals so far as the pigments are concerned, and linseed oil and turpentine and the smallest amount possible of drier are the essential liquid properties of a paint.

This is a very unpopular statement I am going to make. Up to the present time the manufacture of paint has been the greatest enemy as to the forwardness of the mechanical application of paints by his attitude, taking everything for granted. Now that is not right. In the manufacturers' desire to increase the output and the sale of paint and paint materials to double the output by 1924, they have been led into by-ways and other ways that are very detrimental to the application of paint by a mechanical process. They have taken for granted statements made last year, for instance, before your body, and years prior to that by men who were and do make these mechanical mechanisms for the application of paint, taking simply for granted that it will do it. Now, it won't do it. That has been your greatest enemy.

You want to be sensible in this matter. You want to look at the picture on the side of it. You have been a stumbling-block really to the manufacturers of these devices, instead of an aid. That is a sound strange coming from a master painter who believes in rubbing in and rubbing out. Now, as I state before, and we master painters want to help you. It has its reservations. They have been minimized this morning, through Mr. Fredericks—I believe that is the gentleman's name.

In the last month I received a letter from the executive of a very large company in Pennsylvania in the paint business. They have been very successful within the last few years, and he realized, or rather it was brought to his attention, that the use of paint in their factories and in the mills would add largely to the comfort of the men and would expedite their commodities. They wanted a paint that would yield the very best light possible, agreeable to the men. They said, "Mr. Dewar, come up and let us know just what it is going to cost. Well, now, the idea of my going up here, of course, I could have gone and stated to them, "It would cost you \$100 to paint these buildings inside as the case may be. Some of the buildings were 200 feet long and 60 feet wide. They wanted the walls, the timber work of the ceilings, and all the inside painted. I said, "No, you don't want John Dewar to do that. It would be the same as the case of you." (I don't often say that, but in this case I did.) To take your work and apply lead and zinc. You know, lead and zinc is a principle that we have built on for many years.

I remember I was delegated by the international association of pigments. Sometimes I do these things foolishly and quickly, and I regret at leisure. This night, this morning, I was up about two o'clock in the morning—I was sitting there all alone writing about rosin and turpentine and all that kind of stuff. Finally I got on to white lead. I said a few things on paper about white lead. All of a sudden an inspiration came to me in the words of an old seer:—"For

ten thousand years bright shining is the sun, and we have no less days to seek its praise than when we first began." Now that sounded pretty good to me. It was an absolute rhyme, you know, and I thought I would use it in connection with my white lead.

I went to bed humming, "Ten thousand years bright shining is the sun, and we have no less days to seek its praise than when we first began." I went to sleep on it. When I got up in the morning it was my first thought. It stayed with me until I was at the breakfast table and I was still humming it. I thought, "Ten thousand years, holy smoke! Why the world is not ten thousand years old. I will have to do some investigation." That evening I delved into the archives and I changed my ten thousand to two thousand. You know then I had a foundation. When the other fellow would contradict me I had him on two thousand years. Do you know who the first painter was? We are all sons of him, Noah, the fellow who built the ark. I presume it from a marine insect and the water washing against it he pitched it inside and out, two coats, to preserve it. I don't know how long it took, but pitch was manufactured, whether it was from China wood or what, but there is still domestic gum used today in addition to the China wood oil, and it is pretty good coating sometimes.

Let me get to the question at issue. It is a public service, these men who are devoting their mechanical ingenuity, willing to spend money in the device. It will have a place in public service, and I, as a painter, have to realize it. I don't know whether I want to or not. And to be just and fair with the consuming public I say that the device of applying paint by mechanism is an art, to do it well and not just as a job. There are lots of things which they will never take the place of the brush.

It was stated by a prominent gentleman among you sometime ago—it was never contradicted—that shortly the master painter and his brush will be obsolete, and that everything will be done by mechanical art. It never will be, gentlemen. Let's be sensible in our desire to increase our output by 1925.

President Atwood:—Thank you very much, Mr. Dewar. We got half way up the vote of thanks, and we have the rest of the way and include Mr. Dewar in it now?

Mr. Bray:—I would like to move that we offer a vote of thanks to Mr. Dewar for his very able address.

President Atwood:—I included Mr. Dewar.

(The audience rose in a vote of thanks to Mr. Fredericks and Mr. Dewar.)

Mr. Dewar:—This is rather unexpected. What I did not want to introduce I was fearful I might, and for that reason held myself back on some things I would like to have told you.

Mr. Fredericks:—In the presence of all of you and in behalf of the equipment manufacturers, we would like to discuss with the great organization you represent this subject which I have taken up today, and we would like to have one of the equipment manufacturers present at one of our meetings. I think we can discuss the same subject in a way which I am sure will meet great deal to your organization and to the equipment manufacturers.

Mr. Dewar:—If you can be present at our international meeting in Atlantic City in February, I am satisfied we can find an opportunity and will welcome you to step along the line you have spoken today.

### Proper Use Is Essential

J. M. Callahan:—I would like to say a few words. I was particularly impressed with the remarks of Mr. Fredericks, that the mechanical painting device people are carrying on a line of service. I see that these devices are properly used as long as they are in service. It is not until they are out of service that we have the difficulty that we have encountered before, for instance, with the introduction of the mechanical device. There was sometimes too much moisture and it brought bad results. The consumer has only one conclusion, to write the varnish manufacturer the next day that his varnish was no good. Then along came the air pumps and the shooting guns, which when placed in the hands of unskilled mechanics brought poor results. Sometimes there was a pressure of one pound and sometimes a pressure of forty pounds, which resulted in too much moisture thrown on our nice varnish.

I am very glad to know that the mechanical device people are conducting this kind of service. I have been in the factories with the mechanical devices where they were in very much need of that service. They were not at all inclined to spray varnish. In fact, I think that service they will be rendering a great service to the varnish people and to the consumer more readily to the people who use that equipment.

President Atwood:—Your remarks, Friend Callahan, emphasize all Mr. Dewar and Mr. Fredericks have said regarding the necessity of skilled men in the use of these devices.

I see in the room Mr. Rohl, president of the Varnish Manufacturers Association. I wish he would come up and occupy a seat on the platform.

Chairman of our Legislative Committee, Arthur S. Somers, fully expected to be at this convention. He has not missed one in years. He has been an accident which, while not serious, has prevented his being with us today. So Charles J. Caspar has very kindly consented to read his report.

The convention sent a message of cheer to Mr. Somers, who acknowledged it to us as follows:—

Appreciate very much the kind thoughts expressed in your telegram. Let me in return congratulate the association on the selection of Mr. S. Gregor for president. You keep climbing higher and higher.

Mr. Caspar read the report of the Legislative Committee as follows:—

## Report of Legislative Committee

### Paint Legislation

In accordance with the action taken at the convention of your Association held at Atlantic City during the week of November 15th, 1922, your Committee has given close attention to the introduction of legislation affecting the paint trade, and now begs to submit for your information this report.

Before submitting details with respect to legislation, it would be of interest to know how much and whether serious attention is given to the difficult problems presented to your Committee from year to year.

Some idea of the complexity of its work may be gathered from the fact that during the legislative session of 1923, up to and including May 23rd, there were 44 legislatures in session, of which 43 were regular annual meetings. There were 49,156 bills introduced up to and including the above date. Since that time, a number of bills have been introduced, but it probably would not add very materially to this figure. It is impossible to state accurately how many of these introductions were finally passed and made law, but it is safe to assume that approximately one-third would be a fair estimate. You realize that it would be impossible for any committee to read this number of bills, or even discover from many of the titles any relationship to the interest with which you are concerned.

Happily, however, your Committee has been able to arrange for the segregation of all bills introduced, with the result that only those affecting the paint trade are brought to its attention. It frequently happens, however, on account of the rapidity with which legislative committees sometimes work, and the great mass of legislation proposed, that we are not in as close touch with the progress of bills as would be desirable. Notwithstanding this difficulty we have been fortunate, through the co-operation of local interests, to keep pretty well informed.

The year has been very active, not so much with respect to Formula Labelling Legislation, as with Anti-Spraying Machine Bills, a number of which have been earnestly advocated, but without success. There were in all eight Anti-Spraying Bills presented in as many legislatures and, though a very stubborn effort was made in each case to have these bills passed, the concerted opposition of paint manufacturers, dealers, master painters and others was successful in preventing the passage of any one of them. This is a form of attack that is becoming very popular, and while its effect might not curtail the use of paint, but solely regulate the methods of application, it is the opinion of your Committee that any step in this direction will open the door to other similar and more harmful legislation.

We believe, because of the amount of work involved, that the manufacturers of spraying machines should be called upon to defray a large part of the Committee's expense incurred in combating this legislation. We have no recommendation on this score, but point to the propriety of a closer and more satisfactory arrangement between your Association and the manufacturers of spraying machines.

### Naval Stores

We report with pleasure the success that has attended the efforts of the Naval Stores Committee in finally having a bill passed by Congress and signed by the President of the United States establishing certain standards for naval stores transported under the Interstate Commerce regulations.

Ohio was the first of the individual states to pass a bill practically ratifying the Federal standards, and it is hoped that other states will follow suit, in order that the many vexing questions involved in this industry may be satisfactorily disposed of.

### Formula Labelling Legislation

On Formula Labelling Legislation bills were introduced in the following states:

In California, a bill was originally introduced prohibiting the adulteration of White Lead. Simultaneously, there was a bill introduced requiring Formula Labels on paint, with the result that the issue became somewhat confused and both bills were defeated.

In Colorado, a Formula Labelling Bill was introduced, but failed of passage.

In Florida, an unfortunate situation arose as the result of the effort of some of the paint interests to secure the passage of a so-called Pure Paint Bill. One of the bills introduced was opposed by your Committee on the usual ground, and as well because of certain provisions that would have made a great deal of trouble for even those who advocated the passage of the bill. Without discussing the measure in detail, this bill presumed that every manufacturer or dealer was either violating or intended to violate the law, and there was vested authority in an inspector to examine and open as many packages as he pleased at random, and even to delay the shipment or delivery of goods if he was suspicious about their content, until an analysis could be made and a report received from the State Chemist.

It needs no very great amount of discussion to impress you with the chaotic condition that would result from such interference. Business would be so hampered that a worse condition than any we have heretofore experienced would inevitably result.

Subsequently, three bills were prepared and introduced, each attempting to meet this particular objection, but in no case could your Committee consistently refrain from opposing the passage of any of the measures. The result was that no legislation was enacted.

In Minnesota, a bill was introduced preventing any painter or decorator doing work in the State until after securing a certificate of registration issued to him by a State Examining Board of Painters and Decorators created by the act. It is needless to discuss at length this form of legislation, as its purpose is perfectly obvious. Suffice to say that it was summarily disposed of.

In Nebraska, a Formula Labelling Bill was introduced and urged without success.

In Pennsylvania, a Paint Bill was introduced which seemed to meet with approval of the trade, but your Committee objected to certain of its features with the result that the bill was laid aside.

In Vermont, a bill was introduced modifying the present law by substituting certain officials for those named in the existing act. This bill failed to pass, but even had it passed it would not change existing conditions

except by transferring to the Commissioner of Weights and Measures the powers now held by Town Selectmen and Counselmen.

In Illinois, there were three bills introduced without success.

In addition to the above there were many modifications of existing State laws suggested. As a result of correspondence between the authorities and your Committee the suggestions did not take the form of amendment, but doubtless another season will see some activity along these lines.

The distinguished President of the Chamber of Commerce of the United States, Julius H. Barnes, in an address recently delivered at the annual meeting of the National Association of Insurance Agents on August 22, 1923, calls attention to this growing tendency and points the danger. While his paper directs attention to the growing evil of substituting for responsible agencies theorists with half-baked philosophies and warns against the encroachment upon legitimate business, he urges that organized business "shall endeavor, through a clear understanding, to establish public confidence in the ideals and purposes of legitimate business, and on the basis of that confidence preserve the field of individual opportunity and provide initiatives on which has been created leadership in industrial accomplishment and in social service."

Your Committee is of the opinion that there is common ground upon which there may be discussion of the interests of all involved: the manufacturer, the dealer, the contractor and the public, and is hopeful that there may yet come out of all these sometimes embittering controversies a realization that much time is lost that may better be employed for helpful service. The business man of America is a sportsman and believes in fair play and equal opportunity. Unless there be some such platform erected your Committee, in the light of recent events and with a real apprehension for the growing tendency of the times, is inclined to believe that we will miss the opportunity to secure what is just and fair, and perhaps have forced upon us something that will be destructive to the general interest.

The expense involved has been insignificant, but the energy employed has been considerable. This is not in any sense a suggestion for the surrender of principle, but rather an appeal for co-operation among those now in disagreement in the hope that a situation will result that, while it may not be ideal, will be free from further conflict and disquieting agitation.

We are of the opinion, and urgently recommend, that it would be advantageous to employ a competent person to direct these activities. One with ability and tact whose entire time might be employed toward harmonizing the differences existing between the interests above enumerated, viz: the manufacturer, the jobber, the dealer and the consumer. We regard this as a necessary step and we believe that the investment will prove fruitful in large dividends.

In conclusion, we again testify heartily to the earnest and generous response of all those to whom your Committee has appealed for help during the past year. That so little inimical legislation has resulted is due entirely to their effort.

The report was referred to the Incoming Executive Committee.

President (Arvid) Now, gentlemen, we have come to the end of the morning program, but we have some time left, and we think it would be wise to use it, as we have quite a lengthy program to take up this afternoon, to try to handle now some of the propositions which are scheduled for this afternoon. I am going to call on Mr. Heckel now to present the report of the Simplification Committee, or any other of it.

G. B. Heckel:—I am not going to read the report, but in order that you may understand why I am reading for the committee I will take the privilege of reading the note prefacing the report.

#### Simplification Plans

Mr. Heckel read the note. The subject of simplification is discussed in detail in the report of the paint manufacturers' meeting elsewhere in this issue.

Mr. Heckel:—Now this report is a report of progress with some recommendations presented first to the National Varnish Manufacturers' Association, and accepted by them, and the day before yesterday it was presented to the Paint Manufacturers' Association of the United States and accepted by them.

The simplification program originally proposed last year by the committee has not, as was rather optimistically hoped by many, been found possible of execution in the time limit placed. It was hoped and expected that this program could be put into effect by the first of January, next, but, as explained in the report, the committee adopted a program which had already been experimented with successfully during the war. The conditions during peace are very different.

During the war on the recommendation of the leading paint manufacturers the war economy board put into effect a program of simplification which had behind it the power of the government to curtail transportation and other necessities vital to the business. Therefore, the program was very easily put into effect. The experience with that

program during the war proved that it was a very reasonable and very economical, practical program. However, in times of peace the program which may be made effective by the work of the government, it is not so easily put into effect in an industry involving manufacturers.

The committee concluded that before attempting to put such a program into general effect there should be a complete survey of the industry and possible modifications of the program to meet the objections. They have also recommended that the paint and varnish industry for the purpose of statistical information be divided into two distinct industries.

Briefly, it was recommended by the Paint Manufacturers' Association and the National Varnish Manufacturers' Association that the committee be continued, that a committee on this subject be constituted, that a sufficient study be given to the matter in an effort first of all to ascertain what is practicable in the way of simplification and then as speedily as possible to call a conference of those interested manufacturers, distributors and consumers, as far as they can be presented, that such a conference be called at the Department of Commerce in Washington and the work carried on from the point that is now reached on a basis which may then be found practicable, and with the hope that the simplification program may be put into effect probably by the middle of the coming year.

There is no doubt, on the other hand, as this report points out, that the mere inquiry into this subject has led to a very widespread program of simplification by individual manufacturers. There is also a very general conviction among manufacturers that these industries need simplification in some respects. Every manufacturer is probably agreed that his competitor needs considerable simplification. The object will be to get all conflicting interests together and to adopt some program that will be general and mutually satisfactory and which will ultimate in public service.

The prepared report of the Committee on Simplification, G. A. Haase, Chairman, was as follows:—

### Report of Simplification Committee

Note: After a joint conference in Washington, the Chairman of the Joint Committee placed his correspondence in the hands of the Secretary of the Paint Manufacturers' Association of the U. S. and the National Varnish Manufacturers' Association, with the request that he take charge of the details of the work in conjunction with the Department of Commerce; and under date of September 17th, the Chairman requested the Secretary to furnish the data necessary for completion of the Committee's report. The following is the result:

The movement looking towards simplified practice in the paint and varnish industry was inaugurated, we believe, by an appeal made by the National Hardware Association to Secretary Hoover, the reasons for this appeal being fully set forth in the report of your committee to the last annual meeting of these Associations.

Secretary Hoover presented the arguments and requests to the President

of the National Paint, Oil and Varnish Association, Mr. E. T. Trigg, and Mr. Trigg responded by appointing a joint committee representing all organized interests.

The report presented by your committee last year embodied a survey of the Hardware Trade, which was shown thereby to be overwhelmingly favorable to the readoption of the war-time schedule.

Accordingly, your committee recommended the adoption of this schedule, which recommendation was approved by the Paint Manufacturers' Association of the United States and the National Varnish Manufacturers' Association.

To your present committee was entrusted the duty and responsibility of securing the acceptance of this program by the members of the industry.

When it appeared to your Committee that a sufficient percentage of the industry had expressed themselves as favoring the proposed program, a joint conference of representatives of all interests concerned was called at the Department of Commerce on April 25th, 1923, and after full consideration, the original program, as proposed by the Committee and endorsed by the two Manufacturers' Associations, was unanimously adopted, to be effective January 1st, 1924, subject to annual revision.

The conferences and negotiations leading up to this result are set forth in the summary report hereto appended. (See Appendix "A.")

Acting as the personal representative of Secretary Hoover, the Secretary of these two Associations, under date of June 13th, issued to all paint and varnish manufacturers in the United States, a letter accompanied by a return pledge to be mailed to Secretary Hoover, adopting the program in its entirety. (See Appendices "B" and "C," hereto attached.)

At the final conference in Washington the only item of the Committee's schedule that encountered serious opposition was the proposed elimination of half-gallon cans; especially on the part of the varnish manufacturers; and though the schedule was finally adopted in its entirety. However, on May 24th, shortly after the Washington conference, the Educational Bureau met, with members of the two Boards of Directors, in Chicago, and there the necessity of the half-gallon can was strenuously urged by the varnish manufacturers, with the result that the following resolution was adopted, and the Secretary was instructed to include the information in his letter asking for pledges:

Resolved, That the Simplification Program as presented be adopted, with the exception of the proposed elimination of half-gallon cans for varnishes and enamels (including floor enamels).

This information was included in the Secretary's circular letter of June 13th. (See Appendix "B.") The Department of Commerce received 95 responses to this inquiry, of which 18 gave full acceptance to the program and 45 accepted all items of the schedule excepting the elimination of the half-gallon can.

Since the total number of manufacturers involved is about 500, the percentage of responses was too small to warrant action. A second letter was, therefore, addressed to the list, urging attention. (See Appendix "D.") This letter brought a few additional responses, but not nearly enough to warrant further procedure by the Department of Commerce.

The most noticeable feature of the matter, however, was the absence from these responses of several of the largest paint manufacturing concerns, without whose support any important simplification would be impracticable. Direct correspondence with these houses indicated general approval of the movement for simplification, but objecting vigorously to some details of the proposed schedule.

This situation was discussed at a meeting of the Educational Bureau, with members of the Boards of Directors, at Providence, on August 2nd, and a Committee was appointed to confer with certain of these manufacturers. The results of these conferences are set forth in the report of the Chairman of this Committee to the Secretary of the Association, as follows:

"I regret to advise you that the Committee of the Bureau which considered the question of Simplification has been unable to accomplish any result. The manufacturers who insisted upon continuing the half gallons were unwilling to drop them, and I, personally, feel that that is the big part of the Simplification Program. The percentage of manufacturers who were willing to carry this out was so small that they were unwarranted in attempting to do so.

"I am now, as I have always been, in full sympathy with the Simplification Program, but am convinced from our experience during the past several weeks that until the demand becomes insistent from the retail merchants and, particularly, the Retail Hardware Dealers' Association, the manufacturers cannot muster a sufficient number to force simplification on the dealer. I should like to see a Publicity Program to the Retail Hardware Dealers of the country which would convince them of the desirability of simplification, and I am sure that when the manufacturers once realize that there is such demand it will be a simple matter to put it into effect."

In view of the situation the Department of Commerce has declined to proceed further until the sentiment of the industry is better defined, more unified and more nearly unanimous.

During the year an attempt has been made to make a survey of the industry in regard to the importance in trade of certain items to the elimination of which most serious objection has been made, and the result of this survey will be at the disposal of our successors.

Meanwhile, though it has been found impracticable by the Department of Commerce to declare the proposed schedule effective "not later than January 1st," as expected, the mere agitation of the subject has called the attention of manufacturers to the economic necessity of reform in many directions and has had a noticeable effect.

Our conclusions and recommendations, which are in conformity with the views of the Department of Commerce, are as follows:

1. The economic need for simplification in both the paint and varnish industry is obvious, and therefore the effort to bring about substantial reduction in sizes, varieties, etc., should be continued.
2. Since the requirements of the two industries are separate and non-concordant, they should be regarded in future work on the subject as separate industries.
3. The products of these industries being very numerous and highly diversified, proposed steps in simplification should be taken one at a time, progressively.

4. As starting points, we would suggest liquid house paints, in the paint industry, and architectural varnishes in the varnish industry—in other words, what are usually known in the trade as “shelf goods.”

5. In these two lines we would suggest a preliminary survey of each industry, on which practical and generally acceptable recommendations may be based.

6. In this survey should be included, in addition to the subjects of can sizes and varieties of tints, shades, etc., information as to the number and relative importance of “grades”; diversity in dimensions of cans of the same volume; diversity of names used for identical products, etc.

7. That on the completion of these surveys, our successors prepare a program of simplification along the lines indicated as desirable and feasible.

8. That if this program meet with the approval of a substantial majority of those concerned, the Department of Commerce be requested to call a general conference of all parties at interest with a view to the final adoption of a practicable program.

We believe that the course of procedure suggested would lead to important reforms in the industries, affording the relief originally prayed for by the Hardware Association, and effecting important economies for the consuming public.

As you are aware, the program adopted by your original committee and recommended later by us, was that in force, for these industries, during the World War. This program, while in force, was maintained by the power of Government agencies over preference in fuel, raw materials and transportation, reinforced by the patriotic sentiments of all good citizens. Voluntary acceptance of restriction during times of peace stands upon an entirely different basis. The reasonableness, desirability, feasibility and economic advantages involved must be made clear and convincing to each unit affected thereby; especially since the only interest which the Government Department of Commerce has in the subject is to reduce waste—“lost motion”—in American industry and thus make it more efficient in service and more economical operation.

Your Committee is fully convinced that the War Program, which was the concrete result of an extended survey, was and remains a logical and proper program; but if it is not acceptable to the majority without modification, it should be modified to meet reasonable objections based on actual knowledge of facts and conditions.

In conclusion, your Committee wish to express their deliberate conclusion that simplification is most desirable in these industries and generally desired, and to express the hope that the necessary step will be taken promptly to carry the proposed reform into practical effect.

#### APPENDIX A

Summary Report of the Paint and Varnish Industry Conference  
Held at the Department of Commerce April 25, 1923

Contents: Personnel in Attendance, Resolution Adopted,  
Abstract of Proceedings

Personnel of Conference on Simplifications of Paints, Varnishes and Containers, held at the Department of Commerce, Sept. 11, 1922:

E. F. Hancock, Louisville, Ky., President, National Varnish Manufacturers' Association.

S. R. Matlack, President, Geo. D. Wetherill & Company, Philadelphia, Pa.

O. A. Hasse, Vice-President, The Glidden Company, Reading, Pa.

A. D. Graves, General Manager, Pratt & Lambert, Inc., Buffalo, N. Y.

George V. Horgan, Secretary, National Paint, Oil and Varnish Association, Inc., New York City.

Ernest T. Trigg, President, John Lucas & Company, Inc., Philadelphia, Pa.

C. H. Casey, Jordan, Minn., President, National Retail Hardware Association.

Hamp Williams, Hot Springs, Ark., Vice-President National Retail Hardware Association.

Herbert P. Sheets, Argos, Ind., Secretary-Treasurer, National Retail Hardware Association.

E. W. McCullough, Manager, Fabricated Production Department, Chamber of Commerce of United States, Washington, D. C.

P. E. Holden, Fabricated Production Department, Chamber of Commerce of United States, Washington, D. C.

P. G. Agnew, American Engineering Standards Committee, New York City.

Wm. A. Durgin, Chief, Division of Simplified Practice, Department of Commerce.

Ray M. Hudson, Division of Simplified Practice, Department of Commerce.

Officials of Paint and Varnish Manufacturers' Association and Representatives of Manufacturers:

Butler, Andrew S., Buffalo, New York, McDougall-Butler Co., Inc.

Calman, Henry L., 110 William Street, New York City, Emil Calman & Co.; also President National Assn. Varnish Mfrs.

Cook, Chas. R., Kansas City, Missouri, Cook Paint & Varnish Co.; also President, Paint Mfrs. of U. S. A.

Gardner, H. A., Washington, D. C., Inst. of Industrial Research.

Graves, A. D., 75 Tonawanda Street, Buffalo, New York, Pratt & Lambert, Inc.

Green, F. S., Pittsburgh, Pennsylvania, Pittsburgh Plate Glass Co.

Hancock, E. H., Louisville, Kentucky, Louisville Varnish Co.

Heckel, G. B., Philadelphia, Pa., Secretary Paint Mfrs. Assn., and Natl. Varnish Mfrs. Assn.

Hinton, E. O., No. 9 East Hamilton Street, Baltimore, Md., Berry Brothers, Inc.

Horgan, Geo. V., Secretary, 342 Madison Avenue, New York City, National Paint, Oil and Varnish Assn., Inc.

Levenhagen, R. W., Cleveland, Ohio, The Glidden Co.

Matlack, S. R., 113 Arch Street, Philadelphia, Pa., Geo. D. Wetherill & Co., Inc.

Nemzek, L. P., 3500 Grays Ferry Road, E. I. Dupont de Nemours Co., Philadelphia, Pa.

Pulsifer, L. Valentine, 456 4th Avenue, New York City, Valentine & Co.

Roh, Charles J., 224 McWhorter Street, Newark, New Jersey, Murphy Varnish Co., Varnish Mfrs. Assn.

Schumann, Carl J., Marey & Flushing Avenues, Brooklyn, New York, Hilo Varnish Corporation.

Woodbridge, S. B., Wilmington, Delaware, Paint Mfrs. Assn., E. I. Dupont de Nemours Co.

Zehring, W. O., Dayton, Ohio, The Lowe Brothers Co.

Representatives of Jobbers' Associations and Retailers' Associations, Trade Press and Special Representatives:

Agnew, P. G., American Engineering Standards Committee, 29 W. 39th Street, New York City.

Birge, Arthur B., Seymour Mfg. Co., American Hardware Mfg. Assn., St. Louis, Missouri.

Casey, C. H., Jordan, Minnesota, National Retail Hardware Assn.

Dipman, Carl W., 912 Broadway, New York, Good Hardware.

Donaldson, W. H., Philadelphia, Pa., John Lucas & Co., Inc.

Downey, W. W., Hotel McAlpin, American Hotel Assn., New York City.

Dyer, Herbert A., Hotel Biltmore, New York City, American Hotel Assn.

East, Arthur M., 507 Bourse Bldg., Save Surface Campaign, Philadelphia, Pennsylvania.

Flynn, Thos. A., 609 C Street N. W., Washington, D. C., National Association Paint Distributors, W. H. Butler Co.

Hacker, Col. T. B., 2216 Munitions Bldg., War Department, Washington, D. C.

Harris, A. L., 723 17th Street N. W., American Institute of Architects, Washington, D. C.

Hanline, Leon A., Baltimore, Md., Hanline Bros.

Heydon, H. R., 19 Park Place, New York, National Association of Purchasing Agents.

Holden, P. E., Fabricated Production Dept., Chamber of Commerce of U. S., Washington, D. C.

Morton, Ben R., Munitions Bldg., Planning Branch, Washington, D. C.

McGhan, A. H., General Secretary, Master Painters' Association of U. S. and Canada, Washington, D. C.

Rouzer, H. D., Bureau of Yards and Docks, Navy Department, Washington, D. C.

Scott, A. Lincoln, American Hotel Association, Chicago, Ill.

Sheets, Herbert P., National Retail Hardware Association, Argos, Ind.

Tingle, Leonard, 912 Broadway, New York, Good Hardware (publication).

Walker, Percy H., Bureau of Standards, Washington, D. C.

Williams, Henry, Bureau of Construction and Repair, Navy Department, Washington, D. C.

Wm. A. Durgin, Chief, Division of Simplified Practice, Department of Commerce.

Ray M. Hudson, Technical Assistant, Division of Simplified Practice, Department of Commerce.

H. R. Colwell, Division of Simplified Practice.

A. E. Foote, Division of Simplified Practice.

#### PAINTS, VARNISHES AND CONTAINERS

In accordance with the unanimous action of the joint conference of representatives of manufacturers, distributors and users named on the preceding pages, the United States Department of Commerce, through the Bureau of Standards, recommends that the recognized shades and tints of paints, varnishes, enamels and stains be reduced to the following list, and that the containers indicated below be eliminated:

One-half gallon cans of all types be discontinued and all sizes smaller than one-half pint, except on stains, gold and aluminum paints and household enamels.

Two and three pound cans to be eliminated.

Paints to be eliminated in house paints, flat wall paints and porch paints.

All sizes less than gallons to be eliminated for barn and roof paint and shingle stains.

Oblong or square varnish cans to be entirely eliminated in sizes smaller than gallons.

Shades and Tints Limited as follows:

|                      |    |
|----------------------|----|
| Floor paints         | 8  |
| House paints         | 32 |
| Flat wall paints     | 16 |
| Enamels              | 10 |
| Porch paints         | 6  |
| Roof and barn paints | 4  |
| Shingle stains       | 12 |
| Carriage paints      | 8  |
| Oil stains           | 8  |
| Varnish stains       | 8  |
| Spirit Stains        | 14 |

(All of the foregoing exclusive of black and white.)

Oil colors 32 |

(Including black, but counting the several shades of a single color as one color.)

Architectural varnish (interior and exterior) 10 |

Marine varnishes 4 |

Miscellaneous 28 |

(Including all not specified above, such as Japan driers, asphaltum, etc.)

Effective January 1, 1924, subject to annual revision.

#### OBJECT OF CONFERENCE

The excessive varieties in shades and tints of paints, varnishes, enamels and stains, the use of unnecessary sizes and types of containers, the necessity of reducing the process of manufacturing to the lowest possible cost, the desirability of eliminating every possible waste in the industry and determining the possibility of simplification in the paint and varnish industries, prompted the manufacturers, distributors, wholesalers and retailers of paints, varnishes and allied products to ask the Division of Simplified Practice to call a conference of representative groups to determine the advisable simplifications possible in these industries.

## HISTORY OF PROCEEDINGS LEADING TO THE FINAL CONFERENCE

As a result of a conference between Mr. E. T. Trigg, President of the National Paint, Oil and Varnish Association, and Secretary Hoover, a Joint Committee on Simplification of the Paint and Varnish Industries was appointed, consisting of three varnish manufacturers, four paint manufacturers and one paint jobber. The Committee appointed was as follows: W. A. Alpers, J. B. Lord, L. F. Collister, S. R. Matlack, A. D. Graves, E. H. Hancock, O. S. Haase, Chairman.

At the request of this Committee an informal conference was called by the Secretary of Commerce to discuss possible simplification of paints, varnishes and containers, on September 11, 1922, at which the personnel as shown on page 1 were present. The purpose of this preliminary conference was indicated in the following quotation from Secretary Hoover:

"It is certain that there are a great many articles of every day use in which the manufacturer would indeed be glad to undertake some co-operation in standardization, from which the savings in national effort would be interpreted not into millions, but into billions of dollars. This does not mean that we stamp the individuality out of manufacture, or invention, or decoration; it means basic sizes to common and every day things."

"As a result of this conference it was agreed that surveys should be made by each Association represented, to show the varieties in container sizes and the relative demand for colors, the findings to be presented at a general conference of manufacturers, distributors and users to be called as soon as those in charge find it possible.

The results of these surveys were presented at the annual convention of the National Varnish Manufacturers' Association and the Paint Manufacturers' Association of the United States, at Atlantic City on November 15, 1922.

In reply to a questionnaire issued by the National Retail Hardware Association, as to whether Simplification of paints and varnishes was desirable, out of 2,765 replies, 2,718 answered in the affirmative and 47 negative.

To further strengthen the basis for eliminations of paints and varnishes, the National Association of Paint Jobbers issued the following questionnaire, the replies to which are listed below:

1. Do you favor proposed elimination of sizes and limitation of number of shades on items as described in Bulletin No. 21, attached?
2. If you take any exceptions to this schedule, please state them.
3. Do you believe the dealers in your territory will co-operate in this plan?
4. How many shades of the following lines do you now regularly carry?

House paints .....  
 Floor paints .....  
 Flat wall paints .....  
 Barn and roof paints .....

5. Have you individually eliminated any of the sizes suggested in this bulletin for your stock?

(b) If so, name them.

Remarks:

Date..... Signed.....

Question 1: "Unqualified yes," 55; "Yes with exceptions," 22; no, 8; no vote, 1; total, 86.

Question 2: Favor reduction of colors, but no elimination of sizes, 3; object to dropping one-half gallons, 10; object to dropping pints, 4; object to dropping one-half pint varnish, 7.

"Exceptions": One-half floor paint, 1; one-half enamel, 3; flat wall in pints, 2; enamel in pints, 3; house paint in pints, 2; barn paint in one-half gallons and one-quart, 4; one-half pints varnish remover, 8; one suggestion to eliminate 25-pound cans of oil colors.

Question 3: "Unqualified yes," 73; don't know, 3; doubt it, 1; no, 5; no vote, 4; total, 86.

| Question 4:             | Max. | Min. | Average |
|-------------------------|------|------|---------|
| No colors carried ..... | ..   | ..   | ..      |
| House paint .....       | 43   | 14   | 28      |
| Floor paint .....       | 13   | 5    | 8       |
| Flat wall paint .....   | 24   | 6    | 16      |
| Enamel .....            | 20   | 2    | 6       |
| Barn paint .....        | 9    | 2    | 4       |

Question 5: (a) Yes, 27; no, 54; (b) Only two or three on war-time basis, others have dropped some, mostly in roof paints, stains and colors in oil.

The results of these surveys were presented at the annual meeting of the National Varnish Manufacturers' Association and the Paint Manufacturers' Association of the United States at Atlantic City, November 13-15, 1922, with the recommendation that the schedule of shades and tints, and sizes of containers worked out and put into definite operation by the War Service Committee of the paint and varnish industry be adopted as the present recognized practice of these industries.

Upon presentation of this report the following resolutions were adopted:

## RESOLUTION UNANIMOUSLY ADOPTED BY THE PAINT MANUFACTURERS' ASSOCIATION OF THE UNITED STATES AND THE NATIONAL VARNISH MANUFACTURERS' ASSN.

Resolved, That this Association is in favor of a program of simplification as outlined by the Committee, for a beginning, and that the matter be referred to the Incoming Board of Directors for tangible action.

Resolved, That this Association go on record as favoring a simplification program, and that as a starting point, the following practices be put in use:

That for clear varnishes in quarts and smaller sizes, round cans be used for the store trade; that the number of architectural varnishes, interior and exterior, be limited to 10; that auto and carriage varnishes and japans be limited to 12; that marine varnishes be limited to 4; and that miscellaneous varnishes, including all varnishes not specified above, such as japan driers, asphaltum, etc., be limited to 28.

The report of the Simplification Committee, together with the surveys of the National Retail Hardware Association and the National Association of Paint Jobbers was sent to the entire paint and varnish industry asking for

individual approval or disapproval of the recommendations made in this report.

The replies received were of such a nature as would indicate that the dominant manufacturers of paint and varnish were decidedly in favor of the acceptance of the report as presented and approved by the conventions. Upon the request of the two associations, the National Varnish Manufacturers' Association and the Paint Manufacturers' Association of the U. S., the Secretary of Commerce was requested to call a meeting of manufacturers, distributors and users of the paint and varnish industry, for the purpose of determining upon a schedule of shades, tints and sized containers as the prescribed practice of the industries.

A meeting was called for April 25, 1923, at the Department of Commerce at which were present the personnel listed.

At this meeting the various viewpoints, with reference to the simplification of the paint and varnish industries, were presented.

Mr. C. R. Cook, President of the Paint Manufacturers' Association of the U. S., presented the recommendation of the manufacturers.

Mr. H. L. Calman, President of the National Varnish Manufacturers' Association, spoke on the attitude of his Association toward the proposed program of simplification.

Mr. R. W. Levenhagen, Vice-President, the Glidden Company, spoke on the importance of simplification to the paint and varnish industries.

Mr. T. A. Flynn, of the National Association of Paint Distributors, spoke on the attitude of the distributors toward this program.

Mr. Herbert P. Sheets, Secretary of the National Retail Hardware Association, represented the viewpoint of the retailers, and Mr. Dipman, Associate Editor of Good Hardware, represented the trade papers' standpoint.

Others participating in the discussion were Mr. A. L. Scott, Specialist in Engineering of the American Hotel Association; Mr. H. R. Heydon, Secretary of the National Association of Purchasing Agents; Colonel Hacker of the War Department and Mr. A. L. Harris, American Institute of Architects.

After a full and complete discussion of the proposed simplification by representatives from all sections of the industry, the recommendation of the paint and varnish manufacturers was unanimously adopted to become effective on January 1, 1924, subject to annual revision.

## APPENDIX B

Members Paint Manufacturers' Association of the U. S., National Varnish Mfrs' Association.

Dear Sirs:—I enclose herewith the report of the conference on Simplification, held with the Department of Commerce at Washington on April 25th, together with an acceptance of the program recommended not later than January 1st, next.

It is the request of the Department of Commerce that you sign this acceptance and mail it direct to the Secretary of the Department of Commerce, Washington, D. C., as promptly as possible. In this connection it is proper for me to note that at a meeting of the Educational Bureau, with a number of the Directors of both Manufacturers' Associations, held in Chicago on May 24th, the program was approved unanimously, with the exception that half-gallon cans shall be retained for varnishes and enamels, including floor enamels.

In sending in your acceptance, therefore, if you decide to do so, you should note this exception.

Very respectfully yours,

G. B. HECKEL,  
Secretary.

## APPENDIX C

June 13, 1923.

Secretary of Commerce, Washington, D. C.

The recommendation adopted at the Paint and Varnish Conference at the Department of Commerce on April 25, 1923, is accepted in its entirety by this concern and will be considered as the standard practice for the year 1924.

Name of concern.....  
 President .....

## APPENDIX D

To Paint and Varnish Manufacturers.

Dear Sirs:—On behalf of the Department of Commerce of the U. S., I sent you, about one month since, a report of the Simplification program adopted at the conference of those interested, held in Washington last spring. This report was accompanied by an acceptance of the program to be returned to the Department of Commerce. Up to the present date the answers received by the Department are not sufficient (especially in the paint industry) to draw definite conclusions.

Secretary Hoover, as you know, is attempting to help American Industry to simplify and economize in its practices. As a mere matter of courtesy, therefore, if nothing else, it appears desirable that answers of some kind should be returned by all manufacturers.

Will you kindly take this thought into consideration and send in to the Department your answer, making such exceptions as you deem necessary or advisable, as promptly as possible, obliging,

Very respectfully yours,

G. B. HECKEL,  
Secretary.

President Atwood:—Gentlemen, you have heard the report of the Simplification Committee through Mr. Heckel. What action was taken, Mr. Secretary, in regard to it by the Board of Directors? Secretary Morgan:—The Board of Directors referred the report to the convention as a matter of information with a request that a representative of the Manufacturers' Association advise this convention of the action taken by those two associations. This, of course, has just been taken care of by Mr. Heckel's presentation of the subject.

President Atwood:—You have heard the report, gentlemen, and you have heard Mr. Heckel's statement as to the action of the paint and varnish manufacturers' associations. What is your pleasure in

regard to the matter? It seems to me that this association should inform and approve the plan that was adopted at the joint session after they talked with Mr. Durkin (see report of P. M. A. of U. S. meeting).

Mr. Heckel:—I think that the intention of the motion adopted by the two manufacturers' associations is that this association shall as heretofore appoint or approve the general committee representing all interests. I think it was the intention of that resolution that the machinery for this work be continued as heretofore.

President Atwood:—The incoming administration will probably appoint the same committee that has been adopted by the other two associations, and I think a motion should be made that this con-

vention should approve the plan. Is there any motion to that effect or disapproval of it?

O. H. Greene:—I make a motion to that effect.

(The motion was regularly seconded and carried.)

President Atwood:—Mr. Cornish, chairman of the Statistical Committee, is not present. His report will be presented by

Mr. Howard, vice-chairman of the committee. You will find on an investigation that the number reporting pretty nearly account for 85 per cent of the manufacturers of the United States. I do not exactly agree with Mr. Cornish, but I will read it exactly as it is stated and then perhaps I will give you one or two ideas of my own.

Mr. Howard read the report as follows:—

## Report of the Statistical Committee

The Committee on Statistics begs leave to report that it has done nothing during the past year. The Department of Commerce and the Federal Reserve Banks have been gathering statistical information and publishing the same at frequent intervals. These reports have been very useful. It is believed that everyone in the National Paint, Oil & Varnish Association has made use of these published reports and contributed his quota of information. Mr. G. B. Heckel, Secretary-Treasurer of the Paint Manufacturers' Association of the United States, is especially to be complimented for gathering the statistical information regarding paint and varnish production which the Department of Commerce, on his initiative, published.

When, during the war, trade associations were encouraged by the government, the statistical information was more timely and complete than that now being published. It is believed that with time the reports published by the Secretary of Commerce will become more and more useful; and that the National Paint, Oil & Varnish Association can at this time render the greatest service by assisting the Secretary of Commerce, the Federal Reserve Banks and the trade press in obtaining accurate and timely statistical information and publishing it to the world.

Your Committee believes that the industry as a whole is beginning to realize the importance of co-operating with the Department of Commerce in collecting statistics. The best evidence of this is the fact that the number of concerns reporting is increasing each year. It is true, however, that in some branches of our industry the reports are incomplete, but we hope that as the importance of this matter is borne in on the different members, the number of concerns failing to report will be lessened.

It is eight years since the National Paint, Oil & Varnish Association first recommended the gathering of trade statistics and publication thereof. The wisdom of this policy is being confirmed. The publicity feature, as a preventive of price fixing and monopoly, is gaining favor amongst thoughtful people. The public is being educated to perceive that it is more desirable that business men should have timely and authentic information regarding the basic facts of their industries than that they should be kept in ignorance thereof in the belief thereby to improve trade.

## Plans for the Future

Mr. Howard:—The plain fact seems to be that the National Paint, Oil & Varnish Association has managed to get along for a year without the services of a statistical committee. There has been a lot of work done, important work. The work is going on very well, but is there any work for that committee to do?

In talking the matter over with some of the leaders of the industry they are of the opinion that there still is a good field, an important field for that committee. The National Paint, Oil & Varnish Association in this question of statistics, and the field we have got to cover will depend entirely on what the various component parts of this question want them to do. The fact seems to be quite plain that the attitude of the government, represented by the Department of Commerce, particularly, perhaps to some extent by the Department of Justice, is that any association which gathers statistics and which considers the attitude of the general public in relation to dealing with both the consumer and producer, then it must come under the rules which have been laid down frequently and under the ban of the government in enforcing the Sherman law.

Now our association, as Mr. Cornish has said many times on this floor, and as I think you will all agree, is unique in the fact that it does not have a field of producers and consumers alike, and there is, therefore, an opportunity of bringing out in our association without interfering in any way with those statistics, or the value of them, information that is of the greatest importance. Mr. Cornish has mentioned the fact that some of the component members, some of the branches of this association have done anything apparently yet in the way of furnishing the statistics. I think he might have said very frankly that only one or two material manufacturers' associations have done anything at all. The question of really covering the field completely is one that requires necessarily the expenditure of some money. The director of this association on going over the matter last spring decided that the division should be made of the statistical data desired and that it should be distributed among those different branches of our organization and that they be asked to take part and report, if possible, through the National Paint, Oil and Varnish Association.

I was talking to Mr. Trigg this morning on that question. He said that he passed on that action of the board, but he didn't know exactly what the status of it was at the present time.

To my mind it is not of the greatest importance that we carry on a committee of some six or seven members, one of which is to represent each of these various interests which are combined in the National Paint, Oil and Varnish Association, unless we can make a start at least toward something more definite than we have gotten yet.

We have had the best of co-operation from the Department of Commerce. The paint and varnish manufacturers' associations have done everything that their secretary, Mr. Heckel, could get them to do, and still the replies that we have received, as I understand it, on the questionnaires have been only partial, and I presume it will be a long time before they will be anything else. The paint and varnish associations have done more than anybody else, unless possibly the lead people.

What I would like to put before your body for action, and what I would like to hear from both the president and from Mr. Rob, as representing the Na-

tional Varnish Manufacturers' Association, is where do you gentlemen feel the National Paint, Oil and Varnish Association can come in on this question, and what do you want to do with this committee?

Mr. Heckel:—I would like to rise to the point of order, my nation is signed to that report, although I didn't see the report before it was signed. In that report there is created a problem personally that does not belong to me. I should have revised a certain paragraph if I had come in on this question, and I was printed.

I saw it in general, but I think that paragraph was inserted afterward. I didn't gather the statistics from the Department of Commerce, but I think the reason the Department of Commerce was called in is because it is endeavoring to assist the American industry, and that is the logical agency for collecting and distributing these statistics. That suggestion was taken up by the educational bureau with the assistance of Mr. Trigg, which interested the Department of Commerce in the subject and which resulted in obtaining these statistics semi-annually.

Mr. Howard is, I think, incorrect in the sense that the majority of the statistics do not contribute to these statistics. I believe they are about as complete as any of the reports could be. I believe there are something like 488 manufacturers now reporting, or five hundred.

Now, beginning in the attempt of the Department of Commerce to obtain the statistics there was a very large list of manufacturers who did not report. The secretary of the paint, oil and varnish manufacturers' associations, I think, did render some assistance. That assistance is no longer necessary. The trade is practically reporting as a unit and in a satisfactory way.

Now Mr. Howard asked a question, what can the National Paint, Oil and Varnish Association do? I believe the committee should continue to function and if the method adopted by the Paint Manufacturers' Association of the United States and the National Varnish Manufacturers' Association has achieved the results desired and necessary for the conduct of business, then it seems to me there is the line of attack for the National Paint, Oil and Varnish Association.

The report as received should be on a similar basis and there is no way to coordinate those bases of reports except through a general committee considering and relating the different branches of the industry. My suggestion would be that the committee be continued and if they deem the results already achieved as indicating what may be done that may be their proper line of attack.

President Atwood:—Mr. Secretary, what action did our board take in relation to this report?

Secretary Morgan:—The report was simply referred to the convention containing no recommendations.

President Atwood:—I would like to ask Mr. Heckel a question. I think you stated to me the other day in discussing how complete this report was the fact that there was about 85 per cent of the trade represented.

Mr. Heckel:—I don't remember what figures were quoted to you. Whatever figures I quoted were given to me by the Department of Commerce. It was over 85 per cent. I think it was about 85 per cent.

If you will notice the number of firms reporting in each consecutive report you will find the number has increased. You should remember that in many of these cases the reports of paint and varnish manufacturers are duplicated. There is about 20 per cent of duplication in the list you have. There are a good many

who are both paint and varnish manufacturers. You find on an investigation that the number reporting pretty nearly account for 85 per cent of the manufacturers of the United States. I do not exactly agree with Mr. Cornish, but I will read it exactly as it is stated and then perhaps I will give you one or two ideas of my own.

President Atwood:—That is 85 per cent of the manufacturers?

Mr. Heckel:—Ninety-five per cent of the total.

President Atwood:—You mean all the manufacturers, or just those in our association?

Mr. Heckel:—That is not an association report at all. It covers the industry.

Mr. Howard:—My remarks as to the completeness of those reports were intended to apply more particularly to the various manufacturers of materials rather than to the paint and varnish manufacturers. I am glad to know the percentage is as high as you state it is. It is larger than I supposed. But there is a vast amount of information, of course, which is of interest to us all which is not included in the mere facts of production of paint and varnish and which it seems to me, has not really been developed, and I don't know whether it is going to be developed by this committee.

I am afraid that the failure to see what the real line is may result in a great deal of unwillingness on the part of our members to give out information, and yet the line is perfectly clear. The government makes it absolutely plain that if we are willing to publish and send in to the government or send in and have regard to their correlated information, it is to be used in the public service, it is at right. If we are going to try to carry it over, then we are in bad. That is what the picture tried to do. The varnish manufacturers and paint manufacturers have recognized it and gone ahead, but the material manufacturers have not done it. I think if the committee continues there will be some way of getting the voluntary action of these various associations which work in the National Paint, Oil and Varnish Association.

John B. Gordon:—The discussion seems to link largely upon how much co-operation can be gotten from the Department of Commerce. Living in Washington and being familiar with the action of the department, I am sure that if we work in conjunction with the committee such as we now have, it is possible to name a statistical committee that is not

altogether adaptable to that co-operation, but numerous industries have committees which go to Washington, sit in conference with experts of the Department of Commerce, who are less qualified to pass on the problems confronting that particular industry. After telling the government what they want, the government then seeks to the best of its ability to collate that information and pass it out to the industry.

Mr. Heckel:—I believe if we formulate a schedule of what the industry desires in the way of the branches not reporting and arrange a conference just as we did with the Department of Commerce at Washington and work out a plan for completion of the statistics that the department will be found very helpful.

Louis Drake:—Two or three months ago possibly around the first of July, there was a report published in the trade papers coming, as I remember, from the Department of Commerce. It seemed to be rather complete, so far as I knew, in giving the manufacturers, the amounts and the different geographical divisions. I would like to ask Mr. Heckel if that is a recapitulation of this 85 per cent trade.

It struck me at the time it was rather a good report. It was really the first time I knew the government to catch up to the date we were living in.

President Atwood:—Mr. Heckel states that he has no standing that will enable him to make a motion, but he made a very practical suggestion. The chair has this view of the matter. It takes time, of course, to formulate plans, to get these statistics together. The Department of Commerce in regard to the paint and varnish industry certainly has made great headway. We are showing a great increase in the desire to co-operate. If, as Mr. Heckel states, the statistical committee would make a statement of what it wants and leave that with the Department of Commerce, it is my impression that they would undertake to do with the materials just what they have done with the manufacturers of our completed products. That is what Mr. Heckel suggested, I believe.

Mr. Heckel:—That was my suggestion.

President Atwood:—Just what is your desire in the matter? Does anyone want to put Mr. Heckel's suggestion in the form of a motion?

G. C. Morton:—I make that motion.

(The motion was seconded.)

President Atwood:—Is there any further discussion? Are you ready for the question?

(The question was called for and the motion was carried.)

President Atwood:—We have a little more time left and if Mr. Biling is present we will summarize the report of the Chamber of Commerce.

Howard Biling:—I am going to touch some of the high spots and mention what the association has done for the good of the people during the past year.

The following is the complete report of the national councillor in the Chamber of Commerce of the United States:—

## Report for Chamber of Commerce, U.S.A.

The following report summarizes the principal activities of the Chamber of Commerce of the United States during the last year:

### Merchant Marine

In two referenda the National Chamber has become committed to certain policies relating to the up-building of an American merchant marine. The recommendations of the Administration for the disposal of the remainder of the government-owned fleet of merchant vessels and the extension of government aid thereafter to private operators of American vessels have brought the situation sharply to public attention. Reports were submitted to the Board from the Merchant Marine Committee and, as suggested by the Board, representatives of the Chamber appeared before the appropriate Congressional Committees in support of the policies to which the Chamber is committed and which were embodied in the Administration Merchant Marine Bill. The arguments in favor of a subsidy, approved by our membership before the war, have become more potent as a result of our ship building operations incident to the World War by which we became the second maritime nation of the world. The necessity is now more than ever apparent for giving essential aid and encouragement to place our idle fleet upon the seas, and to eliminate the tremendous expense now incident to overhead maintenance, depreciation and operation of government-owned merchant vessels. The National Chamber membership by a referendum vote of 7 to 1 expressed its opposition to the government's purchase, construction or charter of vessels for mercantile purposes, and by a referendum vote of 14 to 1 expressed opposition to government ownership of vessels with operation by private parties under lease.

The National Chamber, therefore, believes that government aid sufficient to offset the difference in cost between operation of vessels under the American flag and operation of vessels in the same deep-sea trades under foreign flags will be in the best interests of the nation. It is for this reason that the attitude of the National Chamber has been placed before Congress—and organization members urged to place their position before their representatives in that body.

The Bill, after having passed the house, encountered obstructive tactics in the Senate which assumed the proportions of a definite filibuster. In view of this development the Chamber conducted a vigorous campaign to bring about a vote on the Bill, and appealed with marked success to its organization membership for support in this effort. The Chamber's work has been in line with the President's address to Congress on February 7 in which, asking for the passage of the bill in the national interest, he urged that the Senate take definite action and dispose of the measure, one way or another. The Chamber continued its efforts, but Congress adjourned without action by the Senate, and the problem remains unsolved.

### The Railroad Strike

The strike of the railroad shophen against decisions of the United States Railroad Board, which went into effect on July 1, 1922, had the closest attention of the Chamber's officers and directors. On July 10, President Barnes sent to all the members of the Chamber a statement prepared by the Railroad

Bureau of the Chamber's Transportation and Communication Department giving the outstanding facts regarding the questions at issue and the controversy between the railroad unions and the Railroad Labor Board. On July 13 the Board of Directors, meeting in Washington, adopted a declaration commending the statement of the late President Harding, making clear the issues involved in the strike, and called upon the business organizations of the government "to take such leadership as shall crystallize public sentiment in upholding the President—and for such local protection and community public order as will assure every man his right to work without intimidation." From the President Mr. Barnes received, under date of July 13, a letter expressing the President's appreciation of this declaration of the Board, and of "the interest and influence of your great organization in maintaining the rule of law and a state of order which is becoming this republic." All developments in this strike situation were closely followed and the Chamber's membership kept fully advised through frequent special bulletins prepared by the Railroad Bureau of actual conditions as they arose.

#### Coal Strike of 1922

The Coal Strike, which began April 1, 1922, also occupied much of the attention of the Chamber's officers. Even before the strike was declared, but while it was being agitated, the Coal Bureau of the Natural Resources Production Department, after exhaustive studies, issued a special report on the coal situation with reference to the possibility of a strike. In this pamphlet a full account was given of the labor conditions under which both anthracite and bituminous coal are mined, and of the supplies on hand and the rate of production necessary to maintain necessary supplies for the nation's industrial and domestic life.

With the progress of the strike a series of bulletins were issued by the Coal Bureau describing actual conditions throughout the country, both as to production of coal and stocks on hand. These publications proved of genuine interest to the Chamber's members, and were in great demand.

The latest activity of the Chamber is gathering certain coal cost information at the request of the U. S. Coal Commission. This Commission, which was authorized by Congress to gather full facts concerning the coal industry, has asked the Chamber to assist it by gathering information as to the cost of coal in carloads delivered to users throughout the United States. To gather this information the Chamber's Coal Bureau has sent questionnaires to its commercial organization members in 781 cities, with a request that they be distributed among respective coal users in their respective localities.

#### Transportation Conference

At the call of President Barnes an informal meeting was held in New York City on January 26 for the consideration of transportation problems. Present at the meetings were Honorable Herbert Hoover (informally not officially), the Presidents of several of the leading railroads of the country, representatives of important automobile manufacturers, the President of the Chamber, and Chairman of the Chamber Transportation Department, Railroad and Waterways Committee.

At the conclusion of the meeting, President Barnes made a public statement in which he emphasized the concern felt, in all sections of American business, over the question of adequate transportation, and the necessity for the early adoption of a National Transportation Policy. He announced that the conference by formal resolution had requested him to arrange for the calling of a Transportation Conference. Under this resolution a general committee is to be formed by the President of the Chamber, composed of representatives from the various interests represented, from the Chamber itself, and from other helpful agencies, and including some form of proper contact with the Department of Commerce, the Interstate Commerce Commission, and other agencies of the government. This general committee is to be convened at the call of the President of the Chamber to work through subcommittees, or otherwise, for the study and investigation and resultant reports and recommendations upon the whole question of transportation, including governmental relations to transportation, possible railroad consolidations, possible readjustment of relative freight rate schedules, proper coordination of motor transport and use of highways and proper schedules, and proper co-ordination of waterway service.

The development of this conference is well under way, committees have been appointed and have already begun work on the main subjects. It is confidently expected that from it will come results of far reaching importance to all American industry, and that it will have an influence even greater than the Transportation Conference of 1919, held under the auspices of the Chamber, which was of such value in helping solve the troublesome questions arising out of Federal control of the railroads during the war.

Through the Transportation and Communication Department much attention has been given to highway development, including the policy of the Federal Government and its relations to State activities. In the proper development of our waterways the Chamber has consistently shown its interest through declarations of general policy adopted at several annual meetings. In recognition of the increasing importance of the question at the present time, the Board of Directors recently authorized the appointment of a special committee, to include three members of the Transportation and Communication Department Committee, to study the whole problem of a national system of waterways. A report, transmitted by this Committee to the Board at its meeting February 7 and 8, 1923, is now being utilized in the Transportation Conference studies.

#### Joint Committee on Wheat Research

At the suggestions of President Barnes, made to the National Wheat Conference in Chicago, in June of this year, a joint committee on Wheat Research, consisting of seven members named jointly by the Wheat Council and the Chamber of Commerce of the United States, has been organized to investigate the wheat situation. This Joint Committee was organized to provide the means by which a study can be made of the entire wheat question, with a view to permanent improvement of conditions in the future. The Committee consists of Representative Sydney W. Anderson, W. I. Drummond of Kansas City, Chairman of the Board of Directors of the International Farm Congress; Mr. J. A. Brosseau, New York president of Mack Trucks, Incorporated; Mr. O. E. B. Bradfute, president of the American

Farm Bureau Federation; S. J. Lowell, Fredonia, New York, master of the National Grange; H. D. Irwin, Philadelphia, a wheat exporter, and George O. Jewett, general manager of the American Wheat Growers' Association. The Joint Committee, whose expenses will be met by the National Chamber, has already held one meeting, and its studies will be carried through without delay.

#### Agricultural Bureau Organized

There has just been organized in the Natural Resources Production Department of the Chamber an Agricultural Bureau, whose work it will be to function upon agricultural problems as agriculture's lines of necessity cross or touch those of business in general. The organization of the Bureau is in line with the declaration of the Chamber's Organization Membership, adopted at the ninth annual meeting of the Chamber, which recognized that the problems of agriculture were essentially business problems, and which recommended the organization of a special unit in the National Chamber for the



Howard Elting  
National Councillor, C. of C., U.S.A.

study of such problems. The chief of the new Bureau has had special training and wide experience, gained from many years of active agricultural work.

#### Taxation

Regarding the policy the Federal Government should follow in taxation, two referenda of the Chamber held in 1921 committed the Chamber to advocacy of a number of changes, including the repeal of the excess profits tax, decentralized administration of income taxation, the repeal of war excise taxes levied in relation to particular businesses, including transportation and communication, the adoption of a sales tax on all turnover, and the decentralization of income tax administration.

The measures as finally enacted into law met to some extent the view of American business as expressed through the Chamber. The new system of Federal taxation, however, still falls short of the principles to which the Chamber is committed. There is continued agitation, both in and out of Congress, for further remedial legislation, including the question of tax exempt securities. The Chamber will continue its work in this field and, in fact, the appointment of a Committee on Taxation to study the subject further was authorized by the Board at its meeting February, 1923.

#### Tariff Principles

The report of the Chamber's Committee on Tariff Principles was submitted to referendum on December 7 and closed on January 21, 1922. Of the eight recommendations made by the Committee, the Chamber became committed to six, including legislation permitting, in the event of changes of economic factors, adjustment of tariff rates by administrative authorities within limits prescribed by Congress for the purpose of maintaining a consistent tariff policy, creation of a Tariff Adjustment Board to administer adjustable rates and reasonable protection for American industries, subject to destructive competition from abroad and of benefit to any considerable section of the country.

On the proposal favoring continuance of the present system of valuation and on the question of postponement of tariff legislation, the votes were almost evenly divided. Since a two-thirds vote is necessary to commit the National Chamber either for or against the proposal in the referendum, the Chamber is not committed in respect to these matters.

On the other proposals outlined the Chamber has a broad program of tariff principles. It placed the result of the referendum in the hands of all members of Congress and of the Executive officials of the Government especially interested, and called upon those organization members who agree with these principles to support the program.

It is gratifying to note that the principle of adjustable rates was urged by the President of the United States and was incorporated in the Act, although without provisions for a tariff adjustment board for the administration of adjustable rates which would be left to the President by proclamation, acting with the assistance of the Tariff Commission. In other respects, the Act recognized some of the principles which the Chamber advocates as the result of this referendum.

*Trade Associations*

On behalf of trade associations in the membership of the Chamber, close attention has been given to discussion of their functions for some time. The whole subject of trade associations and the service they can perform has been considered by a representative committee whose report was submitted to referendum on February 26. This referendum closed April 12, 1923. It embodied eight proposals in favor of all of which the Chamber has become committed through the referendum. These include assertion that trade associations should exist for every important branch of industry and commerce, because of numerous useful and important functions of obvious propriety, that trade associations should continue free from special forms of governmental control, that they should collect statistics of capacity, production, stocks and sales for their respective industries or branches of commerce; that statistics of actual prices in closed transactions should be collected by them, but that they should omit any interpretation of statistics or other comment which could induce or facilitate concerted action on the part of members, and that such statistics should be made as available to the public and to government agencies interested in following the course of industry and commerce as to members.

*Referendum No. 41—Trade Associations*

Referendum No. 41 was voted on in the affirmative. We have no recommendations to offer, but I might say that each local club would find it interesting to appoint a committee of three from their organization, to whom the referenda of the Chamber might be submitted, they in turn to send in their report to Secretary Horgan, in order that these replies might be balloted and forwarded to the Councillor for his information.

*Government Control of Industry*

At both the eighth and ninth annual meetings of the Chamber declarations were adopted warning against tendencies in Congress to enact measures which would have resulted in injecting the government into fields of private business. During the last year the Chamber, in accordance with these declarations, has opposed measures in Congress intended to provide for a system of monopolistic workmen's compensation insurance in the District of Columbia operated by the National Government, and also a bill to amend the Postal Savings Act, which would undoubtedly place the government in the saving business in competition with a large number of banks. Neither of these bills has made progress.

*National Obligations to Veterans*

By declarations adopted at the eighth and ninth annual meetings the Chamber has been committed to the support of generous treatment of veterans of the World War. Due in part at least to these activities the President, on August 9, 1921, signed the Sweet Bill centralizing authority and bringing about the consolidation of government agencies for veterans' welfare.

In line with its early activities, both during the war and following the Armistice, the Chamber has actively co-operated with both government agencies and veteran organizations in measures designed to help ex-soldiers. During the past year, for example, it has worked with the Veteran Bureau in the placement of veterans taking courses in vocational education and rehabilitation, and has joined with the American Legion in its Americanization work and in its campaign to reduce unemployment of ex-soldiers. In this work it has appealed to its organization members, from whom it had a hearty response, and who have themselves in all parts of the country worked closely and harmoniously with representatives of government agencies, American Legion posts and the like.

At the same time declarations were adopted in opposition to the granting of an indiscriminate bonus. The Chamber was, accordingly, very active for a number of months, in opposition to legislation providing for such a cash bonus which, it will be remembered, was postponed in August following an appeal from the President of the United States to the Senate favoring such postponement.

At the meeting of the Board of Directors November 16, 1921, consideration was given to the Chamber's program in this matter and, as the result, questions relating to treatment of veterans of the World War were submitted to referendum which closed February 21, 1922.

The result of the referendum vote again committed the Chamber definitely in opposition to the cash bonus for ex-service men. In this case the vote against the cash bonus or certificate plan was 72 per cent and came from business organizations in 375 cities, 46 States, the District of Columbia, Alaska and Hawaii, and by American Chambers of Commerce in Cuba and Mexico. Both classes of the National Chamber's organization membership, local Chamber of Commerce and trade associations recorded themselves against the cash bonus or certificates by a more than two-thirds majority. Of the 38 referenda that have been taken by the Chamber, the number of organizations voting against the cash bonus was the largest recorded, with the exception of three.

The referendum besides calling for a vote on the cash bonus or certificate plan asked an expression by the Chamber's membership on three propositions. The result, as shown by the ballot, put the Chamber on record for a national system for reclamation for the benefit of the ex-service men, and for vocational education for ex-service men. A two-thirds majority necessary to commit the Chamber on a proposition was lacking on the question of governmental appropriation to enable ex-service men to build homes. The propositions submitted and the vote on each follows:

1. Do you favor a national system of reclamation to be initiated through adequate Federal appropriations and to be carried out for the purpose of affording ex-service men to cultivate the soil.  
For—1,249      Against—452      CARRIED
2. Do you favor national legislation and appropriations to enable ex-service men to build homes?  
For—1,022      Against—668      NO DECISION
3. Do you favor national legislation and appropriations to enable ex-service men to obtain vocational education?  
For—1,378      Against—316      CARRIED

4. Do you favor national legislation for a general bonus, whether paid in cash immediately, or with payment deferred through use of certificates?  
For—467      Against—1221      OPPOSED

The bonus bill as finally passed by Congress and sent to the President was no less objectionable from the point of view of the Chamber than earlier proposals for a cash bonus, or the equivalent thereof. The Chamber, accordingly, laid before the President a request that he veto the bill. This request was in the form of a brief, giving a detailed analysis of the bill, and the reasons in favor of a veto, which was distributed to the Chamber's membership. As is, of course, well known, the President's veto was promptly forthcoming and, although over-ridden in the House, was sustained in the Senate.

*Conference on Limitation of Armaments*

Some time after the completion of the work of the Conference on Limitation of Armaments, and while the Four Power Treaty was awaiting ratification by the Senate, the Chamber's Committee on Foreign Affairs issued a report in which the Committee urged ratification of the treaties prepared in the Conference as designed to accomplish those purposes which the Chamber supported. A careful analysis of all the treaties was printed in this report, which was distributed to the Chamber's membership. At the same time this statement of the Committee was laid before all members of the Senate. All the treaties presented to the Senate as a result of the Conference on Limitation of Armaments have been ratified by that body on the part of the United States.

*The International Chamber of Commerce*

The Chamber of Commerce of the United States has been conspicuously active in the organization of the International Chamber of Commerce. The organization has been completed, with headquarters in Paris. An administrative commissioner of the United States, resident in Paris, has been appointed and is on duty. The American Section of the International Chamber has been organized, with headquarters in the office of the National Chamber.

Several meetings of the Council of the International Chamber have been held, at which the United States was represented.

The second general meeting was held in Rome during the week beginning March 13, 1923. An unusually large number of American business men attended, of which one hundred and fifty, headed by President Barnes, sailed together, not only for the meeting, but for an extended tour through the Mediterranean and Central European countries for purposes of observation. The meeting itself, in which the American delegation held a position of influence, was formed around three groups, finance, industry and trade, and transportation. In addition to important addresses on subjects within these fields, the meeting was marked by the adoption of a number of important resolutions.

The outstanding declarations were undoubtedly the declaration dealing with general economic conditions and the resolution relating to increased production. The first embodies a formula for settlement of Europe's economic affairs, declares that present economic disturbances are based upon the five problems of reparations, Inter-Allied Debts, unbalanced governmental budgets and uncontrolled inflation, disturbances of international credits, and abnormal exchange fluctuations; it embodies definite code of requirements essential to each phase of the settlement to be made, and advocates a financial conference for a complete settlement which the Council of the Chamber is instructed to further in every helpful way. A resolution regarding increased production adopted on the suggestion of the American delegates stresses the advantages of private ownership and operation, as compared to State ownership, the enlargement of production by every invention and mechanical device which offers economy of production, and the elimination of all artificial restrictions upon the amount of work to be done, or the output to be rendered by each worker.

Still other resolutions dealt with such subjects as arbitration, bills of lading, customs laws, flag discrimination, highways transport, immigration, unfair competition, passports and railways.

*The New Building*

The Board has given much attention during the year to questions related to the new building. Progress has been made in the completion of the building fund, and while the entire amount required is not yet in hand, it has seemed wise to begin the actual work of construction.

The plans for the building were, accordingly, finally approved, and on February 7, 1922, specific authorization to build was given to the Building Committee. At the same time the Board directed the Building Committee "to provide that the actual construction of the building be upon the American plan or open shop basis, that is, that union and non-union men shall be employed without discrimination." Within a short time thereafter the wrecking of the buildings upon the site of the Chamber's new home began, and the cornerstone was laid on May 12, 1922. Soon afterwards, contracts were let for foundation and steel, and on October 6, contracts were awarded for general construction, heating, plumbing and elevators. The actual construction is now under way.

*Par Remittance for Checks*

As early as 1919, questions relating to charges for remittance for checks in the Federal Reserve System were discussed at a meeting of the Chamber in 1920, at the Eighth Annual Meeting, these questions were formally placed before the Chamber for action by the St. Louis Chamber of Commerce. In accordance with the action of this meeting a committee was appointed to study the question and submit a report to the Board which might serve as a basis for a referendum. A report presented in 1921 was submitted to referendum on August 30, 1922, the specific proposal to be voted on was "Do You Favor Making Par Remittance in Payment of Checks Universal through the United States?" The voting closed October 14, 1922, and the canvass showed a majority in favor of the proposal, sufficient to commit the Chamber to its advocacy.

*Commercial Arbitration*

Following the satisfactory development and extension of the Chamber's activities in commercial arbitration agreements in foreign trade, the Board of Directors directed that the executive officers undertake the formulation of a

plan for the adjustment by definite organized machinery within the National Chamber of commercial disputes by arbitration in domestic as well as foreign transactions.

The plan, which was formulated, encourages arbitration proceedings under the direct auspices of member organizations of the Chamber, and the conduct of arbitration proceedings under certain circumstances by the National Chamber itself. Resort to arbitration of the National Chamber is, in all cases, to be purely voluntary. The Chamber is equipped to arbitrate in international disputes, as well as the inter-organization disputes, i. e. whenever two parties to a controversy are not members of the same organization member having its own arbitration machinery. Full details of the plan have been placed before organization members, so that each may consider its part and assist the Chamber in promoting business men's methods of determining controversies in business matters. It will be developed as times goes on so as to encourage more frequent resort to commercial arbitration, the establishment of arbitration machinery in local and trade organizations, and for the extension of the usefulness of the National Chamber without infringing on the rights of organization members, or the assumption of undue authority by itself.

#### Co-Operation of Our Association

I am glad to say that through the method adopted at our last convention of submitting the Chamber's Referenda to the directors of the National Paint, Oil & Varnish Association, we have secured a better response than ever before, which has enabled your Committee to better pass judgment on the Referenda submitted.

In some instances interesting discussions have taken place before the local paint clubs, bringing to the attention of its members not only the work of the Chamber, but the principal problems which were of great interest to every citizen of the United States.

#### Committee on Education

Referendum No. 40 on Education committed the Chamber in opposition to the creation of a Federal Department of Education, as well as against the principle of Federal aid to education in the States.

The Chamber has recently concluded a referendum on the Report of the Committee on Education. The questions submitted related to the creation of a Federal Department of Education, with a secretary in the President's Cabinet, enlarging the present Bureau of Education, and the principle of Federal aid to education in the States, on the basis of the States appropriating sums equal to those given by the Federal Government. The result of the voting, which closed February 9, 1923, was to commit the Chamber in opposition to the creation of a Federal Department of Education of cabinet rank, and against the principle of Federal aid to education in the States—594 for to 1,069 against—and was, therefore, indecisive, since a two-thirds majority was not cast either in favor of or against the proposal.

#### The Eleventh Annual Meeting

The eleventh annual meeting of the Chamber was held in New York City, May 8 to 10, 1923, with a registration of over 3,000. Our Committee was represented by Messrs. Joseph Burge, of Louisville; A. S. Krebs, of Wilmington, and Secretary Horgan, but a great many of our members living in the vicinity of New York attended many of the group meetings.

The addresses and discussions centered around two general subjects, namely, "Transportation in All Its Phases in the United States," and "Europe sessions at which all discussions revolved around these two topics.

Notable among the addresses were those made by Mr. Robert Masson, Director-General of the Credit Lyonnais, Paris; the Honorable Rafta Fujiyama, President of the National Federation of Chamber of Commerce of Japan; Secretary of Commerce Hoover; Mr. Willis H. Booth, Vice-President of the Guaranty Trust Company of New York, recently elected president of the International Chamber; Mr. O. E. Bradfute, President of the American Farm Bureau Federation; W. N. Doak, Senior Vice-President of the Brotherhood of Railway Trainmen; Walter W. Road, of Omaha, First Vice-President of the American Bankers' Association; Brigadier-General Frank T. Hines, Director of the United States Veterans' Bureau, and Charles H. Markham, President Illinois Central Railroad.

From this meeting came declarations from delegates in attendance favoring, among other things, the calling of a general economic conference of the nations interested in international economic conditions for the final adjustment of these problems; adherence of the United States to the protocol provided for the establishment and maintenance of a permanent court of International Justice; that there should be added to the present three per cent. immigration quota a possible two per cent. quota upon a selective basis; that the principle of selection should be a controlling factor in any immigration legislation; enactment by Congress of suitable legislation to govern the flight of aircraft and airways over which they operate; that government officials make further attempt to evolve a plan by which the ships necessary to maintenance of an essential service may be operated by private citizens of the United States with a view to their acquisition and ownership by citizens as soon as they can be made self-sustaining; relaxation or removal of burdensome restrictions upon private American shipping without departure from proper requirement for public safety; the establishment of a Court of Tax Appeals authorized to sit in various centers of the country convenient to access by tax payers; approval of the action by the Board of Directors looking toward an immediate examination of the whole field of Federal taxation, with the recommendation that the Board request the Committee on Taxation give special attention to other problems of taxation such as tax exempt securities and continuance of war excise taxes, etc.

Seventeen vacancies on the Board of Directors were filled at this meeting, and the new Board, at a meeting immediately following these elections, re-elected Mr. Julius H. Barnes, of Duluth, Minn., as President of the Chamber.

#### New Plan of Organization of the Chamber

The Board of Directors recently approved a plan for further decentralization of the National Chamber's organizations into closer touch with central

headquarters, and this plan has been laid before the membership and will be put in operation as soon as practicable.

It is proposed that each of the four vice-presidents chosen from the four main divisions of the country, Eastern, Northern Central, Southern Central and Western, shall head up a considerable share of the Chamber's activities in his division, surrounding himself with an advisory board made up of the directors of the Chamber resident therein. The district offices of the Chamber, now operating in each of these four divisions, will become more important, operating with enlarged staffs, under the direction of the vice-president for the division, and will become the headquarters for most of the work of the Chamber within the division. It is proposed to hold at least annually a meeting of the entire membership of the Chamber within a main division, these meetings to be held in addition to the regular Annual Meeting of the Chamber, and thus give an opportunity for full attendance on the part of the Chamber's membership. On the first day of the meeting there will be a general session of the membership of the Chamber within the division, and on the second day a meeting of the National Council of the division, made up of one special representative of each organization member of the Chamber in the territory. These sectional meetings will discuss only questions of national import, since the Chamber, by its by-laws, is barred from taking up subjects of local or sectional interest alone. The meetings will give opportunity for a concerted expression by business organizations within a division on problems which come before business as a whole throughout the country.

With an organization outlined as above, the functions of the decentralized administration will be briefly as follows:

- (a) To bring the membership of all classes in closer contact with the central administration.
- (b) To provide an easier and nearer home-channel through which members can voice their desires as to national policies.
- (c) To make the Chamber's services more directly in line with the member's desires for service.
- (d) To hold at least once annually a division meeting of members to advise the Board of Directors on policies and questions to be taken up in referendum or annual meeting.
- (e) To canvass for new membership; to maintain membership; to promote the interests of member organizations, encourage intercourse between them and with the National Chamber.

#### Committees

In addition to the operations of the various departments the Chamber has had the benefit of the services of numerous committees on Ocean Transportation, Railroads, Fire Waste and Insurance, Free Zones, Education, Trade Associations, Foreign Affairs, Inland Waterways, Land Reclamation, Forestry Policy, Immigration, Industrial Relations, Business Legislation, Business Ethics, Junior Chamber of Commerce and Refunding of War Debt. The activities of these committees have consisted in studies of problems in their particular fields, co-operation with Government Agents, and information service to the Chamber's members.

The Committee on Forestry Policy has submitted a report containing a number of recommendations which the Board, at its meeting on February 8, 1923, ordered submitted to referendum.

#### National School for Commercial Organization Secretaries

A National School for Commercial Organization Secretaries has been established under the auspices of the National Chamber, the National Association of Commercial Organization Secretaries and the Northwestern University School of Commerce. The first session was held at Northwestern University, Evanston, Ill., July 17 to 31, 1921, and the second, August 21 to September 2, 1922. Instruction was given by regular members of university faculties, and by leading commercial organization secretaries. The sessions were well attended by Secretaries and others from widely scattered parts of the country. The school has already demonstrated itself to be a real constructive force in the development of secretaries. The sessions of this year will be held at the Northwestern University August 20 to September 1.

#### Membership

The membership on August 15, 1923, numbered: Organization, 1,296, with an underlying membership of 769,636 corporations, firms and individuals; associate, 7,508; individual, 6,639.

I believe the business men of the country are realizing more than ever before the splendid work that the Chamber is doing, and are doing their share towards its support.

Representatives of the Chamber called on President Coolidge, soon after taking the oath of office, and offered him the services of the Chamber, which he gladly accepted.

The work of the Chamber is effective according to the degree with which its membership responds to calls for co-operative effort, and because the Chamber expresses the views of American business, as represented by organizations such as ours, the policies and suggestions submitted are received not only with respect by Congress, but by the President of the United States.

I submit to you that it is well worth the greatest co-operation on our part to help make the work of the Chamber even more valuable than it has been in the past.

President Atwood:—This is a very interesting report and will bear reading in full. It was the action of the Board of Directors that inasmuch as this report was purely informative it be referred to the convention. If there are no objections it will be received and filed.

We have one more brief report and then we will have a recess for luncheon. I wish to call attention to the afternoon meeting. It will be of very great

interest, and a new film will be shown in connection with "Save the Surface." Then we have Mr. Trigg's address and we ought to have the room filled for this feature. He is a war-horse in the industry and he has prepared what I am sure is a very great address.

I am going to call on Mr. Edgerly to report on the Trade-Mark Committee. D. W. Edgerly read his prepared report as follows:—

#### Report of Committee on Trade Marks

The report of the Trade Mark Committee at the 1922 Convention summarized the functions of our Trade Mark Bureau. Copies of this report have been pretty generally distributed during the past year in letters relating to

trade marks sent from the Secretary's office, so we must assume that the interested membership has clearly in mind what our Trade Mark Bureau, as now organized, can do and is doing. The present Bureau was re-organized in 1919, and it has taken a number of years to reach the point, which we judge has now been reached, where the necessary basic functions are in satisfactory working order.

In this report we will only emphasize a basic function of our Bureau. This is to have on our record files some information as to all marks in use in the paint and varnish industry, no matter by whom used. These records have necessitated an enormous amount of detail work during the past several years, and today totals approximately 16,000 cards. In this connection, the sending last June of our Trade Mark Listing Blanks to nearly 1,000 concerns in our industry requesting information about marks in use, showed returns from 175 concerns who reported on 1,300 marks, of which we found that 540 were marks of which previously we had no record. This is the best return which we have had from the yearly request, and indicates a wider interest in trade marks.

This is the sort of work which the Bureau must continuously do because, although we now believe that we have some information as to nearly all marks in use, the object is to make it as complete as possible, and to continue to keep it up to date. With such records, available at no other office, we are in a position to give data on marks to those concerns who desire it. We are in a period where trade marks are important, and it is now a matter of dollars and cents to concerns to be able to select marks that have every indication of being capable of exclusive right of use. We have made this work of first importance in our Trade Mark Bureau. Many concerns clearly recognize this and use the facilities of our Bureau continuously. We are constantly noting firms who find out the value of our Bureau after they have had trade mark troubles which could have been obviated if they had made use of our records.

Mr. Edgerly:—In addition to the report as submitted here we have done a great deal of work in the Secretary's office. I want to acknowledge the extreme helpfulness and the work of Mr. Henry Trepl, who has given a great deal of time and interest and allowed us to keep up the many requests which have come in.

President Atwood:—I would like to say that some of our committee work part of the time and do a great deal of work. The Trade-Mark Committee works all the time and I think we owe Mr. Edgerly a vote of thanks for his constant work throughout the year. He works constantly as a watch that is ticking all the year round.

Mr. Heckel:—I move a vote of thanks

be extended to Mr. Edgerly and his committee for the great amount of work they have carried out so faithfully for a good many years.

President Atwood:—I think this should be a standing vote, gentlemen.

(The motion was seconded and the audience extended a rising vote of thanks to Mr. Edgerly.)

Mr. Minehart:—I move that the report be accepted.

(The motion was seconded and carried.)

President Atwood:—The meeting stands adjourned until two o'clock this afternoon.

The session was adjourned at 12:45 o'clock.

### Third Session: Thursday Afternoon

The Thursday afternoon session was called to order at 2:30 o'clock by President Atwood.

President Atwood:—Gentlemen, we will come to order. About twelve years ago a seed was planted and that seed was the idea of the "Clean Up and Paint Up" movement. The plant began to grow, very slowly at first, but more rapidly as the proper fertilizer was furnished and now

it has got to be quite a flourishing plant, but as you will see from the report it needs more fertilizer, more nourishment. But be that as it may, the idea is a wonderful one and is well worthy of our interest and encouragement in every way. The report will be presented by Mr. Frisch, St. Louis.

Mr. Frisch read the following report on "Clean Up and Paint Up" as prepared by E. H. Dyer:—

## Report of Clean Up and Paint Up Committee

### Finance and Audit Committee

Another year of substantial growth in the popularity and trade value of the Clean Up and Paint Up Campaign is to be recorded for the fiscal year of 1923; also a clean financial state, with no deficit nor indebtedness.

The three outstanding features of the past year's campaign are the approximate doubling of the activities as compared with the preceding year, the collection of a larger amount of money than in any former year, and the wiping out of the considerable deficit incurred last year.

At the beginning of this fiscal year, your committee faced a net deficit of \$6,875 from the previous year, and at their first meeting decided that this deficit was to be taken care of first, and that all further expenditures within the year should be held within the money already pledged and that to be secured through additional contributions. The accompanying report of the Treasurer shows this to have been accomplished, so that at the close of the year there is a small amount on hand after all indebtedness has been paid.

In presenting the report of this committee last year it was stated that a sum of \$200,000 should be raised for this year's activities, and some very enthusiastic remarks about the work were made by members from the floor of the convention.

But though, by the increase of their former contributions some of our members have done their full part in helping toward this \$200,000 budget, yet there are many who are backward in coming forward to that basis.

Your present committee, as well as those preceding it, has endeavored to put this proposition to you in a way to secure the really substantial and hearty support and co-operation of all the members of the Association, but such real support continues to come from the few rather than the many.

At a full meeting of your committee held in St. Louis in June last, the expenditures and commitments for the Spring Campaign were carefully gone over and the committee also fully discussed the question of funds for the Fall Campaign, which has become as large and successful as the spring campaigns of some years ago. It was the unanimous opinion of your committee that the amount of money subscribed (while larger than for the previous year) was not sufficient to enable the committee to properly function in its co-operation with the Campaign Bureau.

It was agreed that the work was too important to consider discontinuing, but that the support from the paint and varnish industry was insufficient to take care of actual requirements.

Therefore, the suggestion that other industries benefited should be solicited was thoroughly discussed, but, after considering for some months the results of tentative efforts in that direction it became evident that such obligations and such loss of prestige and possibly of control by the paint and varnish trade would be incurred as might bring censure upon your committee, even from those in the trade who now seem unaware of the value

of this present exclusive asset of the paint trade and of the importance of its proper protection and increase.

Moreover, your committee feels that few, if any, representative concerns in the paint and varnish trade can long continue to be ignorant or unappreciative of the benefits they are deriving from this work all the year round, nor of the necessity of adequate funds for its many activities. This hope is greatly encouraged by the number of contributors who have trebled or doubled their contributions through new five-year pledges in the past year.

Therefore, though in the stress of the work and its crying needs we have felt that radical changes were justified to enable the Bureau to meet all its opportunities and obligations in the public service, your committee is agreed that its first obligation is to the paint and varnish trade, and that the trade's obligation, in its own interest, to give adequate support to this campaign will eventually be generally realized and fulfilled.

Accordingly, your committee makes its usual recommendation, viz., that the work of the committee and the Bureau be endorsed and that the present associational co-operation through representation on this joint Finance and Audit Committee be continued.

We also suggest and recommend that the incoming committee should further pursue the consideration of the solicitation of other interests, and should take whatever action it may deem advisable and just in both protecting and promoting the interests of the trade and also of the Bureau and its work and standing among the public.

The amount of newspaper space devoted to the Clean Up and Paint Up Campaign during the past year shows an increase of approximately 200 per cent. over the year of 1921. The lineage actually measured by clippings received at the headquarters of your Bureau in 1921 totaled 4,274,291 agate lines, and for 1922 (at the time of our last report), 7,469,666 lines.

Exact figures for the fiscal year 1923 cannot be given for the reason that the Bureau was compelled to discontinue its clipping service from lack of funds to pay for the clippings and the necessary help to measure and analyze them. However, in March, 1923, the clippings received were more than 50 per cent. in excess of the same month of the preceding year, thus indicating that the approximate lineage for the year, if measured, would amount to 12,000,000 lines.

The Bureau's prompt reading and analysis of these clippings would be of high value to the trade, for the knowledge obtained would enable the Bureau to send to the trade lists of many important communities where campaigns are planned, in time for sales managers to take specific action; and would enable the Bureau, if aided by the necessary help, to greatly increase the sales of paint and varnish by special correspondence with the committees and the trade in each community, to make specific suggestions in accordance with the special conditions which may be apparent in any local campaign, and often to greatly lengthen the campaign.

Investigation by the Bureau in various cities, notably in Cleveland and Seattle, developed that approximately 50 times as much was printed in the newspapers of these cities about the Clean Up and Paint Up Campaign than was turned into your Bureau by the clipping service. The Bureau, therefore, believed it conservative to compute that at least 10 times as much was printed the country over than has been shown by the clipping service.

On this 10 per cent. basis, counting 14 lines to the inch, and the average value of an inch of space in American newspapers at 40c. an inch, it estimates the market value of newspaper space devoted to the Clean Up and Paint Up Campaign in 1923 at \$3,428,000, all of which has cost our Associations nothing, while the publishers themselves have reaped a bountiful harvest of display advertising paid for by local dealers and other interests during these local campaigns. As editorial space is priceless, it is not considered that the foregoing figures represent anything like an adequate estimate of its value. Yet for all of the work that the Bureau is doing in securing this and many other forms of publicity we have collected from the members of the trade exactly \$40,000 this year!

The poster advertising men report that they are putting up posters at their own expense to advertise the Clean Up and Paint Up Campaign, while the generous co-operation of the newspaper syndicate services has been continued through 1923.

The Treasurer's receipts from the Bureau's sales of supplies for the past year total \$11,221.49, as compared with \$7,003.27 for 1922, which is an increase of about 60 per cent.

These various increases in the practical results of this work are largely due to the promotion of the fall campaign in co-operation with the National Fire Protection Association; though the requirements of this fall's campaign are now far in excess of the financial ability of the Bureau to handle.

Another great national organization which has welcomed your Clean Up and Paint Up Campaign this past year is the National Health Council, comprising the American Child Health Association, American Public Health Association, American Red Cross, American Social Hygiene Association, American Society for the Control of Cancer, Conference of State and Provincial Health Authorities of North America, Council on Health and Public Instruction of the American Medical Association, National Committee for Mental Hygiene, National Organization for Public Health Nurses, National Tuberculosis Association, American Association of Industrial Physicians and Surgeons, National Committee for the Prevention of Blindness, and Women's Foundation for Health. The United States Public Health Service is also a member.

A factor of high significance is that the Clean Up and Paint Up Campaign has gained recognition as the most potent force in practical Americanization, notably in Chicago, where it also has been demonstrated by specific, tabulated results that the extension of the campaign to the school children is resulting in largely increased sales of paint and varnish.

This report would be incomplete did it not mention particularly the service of the Bureau's chairman, Mr. Allen W. Clark. He has given unstintingly of his time and money in the advancement of the work this year. He was very fortunate in being able to secure for us, as a successor to Mr. W. T. Stott in the office of executive secretary, Mr. R. W. Emerson, a man not only of sound business judgment and methods, but also of strong personality and thoroughly familiar with the many details of office routine promotion work in connection with newspaper campaigns and civic activities; thus bringing into the work the joint functions, financial for the committee and promotional for the Bureau.

In concluding, we wish we could impress upon the trade this fact: That increased service entails an increased investment, and that at least \$100,000 annually should be provided, with the least possible delay, to properly continue the National Clean Up and Paint Up Campaign Bureau's work in order that all of its profitable potentialities may be utilized for the full benefit of the trade.

### Treasurer's Annual Report

I submit herewith report covering the fiscal year ending October 6, 1923:

| RECEIPTS                                           |                   |
|----------------------------------------------------|-------------------|
| Balance on hand October 6, 1922.....               | \$ 259.85         |
| From Contributors .....                            | 40,000.00         |
| From Sales of Supplies by National Bureau.....     | 11,221.49         |
| From Interest on Bank Balance.....                 | 37.16             |
|                                                    | <hr/> \$51,518.50 |
| DISBURSEMENTS                                      |                   |
| Allen W. Clark, Chairman, National Bureau.....     | \$50,985.93       |
| Stationery and Postage.....                        | 30.56             |
| Bank Exchange .....                                | 9.38              |
| Refund on Overpaid Contribution.....               | 300.00            |
|                                                    | <hr/> \$51,325.87 |
| Balance in Treasurer's Hands, October 6, 1923..... | 192.63            |
|                                                    | <hr/> \$51,518.50 |

### Annual Financial Report

I submit herewith financial report of this Bureau for the fiscal year October 6, 1922—October 6, 1923, with certificate of audit:

| RECEIPTS                                             |                   |
|------------------------------------------------------|-------------------|
| Balance on hand, October 6, 1922.....                | \$ 624.67         |
| Checks from Treasurer, Finance and Audit Committee.. | 50,985.93         |
|                                                      | <hr/> \$51,610.60 |

Note.—All the Bureau's receipts for supplies sales are transmitted to the Treasurer of the Finance and Audit Committee. These total \$11,221.49 for the year and are accounted for in accompanying Treasurer's report.

| DISBURSEMENTS                                                                                                                                            |                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Printing .....                                                                                                                                           | \$ 8,248.69       |
| Press Service .....                                                                                                                                      | 2,488.32          |
| Display Service .....                                                                                                                                    | 5,928.60          |
| Labor .....                                                                                                                                              | 9,283.03          |
| Postage, Freight and Express.....                                                                                                                        | 3,179.69          |
| Press Clippings, etc. ....                                                                                                                               | 607.64            |
| Telegraph and Telephone Messages.....                                                                                                                    | 88.29             |
| Traveling .....                                                                                                                                          | 158.50            |
| Office Supplies and Incidentals.....                                                                                                                     | 1,129.52          |
| Exchange .....                                                                                                                                           | 30.40             |
| Audit .....                                                                                                                                              | 75.00             |
| Administration: Including services of Chairman Allen W. Clark, Assistant Chairman Charles Allen Clark and others; also rent, office facilities, etc..... | 7,500.00          |
| Full Payment of Accounts Payable, for indebtedness reported in last year's report.....                                                                   | 7,500.00          |
| Finance and Audit Committee (salary and expenses of W. T. Stott, Executive Secretary).....                                                               | 5,391.47          |
|                                                                                                                                                          | <hr/> \$51,589.15 |
| Balance on Hand, October 6, 1923.....                                                                                                                    | 21.45             |
|                                                                                                                                                          | <hr/> \$51,610.60 |

President Atwood:—You have heard the report of the "Clean Up and Paint Up" Committee. I would like to ask the secretary to read the action taken by the Board of Directors.

Secretary Horgan:—The Board of Directors approved the report including its accompanying recommendation and it was felt, however, that in view of the importance of this movement that the board should take some further action. A special committee consisting of Messrs. Bray and Minehart was appointed to prepare a resolution and report back to the afternoon meeting, which was done. This is the resolution presented by the committee:—

Secretary Horgan read the resolution as submitted by Messrs. Bray and Minehart to the Board of Directors.

President Atwood:—Gentlemen, the report, together with the resolution submitted by your Board of Directors, is before you. We would like very much to have some discussion on this important matter.

### Financing the Campaign

Mr. Callahan:—Regardless of the fact that we are to be entertained by a fine address this evening I would like a few minutes of your time to say something that I think should have been said perhaps a year or two ago and by some one better able to say it than myself.

It seems to me, and has for some years, that while we have not, as the term goes, an embarrassment of riches in our industry we have had something of an embarrassment of opportunity. We have had two great opportunities developed in this association which in turn were to develop our business. They ran along perhaps different lines. We see one of them nourishing, and we see the other languishing, and it is the interest of "Clean Up and Paint Up" that I would like to say a few words at this time. However, nothing that I say must in any way be interpreted that I am not highly interested in the "Save the Surface" movement, for it has my full and enthusiastic support.

Mr. Atwood in his opening address referred to this association being planted some twelve years ago. It seems that a few years ago another seed was planted in the "Save the Surface" movement and they have been growing in the same fertile

field. The "Clean Up and Paint Up" movement worked differently and developed a different psychology than the "Save the Surface" movement.

The "Save the Surface" movement, as I look upon it, is most sound in its economic element and it always appeals to that element of people who buy paint and own property who are thinking people. They are prompted by the display of advertisements to save paint and protect their property. But all the people are not thinking people. As an illustration of what I mean some of my friends tell me that when I buy one suit of clothes that I ought to buy two suits of clothes or three suits of clothes and by changing these suits and wearing one one day and one the next and so on I would save money in the long run. They may argue along that line and rather convince me that that is likewise sound economic philosophy, but it doesn't prompt me to buy more clothes.

When Mr. Atwood or Mr. Kurdes goes to his tailor and purchases new clothes and I see him at the club or restaurant all dressed up then I go to my tailor and I buy a suit of clothes. The example and the influence of example to my notion appeal to the larger element of our citizenship than the truth of economic philosophy. Therefore I have felt that the "Clean Up and Paint Up" movement means more to the paint and varnish industry than the "Save the Surface" movement. If my neighbor paints his house, and especially if two of my neighbors paint their houses, I will be more than likely to paint my house from the example they have set rather than by examining the film on my front door to see if it needs protection. The "Clean Up and Paint Up" movement was started in each city by the hygienic forces and was then taken hold of by the artistic forces, the playboy forces and every other uplifting element in the city and it gives to the people the same kind of psychology that they want to clean up and paint up for the very same reason that I want a suit of clothes because my friends have new suits.

Of course that may be a banal instinct that is exercising itself, but nevertheless it is human nature and I feel and think that the most of the paint people in the world will think calmly over the matter will see that "Clean Up and Paint Up" has "Save the Surface" and they have been growing in the same fertile

by having the "Clean Up and Paint Up" committee properly equipped with the necessary financial aid.

The resolution brought in here this afternoon requests that this association raise \$100,000. That same resolution has been passed last year and the previous year, perhaps in almost the same verbiage, and it is just giving impromptu to the movement rather than any concerted plan of action. It is left to our members to contribute on the basis of a munificent sum regardless of the size of their contribution. I have no more to say about the promoters of this movement really have. Regardless of how I feel about it, I hope that this convention will not only place its stamp of approval on what has been done, but give it better cooperation and more help. We are now on the basis or will soon be of one-eighth of 1 per cent for "Save the Surface" movement and I think our contribution last year was somewhere in excess of \$200,000. I think our subscription to "Clean Up and Paint Up" should be based in a business sense rather than how we feel in the premises. I believe that they should be based on, say, one-sixteenth of 1 per cent of our sales and that will give the "Clean Up and Paint Up" movement the sum of money which they can exploit to the greatest advantage.

Of course Mr. Clark and the chairman of the "Clean Up and Paint Up" Committee feel a great deal of satisfaction. They refer to the wonderful amount of advertising they will be able to secure without spending any money. In its proper sense I would not call it advertising, but would call it propaganda. It is really more effective and pleasing in the way of bringing results than direct advertising giving name and purpose. Therefore, I hope that we will not simply send this committee back to St. Louis with our blessings, but that somewhere there will be incorporated in the sense of all of us that this thing must be encouraged, it must be given opportunity and means to go on side by side with other opportunities which we possess, then they will get results equally as large as the other one. I therefore hope that it will be incorporated in there that the subscription shall be on the basis of one-eighth of 1 per cent.

Mr. Buchanan:—I second that motion.

President Atwood:—Will you restate your motion Mr. Callahan?

Mr. Callahan:—I realize that this association has no taxing function nor can it assess anybody, but I would like to place this subscription on a business basis and that the \$100,000 that is asked for in the resolution be on the basis of one-eighth of 1 per cent of the sales.

President Atwood:—You realize that after these matters are passed they are put into the hands of the "Clean Up and Paint Up" Committee and they raise the funds. Should not your resolution state that the recommendation is that the committee in charge endeavor to raise the fund that is necessary?

Mr. Callahan:—I accept that.

President Atwood:—Is that seconded?

Mr. Buchanan:—I second that motion.

President Atwood:—That comes in the form of an amendment to the original resolution. Is there any other motion?

Mr. Dewar:—I believe you stated this morning that a certain privilege was granted me as a guest, that is, that I might say something in season, but not make it too long. I think now is a good time to take advantage of that privilege.

I remember very, very distinctly, and it was not so very long ago, that your association held its annual meeting in the city of Cleveland, and when the committee made its report on "Clean Up and Paint Up" Mr. Minehart, the chairman, in his address stirred the audience to an enthusiasm that was never likened, or rather that never happened to me before or after that. Oh, his eloquence was appealing, and he said, "We have got to raise \$100,000. Now, how do we do it? Everybody looked at each other, but no one said a word. They all had something to say, but they seemed to be waiting for someone to break the ice."

I could not all still any longer, and I got up and to them about the splendid words of Mr. Minehart and how he had worked for the welfare of this movement. I told the audience that his words appealed to me so strongly—and they had to be strong, too—that I would give \$100 toward that \$100,000. Now you know he did talk pretty strongly, don't you?

Then my friend, one of the best men in painting, Mr. Andrews, arose and said, "Just feel that way, too, after the very eloquent words of Mr. Minehart, you can put me down for \$500." Do you know that in thirty minutes there was raised in that meeting the sum of \$18,000! Today you are asking for \$100,000 and you are going to get it. Your work demands it.

President Atwood:—Is there any more discussion on this resolution? If not, are you ready for the question?

Mr. Felton:—Question.

(The motion on the amendment was carried.)

President Atwood:—Now we will vote on the original resolution.

(The original resolution was carried.)

President Atwood:—We have with us this afternoon E. G. Drew, chairman of the Chicago Association of Commerce, who will say a few words in regard to the experience here of the "Clean Up and Paint Up" movement. Mr. Drew.

### Chicago's Experience

E. G. Drew:—When I came in this meeting I did not know exactly what point I was to cover or just what I was supposed to emphasize. I was reminded of Jerry, the colored baggageman on the station platform in a Southern town. He was standing there one day when the baggageman on the train said to him, "Say, Jerry, where does that dog go to that you have there?"

"I don't know, boss. Nobody knows where that dog goes. He done swallered his tag."

So when I came into this room I did not know just where my destination was going to be. After talking with Mr. MacGregor and Mr. Billing I got a good idea of what you wanted out of me. I found that you wanted the ideas of the association of commerce with regard to the movement that is before us at this time.

The movement here is carried on through our societies or students' clubs. Our organization of the students into clubs dates back about ten years when Mr. Billing was president of the association of commerce and fathered the whole scheme that has been worked out more and more successfully from that time to this. This organization of the students in twenty of our high schools embraces probably over 40,000 students.

Now the association of commerce had the conception that since the high school students were to become the leaders and the backbone of our business community it was of vital importance that our business men should be in touch with them and inculcate into their minds some ideas that had as to what we wanted out of those ideas in the form of human beings.

First, they were to be an instrumentality through which the students would know their city better; get a broader conception of life.

Second, to do some practical work in the line of service to others in the school, in their community and in their city.

Third, to do certain things which would equip the students with the knowledge of what the business world is like and fit them to make a choice of their life's work while still in the preparatory school.

Now, how has it worked out? It has worked out decidedly because the boys and girls who were out in charge of these clubs and who act on the various committees are bound to have developed a lot of executive ability and their broad vision which they acquire of necessity through the work has been contagious; it was the same vision that was in the minds of Mr. Billing and others when this thing was conceived.

I might mention some of the things these clubs do.

There are excursions through the various business houses and through districts of all kinds, through the city and county building and other such places. Then they are interested in the movement along the line to fire and accident prevention. For one month they had a discussion of general ethics—a very splendid thing for business men to encourage. Another month is devoted to hobbies and other things of self interest to keep up the health of the students. Another month is devoted to choosing a vocation in life. Another month (February) is devoted to patriotism; another is given to girls. But the greatest and widest applauded movement in these organizations is the "Clean Up and Paint Up" movement.

Now why is it? The answer is quite simple. You give the individual members of these clubs a practical piece of work to do which fits in with the ideas they are working on. Then they do not only carry on these activities among themselves, but they go into the grade schools which embrace nearly 400,000 children and they get them to boost the work that they are doing. They do it in a two-weeks' period they do a tremendous work along this movement. This period is prefaced by a preliminary meeting presided over by the superintendent of schools of Chicago and addresses are given by the superintendent of streets, the mayor of health and other prominent executives and committees of the city.

Then there is the local propaganda for these campaigns. Competition among the clubs is brought in and prizes are given. There are first and second prizes for the gross accomplishments of the schools, and monthly reports are sent in.

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Now, how has it worked out? It has worked out decidedly because the boys and girls who were out in charge of these clubs and who act on the various committees are bound to have developed a lot of executive ability and their broad vision which they acquire of necessity through the work has been contagious; it was the same vision that was in the minds of Mr. Billing and others when this thing was conceived.

I might mention some of the things these clubs do.

There are excursions through the various business houses and through districts of all kinds, through the city and county building and other such places. Then they are interested in the movement along the line to fire and accident prevention. For one month they had a discussion of general ethics—a very splendid thing for business men to encourage. Another month is devoted to hobbies and other things of self interest to keep up the health of the students. Another month is devoted to choosing a vocation in life. Another month (February) is devoted to patriotism; another is given to girls. But the greatest and widest applauded movement in these organizations is the "Clean Up and Paint Up" movement.

Now why is it? The answer is quite simple. You give the individual members of these clubs a practical piece of work to do which fits in with the ideas they are working on. Then they do not only carry on these activities among themselves, but they go into the grade schools which embrace nearly 400,000 children and they get them to boost the work that they are doing. They do it in a two-weeks' period they do a tremendous work along this movement. This period is prefaced by a preliminary meeting presided over by the superintendent of schools of Chicago and addresses are given by the superintendent of streets, the mayor of health and other prominent executives and committees of the city.

Then there is the local propaganda for these campaigns. Competition among the clubs is brought in and prizes are given. There are first and second prizes for the gross accomplishments of the schools, and monthly reports are sent in.

"Clean Up" Mr. Minehart, the chairman, in his address stirred the audience to an enthusiasm that was never likened, or rather that never happened to me before or after that. Oh, his eloquence was appealing, and he said, "We have got to raise \$100,000. Now, how do we do it? Everybody looked at each other, but no one said a word. They all had something to say, but they seemed to be waiting for someone to break the ice."

I could not all still any longer, and I got up and to them about the splendid words of Mr. Minehart and how he had worked for the welfare of this movement. I told the audience that his words appealed to me so strongly—and they had to be strong, too—that I would give \$100 toward that \$100,000. Now you know he did talk pretty strongly, don't you?

Then my friend, one of the best men in painting, Mr. Andrews, arose and said, "Just feel that way, too, after the very eloquent words of Mr. Minehart, you can put me down for \$500." Do you know that in thirty minutes there was raised in that meeting the sum of \$18,000! Today you are asking for \$100,000 and you are going to get it. Your work demands it.

President Atwood:—Is there any more discussion on this resolution? If not, are you ready for the question?

Mr. Felton:—Question.

(The motion on the amendment was carried.)

President Atwood:—Now we will vote on the original resolution.

(The original resolution was carried.)

President Atwood:—We have with us this afternoon E. G. Drew, chairman of the Chicago Association of Commerce, who will say a few words in regard to the experience here of the "Clean Up and Paint Up" movement. Mr. Drew.

Chicago's Experience

E. G. Drew:—When I came in this meeting I did not know exactly what point I was to cover or just what I was supposed to emphasize. I was reminded of Jerry, the colored baggageman on the station platform in a Southern town. He was standing there one day when the baggageman on the train said to him, "Say, Jerry, where does that dog go to that you have there?"

"I don't know, boss. Nobody knows where that dog goes. He done swallered his tag."

So when I came into this room I did not know just where my destination was going to be. After talking with Mr. MacGregor and Mr. Billing I got a good idea of what you wanted out of me. I found that you wanted the ideas of the association of commerce with regard to the movement that is before us at this time.

The movement here is carried on through our societies or students' clubs. Our organization of the students into clubs dates back about ten years when Mr. Billing was president of the association of commerce and fathered the whole scheme that has been worked out more and more successfully from that time to this. This organization of the students in twenty of our high schools embraces probably over 40,000 students.

Now the association of commerce had the conception that since the high school students were to become the leaders and the backbone of our business community it was of vital importance that our business men should be in touch with them and inculcate into their minds some ideas that had as to what we wanted out of those ideas in the form of human beings.

First, they were to be an instrumentality through which the students would know their city better; get a broader conception of life.

Second, to do some practical work in the line of service to others in the school, in their community and in their city.

Third, to do certain things which would equip the students with the knowledge of what the business world is like and fit them to make a choice of their life's work while still in the preparatory school.

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New England we are paying particular attention to the clean up side of the movement. It seems to me we get better results. Last year we had an unusually good campaign and the prize was won by Lynn, Massachusetts. I have a report here of the sales that were made by eleven retail stores.

(Mr. Morton read the list of articles sold by the eleven retailers in Lynn.)

I think we are in this thing for the good that we can do, for the helplessness and the work that we can do for the community. We have been in this work for nine years and it is a splendid movement.

President Atwood:—Gentlemen, I am very much pleased in what Mr. Morton has said to us. I know he has been very much interested in the clean up work, as much so as any man in the country. I would like to have a few words from Mr. Billing.

Mr. Billing:—I have been interested in this movement for at least ten years. We were told that it was a very difficult thing in a big city like Chicago to get any action as far as the clean up movement was concerned. I thought at that time that we could get the students of the city interested, and when you read the report that we have 40,000 high school boys and girls in this city who have been working on this movement for two years and that there are 400,000 others in the grade schools you can get some idea of the work that can be done by the formation of the students' clubs.

I might also say that we have in the State of Illinois a similar movement to that in New England. It is somewhat difficult to get them interested, but I think it will all come out in the end.

J. R. Macgregor:—I have not been in this business for ten years. It was started very well and was going on very well last year on the "Clean Up and Paint Up" Committee, and I found it was almost too late. The campaign was about to be launched and the preliminary work was pretty well done, and if I did not hurry I would be too late.

This work is conducted by the Chicago Association of Commerce and it is efficiently conducted by the American Paint and Varnish Association. I was greatly interested when my wife returned from Washington, where President Harding, Secretary Hughes and some of our national dignitaries were busy on the "red" and bolshevistic tendencies in America. They said there was a great danger and they must take every means to combat the issue, and then they said down and then they have endeavored to find out whether there has been developed any Americanization activities that have been effective. Advice has been shown that such has not been developed except in Chicago, and I have been greatly pleased with our work along that line. Our work has been done by the schools

and they all work together regardless of creed, politics or any other prejudice. They all work together in the "Clean Up and Paint Up" movement, and this work affects the entire city—whether any individual takes part or not he is affected by this campaign. If he does not clean up his own property, the other property all around him is cleaned up and then maybe his is cleaned up for him. This gives a much better American environment. This has become an institution in Chicago and the paint trade has capitalized on it just as other merchants capitalized on Christmas and New Years.

I think it would be advisable for each individual who is responsible for "Clean Up and Paint Up" in his city to consider the scheme worked out by the Chicago Association of Commerce. You will note in that article which I wrote that there are 400,000 definite accomplishments afforded. I want to emphasize that that is not imagination. Those are obtained from this matter.

This report which I hold in my hand is the report from one school gentleman. It shows the name of the property painted, cleaned up, repaired or whatnot. It is a complete history. This report is only tabulated and the improvement recorded. This exhibit is from the Bowen High School. We have twenty-four such reports handed in by grade schools. The high schools get the grade schools interested in this work and they collect the data and assemble the reports and they are then forwarded to Mr. Lee, who has 400,000 definite accomplishments afforded.

Here is a card that is used in this work. It shows the grammar school district, the block boundary, condition of the alley, condition of the yard, of the vacant lots, of the houses. All these are reported on.

There are many number of reports. Some of them are very small, but they are reports. Some are the activities by the girls. I have one here where a little girl activity went out in the alley and helped dump the ashes into the wagon—anything to be of help in the clean up campaign.

Now this work has advanced to a stage where it does not only clean up the property, but the obnoxious poolrooms are cleaned down, the punch boards are being eliminated and everything that is detrimental to the community. These things are investigated and the report made to the authorities and they see that the remainder of the work is carried out.

Here is a card that shows how this is tabulated. All this work cost \$30,000 and was done five years ago, all due to the diligence of the school children. I would like for Mr. Lee to stand up so you can see the fellow who has done a great deal of this work.

(Mr. Lee arose and was applauded.)

## Code of Ethics Adopted

Mr. Minchett:—I desire to move the adoption of this code of the regular order of business for the purpose of considering a resolution from Milwaukee covering a code of ethics.

President Atwood:—Is there a second to that motion?

(The motion was seconded and carried.)

Mr. Minchett:—The education committee at its meeting Saturday morning had laid before it the proposed resolution from the Milwaukee club. This has been able to be accepted by the other two organizations and your educational bureau submitted it to the Board of Directors of this association and it was received.

Mr. Minchett presented the following resolution from the Milwaukee club:—

Whereas, the National Paint, Oil and Varnish Association is an organization operating for the mutual benefit of the industry and the public;

Whereas, the primary object of the association is to promote the welfare of the industry and strengthen the ties of trade and social relations;

Whereas, this association through frank and lawful co-operation of its members endeavors to remove the attendant evils and trade customs contrary to sound business principles and the highest standard of ethics;

Whereas, experience has shown that written codes of standards governing business relations are essential to the progress and development of every trade and profession;

Whereas, such vocation requires rules peculiarly adapted to its nature and characterized by definite, concise rules of conduct; therefore be it

Resolved: That this association adopt as a rule and guide for the conduct of its members a standard code of ethics; be it further

Resolved: That the following code of ethics be adopted with such additions and changes as may, from time to time, be determined upon.

We, members of the National Paint, Oil and Varnish Association, realizing our responsibilities in the promotion of public welfare and friendly and truthful relations among men do pledge ourselves:

1. To compete always with fairness and honesty, securing patronage on merit, and not by derogatory reference to a competitor or competitor generally or their products, either written or oral, or circulating harmful rumors regarding a competitor's products, financial or personal reputation. To strive by sincere and intelligent co-operation with our competitors to influence the public to the benefit of the whole. All advertising shall be based on the merits of one's own products without derogatory misleading references to or comparisons with the goods of competitors.

2. To observe the highest standards of justice, integrity and honor in all our relations with the allied trades, realizing that the standard of ethics in our own industry vitally affects the standard maintained in associated industries. We pledge ourselves to adhere to a standard code as a rule and guide for their actions, and to discourage unfair trade practices in our industries, even though such business methods might be to our own immediate advantage.

3. To represent our products truthfully in all our advertising and labeling.

4. To seek to prevent every form of commercial bribery by members of our association, and to urge our support to aid the Federal Trade Commission in locating and prosecuting individuals suspected of violation of the law.

5. To faithfully adhere to the rules of conduct set forth in this code and to inspire others in the association to do likewise, realizing that the Golden Rule in business is the watchword for our industry.

6. Any alleged violation of this code shall be referred by the president of the National Paint, Oil and Varnish Association to the Board of Directors for careful consideration and appropriate action.

Mr. Minchett:—I desire to move the adoption of this code of ethics as the sentiment of our association.

(The motion was seconded and carried.)

President Atwood:—We will now proceed with the regular order of business. I will call on Mr. Roh for his report on the "Save the Surface" Committee.

C. J. Roh presented the report of the "Save the Surface" Committee as follows:

the industry is due the credit for rallying around a common cause and a common objective.

As a co-operative movement, the Save the Surface activities are mainly directed and conducted by local Save the Surface Committees. With more than three hundred men on committees of the paint clubs, master painters' associations and hardware clubs, much has been done by them during 1923. Mass meetings of the entire paint trade have been held in thirty cities. Through the efforts of these local committees, eight new Save the Surface Salesmen's Clubs have been organized, making a total of sixteen salesmen's clubs now existing, with a membership of nearly one thousand men in the National Association of Save the Surface Salesmen.

The national advertising this fall will emphasize the importance of interior painting to the public and will begin an intensive effort to secure the co-operation of all branches of the trade to lengthen the painting season. We would emphasize in this report the part which the local paint trade must play in any successful effort to get rid of dull seasons. Regardless of how effective the national advertising may be, it will require personal effort on all parts of the industry and salesmanship to change the habit of thinking on the part of the public to the point where they will consider the painting of interiors, factories, office buildings and institutions during the dull painting months.

In order to secure this united effort on the part of the local paint trade, many cities are planning to conduct a "dull season sales drive" at the beginning on the next dull season. This is an organized effort on the part of the local trade to visit personally every property owner in the community.

The firms present here have a responsibility to urge their salesmen (and the paint clubs have an equal obligation) to lend every co-operation in the organization and conduct of the dull season sales drive, for it is this personal contact with the public on the part of dealers and painters that will, if properly applied, mean the doubling of our business in 1924.

"OUR NEXT BIG JOB—GET RID OF THE DULL SEASONS—NOVEMBER-DECEMBER-JANUARY-FEBRUARY," is the battle cry for the paint industry this fall.

This committee desires to pay tribute to the trade journals serving the paint industry, for their hearty co-operation, which has made possible the carrying of information to the trade and securing action that could not otherwise have been accomplished. We feel sure we can count on their continued co-operation to gain this year's objective.

Side by side with the Save the Surface Campaign in the United States there has been conducted a similar campaign by the Canadian industry. Through their advertising, window display, group meetings and activities, they have been reaping the benefits of co-operation in the same way as the paint trade in the United States.

## 1924 Activities

The plans for Save the Surface activities in 1924 have been carefully laid. Their ultimate purpose will be in aiding to make better merchandising units out of painters and dealers who are in contact with the public.

The new motion picture, "Don't Put It Off—Put It On," which is the third business film produced for the industry by the Save the Surface Campaign, will be available after November 1 for showing by paint trade groups and individual firms without cost except mailing charges.

The effort to lengthen the painting season and the dull season sales drive previously mentioned will require years of activity, but it is hoped that much will be accomplished along this line in 1924.

The Save the Surface Calendar, with the, "1924 one thousand dollar prize contest," and the *Save the Surface Magazine*, issued monthly, will all aid in creating a greater appreciation on the part of the public for our services.

Year after year, for five years, the paint trade has utilized the Save the Surface Campaign to develop new markets. Much has been accomplished.

But we must go on with it because greater benefits lie in its continuation and greater co-operation is needed now more than ever before.

There is little doubt but that those who have shared the responsibility of financing the Save the Surface Campaign in its initial five years will continue with increased support. It is time that every firm, regardless of how small it may be, put its shoulder to the wheel to the best of its ability in working for a common cause.

The National Save the Surface Committee suggests to the paint trade as its objective for 1924, "MAKE 1924 THE GREATEST PAINT AND VARNISH YEAR, AND DOUBLE THE INDUSTRY AHEAD OF TIME."

We submit the following resolutions for adoption:

WHEREAS, The industry through its several Associations in 1921 accepted the objective to "MAKE 1922 THE GREATEST PAINT AND VARNISH YEAR, as the First Step Toward Doubling the Industry by 1926," and also adopted a similar objective last year, and

WHEREAS, The adoption of this objective by all branches of the trade has proven very effective in securing greater sales during 1923; therefore be it

RESOLVED, That the National Paint, Oil and Varnish Association, the Paint Manufacturers' Association of the United States, and the National Varnish Manufacturers' Association in Convention assembled, October 18, 1923, accept as the objective for the trade, "MAKE 1924 THE GREATEST PAINT AND VARNISH YEAR, AND DOUBLE THE INDUSTRY AHEAD OF TIME."

WHEREAS, The paint and varnish trade through its individual and co-operative advertising is urging upon the American public the economic importance of the use of paint and varnish, and

WHEREAS, It is considered good business on the part of members in the paint trade to have their own business and personal property well painted as an example to their customers and the public; therefore be it

RESOLVED, That this Convention urge upon its members and all members of the paint trade, the proper and frequent painting of their business and personal property, thus setting a proper example.

WHEREAS, The demand for paint and varnish in spring and fall requires larger staffs of painters than can be employed the year round;

WHEREAS, The decrease and shortage of painters greatly aggravates the situation during the "peak" seasons;

## Report of Save the Surface Committee

No matter what line of products in the paint and varnish industry you are selling, your greatest sales resistance is due not to competition in your own line of business, but to lack of appreciation on the part of the consuming public of the goods, that all of us in the paint trade have to sell.

The Save the Surface Campaign was created in order that we, as competitors, might join hands and through co-operative advertising educate our public, and by force of this combined effort create increased demand, broaden our markets, make selling easier, and make not merely two, but three or four buyers where there was only one before.

How well we have succeeded through the Save the Surface co-operative effort is clearly illustrated by the way in which we as members of the paint and varnish industry have accepted the objective to double the industry in five years, as suggested by the Campaign. With a 37 per cent. increase in volume of sales in 1922 over 1921, when that objective was first launched, and with an increase of 32 per cent. in volume of business for the first six months of 1923 over the same period in 1922, it would seem that the paint and varnish industry was well on the road to doubling its volume ahead of time.

It is admitted by all in the industry that the Save the Surface Campaign has been of immense value toward the marvelous development of the paint and varnish business and the public's appreciation of its products. The Save the Surface Campaign has been a source of inspiration and ideas. To

WHEREAS, The public will receive better service at lower cost if peak periods are eliminated;

WHEREAS, Certain of the seasonal aspects of the painting business are based more on precedent and habit than on scientific necessity;

WHEREAS, Seasonal painting works unnecessary hardship on the manufacturer, master painter, journeyman painter, dealer and on the public; therefore be it

RESOLVED, That this body endorse the National Save the Surface Committee's plan to so far as possible make painting a year-round business and urges local paint clubs to co-operate in conducting full season sales drives.

WHEREAS, The first five-year period, for which the original investments in the Save the Surface Campaign were made, is drawing to a close, and

WHEREAS, These associations, namely, The National Varnish Manufacturers' Association, The Paint Manufacturers' Association of the United States, and the National Paint, Oil and Varnish Association, in convention assembled, have repeatedly placed themselves heartily behind the Save the Surface Campaign, and have approved the financial plans calling for an investment either of 1/3 to 1% of annual sales, or on a determined classification basis, and

WHEREAS, The remarkable results which have been so far achieved by this co-operative work of the trade towards doubling the industry by 1928, only serve to give us a greater vision of our further possibilities; therefore be it

RESOLVED, That these associations earnestly urge that every member invest in the Save the Surface Campaign upon the uniform basis we approved a year ago, to the end that the industry may go forward at full speed, and that our individual business may realize the full benefit possible through this co-operative effort.

President Atwood.—Mr. Roh, may I ask you a question?

On the top of your second page you have information to the effect that your total will be doubled by 1924. Should that not be 1928?

Mr. Roh.—No, we have got along so well in 1923 and 1924 that we figured we could double it by 1924 instead of waiting for the five-year period.

President Atwood.—You have heard the report of the committee. Our board of directors recommended that it be approved and the resolutions be adopted.

Mr. Bray.—I move the approval of the report.

(The motion was seconded and carried.)

President Atwood.—Mr. Trigg, now the room and I believe you will be interested in hearing from him on this subject.

Mr. Trigg.—We want to get this "Save the Surface" campaign going in a big way. We want to get this before you as quickly as we can, and in order to accomplish that I am going to call on the sub-committee chairman. Our work has got to the point where we must have the sub-committees. Some of you who are in attendance here this afternoon heard the reports of the sub-committees the Monday afternoon meeting of the paint manufacturers. Those who have heard these reports I am sure will not object to hearing the three-minute talks of the chairmen.

I will first call on the chairman of the sub-committee on advertising, O. C. Harn.

#### Advertising Save the Surface.

O. C. Harn.—The condition of the work in the sub-committees does not mean that the general committee does not have general supervision. We divided it up in order to prepare it quickly and present it in a businesslike manner to the general committee which has charge.

The first duty of the sub-committee on advertising was to prepare the periodical advertising. You are all no doubt aware that the monthly magazine is a molder of opinion in any country and particularly in this country of ours. That molding of opinion is not only in the news and editorials, but quite as much in this day in the advertising pages and especially in the advertising as to what we shall buy. Taking advantage of that fact we must make the backbone of the "Save the Surface" advertising in the printed advertisements in the magazines of large circulation those that go to the city and the country.

The copy for this advertising is somewhat different from that which any individual paint or varnish manufacturer uses for his own business. For obvious reasons we do not go into the matter of materials; we do not and do not want to. Our big object from the first and continues to be, was to place in the minds of the people of this country, men, women and children, the big idea that it is their duty to their own pocketbook, to save the surface of their property. So we have devised every possible way of presenting that idea to them and getting it under their skin. We know that is we do get that idea in their minds that the sale of our products will logically follow.

Besides the advertising to the consumer through the publications in getting that idea over, we have other activities in the periodical. We know that in order that this work shall be done and done efficiently we have got to follow that idea up that we place in the consumer's mind; something must be sold to them as the result of that idea. We know that paint and varnish manufacturers do not reap our reward. The dealer is a very important factor in that we have to make him in contact with the consumer. He must sell it to those people or we do not get our money out of it.

The painter is also in close contact with the consumer. We advertise to him through the paint publications, suggesting to him how he can function and what are his duties to the campaign.

Finally, we have to advertise to ourselves because we think we find that we sometimes lack the evidence, the universal appreciation of this fact, so we are using some of the paint publications. We use all the paint publications to tell us and remind us what a great opportunity

is opened up to us through the campaign.

Mr. Trigg.—We will hear from the sub-committee on trade promotion.

Mr. Brenin told of the activities of the sub-committee on trade promotion.

Mr. Trigg.—We will now hear the report of the sub-committee on publicity by Mr. Frazee.

#### Save the Surface Publicity

John Frazee.—The publicity committee carried out its work through the co-operation of the other sub-committees depending of course on the newspapers and magazines. Then, in addition to that we have the radio, the moving-pictures and the public speeches.

In connection with the newspapers and magazines there is a crying need at the present time which is being largely taken advantage of by the individual firms.

The field in radio is very large. There are some three hundred and fifty principal



O. C. Harn

pal commercial broadcasting stations today who are very glad to receive well prepared material of an educative and instructive nature which they may broadcast to their listeners.

The same applies to a considerable extent to the moving-picture field, but in all of these publicity activities there must be no direct advertising. The "Save the Surface" campaign is especially adapted to this publicity activity because the propaganda which it seeks to carry is not of a direct advertising nature, but is of a nature highly educative and instructive and generally recognized by those in the community.

We have been putting forth a great deal of effort along these lines in the past few weeks and hope at some subsequent date to be able to tell you the value of such continued work.

Mr. Trigg.—Now the report of the sub-committee on slogan and protection by Mr. Calman.

Mr. Calman told what the sub-committee on slogan and protection had done.

Mr. Trigg.—The sub-committee on "Save the Surface" by Mr. Roh.

#### Soliciting Plans

Mr. Roh.—Mr. Rosenthal is the chairman of this sub-committee, but I will report for him.

The finance committee is divided into two parts. One is to get financial contracts and the other is to secure renewals of investigation contracts. I will tell you about securing new contracts first and then I will tell you why we divide it into two parts.

Having ended a period of five years in the work it is quite natural that a number of the contracts have expired and we felt you about securing new contracts first and then I will tell you why we divide it into two parts.

organization was called into play and this work was assigned to local "Save the Surface" committees and they started this work about a month ago and already have secured renewals of a considerable amount and those who have reinvested at nearly 33 1/3 per cent increase.

Now we realize that we cannot expect to educate or get all of the industry to realize the importance of this movement and the finance committee felt that if by some means we could put before the entire trade, including all of the peo-

## A Great Industry in the Public Service

By Ernest T. Trigg

In preparing what I have to say to you today, I have borne in mind the slogan we have set for this convention of 1923—"For the Public Service."

As I thought about this subject for our convention, a very simple and noble parable came to my mind. Let me recall it to you. It is from the Bible—a parable of a Master who placed his wealth in the hands of his servants before going upon a journey.

When the Master returned, he called his servants together and asked for an accounting of their stewardship.

He that had received five talents came and brought them five talents, saying, Lord, thou gavest me into me five talents; behold, I have gained beside them five talents more. His Lord said unto him, Well done, thou faithful servant, thou hast been faithful over a few things, I will make thee ruler over many things; enter thou into the joy of thy Lord.

Do you see the application of this age-old story?

It is the slogan of this convention that our great industry is in the service of the public. It is the peculiar and fundamental strength of our industry that paint and varnish are the economic servants of every individual consumer who buys our products.

Our industry, among all others, can justly claim that we truly serve—not one class, not only the rich, not only the poor, but all classes—rich and poor alike. There is no person or thing in our country who is not served in some measure every day of the year by the protecting and beautifying services of paint and varnish. In that sense there can be no doubt but that we are the servant of the public.

And the public is our master. This is true in just as real and practical a way as is the fact that we are the servant of the public. The business in our industry may rise or decline over a period of years, jobbers, retailers and master painters may come and go as generations pass, but the one underlying measure of the growth of our industry is the conviction or lack of conviction on the part of the public that paint and varnish are products which it needs, wants and must have.

This public judgment of our industry and the need for its products is a thing most remote from all our daily activities, but it is by far the most important thing, more important than anything else in the conduct and growth of our industry or any individual firm in it.

#### Public Attitude

As manufacturers we are immersed day after day in the details of production, sales and distribution, but the too-often unregarded factor which lies back of all this activity is the public attitude of mind toward our industry and the usefulness of paint and varnish in daily life. If the public thinks well of our industry, if it believes that paint and varnish are truly its economic servants, and if the number of people increases to whom it becomes an active conviction, then and then only can we truly say that our industry has economic sense and is not merely a passing fancy among the cross-currents of economic and business life in the years ahead of us.

There can be no doubt that the public is our master.

If we look at business reduced to its simplest terms, let us say in an American community of two hundred years ago, we find that each family was doing many more things for itself than today. Its members raised a great part of their own food, they wove their own cloth, they were perhaps their own blacksmiths and certainly did a great part of their own building construction.

The whole history of business development has recorded that decade after decade, with increasing speed, we have divided these common tasks. Today, each of us is a specialist and each of us has put into the keeping of other specialists the production of most of those things which we need to maintain life and happiness in our present intense civilization. In that little colonial community of which I have just spoken, public judgment of the value of the contribution of each member was easy to arrive at and immediate in its action. Today, with our tremendous industrial complexity, those to whom we delegate specialized services are often remote from us in time and distance. Something has been lost and much regained. We could not have it otherwise if we would. We must live our lives as members of the public. We must conduct our business as specialists, serving that public under the conditions which our civilization has put upon us.

Judgment of the worth of the individual member of the community was certain and quick two hundred years ago. It may not be so quick today, but it is just as certain. The establishment of the human relationship between the industry or the individual business and the consuming public is more difficult today than it ever was before. We cannot afford, as industries or as individual businesses within an industry, to forget our relationship with and our responsibility to the public.

#### Obligation to Serve

American business, four or five decades ago, flushed with the first sensation of power, as it began to discover the tremendous natural resources of our country and to realize the limitless possibilities of machine production, in some instances willfully disregarded the obligation of business to serve. The day has long passed when the public would or could

be interested in the paint and varnish business, the fact regarding this "Save the Surface" campaign that with us we would have you all in whole-hearted support and that is the second part that I wanted to bring to your attention.

Mr. Trigg.—There is still one other sub-committee, that on film, but as it is not ready at this time I will give my address put this time. Following this the film will be shown.

Mr. Trigg then read the following address:—

"be damned"; the public has seen to it that such an attitude on the part of business is speedily checked and crushed.

Today, as never before, through such leaders of public opinion as Herbert Hoover, we are working out methods by which industry may more immediately serve the public and do so upon its own initiative.

It is the very nature of all business in all times that the millions making up the public have put into the hands of industries and of individual firms in those industries, possibilities of wealth, which after all is the property of the public. Our business opportunities are the talents put into our safekeeping by our master, the public. What we do with these talents measures surely and certainly the rate of our growth and the honesty and integrity of ourselves as business men in accepting this stewardship from the public.

I have taken the time to present this thought to you because I believe it to be the most important thought that can be in the mind of all industry today. This thought should be coupled with everything I have still to say because this every individual consumer who buys our products is of such dominating importance; we have the obligation to make an accounting to the public for the business opportunities it has entrusted to our safekeeping. It is well worth our while to pause at this convention long enough to summarize the public service which we have already rendered, to lay plans for future service and to achieve, if possible, the spirit which shall enable us to put into still to vigorous operation during the immediate years to come. What I have said to you, therefore, will be divided into two parts—one, the recounting as briefly as possible the record of our stewardship in the service of the public, and the second, an enumeration of those things which we can do as an industry and as individuals in relation to the public service of the public service of paint and varnish.

Here we stand, then, as an industry in the convention of 1923, dedicated to thought and plans to the service of the public.

#### Survey of Last Five Years

It has now been five years since our industry took the first practical steps in stating to the public, through the "Save the Surface" campaign and its slogan, the character of the service which our industry renders.

What have we done as an industry during that period with the talents put into our safekeeping?

#### Ability to Co-operate

Let me begin with perhaps the most intangible achievement, but also perhaps the most real and important—the growth of our ability to co-operate with each other.

Outstanding evidence of this ability to co-operate came to us at our last convention when the three associations within the industry met together for the first time. We met together because we found that we had a common basis for meeting. We found that many of our problems, which seemed peculiar to groups within the industry, were after all common to all of us in their main significance. We found that the most connected way of working out these problems was to do so together.

I believe that if every man in the industry were to state what in his mind is the most important cause for this growth in co-operation within our ranks, the principle upon which the "Save the Surface" campaign would receive an overwhelming vote. The cohesive power of this one principle common to all has bound us more closely together than we ever were before. We have found that we can unite perfectly upon one principle—a principle as logical as it is simple, and compelling both to us and to the consumer.

As we have worked together in this greater spirit of co-operation founded upon the principle of "Save the Surface," we have discovered a new pride in our industry. The source of that pride has been a deeper realization of the economic stability of paint and varnish and an increasing appreciation of their economic service to the public which buys them.

This greater pride in our industry has touched and quickened the leaders of individual firms within the industry. It has touched and quickened into new thought and action every factor in the industry from the president of the company to the workmen in the plant, from the sales manager and the salesman to the dealer and his clerks, the master painter and his journeymen and apprentices.

I believe that the increase in volume enjoyed by our industry is due in important degree to this greater pride in our industry. The leading example of co-operation in industry, this pride has been accompanied with no compulsion from without or legislative pressure has forced upon us this new view of our public relationship. It has been achieved solely through the initiative coming from within the industry itself. And that initiative has had the vision to see and the energy to execute a policy of public service which has transcended not only this letter, but the very spirit of the law.

If there is one man among you, who after these five years thinks that co-operation in the public service is sentiment, let me squarely meet that man's mind now. This principle which has been the very spirit of our industry during

these five years, is as plain and practical as a china doorknob. We have dedicated the next five years to the "Save the Surface" proposition that every gallon of paint and varnish manufactured by us represents an obligation to the buyer as well as to ourselves, which cannot be fulfilled until it is rendering satisfactory "Save the Surface" protection.

We need make no apologies for that record; we have made better products; we have sold them in greater volume; paint and varnish have not only brought a good fight, but a better fight than they ever fought before against the enemies—waste and deterioration and ignorance. For five years we have conscientiously and avowedly served the public—and we never served ourselves better. The public has passed judgment upon us and rewarded us.

The spirit of co-operation within the industry is the very foundation of my firm belief that what we have done is but the beginning of what the paint and varnish industry can and will do in the years to come.

### Change in Methods

That public service, "Saving the Surface," has changed the viewpoint in merchandising for all of us. Today, paint and varnish are sold in a way quite different from that which they used in the past. Today, this sales approach is based upon the economics of paint and varnish. Our salesman in selling the dealer who faces toward the consumer do not emphasize the small talk about why the dealer should buy. They are emphasizing the big talk about why the dealer should sell. And these reasons are the consumer's reasons, not ours—why he should continue to use more paint and varnish.

That change in merchandising is a profound about-face for any industry to achieve in its merchandising methods in the short space of five years. But all of us know that that change has been wrought to real purpose—a new pride and satisfaction for the salesman and the dealer as well as for ourselves, because what we are doing is so soundly grounded in the best interests of the consumer.

### Our Advertising

The advertising of individual companies within the industry has changed, indicating that these companies have reared their individual public relations in a new and different light. They have changed the "Save the Surface" campaign has plowed the ground, ready for the planting of each paint and varnish brand. The advertising done by individual firms within the industry is notably different from other advertising, not because of the subject-matter—that is taken for granted—but because of the viewpoint from which the subject-matter is expressed. I am conscious, as I read these advertisements published by members of our associations, that there is a greater breadth of vision, a greater consciousness of the consumer's interest. There is a ring of conviction in these advertisements which is exceptional. It is a conviction based upon the consumer's actual need for our products. The fact that so much of this advertising by individual paint firms is done with this common viewpoint, cannot fail to have its effect upon the public as a whole in broadening the field of service of each of us.

### Scientific Production

Refinements in processes and improvements in materials and formulations are going on constantly. In no period of a similar length of time has there been more progress in this direction than during the last five years. The work of Dr. Henry A. Gardner as head of the scientific section of the Educational Bureau has contributed most largely to paint and varnish technology as a whole. From this constructive work carried on by Dr. Gardner in the interest of the industry have come many developments in processes, in raw materials and in finished products. This work, initiated by the industry itself and carried on for the benefit of those engaged in the industry but in the broadest sense in the interest of the public as a whole, is one of the many outstanding achievements of the industry co-operate constructively.

And so, if time permitted, I might discuss the many other achievements of the industry as an industry to co-operate by referring to many other constructive activities, including the Educational Bureau, the Committee work so ably handled by M. Q. Macdonald, the Arbitration Bureau, the Trade-Mark Registration Bureau, the Gathering of Statistics, Legislation, Simplification, Cost Accounting, Credit and Collection, Trade and Transportation, Commercial Research.

### Public Relations

But let me speak now on the subject of public relations. I will have more to say on this point in a few minutes, but my purpose here is to point out the importance of the progress we have made in convincing the public that when you "Save the Surface" you "Save the Country."

This has been the common ground on which we have united. In a large measure it has made possible the progress in some of these other activities that we have mentioned.

Co-operation with our consuming public through the "Save the Surface" campaign has proved itself by such immediate and practical returns that it has given us the spirit to carry out other important forms of co-operation, mainly within the industry itself. In other words, we have united in our relations with the public and are learning to unite in our relations with each other.

Again, co-operation with the public through the "Clean-up and Paint-up" campaign has intensified the public's sense of need for our products, and has also given another clear lesson to ourselves that we as manufacturers accomplished the biggest results when we work together.

Now let us consider for a moment this big summary picture of the industry during the past five years. We have made good use of our time. We have invested our money wisely and have put into our keeping wisely and, I believe in the main, well. We may look at this record of accomplishment with some pride. But with that sense of pride

I know there comes to you, as it certainly comes to me, the knowledge that yesterday is yesterday, and tomorrow is tomorrow. All business and every industry is like a growing tree—if it lives, it must grow; if it stops growing, it dies.

I have taken the time to recapitulate this history for two reasons—perhaps at some time it will serve as a convenient form of record, but my real purpose in reviewing our accomplishments is found in the fact that there is such a thing as dynamic history. I had that same thought about the power of history two years ago when, at the convention of 1921, I quoted to you a story of John Paul Jones. None of you will have any difficulty in recalling that those days of 1921 presented a difficult test which tested all our courage. I told you how the famous admiral had so bravely met the challenge of battle; how when his masts were shot away and his forces reduced, he calmly and steadily answered the enemy's call to surrender by his immortal words, "I have not yet begun to fight."

### Hard Pressed in 1921

Do you see what I mean? The good ship of our industry was hard pressed in 1921, but we found the courage to answer the challenge of circumstance in brave and ringing fashion, and at that convention set ourselves a goal which we are more than winning to achieve. Make 1922 the Greatest Paint and Varnish Year—as the first step toward doubling the industry by 1925. When the first year was up we had covered 57 per cent. of the five-year journey. That was an

to go. The world is waiting for and needs the secrets of sciences which it is your task and privilege to unfold. Those who have gone before you have only been working on the beginning.

### The Next Five Years

We have had five years of vision, illumined and made concrete by five years of practical demonstration—a demonstration of actual accomplishment. What task shall we set ourselves for the next five years? What shall be our broad policy? What shall be our commitment as to energy and spirit to realize for the industry through the "Save the Surface" campaign what that simple and compelling principle in the past five years has demonstrated to be possible?

These questions call for a statement of things to be considered, things that should be done and the means of getting them done. They call for a program of definite action, with courage and energy steadily to carry it through.

### Industry Drawn Together

I have tried to make clear that since its beginning five years ago, the "Save the Surface" campaign has been the greatest single cohesive principle in drawing our industry together and in making possible its really astounding progress.

This is true for two reasons at least. On one hand is carried the conviction to the public that paint and varnish are their economic servants. On the other hand, that conviction has been the basis

One of us wishes, as a manufacturer, to plant paint seed; another, varnish seed; another wishes to plant the seed of retail paint store service; another, as master painter, the seed of paint and varnish craftsmanship; but for each and all, the "Save the Surface" campaign keeps cultivating the soil of public opinion ahead of us.

Because the plowing is being done, the manufacturer is set free to apply greater effort toward cultivating his own brand strength; the dealer is set free and finds it more profitable to concentrate on the development of his identity in the community as a source of supply; the master painter in a like way finds he has more time and greater opportunity to establish his identity as a contractor and craftsman in paint and varnish application. The plowing must continue. We have found in these last five years that it is more efficient and more economical to put this plowing into the hands of the "Save the Surface" campaign than to suffer the duplication of effort and the lost motion which would result if each of us tried to do it for himself.

These past five years have proved that the plowing of our field by "Save the Surface" brings us a greater and richer harvest than have any of our individual or co-operative efforts of the past.

There is yet another lesson to be learned in agriculture. If we would develop still greater yield through our business husbandry, we must plow more deeply the fields we are now cultivating and must put the plow into fields as yet untouched. I think that we as an industry do not yet realize the power placed at our disposal through the "Save the Surface" campaign. We have cultivated acreage by "Save the Surface" untouched before. We have turned up fertile soil in the fields that one yielded little. We have plowed some deep and productive furrows in the minds of the consuming public as to its economic need for our products, but standing at this point after five years of labor, it is easy, in the light of what we have already accomplished, to vision the rich reward which will come to us as the result of still greater co-operative effort.

What we have done is just a good beginning. We have set our hands to the plow" as an industry; and as individuals in our industry, there must be no turning back.

I think you must all share that vision with me. Let us frankly say that it is a vision, but we have proved the value of which this is but a continuation. The plow is in the same furrow in which it was plowed five years ago. We can now acknowledge that then we knew little of this form of business husbandry. Five years has taught us much, but it should be a source of deep satisfaction to us that the principle with which we began, the plowshare with which we turned that first year's acreage, is just as keen and bright today as it was then. It is unchanged. "Save the Surface" is not today on trial; it has passed with high honor its preliminary testing; it is today a solid, demonstrated reality.

### Progress Is Challenge

It is we who are on trial to see whether, faced by the overwhelming demonstration of its effectiveness during the last five years, we shall fail of our vision for the next five years, whether we shall fail to arouse ourselves to that action which will make our vision as practical at the close of the next five years as is the realized vision of these last five years.

We stand at the edge of the field with this challenge. It is not I who am making it to you today. The concrete circumstances of our progress throw it down before us. What are we going to do about it?

Let me talk this over with you. It is not enough that we see the field waiting for our effort. We must know the length and purpose of the furrows we are to reach. We must be prepared not only to do the plowing, but the planting, and, finally, the harvesting.

Let me trace some of the things I believe we should unite in doing. I have said that our industry has learned the value of teamwork. Now is the time to put that teamwork to its greatest practical use. We cannot reach our goal unless we work together, but surely and certainly we can reach our goal if we do work together.

Two years ago our industry set itself the task of making each succeeding year the greatest paint and varnish year. Finally by 1926 we hoped to double our industry. It took courage in those days to commit ourselves to such a performance. Into these two intervening years we have poured out a greater co-operative effort than ever before.

Today at this convention, without, of course, the final figures for the year, I feel that I can assure you that the two years we shall have accomplished over three-quarters of the job we set ourselves to complete in five years.

The year 1921 we took as our base.

The year 1922 marked a 37 per cent. increase over 1921.

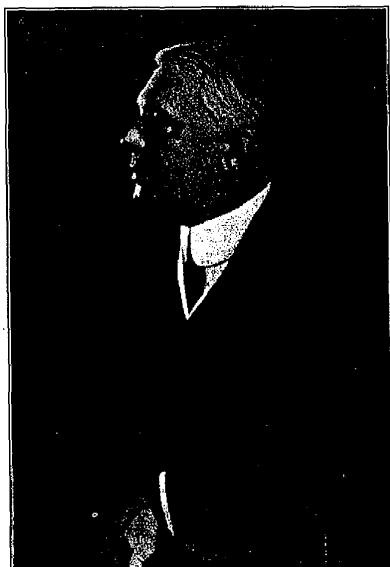
The first six months of 1923 marks a 32 per cent. increase over the same period of the year 1922. We are continuing at an equal pace. At the end of the year 1923 will show an increase of 80 per cent. over 1921. This is the greatest record in the history of the industry, and to do it two years ahead of time, we have only to make 1924 an average of 20 per cent. greater than 1923, or 11 per cent. greater than 1922, provided the latter half of 1923 maintains the rate of increase.

On the strength of this splendid prospect, the "Save the Surface" campaign is entering to the industry for its 1924 slogan "Make 1924 the Greatest Paint and Varnish Year—And Double the Industry Ahead of Time."

### Foundation of Business Volume

As the percentages I have just read sink in, we are for a moment tempted to sit back and enjoy the view.

But let us take the precaution, as good business men, to look into that performance somewhat. Three main forces have augmented our effort to make our increased production possible. One is the unprecedented volume of new building construction; the second is an exceedingly healthy consumption of our products for industrial uses; the third is the repainting and revarnishing "to save all."



Ernest T. Trigg

Photo. by Phillips Studio.

example of the inspiring power of history, and I have recited the accomplishments of these five years mainly for the sake of their inspiration to us in looking forward.

We may properly take pride in the consideration of these last five years, but the real purpose of this consideration is the generation of the optimistic forces to turn towards the next five years with a keener, broader vision and a greater energy.

I think we are he under temptation to regard the growing success of our industry with smug satisfaction—to sit back and rest on our laurels. But I am sure none of us on second thought would willingly yield to a temptation so contrary to the spirit of achievement. A great man on his death-bed whispered as his eyes were closing for their last, long sleep, "So little done—so much to do."

My mind recalls at this point the inspiring example of the late Lord Kelvin. Born in 1824, the son of a country squire, he ended his days in 1907 after having been the outstanding figure in the world of science for practically the second half of the nineteenth century.

His one reads the story of his activities, continued almost to his death at the age of eighty-four, one stands in awe of the accomplishments which may be achieved by one man in the short span of life allotted him.

The Encyclopaedia Britannica says that the list of honors and degrees conferred on Lord Kelvin by universities and societies of learning throughout the world today could not be printed upon the pages of the lengthy article it devotes to this wonderful man.

In the closing days of his life, the British Association for the Advancement of Science, the greatest body of its kind and representing in its members the scientific world itself, assembled to do Lord Kelvin honor. When it came his turn to respond, this man, notable throughout his long life for modesty, patience and kindly bearing, concluded in some such words as these: "Alas! I may have accomplished but only served to show by its littleness the

of that story—that they who have accomplished the most should be the most modest, gain from their accomplishment an even greater vision of the practical things to be done."

You see the application I would make vastness of the unaccomplished. You have in the public mind for the planting the seed of the individual business.

of fundamental changes within our industry, not alone within our respective businesses, but also in our general trade relations and in our relations with one another.

It has given us a common objective. It has made possible to a degree not shown in any other similar industry, a spirit of teamwork which has enabled us to set and reach objectives that would have seemed impossible a few years ago.

Whatever thought may come to mind, wherever else credit should be rendered, the building of our relations with the public has been a most vital factor in the success, not only of the industry as a whole, but of every unit in the industry. It is the rock upon which we have built and shall build our greater industry.

Let me emphasize again what I have said before. However much our days may be occupied with the details of buying, production and distribution, however secure we may feel as we sit in our offices, the fact remains that our future, the growth of our industry, the maintenance of our volume, the efficiency with which we conduct our business, are all predicated upon the conviction on the part of the public that our products serve its need and that our industry and its members stand back of those products with good intention and honest effort.

This is the reason the "Save the Surface" campaign serves our industry as a whole and serves the members of the industry individually.

There is no confusion in the way the "Save the Surface" campaign works for each of us. One of the results of these past five years is to make clear to us exactly how it works. A few minutes ago I referred to "Save the Surface" as plowing the ground. The master painter, dealer, jobber and manufacturer, let me carry that figure of speech further because I believe it to be one of the most accurate ways of expressing the function of the "Save the Surface" campaign.

### Plowing the Ground

The first step towards securing a crop is the plowing. The first step in developing the yield from a business is making ready the minds of those who are to take the seed. The "Save the Surface" campaign, in which all factors of our industry have invested, plows the ground, making the public mind for the planting the seed of the individual business.

However, there is a factor here that should not escape our notice. If we invest in "Save the Surface," in building public conviction as to the economics of "Save the Surface" during these next few years, we shall find that the curve of volume going to repainting will rapidly ascend and will cross the declining curve of volume due to decreasing new construction. If we undertake vigorously this measure of support for "Save the Surface" which I have indicated to be desirable

the volume of our industry will steadily increase year after year, in the face of and in spite of a declining program of new construction. Two years of public education prior to 1921 helped to sustain our industry in that black year, when new building and industrial consumption fell off sharply.

This aspect of business safety accruing to us through the work of "Save the Surface" calls for a strong offensive against the public ignorance of the value of and the need for continuous and adequate repainting. This is not theory. All we have to do is to look back over the record of the last five years. In it we are aware of much progress that has been made in winning the public to a conviction on this point. The progress which has been made proves beyond a doubt the progress we can make. Let us treat the next five years as our opportunity, with the thought in mind that our money invested in "Save the Surface" is to us what fire insurance is to our factories—a policy of insurance.

#### Thrift and Conservation

There is another connection, to which I called attention at another time, which merits our thought in this connection. The year may mark the beginning of a new year to year, or from month to month, the long swing of the cycle will inevitably turn inward to come to a close. I believe that this thought is pretty firmly ingrained in the public mind. Goods and services that are bought today, they will be carried as a capital investment, however, and their replacement cost will be less.

The only offset to this high initial charge is long life and service. That economic fact and that thought in the public mind affords us an opportunity to get across our "Save the Surface" story. Investment in paint and varnish means longer life. It is a fact of life to which it is applied, and longer life will have a business significance during the coming years which it never had before.

There is another factor, still, which we should keep in mind. It affects the opportunity for a greater profit from greater investment in the "Save the Surface" campaign. We have come, in the history of our country, to the time when "waste" is a word to fear. And "waste" is a word that has many reverses. When our population was smaller and our natural resources in great part undevoted, these resources seemed as unlimited in relation to the rate of consumption that waste was natural and conservation was a word little known or understood.

But our population has vastly increased and in the past decade, aided by the lessening of the waste, we have found that our resources are not unlimited and that a conservation of our national wealth and our individual wealth seems as imperative as thrift and conservation. That idea is implanting itself in the minds of the public, and the business world is the biggest captain of industry.

It is a trend in social thought which makes a great difference in the way we paint. With that background in public thought, the story of "Save the Surface" has come into public attention. It has been in the public mind for a ten or fifteen years ago. We can count on that public attention. We have seen it striking today—and if we set our minds and hearts to do the task, we can make it in the next five years a responsive chord in the mind of the public that will make our investment in "Save the Surface" count many fold.

That trend in social thought makes a great opportunity. What are we going to do about it? Let me refer to another simple trend which is intimately connected with these trends which I have just mentioned. It is that affects each of us in the conduct of our individual businesses.

#### Energy Needed in Selling

There can be no doubt but that in this long pull of declining prices, during which we shall see the production facilities of our foreign countries recovering, competition will be the keenest kind. As never before, business men will be business: closeness of management, no lost motion between parts of the business, scrupulous attention to increase efficiency and on the other hand, energy in selling.

This furnishes another reason for profitable investment in "Save the Surface." It is costly for the individual paint and varnish manufacturer to devote his advertising space to the general education of the public as to its need for paint and varnish. He wants to build his brand. And yet if we again hold our position in the budget of the summer, that public consciousness of the need for paint and varnish must not be neglected, but it must be further developed as never before. This is the logical basis for the "Save the Surface" campaign.

We must plow before we can plant, and before we can reap; and we have proved in these five years that plowing done with a common purpose and a common method through the "Save the Surface" campaign builds in the minds of the public a greater confidence in the value of our industry and a greater feeling of need for their service than could possibly be developed by each of us trying to do it after his own fashion.

The question of economy is also involved, and coupled with the fact that we have the "Save the Surface" fight for our industry in the endless competition, which is bound to grow keener among us, there is a place for the "Save the Surface" campaign. I have said this before, but I repeat it again—that we are looking for a place in the future where we think of competition only as competition among ourselves within our industry. The competition with other industries for consideration in the budget of the consumer's dollar.

As an industry we can speak strongly, with conviction and authority, in our own name, in that competition. If, as indi-

vidual businesses, we try to win the fight of that industrial competition, we shall do it weakly, with little conviction and no economic basis.

This is another firmly grounded reason why we should give greater support to "Save the Surface." The time is ripe, the need is urgent, the economy is apparent, and the means has been tested by five years of successful operation.

Does this sound selfish? Does this talk of investment and profit and return sound in self interest? It would not have you think so for one minute. None of us, spending his days and years in the paint and varnish industry, need ever feel that his strenuous efforts are selfish.

The very use of paint and varnish, if it is made right and sold honestly, is a public service. It is not enough that we buy and make and sell. We have a right to tell the public of that service, and we have a duty to do so. The "Save the Surface" propaganda is a duty in that larger sense of public service. We do know that unpainted surfaces cause deterioration and loss. We do know that such waste of wealth is mainly due to ignorance or neglect. That being true, we owe it to the public we serve to educate it as to the service our products give. "Save the Surface" looked at in this way is a duty and a public service as well as an opportunity in profitable business.

#### Spirit of the Industry

I have sketched for you the spirit of our industry during this past five years. I have given you in summary some of our achievements, and have outlined a broad policy I believe our industry should adopt toward the "Save the Surface" campaign. I have enumerated certain specific things to do.

Here are five clean years ahead of us. They are ours to cultivate and to cultivate. They are ours to put to profitable use, or years in which we may be lagging behind the times. They are ours to use for our cultivation. Shall we plow across them some bright furrows of new progress, or shall we stand with our hands on the plow in unprofitable thought and without vigorous action?

Those who have tested our vision and our thought; the next five years should be a test of courage and action. The paint and varnish industry has talents put into our hands to do with as we choose. You may depend upon it that when they are all tested, our vision and our thought will be our master, the public will call for an accounting.

We have far to go before our industry can be truly said to have "arrived." Our industry may look big to us today. Some of us may be reasonably content with it. But for our business pay us, but I will give you a picture which I hope will put some dissatisfaction into that complacency that exists.

1. When well-painted surfaces are the rule instead of the exception.

2. When the insurance industry is as broadly practiced as fire insurance.

3. When mortgages are protected by property insurance is invariably insured by paint and varnish against deterioration, as it is now insured against fire.

4. When every man on the measure of his standing in his own community is the condition in which he maintains his property that they apply in the safekeeping of their securities.

5. When paint and varnish is found prominently displayed in dealers' stores and not in dark and dusty corners.

6. When master painters vigorously promote the "Save the Surface" idea in their own circles.

7. And, lastly, and basic to all these, when the whole American public has learned the lesson that paint and varnish is a necessity, not a luxury, an investment and not an expense.

Then and then only may our industry say, "We have arrived."

There is a cause that is big enough for the paint and varnish industry. It is a cause that should put some spirit into every man who has been dulled by daily routine. Let us work for the attainment of that goal together.

If we have invested the talents the public has entrusted to us to such good purpose, we have the measure of our worth. A worthy measure of it in these next five years, we need fear no heavy condemnation from the public. We may be sure that our master, the public, will have none for us. We shall have the public's confidence as well as in business relationships in a great manner. Looking forward to that time, when the public will come to us and say that this great industry will answer for its stewardship in a way that will make us all very proud.

And transcending private interest, transcending profit, transcending all selfish causes, there will be an abiding satisfaction in the judgment of the Master of all industries and all businesses. I am sure that at that time the public will be able to judge in unimpaired wisdom. Well done, thou good and faithful public servant."

President Atwood.—Mr. Trigg, may I say to you that the words of commendation are needed from me. That is a record of the past, a picture of the present and a prophecy of the future.

Mr. Trigg.—Mr. Matlack, the chairman of the sub-committee, has asked me to make a brief statement for that committee and we will show the film.

#### Save the Surface Film

Mr. Matlack.—Before we throw the film on the screen, I think it is necessary. The committee was given a certain sum of money with a request to produce a film. We have now worked and thought to the general committee last Saturday a two-reel film with the explanation of the "Save the Surface" campaign. The two reels all the message that we had to lay before you. They were good enough to give permission to take the film on and have given us more money with which to bring out the suggestions that they had to offer and the money we had already pointed out and make a better three-reel film. This will be done as quickly as possible. It will be a three-reel film. It is a film that will be kept so that if one wishes

to make use of it at his sales convention until we can get the three-reel film ready he may have it.

The name of the "Save the Surface" motion picture, "Don't Put it Off; Put it On," was then shown.

#### Value of the Campaign

J. B. Lord.—After hearing this speech of Mr. Trigg's and looking at this film I just wonder whether or not we are giving the "Save the Surface" campaign the credit that it is entitled to; whether we are giving it the proper support.

Five years ago when this movement was started and Mr. Trigg put it up to the association that co-operative advertising would very largely increase the business I think a great many were skeptical and didn't believe it and when the slogan came out, "Double the industry by 1924," many people laughed and said it couldn't be done. Gentlemen, the "Save the Surface" campaign has proved that it has produced and it is a proven fact that we will double the industry before 1924.

It seems to me that we should give our support to this movement. That we should not only give our financial support, but our moral support and that everyone should get behind it and push and make it a much bigger thing than it is now.

I think that the gentlemen in Washington and the gentlemen that belong to the paint and varnish industry should deserve a great deal of credit. They spent a great deal of their time and they still are doing it. They have organized committees to attend many meetings and they put in thousands of dollars of time all the time. They have been very successful. They get no money whatever, and you gentlemen who don't do that it seems to me that you should be very successful. I am increasing your subscription and those who are not subscribers I feel it is your duty to help support this movement. Here is one thing that came up recently which means a great deal. It can be put over, and there is no reason why people cannot and should not use paint and varnish in the winter as well as in the summer. There are many dollars now waiting for somebody to go for it. There is not a home in the land but what needs paint and varnish. There are thousands of dollars of goods can be sold in every State if the hardware dealers will show to the people what the goods are.

The painters are talking about work through the winter. Every painter in this land could have the work he wanted. There is more work than there are painters to do it, and there will be all winter long. Every painter will use a little to solicit business and go to those people and let them know they will do the work for them.

I think the biggest thing in this "Save the Surface" movement is this lengthening of the painting season. Every man will get back of it. It shall be done. I believe we should support this movement. We not only ought to increase our subscriptions, but we should give the moral support and have everyone go home with the understanding that he will get two new subscribers before the first of January. Two hundred thousand dollars is not money enough to put this thing over in the right way. An industry like this that can't raise another hundred thousand dollars would really be ashamed of itself. We can do it, gentlemen. We can raise all the money we want. All we have to do is to see a little bit more enthusiasm on this proposition and we will not only double the industry ahead of time, but we will have our appreciation to Mr. Trigg and these men who have given their time to us. Gentlemen, let's not go out and forget it. Let's raise two hundred thousand dollars, each one doing his part, and we will put this thing over big.

#### San Francisco Pleased

Mr. Scott.—I wonder if the gentlemen would be interested in hearing what we have done to a certain extent in San Francisco. You might be interested to know that the campaign can be put over and be very successful. We staged a campaign in San Francisco. We had a very high and it was thought it was a very good idea to put a campaign. We decided to put on the campaign anyway. The campaign was staged by the manufacturers of paint and varnish. Each one subscribed. Every painter in that community as a result had more work than he could do.

Only last month we borrowed the film, which was used last year and showed it at Stockton and Sacramento. The meeting was arranged by the Golden Gate "Save the Surface" Club. The meetings were held in the local dealer's store. We had an attendance of about 125, which is a very good thing. We had a local dealer was the chairman in each (in a steno, but the meeting was sponsored by the local dealer and by the dealer. There was a very happy time there. Talks were made by some of the men present and the address was made by the president of the Golden Gate paint club, after the film was shown.

The industry is proud to have such a leader as Mr. Trigg and we recognize that in California. After the talk on the "Save the Surface" film, which the industry accomplished as a whole, the men of San Francisco felt that message has to be carried to the dealer and every one in the industry. We have to be very busy all evening. It showed that with a common effort in this kind of work can gather all those who should be interested. The meeting in Sacramento the president of the paint club was met by a painter in the street the next morning. He said, "Well, I signed a contract this morning. It just showed that from the enthusiasm of that meeting the nation did get out and they had the incentive to accomplish something immediately, and it was not from one of the painters. We signed a contract that morning you will see that the influence spread to others. This is a movement in which we can all gather around, and we intend to have other meetings of that kind in California.

Our plan in presenting the film and having the meeting was simply to carry

some enthusiasm to the dealers and to the painters. It can be done and I believe a lot of good can be accomplished.

#### The Canadian Campaign

Mr. Henderson.—At so late an hour, when so much has been said, I would not make these few remarks except that I think I have a thought which has not turned up so far this afternoon. One of the provinces of Canada, Nova Scotia, is a province very largely dependent on fisheries. Certain of the counties are entirely dependent on that industry. It has been lagging behind of late. Some people say it is due, in a considerable degree, to the Fordney tariff; but, be that as it may, the degree of depreciation and consequential distress in that part of Nova Scotia had become so great recently that the members of parliament from those constituencies felt that something must be done by the government, even if it were so drastic as to make a dolo. The government was approached with the request that they do something for the fishermen on the west coast of Nova Scotia. The matter came before the cabinet, and finally the fisheries of Nova Scotia, consisting of practically all the large fish concerns in that province, were requested by the government to put a co-operative advertising campaign on "God helps those who help themselves," they said, and it would be very injurious to the status of Nova Scotia and the people there if they did nothing to help themselves to better conditions.

The Fisheries Association of Canada will put on a co-operative advertising campaign and conduct it along the lines of the "Save the Surface" campaign which is now being so well carried on in the paint industries of Canada, and if they will follow along similar lines, and better still, and show our appreciation of the same, the country will make a provision of—I don't feel justified in telling you exactly the number of dollars, more than ten thousand dollars—and provided the industry will double that amount, the government will come to its assistance in that way.

I was in Nova Scotia two weeks ago today, and this information came to my knowledge by happening to fall in with the president of the Fisheries Association. He said, "This only happened yesterday, and I was telegraphing you to go to Montreal to help them. I was told that it happened to fall in with you, I want to get information." I was able to tell them certain things. I was able to put them in touch with the two service companies that we have employed and are employing. And now, gentlemen, the fight is on to which one of these service companies is going to get the job. I thought that might be of some interest to you. It is a demonstration of the great earnestness of the "Save the Surface" work here met with.

#### Subscriptions Needed

Mr. McNulty.—I should like to give voice to the things that are in my mind at the moment. We have been greatly benefited by this wonderful talk of Mr. Trigg's. It is something that we can all away with us in the subconscious mind that will be helpful throughout the years, as his preceding remarks have been.

Gentlemen, I have in my mind a wonderful conception, a picture, an unfinished picture. I think of the artist who conceives that picture, the man who thought the big things many years ago, who had in his mind the things that we are now helpful to this industry, who had in his mind the thought that he could be helpful to his country along the line of conservation. This master artist received very high encouragement when he was developing this thought. Five years ago, sufficient far-sighted men in this industry realized that that picture should be started—and at that time the picture was started—and the name given to the picture was "Save the Surface and Don't Put it Off." The master artist associated with him assistants to help paint this picture. The work was started—you know with what success. It was small way at first, gradually growing and growing.

The picture is unfinished, certain parts, you have heard. You appreciate that this picture, to be a complete success, has to be supported by the industry, and financially. I sometimes think that this great movement, with its wonderful conclusion, has not seeped into our subconscious mind, but it seems to have seeped into the minds of the consuming public, and our salesmen in the various channels where this publicity permeates. We hear it directly and indirectly of the "Save the Surface," and yet we who are most vitally affected at times, I think, fail to appreciate it.

Ernest Trigg is a master artist. The men associated with him and through him are doing a tremendous work. They are making great sacrifices for this industry. They are spending their money. They are attending eight or ten sessions during the year, work that could not be put in for times spent in excess. In my opinion, of the total amount spent in the propaganda campaign of this work, it must be supported. There is no industry, in my opinion, that has a propaganda that is comparable to the "Save the Surface" movement. These other industries have purely a selfish motive in their propaganda. Ours is partly selfish, but it has a great importance of it lies in the fact that we can combine with it that which will do good to our country through methods of conservation.

Now, gentlemen, the time is short. Many other things are running through my mind in this connection, but I have said enough to try to impress upon you the importance of this picture. I think that you have a picture unfinished, a picture that definitely affects your business. I think that the finishing of that picture is going to be benefited; you are going to prosper as you co-operate in this great, big movement. This movement to bind together different elements in this assembly and bring about a spirit of co-operation than anything ever attempted. All I can say to you is, the men are doing the work. You have the picture. Now what we need is the money, and I hope

that every man, when he goes home, will carefully look over this proposition and decide to give this great, big, wonderful movement and its author the support that it needs by making an investment commensurate with his business.

Norris Gregg:—We want larger subscriptions. I have been authorized by the Board of Directors of the National Lead Company to tell you that this company will subscribe on the five-year percentage basis of the recent schedule that is put before the members of this association.

Mr. Dewar:—I, too, visited Nova Scotia some years ago, and in my wandering around I found in Manadoc, a district largely devoted to the fisheries, that if you asked a native in the summer time, "Where do you belong?" he would say, "Manadoc; go! darn you!" and if you asked him in the winter time, he would say, "Manadoc, God help us." There is a point in that applicable to the point under consideration, the winter and the summer time. Ours is a reasonable enterprise.

Mr. Felton:—I would like to make a motion, if it is in order, that we extend to Mr. Trigg congratulations on his unique and very able presentation of the "Save the Surface" campaign covering the five years past and the five years prospect; that we consider ourselves most happy to have a man of Mr. Trigg's caliber who had the wisdom to conceive the "Save the Surface" idea and demonstrate his ability to carry it through; that as an association we adopt the recommendation of the "Save the Surface" committee and place our hearty support in consummation of that plan.

(The action was seconded.)

T. F. Monypenny:—I am very glad, indeed, after Mr. Trigg portrayed that wonderful picture that there has been some discussion. When he got through my heart was beating a little bit faster, a big lump came up here that almost made me speechless. I think, Mr. President, that there are three kinds of people in this organization. There are those who have invested, those who have not invested all they should, and those who have not invested at all. Mr. Trigg referred to the soil. Those of us familiar with the implements of agriculture know that another very important implement in preparing the ground is the roller. After you sow the seed you want to put the roller on to break up the rough particles. Those who have been doing part of their duty have been doing the plowing and sowing the seed. Now let everybody do his duty to the fullest extent and provide the roller by coming forward with greater subscriptions and leveling out the surface in preparation of the harvest. I can't conceive of anything in the paint and varnish business which would be more disappointing than a man not living up to his subscription.

President Atwood:—You have heard the motion by Mr. Felton. Is there any discussion?

(The motion was carried.)

Mr. Roh:—Before we adjourn, the committee would like to have you approve certain resolutions that we have here.

Mr. Roh read the four resolutions under 1924 activities in the printed report.

Mr. Callahan:—I move the adoption of these resolutions.

(The motion was regularly seconded and carried.)

The session was adjourned at 6:20 o'clock.

## Friday, October 19

### Fourth Session: Friday Forenoon

The Friday forenoon session of the convention was called to order at 10:05 o'clock by President Atwood.

Secretary Horgan:—The first order of business this morning is the report of the Allied Industries Committee. Is Mr. Breinig, the chairman, in the room? If not, I will say I have discussed this report with Mr. Breinig. It is informative in its nature. The Allied Industries Committee is composed of the different groups of the industry. Each man is given a particular subject to report on, together with his recommendations.

The Board of Directors received the re-

port and passed it on to the convention for final disposition.

President Atwood:—You have heard what the secretary had to say regarding the action of the board.

Mr. Early:—I move that we concur in the action of the board.

(The motion was seconded.)

Mr. Morton:—I think there are some things in that report we would like to hear.

President Atwood:—We would have to have three days if we read all these reports, but we will read it if you desire.

Mr. Morton:—I think it should be read.

Mr. Woolsey read the report of the Allied Industries Committee as follows:—

### Report of Allied Industries Committee

As Chairman of the Allied Industries Committee, made up of representative men in their respective lines of industry, it has been my simple duty to obtain their reports, consolidate same, and present them to this Association for your information.

#### Brushes

The summer of 1923, following substantial declines in brush prices, developed an abnormal demand for brushes for immediate shipment. This unusual summer business left brush manufacturers with depleted stocks of finished brushes, and an accumulation of unfilled orders in the fall when shipments for spring usually start. This condition led to the annoying delays of last winter and spring, which all brush buyers remember. During the year, however, brush manufacturers steadily increased their output, and by the summer of 1923 shipping conditions were normal, or nearly so. During this summer there was some easing up in the immediate demand, thus enabling manufacturers to prepare in some degree for what promises—at the time this report was written—to be one of the busiest brush years ever known. Deliveries so far as manufacturing facilities are concerned should be better than last year, but buyers should anticipate their wants for a reasonable length of time ahead. This for the reason that finished stocks on brush manufacturers' shelves are still below normal, with unusually large orders already booked, and also for reasons which will appear from the following brief outline of bristle conditions as they appear to the writer.

During the year 1922, bristles of all kinds were in ample supply. Russian bristles began to reappear freely and of good quality at prices which justified the lower prices which went into effect that summer. Russian bristle offerings continued plentiful throughout the following winter and spring, including large blocks of first quality bristles, dressed before and during the early part of the war, by the best and most reliable bristle dressers, masters of their art, and honorable men, now dead or disappeared in the Russian confusion. Russian bristle brushes of the highest grade are obtainable freely. Some manufacturers have been able to supply such brushes throughout the war period and the years intervening. All manufacturers can furnish them now if they desire. The quality in future years is doubtful.

Chinese bristles on the other hand are in a totally different situation. Since January, 1922, prices have steadily and rapidly increased. Brush prices have increased correspondingly, and whether further advances will be required no one knows. There seems to the writer to be no prospect of lower prices on Chinese bristle brushes for the indefinite future, barring a general slump in business in this country and abroad, which does not seem to be in view. Conditions in China are terrible and show no indications of improvement.

#### Colors

Color manufacturers and importers shared in the good business enjoyed in the paint industry since the Convention of 1922.

The first few months of 1922 brought forth an unusual demand from paint manufacturers. The demand started to fall off about May, and did not start to revive until the beginning of August.

Prices ruled very steady during the first few months of 1923. Beginning with May, prices were somewhat lower, although at the time of writing this report—early in September—the tendency seems to be towards a higher level, particularly for chemical colors, in view of the fact that the basic

raw material markets are very much stronger than during the summer.

#### Lead Products

From the date of the Atlantic City Convention to early in March of this year the price of pig lead was continually advancing. The high price resulted because we went into 1923 with an extremely low pig lead reserve stock, and the revival of business, especially in the building and automobile industries, made demands upon the pig lead producers in excess of their production. This resulted in boosting domestic prices above the foreign market, which led to the importation during the first half of 1923, mostly in March, April and May, of about five times as much pig lead as was imported during the entire year of 1922. During the first six months of this year some lead consumers used over fifty per cent. more lead than in the corresponding period of last year.

The situation in the Ruhr almost eliminated France and Germany as lead consumers. This decreased the foreign lead consumption to such an extent that material normally going to these countries was available for the United States. This, together with the general decrease in business, brought the price down until the average for July reached the low figure of 6.2 cents. Fisher shows that the purchasing power of one dollar today is only 66.2 per cent. of its July, 1913, value. Thus, it is seen that pig lead at 6.2 cents in 1923 is equal to a price of 4.04 cents in July, 1913, at which time the average for the month was 4.4 cents, with a low figure of 4.0—the lowest figure for the pre-war year of 1913. This 6.2 cent price was undoubtedly caused by hysteria rather than economic conditions.

Since July the price has constantly mounted, until on September 18 it reached 6.35 to 7.25, and the market was strong at these figures. When the Ruhr trouble is settled both France and Germany will again be large lead buyers, and this should still further strengthen the pig lead market.

**Dry White Lead.**—Basic Carbonate, Basic Sulphate: The demand for these two products has been very brisk. In August there was the usual seasonal falling off, but September showed the expected increase in demand. With the advancing pig lead market the price of these products should rule firm.

**Oxide.**—Red Lead, Litharge, Orange Mineral: The demand for these products is in evidence, and with the strengthening of the pig lead market the price will undoubtedly be firm or with an upward trend.

**Lead in Oil.**—On account of the backward painting season the spring demand for lead in oil was not as great as usual, but August and September have shown a very healthy increase, and a good fall business is looked forward to. With the strengthening pig lead market a decline in price is not anticipated.

#### Linseed Oil

The one big question before the National Paint, Oil and Varnish Association pertaining to Linseed Oil is the question of how to insure an abundant and constant supply of flaxseed and linseed oil in this country, where it can be had promptly when needed. Without this the paint and varnish trade would suffer severely. It is only within the past ten years that this question has been sufficiently serious to engage the attention of the linseed oil manufacturers, the paint and varnish manufacturers and other consumers, as prior to that time this country was a large exporter of flaxseed. During the last ten years, however, the production of flaxseed in this country has been getting smaller and smaller, in spite of the money spent by the linseed crushers and the paint and varnish manufacturers, and the efforts made by the agricultural colleges to encourage increased production.

The duty on flaxseed, up to the time of the passing of the Emergency Tariff Bill, was only 20 cents per bushel, and it is evident that the crop was not profitable to the American farmers when compelled to compete with foreign grown flaxseed with a duty of only 20 cents per bushel, as the crop gradually decreased until the crops of 1919, 1920 and 1921 average less than one-third of the crop of 1912, the 1912 crop being 28,073,000 bushels, and the 1919, 1920 and 1921 crops averaging only 8,714,000 bushels. In the fall of 1921 the Emergency Tariff Bill was passed, increasing the duty on flaxseed to 30 cents per bushel, which would have been a great help to the farmers if a compensatory duty had also been placed on linseed oil, but owing to the fact that this was not done, the linseed oil mills in this country were unable to compete with foreign manufacturers, and the result was that a large number of the domestic mills were shut down during the following year, their men thrown out of employment, and it was necessary for the consumers to import a large part of the linseed oil that they used during that year.

In September, 1922, the new tariff bill was passed and a real constructive move was made to remedy the situation. A duty of 40 cents per bushel was placed on flaxseed, and 24½ cents per gallon on linseed oil. It has now been a year since this tariff bill was passed by Congress, and it is gratifying to note that, according to the United States Government report, the increase in the acreage on flaxseed was very nearly double that of the previous year, and is the largest acreage that has been planted in the United States for the past ten years. This, we believe, demonstrates the fact that the farmers in this country will raise flaxseed when it is a paying crop, and it cannot be a paying crop without a duty which will enable them to compete with the growers in Argentina, India, Russia and Manchuria. It is obvious that in order for the farmer to get the benefit of the duty on flaxseed, that he must be able to sell his flaxseed in this country, as a duty on flaxseed would not be of any assistance to the farmer in selling his crop in foreign countries.

It is, therefore, plain that the interests of the farmers, the linseed oil manufacturers and also the consumers of linseed oil are the same. Without the linseed oil manufacturer the farmer would have no market for his flaxseed, and could not get any benefit from the duty on flaxseed, and without a satisfactory compensatory duty on linseed oil the linseed oil manufacturer in this country could not exist, as he could not compete with foreign manufacturers as was shown in 1921 and 1922.

Immediately after the passage of the last tariff act, in September, 1922, the linseed oil mills, which had been shut down for months on account of the unfavorable Emergency Tariff, resumed operations and have been running steadily since that time.

From the above it will be seen that the new tariff act has not only enabled the farmers to increase the acreage of flaxseed, but it has also enabled

the oil mills to resume operations, giving employment to the men whom it was necessary to discharge the year before. It is also interesting to note that quite contrary to the opinion of some importers of vegetable oils, the duty on linseed oil is not so high as to prevent the importation of linseed oil from foreign countries, as during the first few months of 1923 there were imported into this country approximately 5,000,000 gallons of linseed oil. This shows that the tariff at the present time is very well adjusted, permitting the farmers to increase their acreage, the domestic mills to operate and also, under favorable conditions, permitting the importation of linseed oil from foreign countries.

The consumption of linseed oil during the past year has been the largest on record, the total amount of flaxseed and linseed oil imported being the equivalent of nearly 30,000,000 bushels, and the receipts of domestic flax amounting to about 10,500,000 bushels, or a total of approximately 40,000,000 bushels for the year from September 1, 1922, to September 1, 1923, and we do not believe that the difference in stocks on hand September 1, 1922, and September 1, 1923, will change this figure more than 1,000,000 bushels at the most.

The buying of linseed oil from May to August was on a comparatively small scale, most buyers having anticipated their requirements for these months, but deliveries on contract were fully up to previous years. During the last thirty days there have been some large purchases made and, while only a very small part of the requirements of the consumers of linseed oil have been purchased, many of the large buyers holding off for lower prices, probably not less than one-third of this year's flaxseed crop has already been disposed of by the farmers, and either shipped to terminal markets, sold to arrive, or sold for future delivery, and the percentage may be even larger than this, as it is believed by some very reliable authorities that the government estimate of the amount of flaxseed raised is several million bushels too high. It will be just about six months before the new crop Argentine seed will be available in this country, and it is generally believed that Europe will require practically all of the surplus flax available for shipment from the Argentine and Indian crops. The stocks in Europe are very meager, and the amount of flaxseed afloat to European countries at the present time is 4,200,000 bushels less than at this time last year. The amount of flaxseed afloat to the United States at the present time is 784,000 bushels, or approximately one-half of what it was a year ago, and the stocks of flaxseed and linseed oil in linseed mills in the United States are relatively small.

General conditions seem to be favorable for a good business during the balance of the year, with probably better prices after the heavy movement of flaxseed is over.

#### Petroleum

During the year 1923, the Petroleum Industry has had most unusual and unlooked for happenings. It was generally considered in the beginning of 1923, that all petroleum products produced during this year would be quite high, and with prices generally strengthening throughout the year. Just the reverse of this occurred, at the time when we expected high prices on the finished product, we had low ones, lower than we have had for a great many years.

This was brought about primarily by the tremendous amount of crude produced in California, and in consequence shipping principally by boat California crudes and finished petroleum products to Eastern seaboard. This took away from the Mid-Continent and Central fields the Eastern markets, to which they have in the past, shipped the bulk of their output, and left the Mid-Continent and Central refineries with more or less a local area to supply, and to add to this difficulty, there has been very little export business from the Mid-Continent and North Texas fields. The Mid-Continent and North Texas refineries having in the past shipped a large portion of their finished products for export.

The situation, therefore, has been a natural one, that of a declining market. Prices of petroleum products are governed entirely by supply and demand, and so long as the supply exceeds the demand, prices, of course, will remain low. It is doubtful whether or not there will be any particular strengthening in the price of finished petroleum products during the balance of this year, however, the condition is adjusting itself slowly, and it is generally conceded that the early part of 1924 will show a general strengthening of all petroleum products.

The Paint and Varnish Industry, of course, is principally interested in the price of Naptha suitable for use in the products which they manufacture. The general weakening of prices of finished petroleum products has been reflected to a very great extent in paint and varnish Naptha, however, it must be borne in mind that proper Naptha, suitable for use in paint and varnish requires, first: A crude with proper test from which to make the Naptha; second, careful handling and proper refining.

In the manufacture of Gasoline, any crude can be used, and the principal object is to get a low initial boiling point and not too high an end point. This is not true of paint and varnish Naptha. The initial boiling point must be strictly in line with that particular grade of Naptha; it must be entirely free from sulphur; must have the proper range of boiling points, sweet odor, water white, and have end point strictly in accordance with specifications required in order to insure uniformity.

Needless to say, there are only a few refineries in the United States, with proper crude, knowledge, and equipment to make Naptha satisfactory for paint and varnish use, and while the paint and varnish industries, of course, are desirous of purchasing their thinner at as low a price as possible, they must not lose sight of the fact that one or two cents per gallon savings on their thinner may cost them many thousands of dollars in lost trade later, because of inferior Naptha on which they show a temporary saving in price.

#### GLASS

##### Plate

Plate glass prices have eased off a bit during the past few months due to the fact that supplies are obtainable. Building operations do not show a falling off, nor does it appear that the automobile manufacturers have been able to obtain a sufficient supply for the ever-increasing production of automobiles with the tendency more and more towards enclosed cars; the furniture and showcase manufacturers are producing a good volume, and considering the

fact that there has not been any decided increase in the production of plate glass, and no decline in the price of raw materials or labor, there is no reason to believe that there will be any slump and jobbers' stocks should be safe for the balance of this year and until spring.

The introduction of import supplies has affected the eastern market more than other districts, as there has been a tendency there in a few cases to unload, with the natural resulting weakening of prices.

The manufacturers have not reduced their prices to the jobbing trade, and since it is generally predicted that the manufacturing market will remain firm, it is natural to assume that the jobbers' market will react and maintain a firm level of prices in keeping with cost of replacements.

#### Mirrors

Mirrors are selling under practically the same conditions as plate glass, and the market prices on mirrors have shown the same variation as described on plate glass.

#### Windows

Window glass manufacturers have been maintaining a price for the past couple of years, which has given this branch of the industry a stable aspect, and jobbers have likewise operated under conditions which are normal.

The production of window glass in the United States is not likely to be in excess of the demand, and with building operations everywhere indicating an increase, there should be a constant demand with a firm market.

The influx of Belgian and other European glass to this country, especially of the cheap and inferior qualities, has given our manufacturers a lot of concern, and were it to continue would likely cause a reduction of prices to meet this competition, but the catastrophe in Japan with such far-reaching destruction of glass will likely deflect the supplies from Europe to the Orient, where the demand will be immediate and enormous, and this should relieve the American situation and permit the market to continue on a normal basis without interference of the cheaper competition from the European factories.

Labor costs and raw materials have increased, and general conditions make it apparent that the market will continue along the same levels as are now existing.

#### Zinc

The pendulum of the Zinc Oxide industry has moved rapidly during the past twelve months, and changed its direction at least once. That it has reached the terminal of the reversed direction and is again moving toward expansion seems to be clearly indicated.

Following the depression of 1921, which actually commenced in the fall of 1920, the demand for Zinc Oxide grew steadily during the first nine months of 1922, but the last quarter saw a marked increase. Consumers, who had been indifferent to the solicitations of the manufacturers to cover their requirements by contract, now sought the manufacturers for protection on tonnage estimates far in excess of their previous months' needs. To furnish the suddenly increased quantities, the manufacturers were compelled to put more furnaces into operation. The securing more ore, fuel and labor for this purpose at a time when other industries were likewise expanding, forced the Zinc Oxide manufacturers to enter the strongly competitive labor market and submit to heavier operating costs.

The first price change consisting of  $\frac{1}{2}$  cent advance effective January 1, 1923, was in reality a restoration of the price level ruling during the larger part of 1921 and 1922. The  $\frac{1}{2}$  cent had been dropped from the price on August 1, 1922, for the purpose of stimulating consumption of Zinc Oxide over other pigments in certain trades.

During the spring of 1923, consumers reported estimates of greater tonnage or sustained consumption for the summer; all old stocks in manufacturers' hands having become exhausted, further quantities could only be had at increased costs, and the market advanced in March  $\frac{1}{4}$  cent to  $\frac{1}{2}$  cent on certain grades. The wave of hesitation, which swept business generally throughout the country in mid-year, 1923, was felt by the Zinc Oxide industry. However, the exhausted condition of manufacturers' stocks has left a situation which promises a very active year ahead for the manufacturers, in order to meet the return to normal growth of the Paint and Rubber industries, whose products are ultimately indispensable to the nation's accustomed welfare, and consequently cannot long be deferred from being purchased.

The consumption of Zinc Oxide in 1922 increased about fifty per cent, over that of 1921, and shipments for the year 1923 will materially exceed those of 1922.

#### Lithopone

Our General Chairman is unable to include a report on LITHOPONE, as the Chairman in charge of that section has been absent on a protracted trip, and up to the time this report went to press had not submitted any data.

President Atwood:—You have heard the report of the Committee on Allied Industries, which is purely informative, containing no recommendations. The action of the board was that it be received and referred to the convention.

Mr. Morton:—I move that the report be accepted.

(The motion was seconded.)

President Atwood:—You have heard the motion. What is your pleasure?

(The motion was carried.)

President Atwood:—The chair has no desire at all to suppress the reading of these reports. I wish we could read them all, but if we read all the reports in full we could not possibly finish our business today. It was the idea of the program committee in arranging this program that the reports should be acted on by the board and then in presenting them to the convention to touch the high spots, the salient points. They felt that since these reports are printed that would fill the bill. I don't see how we are going to get through today if we read all the items contained in the different reports. Was not that your done, Mr. Walker?

Mr. Walker:—We agreed if printed reports were given in full it would give the members an opportunity to read them at their leisure, and it would be better if only such reports be read as carried rec-

ommendations or resolutions, where the chairman of the committee wished to discuss some feature of the report.

In order to bring the matter to a head, I move you, Mr. President, that the reading of the reports be dispensed with except in such cases where there are resolutions or where the chairman of the committee desires that it be done.

(The motion was regularly seconded and carried.)

President Atwood:—The next item on the program is the Export and Foreign Trade Committee report, George D. White, chairman.

Secretary Horgan:—This next report, gentlemen, is not distributed because there were some changes made in it at the suggestion of the board of directors so the report has not been distributed, but in its revised form will be printed in all the trade papers and the yearbook of the association.

There were no recommendations in it. It was a statement of the conditions in the export foreign trade. There were some features of it that, in the judgment of the board, might better be changed and that has now been placed in the hands of the chairman for revision. The revised report of the committee follows:—

### Report of Committee on Foreign Trade

It is encouraging to report that paint and varnish exports have increased considerably during the last year. This is no doubt due to the fact that

stocks accumulated in foreign markets in the latter part of 1920 and early in 1921 have almost entirely been liquidated, forcing foreign buyers again into the market, although these buyers are still purchasing in limited quantities for immediate requirements only. Improved economic conditions in some overseas markets have also been instrumental in bringing about increased interest in exporting.

A factor that brightens the aspect for American exports is the steadily increasing imports, which tends to restore foreign purchasing power and reduce the high premium on the American dollar. As an example, it is interesting to note that in the ten months ending with April, 1923, goods valued at \$318,931,000 were imported from Latin-American countries—an increase of 55 per cent. over those imported in the ten months ending with the previous April. A reciprocal outflow of exports to these same territories should naturally follow.

Experienced exporting manufacturers have done a satisfactory foreign business in the past year under existing conditions, and an appreciably increased volume is anticipated for the coming year. Adverse economic conditions, European competition, and, in some instances, even open prejudice against American paints and varnishes, have been largely counteracted by the persistent and determined efforts of intelligently directed export departments. Efficient service has been rendered by the U. S. Bureau of Foreign and Domestic Commerce and marked impetus has been given by the various export co-operative associations working for the extension of America's export trade. Another helpful factor has been the gradual reduction of ocean freight rates. This is directly the result of our increased imports because steamships carrying incoming materials compete for outgoing tonnage in order to make return voyages profitable.

Outside of the trouble-ridden European countries, it is possible to develop worth-while Paint and Varnish business practically all over the world if we have the facilities and also the seriousness of purpose to make the necessary missionary efforts. Different market conditions will be found on every hand. Some territories call for the cheapest materials, while others are receptive to high-grade products. High import duties hinder progress in such markets as Australia and New Zealand, where we have a preferential tariff against us. Conditions are reviving noticeably in South Africa, India, China and the Philippines. The bulk of the business in the Dutch East Indies and adjacent territories is held by English and Dutch manufacturers, who, through many years' experience, are intimately acquainted with the peculiar requirements of these markets.

The members of our association with established export connections are often confronted with specific problems, some of which we believe should be presented with a view to reaching solutions through concerted action. There have been submitted a number of practices and abuses which, if corrected, would certainly prove constructive and helpful to paint manufacturers of this country. We enumerate a few that would seem to be of general interest:

#### *Trade-Mark Piracy*

This has been the subject of numerous international trade conferences, but in spite of corrective measures adopted, it is still possible for unscrupulous persons to acquire trade-marks in some countries with the intent of mulcting the rightful owner.

The members of this association should endeavor to protect their interests through joint action where such dishonest practices occur. We would recommend that the matter of Trade-Mark Piracy be taken up and looked into by the Trade-Mark Committee of the Association.

#### *Unfair Discrimination Against American Paints and Varnishes*

A new Weights and Measures Act (No. 32, 1922), has been recently effected in South Africa and one of its provisions prohibits the sale of materials, including Paints and Varnishes, in any other containers than the Imperial Gallon or Litre. The enforcement of this law would be a decided setback to manufacturers whose volume of exports to this territory would not warrant change in packing from the American Gallon measure, and our Association should endeavor to bring about a modification of this ruling. We therefore recommend that the Association take up the matter with the State Department at Washington with a view to having an arrangement made that would permit the sale of Paints and Varnishes in American Gallons and fractions thereof, provided the labels show the exact Imperial Measure equivalent to the contents of the cans.

#### *Continue Cuban Preferential Duty*

The good market for quality paint materials in Cuba is largely the result of the Preferential Duty in favor of American exporters. The predominance of English zinc paste in Cuba for many years has made the introduction of high-grade prepared Paints a long up-hill pull and it was only after the enactment of the Preferential Tariff that substantial progress was made possible. We believe the United States Tariff Commission has had under contemplation the repeal of the Preferential arrangement between this country and Cuba, and we would recommend that the Association express its vigorous disapproval regarding such action to the Bureau of Foreign and Domestic Commerce for transmission to the U. S. Tariff Commission. Without the protection of this Preferential, the Cuban market would largely revert back to the use of English pastes and cheaper grades of prepared Paints and Varnishes.

#### *Simplification and Uniformity of Export Practice*

All foreign markets have certain basic requirements which must be recognized, but we believe too much stress has been placed on the necessity of meeting all the whims and caprices of a varying multitude of customers in the innumerable small markets of the world. Nothing could more seriously hamper the efficiency of mass-production which is so characteristic of American manufacturing enterprise. Which would net the greatest volume of profitable export business—granting the customer every special request he may make or adhering to a carefully planned policy that does not diverge too widely from our ordinary factory practice?

In international competition for world trade we have two alternatives to follow: readjusting organization and standard practices to meet the desires of foreign merchants, such as special containers, shades, labels, etc.; or making the radical effort to "sell" the American idea of quantity production of standard goods. The United States prides itself (and rightly) on its tre-

mendous advance in salesmanship and advertising. Certainly there is no reason why a concentration on foreign sales campaigns similar to that applied to domestic sales should not result in over-sea "mass distribution" of our mass production. American Paints can be sold in even the most conservative export markets—Paints that are supplied from domestic stocks without much, if any, alteration. It has been proven also that such a detail as method of packing does not deter foreign merchants from handling American products, provided the packages are of proper strength and the buyers have been "sold" on the quality of the material and the responsibility of the manufacturers.

President Atwood:—What was the action of the board?

Secretary Horgan:—It was referred to the convention.

President Atwood:—What shall we do with it?

Mr. Morton:—I move that it be filed.

Mr. Fitch:—I second the motion.

President Atwood:—All those in favor of the motion will signify by saying "aye." The motion is carried.

The report of the Committee on Adulterated Oils and Turpentine is the next item on the program. Is Mr. Robinette here?

Secretary Horgan:—I would like to read this report. It is a short one and very interesting and several people have already asked for copies of it and I don't know whether Mr. Robinette was able to remain or not. I will read it.

## Report on Adulterated Oils and Turpentine

As was the case one year ago, there has been very little or no adulterated linseed oil offered for sale, except where it was plainly offered as adulterated oil, during the year that has passed since the Committee filed its last report.

In fact, the general trade, as a result of the activities of the Federal Trade Commission, seem to understand that an adulterated article cannot be offered for sale as, or represented as, being a pure article, with the result that your Committee has been quite inactive in correcting abuses of that nature.

There has, however, been brought to the attention of this Committee several cases of misbranding or mislabeling which have been promptly brought to the attention of the Federal Trade Commission, some of which have already been acted upon and others are still pending. For example, we refer you to

#### *Docket No. 919*

Federal Trade Commission vs. Clifford Smith, doing business under the trade name and style of Clifford Smith Company, in connection with which an Order to Cease and Desist was issued, prohibiting:

(1) The use of the words "Argentine turpentine" in the sale or offering for sale of a commodity which is not turpentine, and which does not originate in the Argentine Republic.

(2) From using the word "turpentine" in the sale or offering for sale of a commodity which is not turpentine unless accompanied by the word "substitute" as a part of the trade name or brand by which such commodity is sold, the word "substitute" to be as prominently displayed as the word "turpentine."

#### *Docket No. 716*

Federal Trade Commission vs. Simon Adelson, trading under the name and style of the United States Refining Co., in connection with which an Order to Cease and Desist was issued, prohibiting:

(1) The use of the word "Government" in advertising matter, on labels or otherwise, as describing commodities manufactured or offered for sale, when such commodities have not been procured from or manufactured for, or by, the Government of the United States.

(2) The selling or offering for sale by means of labeling, designating, otherwise describing or advertising a commodity as:

(a) "Old Government Paint," or by so using words of similar import, when such paint is not, in fact, procured from the United States Government or manufactured by it, or for its use;

(b) Containing "white lead" or other ingredients which in fact it does not contain;

(c) Having been manufactured, prepared or ground in "linseed oil" or other ingredients named when such ingredients have not been so used.

Your Committee feels that it is because this Association has taken an active interest in matters of this kind that there has not been more for your Committee to do.

The passage of the Federal Naval Stores Act, as well as Amended Senate Bill No. 174, enacted by the General Assembly of the State of Ohio, regulating the sale of naval stores, will be very helpful to your Committee in the future, and will undoubtedly further retard improper practices in the marketing of these commodities.

Your Committee appreciates the co-operation and support that it has had from the members of this association, and urges them to bring to the attention of this Committee all cases of adulteration or misbranding that come to their notice, as it is only by constant watchfulness and continued effort that the present condition of things can be maintained.

Your Committee also wishes to acknowledge the very helpful assistance and co-operation of Mr. M. Q. Macdonald, of the Unfair Competition Bureau, which is very much appreciated.

Secretary Horgan:—I know that Mr.

Robinette's committee has been working

closely with the Naval Stores Committee

and others and this committee, I have no

doubt, will be continued, although it was

originally appointed as a special com-

mittee. The board approved this report

and referred it to the convention as a

matter of information and action.

President Atwood:—Is there a recom-

mendation to that?

Secretary Horgan:—No.

President Atwood:—You have heard

the report. What will you do with it?

Mr. Morton:—I move that it be

adopted.

Mr. Fitch:—I second the motion.

President Atwood:—All those in favor

of adopting the report signify by saying

"aye." The motion is carried.

President Atwood:—Mr. Morton, chair-

man of the Committee on Arbitration,

will present his report.

G. C. Morton read the report of the

Committee on Arbitration as follows:

## Report of Committee on Arbitration

Your Committee is very glad to report that there have been no cases for arbitration submitted to us during the past year.

We have not been unmindful of our duty and have been on the watch for opportunities to tender our services as arbitrators, but so far as we know there have been no commercial disputes or lawsuits among the members of this association.

The rules of procedure for arbitration as adopted at last year's convention

[illegible]

The results in North Dakota of mixed flax and wheat sown in 1923 indicate that this practice holds considerable promise of success and permanency in that State.

Sixteen farmers co-operated with the Experiment Station experts in conducting trials of growing flax and wheat mixed together and also planted check fields of flax and wheat alone. In eight cases the results were strictly comparable. In these cases the farmers used the same seed in the mixed crop and single crop fields, planted all fields on the same day and used similar land.

Of the eight comparable cases the average value per acre of the mixed crop was \$17.12, wheat alone \$11.22, and flax alone \$13.96. In four other cases where check fields of flax alone were planted, but not of wheat, the mixture gave an average return of \$19.09 per acre and the flax \$19.77. In three trials where check fields of wheat alone were planted but not flax, the mixture averaged a return of \$10.98 per acre and the wheat alone \$8.14. The average of all the trials reported shows that the mixture produced 8.73 bushels of wheat and 3.94 bushels of flax, wheat alone 11 bushels and flax alone 7.53 bushels per acre.

It is unwise to attempt to draw any sweeping conclusions from results secured during a single year of trials, but the data secured indicate that further trials of this practice by farmers will be well worth while. The profitability of this practice depends considerably on the relation between the price of flax and wheat, but the results thus far indicate that the flax-wheat mixture would give a larger gross return under average conditions than would the growing of wheat alone. While present figures show some advantage for the mixture over the growing of flax alone, it is quite possible that if the two crops were compared on fields free from weeds, the advantage would be for the flax alone in some sections where meteorological conditions are not favorable to the mixed cropping.

Under average farm conditions at the present time in North Dakota, Minnesota and elsewhere, presence of weeds must be taken into account, and it is apparent that the mixture of flax and wheat will hold the weeds in check very much better than the flax alone.

In Minnesota, where extensive experimentations were continued this season at the State Experiment Stations, there were also nine co-operative tests conducted with farmers. The results in Minnesota were also quite satisfactory and sufficiently so to justify the continuation of the experiment work on mixed cropping and even the production of mixed crops by farmers on a much larger scale than this year.

In Wisconsin the results of experimentation were satisfactory and particularly promising for mixed cropping of flax with oats.

The apparent results with mixtures of flax and oats were certainly encouraging. From information thus far obtained, it appears that flax and oats can be grown as a mixed crop just as satisfactorily as can flax and wheat. Yield data on the Wisconsin trials are not yet available, but from field notes and observations it seems that when flax is grown with a medium late or late variety of oats that a satisfactory yield of both can be expected. Early oats are not suitable, as they mature too long in advance of the flax, but medium late or late oats mature at practically the same time as the flax.

The results thus far obtained in Wisconsin for the season of 1923 indicate that flax and oats grow well together; that there is no ill effect from shading by the oats; that the seed of both oats and flax are plump and well filled; that a late or medium variety of oats should be used; that the most promising combinations are: (1) flax 28 lbs.—oats 48 lbs.; (2) flax 28 lbs.—oats 40 lbs.; (3) flax 35 lbs.—oats 32 lbs.

The apparent advantages in growing a mixture of oats and flax are: (1) flax, a valuable cash crop, cannot be generally grown on old land in Wisconsin on account of weeds, but the weed problem is largely eliminated when mixed with oats; (2) flax should be planted early. When grown as a mixture with oats, early planting is assured; (3) a mixture of flax and oats is easily harvested and thrashed; (4) there is no great difficulty in separating the flax and oats from each other.

So far as mixtures of flax and oats are concerned, we feel confident that they are worth extensive trial by Wisconsin farmers.

In Montana experimental, and particularly co-operative work, was thoroughly done this year and improved moving pictures of flax culture were made. The pictures cover flax production from the plowing of the soil to the marketing of the crop and will be widely exhibited. Owing to the financial distress of agriculturists in Montana following several years of general crop failures, flax production in that state may only be expected to come back slowly. Nevertheless, Montana has large flax producing potentialities and we may regard future flax producing prospects in that State with much favor and encouragement.

In both the states of South Dakota and Iowa much greater interest in flax production this season was evidenced by increased acreage. Experiments were conducted at experiment stations in those states, as also some co-operative work with farmers on both straight flax and flax as a mixed crop. We are still to receive preliminary reports from those states on this season's work.

Mr. Nolan—I now would like to present a gentleman who knows probably more about mixed crops of flax and wheat than anybody else, I feel, due to no other reason than his long experience. He is a professor at the University of Minnesota and has at least been a dirt farmer. I think if you knew Professor Army you

would all conclude he does know a lot about flax seed and farming in general. He may not claim to know as much as his compatriot who has recently been elected to the senate. I take great pleasure in introducing to you Professor Army, who is not only a flax man, but a real good fellow.

## Growing Flax as a Regular Farm Crop

By A. C. Army

The flax crop is the source to which the linseed oil interests look to meet the ever increasing demand for oil. The relatively high price and ready market for mixed crops of flax and wheat, particularly during 1922 and 1923, particularly as compared with wheat together with the publicity given by the flax development committee and others to flax growing has resulted in an estimated crop of 19,407,000 bushels in 1923 as compared with a crop of 12,238,000 in 1922 and still smaller crops in the three years previous to 1922. The present relatively low price for wheat has led to a curtailment of the acreage of that crop next year, in the Northwest, at least, and flax will probably be grown more extensively. Even so, the price advantage for flax will be lessened, or it will not exist, and then an increase

in the wheat acreage and a decrease in the flax acreage may be expected.

But price is not the only factor operating to lower the acreage of flax. The crop is under an unwarranted handicap which can only be removed by a campaign of education. This unwarranted handicap consists mainly of two mistakes held by a considerable number of farmers. These ideas are (1) that flax is hard on the land, and (2) that flax is a difficult crop to handle.

### Flax Not Particularly Hard on Land

The evidence available at present indicates that flax has approximately the same effect on the land as wheat, oats, barley and other grain crops. The flax

crop removes from the land the same amount of plant food as the grain crops and leaves the land in about the same condition.

For the men who have not grown flax because they have heard it is a difficult crop to cut, shock and thresh, and for those who have grown the flax crop alone and possibly found it somewhat more difficult to cut and shock than wheat or oats, there is available now the method of growing wheat and flax together where the method is found practical and profitable. The growing of the two crops together removes any difficulty that may have been experienced in handling the clear flax crop in that the combination crop can be cut, shocked and threshed as easily as a crop of clear wheat.

### Establish Growing on a Stable Basis

Flax has been grown as a pioneer crop on new lands. New lands are no longer available in large acreages. Therefore, if flax is to be grown as a regular farm crop, it must be grown on lands that have been cropped before. With the necessity for that practice comes a number of new problems on which the farmer who wants to grow flax needs information. Some of the most important subjects on which he needs information are as follows:

1. The advantages of using wilt resistant varieties.
2. The best place for the flax crop in the rotation.
3. The best cultural methods for flax, including possibilities of growing flax with other grains as a combination crop, preparation of the seed bed, time and rate of seeding.

### Wilt Resistant Varieties

When flax was grown on virgin lands, diseases were usually not troublesome enough to reduce yields materially. Growing the flax as a regular crop in a three, four or five year rotation usually brings with it difficulties with wilt which reduces yields. There is available at present seed of several high yielding wilt resistant varieties, prominent among which are North Dakota resistant No. 114. Seed of this is available in quantity. In addition there are two which have been developed at the Minnesota station, Chippewa and Wyoneta. These have not been grown so widely as the North Dakota varieties but they appear very promising. With good seed of the best wilt resistant varieties in the hands of the farmers better flax yields on old land may be expected to follow.

### Place of Flax in the Rotation

The prevailing practice on cropped lands has been to have the flax crop follow grass crops which in most instances is timely. From the results secured at University farm in 1923, this does not seem to be the place in the rotation where the best yields of flax are to be secured. The results from this work indicate that flax following corn produced the best crop. Flax following red clover, sweet clover, soy beans, and field peas was nearly as good as that following corn. Flax following wheat, oats, barley, rye, buckwheat and flax was second rate as compared with that following corn, and flax following millet and sorghum was practically a failure. Flax following timothy was third rate. More diseases were found in the flax following timothy than in the flax following the other crops mentioned.

Each more extensive work needs to be done in order to learn the best place for flax in rotation on the different soil types with varying rainfall in Minnesota. With this information available to the growers, the adoption of flax as a regular cash crop on farms in the State will be facilitated.

### Best Cultural Methods for Flax

On virgin lands where plant food was generally abundant, diseases were practically absent and weeds were not a factor, the cultural methods for flax were not so important. On cropped lands weeds are usually present, and in planning for the flax crop they must be considered.

There are several ways of lessening the damage to the flax crop from weeds other than wild oats and perennial weeds such as quack grass and now timothy.

A seed bed reasonably well prepared destroys any weeds that may be present at the time and permits a more even germination of the flax seed and gives the young flax plants a favorable place to grow from the start.

Where clear flax is grown on old land the most important consideration as far as we know now, as far as weed control is concerned, is early planting. The seeds of some of the weeds which reduce flax yields are not able to germinate early in spring. On the other hand, flax germinates and grows at comparatively low temperatures. Planting the flax early gives the flax the start of the weeds. The lower temperatures of the soil early in spring are not favorable for the development of flax wilt. Therefore, early planted flax is more apt to escape attacks of this disease.

Wheat grows taller and shades the ground more than does flax. Sown in with flax at the rate of from 30 to 45 pounds per acre, the wheat usually shades the larger annual weeds such as lambsquarters and pigweed entirely and holds the foxtail in check very largely. Sown at 15 pounds per acre with the flax, the wheat does not appear to be sufficiently thick to control weeds.

### Flax-Wheat Crop May Increase Yield

Wheat is always planted early in spring. When flax is planted with wheat, it also is necessarily planted early. It is known that young flax plants will stand temperatures as low as 24° F. Probably when flax plants are beyond the two-leaf stage they will stand still lower temperatures. Work is in progress at the University farm to secure data on the effect of flax plants at different stages of development can stand under various weather conditions. Flax plants sown in well during the cool spring weather. The partial shade offered by the wheat to the flax plants at the time the two-leaf stage combination may be a factor in the better development of the flax plants. These

and still other reasons may be learned later, and may aid in explaining why the two crops together may yield more than either one grown separately.

Prior to 1923, careful experimental data on the combination crop in Minnesota was confined to University farm. However, farmers in Goodhue county had grown the crop in an extensive way for a number of years.

The Flax Development Committee made it possible to conduct careful trials at other points in Minnesota in 1923. Two of these tests were located in Goodhue county and one each in Fairbault, Renneville, Wilkin and Clay counties. The results from some of these tests have been compiled and the details for four of them have been prepared in chart form. Samples of each of the crops grown alone and in combination were saved and are here for your inspection.

Besides the carefully controlled tests which are the most valuable for learning actual behavior and performance, farmers were encouraged to plant large fields in different parts of the State near where the trial stations were located. Results from these fields are not yet available.

Mr. Nolan—I would like to make an open expression of thanks to Professor Army. He has been very considerate in coming here. All this year he has co-operated thoroughly and fully, and he has made a sacrifice to come to this convention to tell all of us a whole lot more possibly than we could include in a report, and wish to thank him very kindly for all of you, if I may.

President Atwood—I would like to call this meeting to a rising vote of thanks to Professor Army. I just want to say this, that if you had any doubt as to the wisdom of the flax development work, this wonderful demonstration has given you an insight as to what can be done. (A rising vote of thanks was extended to Professor Army.)

### More About Flax Development

Mr. Nolan—Mr. Ludington Patton has been very enthusiastic in this flax work since his membership on the committee. After all is said and done, the purpose of the work of our committee and those who work with it is to improve and increase the production of flaxseed, and all this requires money.

Now, we have had funds for several years, but is true until this year none of the funds were contributed to the soil. As a matter of fact, that state didn't seem to feel that it could make use of any, but the management there has changed its mind and we gave them this year what might be considered a minimum amount of money.

In connection with that and Mr. Patton's great interest in this work, I asked him last evening because he was not to be here today—and if he were here, I am sure he would be on his feet—I asked him if he would let me speak for him to urge liberal contributions.

President Atwood—Mr. Daniels, will you give us a few words on this subject. Mr. Daniels—I have been very much interested in the discussion this morning. More than 45 per cent. of the flaxseed in this country has been raised in Minnesota, North and South Dakota, which are bigger than France or Germany. North Dakota in the last twenty-five years has raised more than 50 per cent. of the flax in the United States. During the war and just before the war our crop decreased because the farmers were getting big prices for their wheat, and the crop this year is the largest in eleven years.

I made a few notes here I thought would be of interest. There are in the United States \$1,691,000 farmers, or about one-third of the population. Farmers have been dissatisfied because the wheat hasn't brought in any money. That is demonstrated by the election of Magnus Johnson, and the farmer really feels he hasn't had a fair show. He feels that business hasn't had more than its share of the prosperity since the war.

I have some very interesting figures about the flax crop in the State of Minnesota. Our acreage this year is 2,255,000 acres. Last year it was 1,251,000 acres, or an increase of 1,000,000 acres.

I think the work of the flax commission was largely responsible for that. I am going to give you some figures we got from the official report of the estimated crop for 1923 in Minnesota is 5,255,000 bushels. Last year it was 3,000,000 bushels, or an increase of 2,255,000 bushels.

You have heard about the poor farmer in Minnesota, but in Minnesota we raised in dollars and cents a flax crop 60 per cent. of the value of the wheat crop. Of course, the farmers felt they were badly abused, but it shows what the flax crop has done for the farmers of our State. The farmer does deserve some encouragement, especially where we don't have a versatile crop.

North Dakota produces the largest crops; Minnesota, second; South Dakota, third; and Montana, fourth. Montana raised about 1,000,000 bushels this year. Up to October 6 we had imported from the Argentine 20,568,000 bushels and we before the year is over. We have paid \$50,000,000 for foreign crops. That should have gone to the people of the Northwest. The exports this year are just about the same as they were last year. I believe next year we will raise enough flax in the United States to supply our need, and I believe we can pay a reasonable price and still give the oil consumer a lower price than he can get from any other country. This would leave the money at home where we could get a chance to use it. I thank you.

President E. V. Peters took the chair.

Chairman Peters—Is there any further discussion of the report of the Flax Development Committee?

Mr. Minshart—I move it be accepted with the thanks of the association.

Mr. Cook—I second the motion.

(The motion was carried.)

Chairman Peters—We have got ahead of our schedule a little, but we will revert back to the report of the Constitution and the Executive Committee. The chairman of that committee is not present and I will ask the secretary to present the report.

Secretary Horgan:—There are some changes to be made in the constitution. In the report the old constitution appears on the left-hand page and the new appears on the right-hand side of the page. Is it the intention to pass on these separately?

Chairman Petric:—I think we will read them all and pass on them as a whole unless there is some objection to that. Secretary Horgan presented the report of the Committee on Constitution and By-Laws as follows:—

## Report of Committee on Constitution and By-Laws

Your committee has carefully reviewed the Constitution and By-Laws, and finds that there are a few minor changes necessary to bring the Constitution and By-Laws up to the needs of our present activities. These changes have been prepared for your examination and information in the printed report which follows. The various changes will be reviewed in detail with request for your action.

There are only two major changes in the Constitution. In article one as revised, a main underlying object of our association is stated in the provision that "the Association shall not be used, directly or indirectly, as a means of restricting free and lawful competition."

The New York Club will undertake to incorporate this in their Constitution and By-Laws, and is presenting to the Association a resolution that the same be incorporated in the Constitution and in the By-Laws, or rules of procedure, or conduct of every club in our Association.

In view of the increasing unity of action and co-operation of the three associations of our industry, your committee believes that the benefits of support and advice heretofore obtained by having permanent committees of Paint Manufacturers and Varnish Manufacturers can better be secured by inviting the President of the Paint Manufacturers' Association of the United States and of the National Varnish Manufacturers' Association to attend all regular meetings of the Executive Committee.

Therefore, Article 6, Section 1, of the By-Laws has been changed, eliminating the Paint Manufacturers and Varnish Manufacturers' Committee, and your committee has provided in Article 3, Section 6, of the Constitution for the Executive Committee to be supplemented by the advisory membership of the Presidents of the two affiliated associations.

### OLD CONSTITUTION

#### ARTICLE I TITLE

The name of this organization shall be the National Paint, Oil and Varnish Association, Inc.

#### OBJECT

The object of this Association shall be to promote the welfare of its members and to strengthen fraternal and social relations among the manufacturers and jobbers of paints, oils, varnishes and kindred interests; to remove evils and customs contrary to sound business principles and ethics, and to the end that all differences and grievances may be fairly and equitably adjusted.

#### ARTICLE III

Sec. 6 Executive Committee: The President, his immediate predecessor in office, Vice-President and Treasurer of the Association shall constitute the Executive Committee.

#### ARTICLE IV

Sec. 6. Duties of the Executive Committee: The Executive Committee shall receive for consideration and action at their meetings, as provided in Article V, Section 5, all reports, resolutions and communications presented by the Officers, Board of Directors, Chairmen of Committees and members, which in the judgment of the Executive Committee require immediate action, the benefits and effectiveness of which, if held over for the action of the Convention, would be seriously impaired or entirely destroyed, except as provided for in Article XV of the By-Laws.

#### ARTICLE V MEETINGS

Section 1. Date: The Association shall hold Annual Conventions on the third Tuesday of October, subject to change of date as provided in Section 2 of this Article.

Sec. 4. Executive Committee Meetings: The Executive Committee shall meet at the call of the President on or about June first to receive written reports from members of the Board of Directors and from Committee Chairmen, and to consider such other matters as may be submitted. A report of this meeting shall be made to the membership through the Secretary's Bulletin, or otherwise, as directed by the Executive Committee.

### NEW CONSTITUTION

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#### OBJECT

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#### ARTICLE III

Sec. 6. Executive Committee: The President, his immediate predecessor in office, Vice-Presidents and Treasurer of the Association shall constitute the Executive Committee.

The President shall invite the President of the PAINT MANUFACTURERS' ASSOCIATION OF THE U. S. and the President of the NATIONAL VARNISH MANUFACTURERS' ASSOCIATION to attend all regular meetings of the Executive Committee in an advisory capacity.

### ARTICLE IV

Sec. 6. Duties of the Executive Committee: The Executive Committee shall receive for consideration and action at their meetings, called as provided in ARTICLE V, Sections 4 and 5 of the Constitution, all reports, resolutions and communications presented by the Officers, Board of Directors, Chairmen of Committees and members, which in the judgment of the Executive Committee require immediate action, the benefits and effectiveness of which, if held over for the action of the Convention, would be seriously impaired or entirely destroyed; except changes in the Constitution and By-Laws as provided for in ARTICLE VI of the Constitution and ARTICLE XV of the By-Laws.

### ARTICLE V

#### MEETINGS

Section 1. Date: The Association shall hold annual Conventions during the third week of October, subject to change of date as provided in Section 2 of this Article.

Sec. 4. Executive Committee Meetings: The Executive Committee shall meet at the call of the President immediately following adjournment of the Annual Convention, for the purpose of organization and routine business, and on or about June first also shall meet to receive written reports from members of the Board of Directors and from Committee Chairmen, and to consider such other matters as may be submitted. A report of the mid-year meeting shall be made to the membership through the Secretary's Bulletin, or otherwise, as directed by the Executive Committee.

### OLD BY-LAWS

#### ARTICLE VI COMMITTEES

Section 1. Standing: The President shall appoint annually, at as early a date as possible after his election, the following committees, consisting of three or more members:

Allied Industries (Brushes, Colors, Lead Products, Lithopone, Zinc Products, Linseed Oil, Petroleum Products, Window and Plate Glass). One member from each trade.

Arbitration (to be composed of ex-Presidents of the Association).  
Business Promotion (Clean Up and Paint Up, Save the Surface, etc.).  
Constitution and By-Laws.

Credits and Collections.  
Export and Foreign Trade Development.

Fire Insurance.

Fire Prevention and Fire Prevention Ordinances.

Legislative.

Membership.

Memorial.

Naval Stores.

Paint Jobbers.

Paint Manufacturers. (One member to be the President of the Paint Manufacturers' Association, provided he belongs to the N. P., O. and V. Association.)

Raw Materials Development (Flax Development, Miscellaneous Oils and Alcohol).

Standardization.

Statistical (the Statistical Committee, under the direction of the Executive Committee, through the Secretary, shall create a Statistical Bureau to collect, digest and disseminate statistics vital to the Association, to serve as a basis of Legislative and Tariff activities, and to give at all times knowledge of the scope and extent of the current commercial affairs of our industry. This Committee shall maintain closest possible liaison with the statistical departments of our government).

Tariff.

Trade-Marks (to direct the work of the Trade-Mark Bureau, as provided under Article VIII of the By-Laws).

Transportation and Classification.

Varnish Manufacturers (one member to be the President of the Varnish Manufacturers' Association, provided he belongs to the N. P., O. and V. Association).

### ARTICLE XII

#### QUORUM

Section 1. Meetings: Delegates of five clubs shall constitute a quorum for the transaction of business at any special meeting, and a majority of the delegates, in person or by alternate, registered at an Annual Convention.

Sec. 2. Board of Directors: A majority of the Board of Directors shall constitute a quorum for the transaction of any business which may regularly come before it.

### NEW BY-LAWS

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Transportation and Classification.

### ARTICLE XII

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SEC. 2. Board of Directors: A majority of the Board of Directors shall constitute a quorum for the transaction of any business which may regularly come before it.

SEC. 3. Executive Committee: A majority of the Executive Committee shall constitute a quorum for the transaction of any business which may regularly come before it.

Chairman Peters:—The order is merely to receive these proposed amendments, and further action will be taken on them this afternoon. If there is any discussion of the proposed amendments we might have it now. Otherwise a motion will be in order to receive this report for action this afternoon.

Mr. Bennett:—I move the report be received.

(The motion was seconded and carried.)  
Chairman Peters:—The next report is from the Committee on Master Painters. Mr. Monypenny is the chairman of this committee.

T. F. Monypenny:—In keeping with the resolution, I am not going to keep you very long. The report has been printed and you can all read it. It would be very presumptuous on my part to go into this matter after the splendid address from Mr. Robbins.

I just want to bring to your attention one concrete example of what we can do to assist Mr. Robbins in his work. We have held several meetings in various parts of Canada during the past year which have been of an educative character, and wherever I have an opportunity of talking to the master painters I always urge upon them the necessity of organizing a Master Painters Association in their locality, and in several places we had men meet after the meetings and talk the thing over for the purpose of organizing their local club.

The example I had reference to was out in Vancouver. We had a meeting out there and we had a Scotchman in the meeting who was a painter, and he accepted pretty nearly everything we said with reservations. However, when we got into the matter of the local painters forming a club in their locality I had no more than set down Scotchman when this Scotchman jumped to his feet and said, "Here's one place where Monypenny and I agree. He was so enthusiastic in his remarks that he soon had the men sitting up and taking notice. He called for a show of hands of the men to signify their desire of organizing such an organization and who would meet at a later date to form a master painters' association in Van-

couver. Twenty or thirty men held up their hands, and they were successful in setting an association started out there. Gentlemen, we all can now seed wherever we go and if we keep on sowing that seed you can rest assured that there will be some harvesting.



E. V. Peters

The report prepared by the committee follows:—

### Report of Committee on Master Painters

Your association was represented at the annual Convention of the International Association of Master House Painters and Decorators of the United States and Canada, held in Toronto, February 6 to 9, by a committee appointed by President Atwood, namely, Fred Moore, John Anthony, F. J. Penberthy, T. F. Monypenny. Mr. Moore was spokesman for the committee and addressed the convention, exchanging greetings and dwelling on the Save the Surface, Clean-up and Paint-up and other mutual undertakings for trade betterment which are being furthered by our respective organizations.

It may be noted that the Convention was highly successful from the standpoint of attendance and constructive accomplishment. Your Chairman in conclusion takes the liberty of suggesting to the incoming administration of the N. P., O. & V. A. a continuance of this custom of sending delegates to these annual meetings of the Master Painters.

Chairman Peters:—This report has been approved by the Board of Directors. What is your pleasure in connection with the report?

R. O. Walker:—I move it be received. (The motion was seconded and carried.) (President Atwood resumed the chair.)

President Atwood:—Our next report will be that of the Fire Insurance Committee. Mr. Walker, will you take up that report inasmuch as the chairman is absent?

R. O. Walker presented the following report:—

### Report of Committee on Fire Insurance

Our association records show that on November 15, 1922, the Board of Directors of The Paint Trade Mutual Fire Insurance Company held a meeting and unanimously resolved to discontinue the organization.

At that time indications were that all pending claims and unearned insurance premiums would be paid, and some surplus left to be disbursed among the policy holders after reimbursing the Independent Managers, Inc., for their services and money they had invested.

Pursuant to this action by the Directors, the Independent Managers, Inc., proceeded with expediency, and by ably handling the affairs of the company liquidated on a basis much more favorable than the Directors' estimate, which was naturally conservative. We believed there would be an ample surplus, but it proved larger than expected, with the result that a substantial dividend was declared to all policy holders.

At the time of writing this report, the final figures in detail on the liquidation of this company are not available, because a few checks that were issued for dividends have not been cashed, and the books cannot be closed until these are returned to the bank. We are assured by Mr. Charles C. Perrin that this final statement will be ready to accompany this report at the Convention.

Because our Mutual Company ceased a year ago, no figures are available to your Committee now concerning actual fire losses in our trade, or causes for fires during the past year. This is a distinct loss of service to the trade because past reports have unquestionably been beneficial in this respect, and helped to impress us with the importance of diligent inspection of our plants and better housekeeping. We trust, however, that the schooling we received in care and prevention methods, during our Mutual Company's existence, has had a lasting influence.

Sufficient time has not elapsed since the dissolution of The Paint Trade Mutual Fire Insurance Company to gauge what effect, if any, will result in rates or otherwise, but your Committee believes that the subject of Fire Insurance should be continued in our annual program for study and discussion.

A recent letter sent out by the Chamber of Commerce of the United States points out the fact that many trade associations are carrying on constructive insurance activities in various kinds of insurance. They further say, in conducting research work for members, many associations have developed ideas which have been of great practical value. They offer to place the Chairman of our Insurance Committee on the mailing list so that we will be informed of activities in insurance matters in the various associations that they are in contact with.

The fact that our Mutual Fire Insurance Company was not more generally supported by our industry proves that many of us do not believe we should engage in the underwriting business, but it does not necessarily prove that co-operative effort for the protection of our interests against fires and excessive rates is not feasible and profitable; we, therefore, recommend that the Committee on Fire Insurance be continued, and the name of the Chairman for the ensuing year given to the Chamber of Commerce of the United States for reasons as stated, in hopes that some plan may be developed later that will be workable, profitable and more successful than our first effort.

R. O. Walker:—This report, I believe, just marks the passing of the Paint Trade Mutual Fire Insurance Company.

For me to get up and speak on fire insurance matters is really in the nature of a swan song, having been in that work for so many years. As president of the company it was a little embarrassing for me to bring to the Board of Directors the recommendation that the Paint Trade Mutual Fire Insurance Company should be dissolved. The fact that they had agreed to the proposition, however, convinced me that it was the best thing to be done.

There has been a great amount of work done during the past year and the surplus was divided among the constituent members of the association. To sum up the liquidation of the company's affairs it seems that all policy holders received their insurance in full. In addition to that there was a dividend of 60 per cent. of the amount of the premiums when the liquidation commenced. That closed all the company's affairs and there remained

in cash the amount of \$101.43, which at the direction of the Board of Governors was turned over to the National Paint, Oil and Varnish Association.

To me, gentlemen, the passing of this company is like a child that is lost and gone wild but whose good influence will never be forgotten.

President Atwood:—Perhaps your child will return some day, Mr. Walker. What is your pleasure with the report, gentlemen?

Mr. Peters:—I move the report be accepted and filed, and a vote of thanks be extended to the committee for their work. (The motion was seconded and carried.)

President Atwood:—We have a very good program for this afternoon. One of the interesting features is the showing of a film on the manufacture of American process zinc. This picture is put out by some very good friends of ours and I hope we will have a good crowd to enjoy it. We stand adjourned now until 2 o'clock.

The session was adjourned at 1 o'clock.

### Fifth Session: Friday Afternoon

The Friday afternoon session was called to order at 2:10 o'clock.

President Atwood:—Let's come to order, gentlemen. We will call for a report on Miscellaneous Oils from F. W.

Robinson, chairman. Is he present?

Secretary Horgan:—Do you wish to summarize your remarks, Mr. Robinson?

Mr. Robinson summarized the following report:—

### Report of Committee on Miscellaneous Oils

During the past year the imports and consumption of the oils covered by this report have followed the trends established in the recent past, the volume handled increasing during the past year in proportion to the increased activity in general business.

#### China Wood Oil

Imports of this item for the fiscal year ending June, 1922, amount to 7,209,672 gallons, and for the fiscal year ending June, 1923, the quantity was 11,916,318 gallons. These latter figures are apparently in excess of those for the year 1920, and establish a new record for this item. The consumption of this oil for the year ending June, 1923, based upon figures issued by the Department of Commerce, amounts to approximately 10,000,000 gallons, and stocks in this country are shown as being about the same as a year previous, or approximately three months' requirements.

With regard to the market situation on this oil, supplies in China have been very short since last March, and the demand in this country very large, which was reflected at that time by very rapid advances in the price of this oil, the high figure being around 30 cents per pound, or nearly double the figure at the time the advance started. Due to a slackening in demand, the price has since eased off considerably. The prices during the next six months apparently depend very much upon the demand for the oil in this country. Supplies in China continue very short, and it is estimated that all of last year's crop will pass into the hands of exporters by October. New crop oil will not be available for shipment until some time between December and March, depending upon political, military and weather conditions. There does not seem to be any chance of lower prices before next spring, and any active demand would undoubtedly send prices higher. It seems as though the establishment of a domestic industry for producing this oil would be helpful.

#### Soya Bean Oil

The revival of business in this country during 1922 and 1923 has apparently stimulated a new demand for this oil, in spite of the high import duty. Imports on this item for the fiscal year ending June, 1923, amount to 38,635,831 lbs., as against 8,282,599 lbs. for the year ending June, 1922, and

17,382,967 lbs. for the year ending June, 1921. The price of this oil seems to follow linseed closely, and no radical fluctuations seem to be in sight.

#### Perilla Oil

The consumption of this oil seems to be holding its own with other oils, as far as supplies will permit. Imports for the fiscal year ending June, 1922, amount to 2,208,139 lbs., which is a record up to that time. Your committee has not been able to secure official figures for the fiscal year ending 1923, but the importation is estimated at 5,000,000 lbs., which is much larger than any previous year. The price of this oil seems also to fluctuate with linseed oil, although considerably higher, and no radical changes are in sight unless the recent disaster in Japan may temporarily shut off supplies.

#### Menhaden Fish Oil

The production and consumption of this oil, according to government figures, has increased steadily during the past three or four years. The consumption for the past fiscal year amounted to 7,000,000 gallons. The price of this oil is at present higher than during the past two years, apparently due to the supply being smaller.

#### Safflower Seed Oil

Your Committee is advised that the U. S. Department of Agricultural has carried forward rather encouraging experiments regarding introducing this oil as a regular crop into this country. The oil is said to be somewhat inferior to linseed, but still suitable for many purposes, and it is hoped production of this article may assume some commercial importance.

President Atwood:—You have heard the report of the Committee on Miscellaneous Oils. What was the action to be taken on that, Mr. Secretary?  
Secretary Horgan:—The board recommended that it be passed upon in the usual manner.  
President Atwood:—Then this report will be published in the year-book. What is your pleasure, gentlemen?  
Mr. Watson:—I move it be received.  
Mr. Kurfess:—I second the motion.  
President Atwood:—All those in favor of the motion signify by saying "Aye." The motion is carried.  
I shall now call for a report of the Paint Manufacturers' Committee. Is Charles R. Cook present?  
Secretary Horgan:—I don't think Mr. Cook is present. He has a brief report. He speaks of "Save the Surface" campaign, "Clean Up and Paint Up," educational bureau, flax development work and other matters.  
The prepared report follows:—

### Report of Committee on Paint Manufacturers

We have all had a good year—now let's keep up the good work. The spring season was unusually good, our industry on the whole turning out over 30 per cent. more paints, etc., in the first six months than same period last year.

Paint is the cheapest and yet the most economical and efficient form of insurance in the world, and, thanks to the "Save the Surface Campaign," the public are waking up to this fact and using more and more paint. Our Educational Bureau has been of great help in enabling us to turn out better and yet more economical paints, offering the Public maximum protection at minimum cost.

Our next big job: Get rid of Dull Seasons—November, December, January, February.

Now, let's all get together and help our Promotion Manager, Mr. Pitt, put it over!

While the Simplification Plan has not as yet been finally and definitely adopted—yet feel it greatly to our mutual advantage for us all to unselfishly work towards "Simplification" in our industry in near future.

That our Flax Development Committee has been active and successful is easily shown by the great increase in acreage and the fact that we are having about seventy-five per cent. increase in our flaxseed crop this year.

Now, if we will all get together actively and loyally support the "Save the Surface Campaign," "Clean-up and Paint-up," Educational Bureau, Flax Development Committee, etc., etc., our industry will unquestionably continue forging ahead, and we will "Make 1924 the Greatest Paint and Varnish Year as the third step toward doubling the industry by 1926."

President Atwood:—What shall we do with this report?  
Mr. Callahan:—I move it be received and taken.  
Mr. Kurfess:—I second the motion.  
President Atwood:—It has been moved and seconded that we accept the report. All those in favor signify by saying "Aye." The motion is carried.  
The next report is that of the Varnish Manufacturers' Committee. Is Henry L. Calman in the room?  
Secretary Horgan:—I don't see Mr. Calman in the room. His report is somewhat along similar lines as that of Mr. Cook, and he reviews the conditions in the varnish business. He touches upon wood alcohol, linseed oil, the simplification program and the objective to double the industry. There are no recommendations in this report. The board took similar action on it as they did the paint manufacturers' report.  
The prepared report follows:—

### Report of Committee on Varnish Manufacturers

Our committee is fortunately in a position to present an entirely different picture of our industry than that which was presented by our predecessors a year ago.

With the beginning of this year we experienced an unprecedented boom in the consumption of paints and varnishes this, of course, being due in large measure to the great increase in building operations throughout the entire country, but also undoubtedly helped along to a great extent by the splendid campaigns made by your association in the Clean-up and Paint-up campaign, and by our allied associations in the Save-the-Surface campaign.

Of course, we have all experienced the usual summer dullness, which has been quite normal, and the prospects at present are for a very active fall, as so much construction undertaken during the spring and summer will be finished during the next few months.

We feel assured that every manufacturer in our line, notwithstanding the high costs for some raw materials which prevailed for a part of the year, will find the results of 1923 entirely satisfactory from the standpoint of profit.

The Wood Oil situation became acute during the early spring, some manufacturers having been compelled to pay enormous prices to fill immediate needs, but even this market has now stabilized around a figure which, while high, is not so high as to make the realization of profits impossible.

Linseed Oil ruled quite high for a number of months, and Turpentine again mounted to very high figures, but both of these raw materials are now back at a level, which might be considered approximately a fair one if the general rise of prices since 1914 is taken into consideration.

The Simplification Program approved by the Department of Commerce is

making good progress, and we confidently believe that this program can be put into effect within a very short period of time, resulting in great advantage from the standpoint of economy for the manufacturer as well as for the distributor.

Naturally there have been some objections to certain features of the program but, with the exception of the elimination of the half gallon can, particularly for enamels, which has been strongly opposed by the majority of the most prominent varnish manufacturers, these objections have been small in number, and have been limited to only a few of the minor items.

The committee which reported on this subject last year put the case very correctly and concisely when it stated that it is a very difficult task to offer a program of constructive simplified practices which will meet with the approval of everyone, and if any reforms are to be introduced in the conduct of our industry each one must be prepared to make some slight sacrifice of his individual preference.

Two years ago our trade embarked upon the task of doubling the industry in 1926, as compared with the volume of 1921.

It will be surprising to most of our members to hear that, according to the figures of the Department of Commerce, the turnover during the first six months of 1923 was 80 per cent. above that of the first six months of 1921.

This might lead to the conclusion that we are only a few steps away from our announced goal, but we must bear in mind that we cannot expect a steady continuance of the boom times of the spring of 1923, and any relaxation of effort on the part of the various associations can only result in eventual failure.

In order to achieve our aim it is absolutely necessary that continued and increased support be given to the great campaigns which our industry is waging, and if this support is forthcoming we feel that there is no doubt whatever about our more than doubling the industry by 1926.

Mr. Caspar:—I move its adoption.  
Mr. Morton:—I second the motion.  
President Atwood:—Are you ready for the question? All those in favor of the adoption of the report signify by saying "Aye." The motion is carried.  
Mr. Caspar:—Would you make your report on the Membership Committee?  
C. J. Caspar read the following report:—

### Report of Membership Committee

We are pleased to report the largest membership in the history of the Association:

|                             |       |
|-----------------------------|-------|
| Club membership .....       | 1,436 |
| Individual membership ..... | 88    |
| Total .....                 | 1,519 |

To illustrate the wonderful growth of our Association, we find upon referring to the official records, a total membership of 795 was registered in 1913. We have thus doubled the membership in ten years, a most enviable record of constructive accomplishment, and that we have passed the 1,500 mark justifies the pride we feel in the results of our efforts the past year.

The splendid support given this committee by some of the constituent clubs stands out as a "beacon light" in the review of our efforts, and it is here recorded the contribution made by the various clubs:

|                                         | 1922 | 1923 | Increase | Decrease |
|-----------------------------------------|------|------|----------|----------|
| Atlanta .....                           | 25   | 24   | ..       | 1        |
| Baltimore .....                         | 31   | 34   | 3        | ..       |
| Birmingham .....                        | 6    | 6    | ..       | ..       |
| British Columbia Paint Mfrs. Assn. .... | 13   | 13   | ..       | ..       |
| Buffalo .....                           | 25   | 21   | ..       | 4        |
| Central New York .....                  | 12   | 12   | ..       | ..       |
| Chattanooga .....                       | 8    | 8    | ..       | ..       |
| Chicago .....                           | 125  | 136  | 11       | ..       |
| Cincinnati .....                        | 72   | 58   | ..       | 14       |
| Cleveland .....                         | 73   | 75   | ..       | 3        |
| Colorado .....                          | 14   | 14   | ..       | ..       |
| Columbus .....                          | 16   | 17   | 1        | ..       |
| Dallas .....                            | 6    | 6    | ..       | ..       |
| Dayton .....                            | 11   | 11   | ..       | ..       |
| Detroit .....                           | 35   | 31   | ..       | 4        |
| Duluth .....                            | 6    | 6    | ..       | ..       |
| Fort Worth .....                        | 5    | 5    | ..       | ..       |
| Golden Gate .....                       | 21   | 19   | ..       | 2        |
| Grand Rapids .....                      | 12   | 14   | 2        | ..       |
| Houston .....                           | 9    | 9    | ..       | ..       |
| Indianapolis .....                      | 19   | 19   | ..       | ..       |
| Jacksonville .....                      | 11   | 11   | ..       | ..       |
| Kansas City .....                       | 27   | 29   | 2        | ..       |
| Los Angeles .....                       | 12   | 19   | 7        | ..       |
| Louisville .....                        | 22   | 27   | 5        | ..       |
| Memphis .....                           | 12   | 13   | 1        | ..       |
| Milwaukee .....                         | 19   | 22   | 3        | ..       |
| Minneapolis-St. Paul .....              | 44   | 45   | 1        | ..       |
| Mobile .....                            | 9    | 9    | ..       | ..       |
| Nebraska .....                          | 14   | 15   | 1        | ..       |
| New England .....                       | 79   | 78   | ..       | 1        |
| New Orleans .....                       | 21   | 18   | ..       | 3        |
| New York .....                          | 254  | 263  | 9        | ..       |
| Philadelphia .....                      | 64   | 65   | 1        | ..       |
| Pittsburgh .....                        | 41   | 41   | ..       | ..       |
| Portland .....                          | 6    | 6    | ..       | ..       |
| Portland, Ore. ....                     | 13   | 16   | ..       | 2        |
| Puget Sound .....                       | 15   | 22   | 7        | ..       |
| Richmond .....                          | 16   | 16   | ..       | ..       |
| Rochester .....                         | 19   | 19   | ..       | ..       |
| St. Louis .....                         | 76   | 73   | ..       | 3        |
| San Diego .....                         | ..   | 5    | 5        | ..       |
| Savannah .....                          | 10   | 10   | ..       | ..       |
| Terre Haute .....                       | 5    | 5    | ..       | ..       |
| Toledo .....                            | 15   | 13   | ..       | 2        |

|                  |       |       |    |    |
|------------------|-------|-------|----|----|
| Toronto .....    | 30    | 30    | .. | .. |
| Utah .....       | 11    | 10    | .. | 1  |
| Washington ..... | 11    | 11    | .. | .. |
| Wichita .....    | 7     | 7     | .. | .. |
| Individual ..... | 70    | 83    | 13 | .. |
| Total .....      | 1,487 | 1,519 | 72 | 40 |

We are pleased to report the acquisition of a new club in San Diego, California, with five members.

Four individual members resigned:

Red Wing Linseed Oil Co., Red Wing, Minn.  
Euston Process Co., Scranton, Pa.  
Thoma & Sons, Inc., Fairfield, Ia.  
Perry Paint & Mantel Co., Meridian, Miss.

The following new individual memberships have been secured:

Blue Ribbon Paint Company, Wheeling, W. Va.  
Metal Barrel Corporation, Peoria, Ill.  
Western Paint Company, Ltd., Winnipeg, Canada.  
Elkhart Enamel & Paint Corp., Elkhart, Ind.  
Smith Paint & Wall Paper Co., Rockford, Ill.  
Adams Bros.-Paynes Co., Lynchburg, Va.  
Columbia Paint Company, Inc., Columbia, S. C.  
Matthews Brothers, Inc., Scranton, Pa.  
Morgan Paint & Glass Co., Joplin, Mo.  
Huntington Paint & Glass Co., Huntington, W. Va.  
Lass & Larson Co., Galesburg, Ill.  
Blish, Mize & Stillman Hdw. Co., Atchinson, Kan.  
The West Chemical & Paint Co., Springfield, Mich.  
Summit Varnish Company, Summit, Ill.  
The Pockrandt Paint Co., Akron, Ohio.  
Tuttle Paint & Glass Co., Inc., El Paso, Texas.  
Union Hardware Co., Union, S. C.  
H. N. Richards Co., Trenton, N. J.  
Ankeny Linseed Mfg. Co., Des Moines, Ia.  
Asheville Paint Co., Asheville, N. C.  
Rockford Varnish Company, Rockford, Ill.  
Winona Paint & Glass Co., Winona, Minn.

The work of securing individual memberships was in the very capable hands of Mr. E. S. Woolsey, Louisville, Ky. A carefully prepared list of 400 prospective eligible members was energetically solicited by intensive mail endeavor. This list will be turned over to the new committee and the work thus continued.

The committee believed that a campaign of augmenting the association membership could best be made and greater results secured, through and by the existing clubs and members, by increasing the membership of each and every local club to 100 per cent. of the eligible membership in the city or locality of each club, and a systematic, well-planned campaign was inaugurated with most gratifying results.

The campaign proved the correctness of the analysis, and that the industry was not 100 per cent. represented in the various clubs.

This committee prefers to compliment and thank the various club units for their efforts and accomplishments and shall refrain from criticizing the club spirit found in some localities that showed either lack of enterprise, trade jealousies or inertia.

We firmly believe that the doctrine of mobilizing the industry by securing the membership of all eligible and desirable members engaged in the industry, with its allies, will create a greater force in the industry, and when this principle is fully recognized by the existing membership, and earnest endeavor is made to thus mobilize the industry, a membership of 2,000 is by no means impossible, as we believe there are 800 eligible individual memberships and 200 eligible club memberships now available.

This committee wishes to here register that we have tried to impress upon our present membership that the greatest success of the association is dependent upon a full representation of the industry, in the association and the industries represented.

We have heard the lamentation that arises in some club memberships, who see no benefits accruing to them as the result of their membership, and the \$15 annual dues paid the National Association.

Any member of the association familiar with the work our officers and committee chairmen are doing every year for the welfare and greater prosperity of the industry can successfully assail this financial lachrimation.

The trade activities of the association, including "Save the Surface," "Clean-up and Paint-up," Paint Legislation, Naval Stores, Transportation and Classification, Standardization, Trade Marks, Tariff, Adulterated Oils and Turpentine, etc., etc., have all accomplished far greater benefits for the industry than association dues could purchase or lease in the markets of trade betterments.

The National Association receives from the Constituent Clubs \$15 per annum for each membership, or \$1.25 per month, and any individual or firm engaged directly or indirectly in the industry, by the payment of \$15 per year, lends his financial support to that extent, to the Association and less he could not do.

We have said that in the unparalleled progress all industries in this country are now making and will continue to make, during the next few years, the Paint industry is in a strategic position to be counted among those which will reap the greatest rewards. The industry is just beginning to feel its strength; it has thrown off the shackles of individualism and has taken on the invulnerable armor of organization and co-operation, and has learned what great results can come from working together.

An organization is as strong and as effective in proportion to its numerical strength, of the whole, and the interest of its various units. Therefore, we feel that, although our Association is one of the oldest and strongest existing trade organizations, it can become stronger and more effective by the addition of every member in every club now organized.

We suggest that some of the clubs develop greater local activities by greater co-operative work in many beneficial ways, that greater interest in club affairs may be created.

The field for new clubs is limited and the only districts or territories not at present organized appear to be the following: Montgomery, Ala.; Shreveport, La.; Montreal, Que.; Hamilton, Ont.; Ottawa, Ont.; Quebec, Que.; Cuba, Mexico, Hawaiian Islands.

Our National officers have assisted in organizing clubs in Tampa, Knoxville and Nashville, but at this time these clubs are not affiliated with the parent organization. However, with the preliminary work that has been done it is the hope of your committee that the incoming Membership Committee may be successful in bringing these clubs into the Association.

This indicates that we have the various sections and districts of the country rather well covered.

We recommend: That all National officers, and particularly every director, constantly have in mind the strengthening of his club, through an increase in eligible memberships. That the National officers lend every co-operation possible to the organization of new clubs and the securing of individual memberships in their zones where club organizations do not exist and submit names of prospects to the Membership Committee.

That every Local Paint Club, through its Membership Committee or a Special Committee appointed for the purpose, vigorously canvass its territory for new memberships of proven standing in the industry, during the coming year, that the industry may be mobilized and the membership made 100 per cent.

The Chairman wishes to register his thanks and appreciation to his associates on the committee for their generous help and support at all times, and to Secretary Horgan for his valuable advice and guidance.

President Atwood:—Gentlemen, you have heard the report of the Membership Committee, which the Board of Directors have passed on with their approval to the convention with thanks for the efficiency of the committee's work. I happen to know myself a good deal of how hard these gentlemen worked on this matter of increase in membership. You know when it gets toward the top of the hill the climbing gets pretty hard, and it is very much more difficult to make an increase in a membership of 150 than in a membership of 84. That has been the job those gentlemen have had before them. They have worked all year, and I think the results are very much to be commended, very gratifying indeed. I am afraid they have created a job for themselves for another year.

Mr. Daum:—I move the report be received.

(The motion was seconded.)

Mr. Heckel:—In order that the report may be officially increased I would like to report that Philadelphia has increased from 100 persons to 105.

Mr. Caspar:—Since I reached Chicago I received eleven communications from various clubs covering signed applications, which applications have not been accompanied by local membership, but will be in due time. The work is still going on.

President Atwood:—Are you ready for the question?

(The question was called for and the motion was carried.)

President Atwood:—We will now have the report on Credits and Collections by R. F. Simons, Pittsburgh.

Mr. Simons read the following report:—

## Report of Committee on Credits and Collections

Your Committee on Credits and Collections for the year 1922 presented to the Atlantic City Convention its proposed plan for the organization and operation of a Credit Bureau, for the interchange of Credit Information, for the exclusive use of our membership.

Your Committee feels it is now opportune for the installation of its recommendation if our association is to keep pace with other trade organizations, most of whom have established credit information bureaus which are functioning with splendid service and of incalculable value to their members.

The plan proposed by the 1922 committee has been fully explained in its report published in the year book of the National Association for 1923. Therefore, it is unnecessary to offer a repetition in this report.

"The Executive Committee prior to the meeting of the Board considered the plan submitted by the 1922 Committee and felt that the establishment of the proposed bureau was a forward step and desirable and, inasmuch as the matter of expense and the details of operating the proposed Bureau are not apparent at the present time, the Executive Committee recommended to the Board that the Committee on Credits and Collections in the association be continued, that the establishment of the bureau be referred to them with a request that it prepare a budget of expense and a program of contemplated procedure, and submit it again at which time the Executive Committee would be in a position to decide whether to make any recommendation for further action."

Your Committee in its 1922 report recommended that a special committee be appointed to inquire into the cost of installation or approximate expense of operation, in hope that the committee so appointed would consist of representatives located in the territories where it is proposed to operate the bureaus (i. e., New York, St. Louis and Los Angeles), it is obvious that a special committee could have obtained more thorough and essential detailed information than your present committee, whose members are located in Pittsburgh, Atlanta and Seattle. Therefore, we are only prepared to submit an approximate estimate of the cost of operation.

We propose the establishment of two bureaus, one in New York and the other in Los Angeles, and later, if conditions warrant, an additional Bureau to be established in St. Louis. Membership in the Bureau to be limited to members of paint and varnish clubs affiliated with the National Paint, Oil and Varnish Association and the membership fee to be \$75.00 per annum, we estimate that at least 250 members will avail themselves of the Bureau's service, which will produce an income of \$18,750.00.

We estimate the operating expense of two bureaus to be as follows:—Rental, \$2,400.00 per annum. Salaries, two managers, \$7,200.00. Four typists, \$4,800.00. Stationery and postage, \$2,000.00. Filing cabinets, desks, typewriters, etc., \$1,600.00. Total estimated expenses, \$18,000.00. Showing that two bureaus based on the approximate expense submitted herein would be self-sustaining. We feel, however, that after a few months of operation our estimate will be found to be greatly in excess of the actual cost, and should this prove true the membership fee would be reduced, as it is not the intention to operate the bureau for profit, but to furnish credit information to its subscribers at the lowest cost consistent with efficient service and in addition permit of the bureau maintaining sufficient funds for operation while pending receipt of monies due the bureau.

In presenting the natural order of procedure, your committee again submits the rules of organization and maintenance of the bureau as contained in the report of the 1922 Committee.

## RULES

Credit Interchange Bureau,  
National Paint, Oil and Varnish Association, Inc.,  
342 Madison Avenue,  
New York City.

## Control

The management of the bureau shall be controlled by a committee appointed by the president.

## Purpose

The purpose of the bureau is to receive and tabulate credit information upon a co-operative and exact basis, so that a member giving information may receive in exchange a reciprocal report containing the ledger experience of all members responding to the inquiry sent out by the bureau.

## Membership

Membership in the bureau shall be limited to members of paint and varnish clubs affiliated with the National Paint, Oil and Varnish Association.

## Service

The bureau's service shall be controlled by a credit bureau committee appointed by the president. It shall have power to appoint a bureau manager, who shall be responsible to the committee for the administration of the bureau.

The cost of operation shall be borne by the bureau and its revenue to be obtained by assessment of annual membership fees or through a pro rata charge for each report furnished.

The bureau shall not be operated for profit, but a fixed amount (to be determined by the committee) shall be maintained to insure satisfactory service to its subscribers.

Each subscriber to the bureau shall be assigned a code or key number which shall precede the information furnished by them and appearing in the report issued by the bureau.

The Credit Bureau Committee, the manager or the bureau employee, shall not divulge to any subscriber of the bureau the name of any individual, firm or corporation designated by code or key number without the written consent of the subscriber.

Access to the bureau files shall be limited to the committee, manager and employees.

All requests for reports must be accompanied with sufficient postage or a return self-addressed envelope.

Members making inquiry through the bureau must accompany same with their ledger experience or state the amount, if it is an initial order. This is necessary to effect a "real exchange of ledger experience."

To carry out the reciprocal idea, the forms submitted herein are recommended to be used by subscribers when making inquiries through the bureau.

Each member upon subscribing to the bureau's service shall furnish the bureau with a list of his or their customers, with address only, the names will be transcribed to code cards and filed geographically in the bureau files, as shown below:—

John Smith,  
Pittsburgh, Pa.

| Date | Code No. | Date | Code No. |
|------|----------|------|----------|
| 1923 | 20       |      |          |
| 1923 | 28       |      |          |
| 1923 | 45       |      |          |

When the list of customers have been transcribed to the code cards it will be returned to the member, thereby destroying all evidence of the member's customers in the bureau files.

A code book will be maintained by the bureau manager for his confidential use, containing the names of members and their code numbers. When a member applies to the bureau for credit information on a prospect or customer Form No. 1 should be used—if a prospect state amount of first order; if a customer answer all questions appearing on the form and forward to the bureau nearest to the member's place of business. The bureau manager upon receipt of the member inquiry will refer to the code card and forward Form No. 2 to all members whose code number appears on the card of the customer on file. When all inquiries have been returned to the bureau the information will be tabulated on Form No. 3 and sent to the member making the inquiry.

The preceding is only a synopsis of the plan, as space will not permit of entering into details.

## Commercial Failures

There has been a decided reduction in commercial failures for the first half of 1923 as compared with the first six months of 1922, as shown by the following statistics:—

| 6 months 1923             | 6 months 1922 | Decrease 6 months 1923 |
|---------------------------|---------------|------------------------|
| Failures 9,724            | 13,353        | 3,629                  |
| Liabilities \$259,424,068 | \$372,715,338 | \$114,292,270          |

Commenting on the Mortality Decreases Dun's review reports that the insolvencies for the second quarter of 1923, as recent monthly returns had clearly foreshadowed, shows a decided reduction in this country's commercial mortality. Numbering 4,408, exclusive of banking and other fiduciary suspensions, the failures reported in the quarterly period lately ended compare with 5,316 defaults in the first quarter of the year, while the liabilities of \$121,192,494 contrast with \$138,231,547. The second quarter's statistics, therefore, disclose a numerical decrease of 17 per cent. from those of the first quarter, and the indebtedness is smaller by 12 per cent. Comparison with the record for the second quarter of 1922, moreover, reveals a decline of 25 per cent. in number of insolvencies and a contraction of 22 per cent. in the amount involved, the failures of the earlier year having totaled 5,867 and supplied \$155,703,978 of liabilities.

For six months of 1923, defaults numbering 9,724 represent a reduction

of 27 per cent. from those of the first half of last year, while the indebtedness of \$259,424,068 shows a falling off of 30 per cent.

Analysis of the second quarter's statement shows that the manufacturing failures represent 25.8 per cent. of the total number, the trading defaults 70.9 per cent., and the other commercial insolvencies—agents, brokers, etc., 3.3 per cent.

The paint and wall paper trades' reports indicate that this has been an exceptionally good year for these branches of business. Sales of paints and varnishes have exceeded those of last year by 15 to 25 per cent., and manufacturers generally report a steady gain in output. Sustained activity in building operations is, of course, largely responsible for the demand, which is expected to continue strong throughout the fall.

Prices of paints and practically all basic materials entering into their manufacture have increased to some extent since the first of the year, and are now at higher levels than at this time last year.

Form No. 1

## Request for Credit Information

Credit Interchange Bureau,  
National Paint, Oil and Varnish Association, Inc.,  
342 Madison Avenue, New York City.

Gentlemen:

Please obtain for us a reciprocal interchange credit report on.....

We give below our experience:—

|                               |                             |
|-------------------------------|-----------------------------|
| First order. Amount \$.....   | Discounts .....             |
| Sold from ..... to.....       | Pays when due.....          |
| Highest recent credit \$..... | Gives notes.....            |
| Terms of sale.....            | Are notes paid in full..... |
| Amount past due \$.....       |                             |

Additional information .....

Please answer all questions so that the value of interchange will be maintained.

Signed .....

Address .....

Code or Key No.....

Form No. 2.

## Credit Bureau Exchange

National Paint, Oil and Varnish Association, Inc.,  
342 Madison Avenue, New York City.

Date .....

Code No. ....

We have an inquiry from a member of our association concerning the credit standing of.....

Please state your experience on this form, particularly on the points indicated. Your reply will be forwarded to our member making the inquiry under your code number appearing on this form. Under no circumstances will your name be divulged by the bureau unless duly authorized by you. In return for your cooperation you will receive a reciprocal report containing the experience of all members who have reported to this bureau.

|                         |                               |
|-------------------------|-------------------------------|
| Sold from ..... to..... | Highest recent credit \$..... |
| Amount past due \$..... | Terms of sale.....            |
| First order \$.....     | Unfilled orders \$.....       |

## Manner of Payment

|                          |                         |
|--------------------------|-------------------------|
| Discounts .....          | Pays when due.....      |
| Gives notes .....        | Notes paid in full..... |
| Number of days slow..... |                         |

For additional information not enumerated above.....

Form No. 3. Reciprocal Credit Report  
National Paint, Oil and Varnish Association, Inc.,  
New York Bureau,  
342 Madison Avenue, New York City

The accuracy of this report is not guaranteed. It is compiled from actual ledger experience of the members reporting and transmitted to you by this bureau without liability for errors or omissions.

| Code No.          | Sold From To..... | Highest Recent Credit | Amount Past Due | Terms of Sale      | Unfilled or First Orders |
|-------------------|-------------------|-----------------------|-----------------|--------------------|--------------------------|
|                   |                   |                       |                 |                    |                          |
| Manner of Payment |                   |                       |                 |                    |                          |
| Discounts         | Pays When Due     | Days Slow             | Settle by Notes | Notes Paid in Full |                          |
|                   |                   |                       |                 |                    |                          |

For additional information not enumerated above.....

President Atwood:—You have heard the report on Credits and Collections, which indicates a very careful study of this subject. This report was referred to the Board of Directors and considerable discussion took place. It was finally decided that the report be referred to the convention without any recommendations one way or the other. This matter is now open for discussion. What will you do with it?

### Credit Bureau Idea

Mr. Callahan:—In order to get the thing concretely before the convention, I must admit that I am not qualified to say whether or not this new agency or plan for additional information is something my credit bureau, for instance, would require. I am of the opinion a great many of us would have to take this information home, ask our credit department, and our credit man, who attends all these associations of credit agencies of one kind or another. Until then, I would not be able to act intelligently in the matter. The other two members, I suppose they have signed this, are they credit men in this same line, Mr. Secretary?

Secretary Hogan:—Yes.  
Mr. Callahan:—I think that thing, as far as I would be concerned, would require further information. If there is any way of deferring action and referring it to the executive board, I think that would be more in keeping with my idea of the proper thing to do.  
President Atwood:—Our idea is to make a motion to refer it to the incoming executive committee.

Mr. Callahan:—This proposed expenditure, while not an expenditure, will have to be sustained. The trade in general will have to do it some way or another. I would not like this association to assume that responsibility, putting that charge, indirectly though it may be, upon the trade. Therefore, I move you that this report, and especially its recommendation be referred to the incoming executive board for them to make further inquiry and with power to act.  
(The motion was seconded.)

Mr. Casper:—I think that is a long way round. I believe this matter has been discussed for several years by other trade organizations, and it seems to me that the short cut, if we expect to accomplish anything in this, would be to approve the report and refer it to the various clubs for consideration and action, to report back to the convention a year hence. I believe the Colonel is correct up to a certain point, but I think the Executive Committee could not do much more than to refer this back to the various clubs, some of which have credit bureaus, and all of which should have credit bureaus. Perhaps this will stimulate credit bureau interest in the clubs that don't operate a credit bureau. Therefore, I move, as an amendment that the report be received and referred to the various clubs for their consideration.  
(The motion was seconded.)

Mr. Callahan:—I will be very glad to receive that amendment.  
President Atwood:—I believe Mr. Simons stated in the directors' meeting the other day he had sent out a questionnaire to the various clubs on this very point. If not that, he had sent it out in the form of a questionnaire.  
Mr. Simons:—Thirty per cent. were in favor of it.  
President Atwood:—Were 70 per cent. against it?

Mr. Simons:—Only 28 per cent. had responded to some inquiry. Some of them did not answer the questionnaire as to whether they would support it. They left that question blank, but there were 30 per cent. of the actual answers that were in favor of the proposition.

Mr. Casper:—I am not asking the association to approve the recommendation. I think you understand my proposition clearly. I am trying to get it back to the local clubs. I think by so doing we will accelerate interest in credit bureaus, which I think is a club activity that is worth while. I would like to see it discussed not as a questionnaire, but that the membership committee keep it tough, with the various clubs as to whether they are using this measure.

Mr. Kurfess:—We have had this question up in our local club. It has been presented to us there some two or three times, and we put it before our club one time in a rather strong language. The members of our local club decided that they would not want to go into a credit bureau proposition other than the National Association of Credit Men, of which, I believe, our local club is a member.

Mr. Watson:—What I was to say was I don't think you are going to get anywhere with a proposition of referring this matter to local clubs. I don't believe there is hardly a local club in existence for any number of years but what has had this matter in mind and thought again. A great many of them have experimented with it, some successfully, others not. It seems to me that a group of the members represented practically through this committee that want some kind of a national credit bureau seems to me that this association could at least give its moral support. Whatever is done in this way, I think it must be self-supporting, and the association should have nothing financially to do with it, but I think it gives its moral support. It seems to me a permanent committee should be appointed.

### Report of Committee on Paint Distributors

In order to properly understand the relation between distributor and manufacturer it must be borne in mind that the interest of both is identical. The distributor is as a selling agency of equal importance with the direct selling representative of the manufacturer, only more so.

The distributor is constantly in the position of taking up the slack or paying out the line of service between manufacturer and dealer, and as such the interest of the manufacturer is his interest.

A year ago this body, in convention assembled, ascribed to the proposition of the economic value of the middle man, and a speaker upon the subject emphasized the necessity of future unselfish cooperation if the reputation of the manufacturer and his product is to be protected from unscrupulous ex-

ploitation sanctioned by Federal control, not in spirit, but through the letter of the law.

Therefore, we offer for your consideration the following resolution: "Whereas, There was a resolution adopted at the Convention last year in Atlantic City dealing directly with this proposition, and whereas the time has not been propitious to put it into effect, therefore be it

"Resolved, That the action taken in Atlantic City in 1922 be hereby reaffirmed, and that the same consolidated committee as was appointed last year be continued during the coming year, so that they will be prepared for action should conditions permit carrying out the resolution adopted in 1922."

There can be no better connection, other than perhaps a factory branch with its weighty overhead, than to have a well-established mercantile firm offer to its clientele the meritorious product of a reputable manufacturer. Here are the purposes of the manufacturer best served. His various accounts over a stated territory are grouped under one head, his sales expense is reduced, and the accounts are combed closer than he could afford to do so direct, requirements are met with almost instant delivery and every mention of the distributor's name carries with it a considerable amount of publicity for the manufacturer.

If these statements be true, then also the fundamentals that affect the manufacturer are transmitted to the distributor, but he being in a buffer position has not the latitude in which to retreat or advance for the placing of his position upon favorable grounds.

The chief bugaboo the distributor must face, and it haunts him in his slumber as well as during his waking hours, is the overhead against which he is constantly pitted and that overhead is as unstable as butter in a hot oven.

Should the wage scale rise, should more detailed deliveries be demanded, should the trade demand more service, personal or technical, he is bound to make good, but his reward is problematical.

It, therefore, devolves upon the manufacturer to furnish the means, both financial and moral, to enable his representative to cheerfully and capably perform his every duty, and there can be no denying that the laborer is worthy of his hire.

There need be no broadcasting of statistics—we have all heard them time and again, but there are certain staples in the stocks of the paint distributor that do not stand upon their own bottom that lean heavily upon certain other profitable items and make the net result offer much food for reflection.

The progress that the Save the Surface and the Clean Up and Paint Up campaigns are making calls for more cooperation between manufacturer and distributor because it is spreading more paint. The distributor, like the manufacturer, benefits, but should the condition ever occur that the distributor cannot balance the sales on his staples with the sales on his more profitable sundries, then will he suffer directly in ratio with his increased sales. Turn-over is a splendid panacea for "small margin profit ills," but a destructive force in profitless transactions.

We make our recommendations by innuendo, the distributor is ready to cooperate and there can be no effect other than for the best to any interest concerned if each interest believe their interest to be served best.

President Atwood:—What action should be taken on that Mr. Secretary?

The Secretary:—It was ordered by the Board of Directors this report be approved and referred to the convention as a matter for their information, to be handled in connection with the sub-committee report.

President Atwood:—Suppose we hear from the sub-committee first.  
Mr. Roh read the sub-committee's report.

President Atwood:—Gentlemen, the action of your board on this matter was to

### Report of Committee on Alcohol

Recalling to mind the reports of this committee for the last few years, you will remember that the committee has continually advocated the separation of the control and distribution of Denatured Alcohol from the prohibition enforcement forces of the Treasury Department. It has advocated that the Commissioner of Internal Revenue establish a special department for handling Industrial Alcohol, as, under the law, the promotion of the use of alcohol in the arts and sciences is equally as mandatory upon the Commissioner of Internal Revenue as the prevention of its use as a beverage.

As far as the success of the efforts of this committee and other commercial organizations using alcohol, there seems to have been very little accomplished. From time to time, some modification of the restrictions and certain new formulae have been made, which, to some extent, have relieved certain industries of a portion of the annoyance surrounding the obtaining of Denatured Alcohol for their legitimate uses.

I do not consider it a part of this committee's duties to go into the matter of price fluctuations during the year, nor to prophesy as to the future. The use of Industrial Alcohol is so varied and enters into so many different industries, the various formulae being so different in value, that the matter of prices should be passed over without comment.

The question of enforcement of the Volstead Act and its bearing upon the consumption of potable liquor is equally non-germane. Until such time as there is a change in the Constitution, if ever, the use of commercial alcohol must, more or less, be restricted by departmental regulations, which, to the legitimate consumers, seem unnecessary; but, while the demand for potable spirits continues, it is logical to suppose that more or less effort will be made to convert certain of the formulae to illicit uses.

I can only recommend the continuance of the Association's efforts to simplify restrictions for the use of commercial alcohol, and, if possible, to have the restrictions handled by a separate department, in no way connected with the Prohibition Enforcement forces.

According to press despatches, the Secretary of the Treasury has, within the last few weeks, been in conference with the Commissioner of Internal Revenue as to the formation of a separate bureau for handling denatured alcohol, and there are hopes that, before long, this will result in regulations being issued for the formation of a separate department.

Whereas, it is essential to the economic conduct of many American industries that alcohol for use in the industrial arts should be obtainable promptly and in such quantities as may be required, without unnecessary difficulty or restrictions; and

Whereas, the control of alcohol for use in the industry has been successfully and satisfactorily administered by the Secretary of the Treasury and the Commissioner of Internal Revenue, in conjunction with the Alcohol Trade's Advisory Committee appointed by the commissioner under date of April 27, 1923; therefore, be it

Resolved: That this association deprecates any change in the control of alcohol for use in the arts and industries and trusts that the present satisfactory method of control and regulation will be continued so that industry may be as little hampered or restricted in obtaining and using this product as is consistent with existing laws.

Mr. Pfeiffer:—I second the motion.  
President Atwood:—Are you ready for the question? (The question was called for and the motion was carried.)

President Atwood:—Now, gentlemen, we are going to have the film showing the manufacture of American Process Zinc.

A motion picture, "The Story of the Manufacture of American Process Zinc," was shown. It had been prepared under the auspices of the New Jersey Zinc Company.

President Atwood:—I think it is safe to say that this very educational film that has been shown of one of our principal raw materials has been very thoroughly enjoyed by all. A vote of thanks is in order, and I will entertain a motion to that effect.

Mr. Caspar:—I move that a vote of thanks be extended to our good friends for this educational film.  
(The motion was seconded and carried.)

### Constitution and By-Laws

President Atwood:—There came up this morning a question as to the amendment to the by-laws on the subject of sustaining membership. I don't know whether all of you who are here this afternoon were present in the meeting this morning and if approved this evening will become one of our by-laws.

Secretary Horgan read the amendment on sustaining memberships (see page 48).  
Col. Callahan:—I move its adoption.  
(The motion was seconded.)

## Report of Committee on Kalsomine Manufacturers

In common with other products of the industry the demand for kalsomine has been greater than ever before.

Prices for our materials have been held down very closely, whilst the cost of raw materials, packages, supplies, overhead and labor has in every case been as high or higher than the previous year.

The result of this combination has been that these concerns who are engaged in this branch of the industry have had to exert every effort to maintain themselves, and the fortunately large tonnage has been their only salvation.

It may be assumed that the exigent conditions have resulted in developing further efficiency in both manufacture and distribution.

The indications are for a continued good demand, with prices holding at about where they are now.

## Report of Publicity Committee

The last twelve months have brought into being a new force of the Association, that of disseminating information relative to its activities. It would not be within the realms of reason to report that your Publicity Committee has functioned as a smooth, efficient organism; conditions have not conduced to a perfect working unit. Considering, however, that this committee is an innovation, that its members have been forced to test the character of news matter most likely to see the light of day through the medium of the printing press, we submit that a good start has been made.

Using the President of the Association as the mouthpiece, our initial effort was devoted to the preparation of an article for the daily press which was designed to focus the attention of readers upon the economic value of paint. This was sent to some six hundred odd newspapers published in the United States and Canada. No clipping service was maintained, but it is believed by your committee that fully 25 per cent. of the newspapers printed the article on or about last New Year's Day.

About the middle of the year another article was prepared for publication by periodicals devoted particularly to the interests of women. This was sent for use under the signature of the Secretary and discussed the value of paint from the point of decorative effects.

During visits by your National officers to local clubs your committee in every possible way endeavored to secure desired mention of such meetings in the press of the cities visited. This was done through sending of stories relating to such meetings direct to the editors, and also to inviting Club Secretaries to encourage the publishing of notices in the newspapers of the various cities.

The results attained in certain Southern cities were noticeably gratifying. Other notices of lesser importance were published at frequent intervals through various committee members during the year.

There has been a lack of cohesion of effort on the part of your committee which, we feel, has been due to a force of circumstances. This unit got under way late, held no meetings to determine the most desirable methods to pursue and enjoyed no methodical plan of action for the above reasons.

We feel that far more benefit can be derived by the Association by future Publicity Committees through closer contact, frequent meetings, and, withal, a more compact organization. It is our belief that appointments should be by districts, as heretofore, but that definite assignments of work for the members of each district are certain to give prolific results.

It is our firm expression that the committee should be continued on a more energetic basis than has prevailed during its first year, and we believe, further, in order to secure the most advantage for the Association, as well as for the general good of the paint, varnish and allied industries, that all publicity for popular consumption should be concentrated within the mantle

President Atwood:—I think the purpose of this by-law should be explained. The revenue of the association has not been adequate to carry on our work in the proper manner. Our quarters in New York are utterly inadequate for our purposes. We have no filing room, and as some one said the other day, when four or five go there at one time you have to use a shoe horn to get them in. We also want to provide a larger and additional systems for Mr. Horgan.

And then Mr. Trigg and I thought we could appropriately say that it was not just to an association like ours to consider and let president to pay his own traveling expenses. So we want to provide for this for our future presidents. As Mr. Trigg said this morning, the time may come when some suitable man will be selected from taking office because of his inability to stand the expense. It is considered inadvisable at this time to raise our dues of \$15 because in doing so we would undoubtedly lose some of our smaller members, and so the sustaining memberships are provided in the hope that one hundred will be taken out.

I believe you understand that motion now.

My attention has been called to the fact that all the former presidents of the association subscribed for the sustaining membership.

(The motion was carried.)  
President Atwood:—We would also like to have the approval of this body on the three or four minor changes in the constitution and by-laws that were presented this morning.

Mr. Bray:—I move they be adopted.  
(The motion was seconded by Mr. Ducommun and was carried.)

President Atwood:—We have two more reports that are purely informative, the report of the Committee on Kalsomine Manufacturers and the report of the Publicity Committee. These reports were received and recommended to the convention by the Board of Directors. Can we vote on them with the approval of the Board of Directors? Is there a motion to that effect?

Mr. Woolsey:—I move they be received and filed.  
(The motion was seconded and carried.)

The reports follow:—

of the National Paint, Oil and Varnish Association, Inc., as the official spokesman.

It is our opinion that the name should be changed to "Committee on Public Informations" or to "Committee on Public Relations."

President Atwood:—We still have several short resolutions from some of the paint clubs.

Secretary Horgan read a resolution from the Buffalo club with reference to lengthening the painting season.

The Buffalo Paint, Oil and Varnish Club unanimously approves the movement of extending the painting season and the plan for the sale of the painting trade in vocational schools.

Secretary Horgan:—This resolution was approved by the Board of Directors and referred to the convention for its action, and was also referred back to the "Save the Surface" Committee.  
Mr. Hassels:—I move the resolution be accepted.  
(The motion was seconded and carried.)

Secretary Horgan:—I have another resolution from the Philadelphia club which has reference to the Trade-Mark Bureau. The Board of Directors carefully considered this resolution and recommended that it be referred to the Trade-Mark Committee so that in their compilation of the new list they might consider the suggestions made in this resolution.

Whereas, the National Paint, Oil and Varnish Association has been conducting a Trade Mark or Registration Bureau known as the Trade Mark or Registration Bureau; and  
Whereas, this Bureau publishes periodically a list of trade names registered with said bureau; and  
Whereas, this list as now published gives insufficient information; and

Resolved: That the Philadelphia Paint, Oil and Varnish Club strongly recommend a resolution to the effect that the Bureau of publishing such trade marks or names.

Mr. Heckel:—I move that that be accepted.  
(The motion was seconded and carried.)

Secretary Horgan read a resolution from the Philadelphia Paint, Oil, and Varnish Club on adoption of the Trade-Mark Committee. The board recommended that this resolution be referred to the Simplification Committee for its approval.

Mr. Walker:—I move we concur in the recommendation of the board.  
(The motion was regularly seconded and carried.)

Secretary Horgan:—We have a similar resolution to the one the service road from the Portland, Oregon, club and one from the New York club.

Resolved: That the members of the Portland (Oregon) Paint, Oil and Varnish Club, after having discussed and given thought to the proposition of the National Paint, Oil and Varnish Association, to limit the number of colors to be represented on color cards to the paint trade and the further suggestion of limiting the number and size of containers, especially the elimination of half pails and pails of the inordinate size, believing it to be in advance in the conduct of our industry.

President Atwood:—Is there any unfinished business?

Mr. Chatfield:—I should like to suggest that this association in convention assembled send telegrams to our former presidents who could not be with us: Marshall Evans, Arthur S. Somers, Frank Chessman, John M. Peters, William Waterfall, Howard B. French.

(The motion was regularly seconded.)  
Mr. Brininstool:—I would like to include in that motion our good friend, Jim Keister.

Mr. Chatfield:—I would be delighted. I had not thought of that.  
(The motion was carried.)

## Resolutions of Thanks

Mr. Binney:—I would like to offer a resolution.

Whereas, the National Paint, Oil and Varnish Association is about to close its thirty-third and most successful annual convention; therefore be it

Resolved: That this association tender its best thanks and appreciation to Mr. Padgett, First Assistant Convention Counsel, Chicago, for his cordial welcome, and to the Rev. John Timothy Stone for delivering the invocation at the opening session of the convention; and be it further

Resolved: That we express our most cordial thanks to the Paint, Oil and Varnish Club of Chicago, to Harvey Edwards and his associates the entertainment committee, to Mrs. Har-vey Edwards and her associates on the ladies' committee, Mr. and Mrs. John N. Weiler and their associates on the Golf Committee for their zealous and tireless efforts in devising and carrying out the remarkable program for the entertainment of this greatest of all conventions, which has made the right side of our meeting so especially happy and successful; and be it further

Resolved: That we thank the Park Ridge Golf Club for its courtesy in extending to our members and ladies the use of its club house and course; and be it further

Resolved: That our cordial thanks be given to the Registration Bureau, the Press Committee and other convention committees for their devoted services which have contributed so largely to the success of this convention; and be it further

Resolved: That our warmest thanks be given to the members of our many rank and file, well-chosen prizes and that their names be printed in the year-book of the association; and be it further

Resolved: That we register our profound appreciation of the untiring and unselfish services of the President, the Board of Directors and the committees of the association who have so ably conducted our affairs during the year.

Mr. President, I move the adoption of this resolution.

(The motion was regularly seconded and carried.)

President Atwood:—Is there any other unfinished business?

Mr. Minehart:—I want to say in encouragement of the incoming administration that the ex-president of our association who are here, today have taken out a sustaining membership, and we have

here a total of eleven ex-presidents and three others which we want to submit for the purpose of encouraging the movement of sustaining memberships.

President Atwood:—That is very gratifying. Is there any other unfinished business?

I would like to call now for the final report of the nominating committee which was presented this morning by the Chairman, Mr. Trigg. This report will be presented by E. V. Peters.

## Nominations and Election

Mr. Peters:—You have heard the preliminary report of the Nominating Committee this morning presented by our chairman, Mr. Trigg. I don't think there is anything that the committee can add to Mr. Trigg's remarks this morning as regards the ticket which we are placing in nomination to conduct the affairs of this association for next year. Your committee fully appreciated its great responsibility in selecting those leaders who must guide the destination of this great trade organization for another year. We feel it very great honor and privilege to present this ticket:—

President, Norris B. Gregg; Eastern zone vice-president, J. B. Lord, Boston; Central zone, E. C. Currier, Sioux City; Southern zone, George W. West, Atlanta; Western zone, C. E. Root, Los Angeles; Canadian zone, F. J. Penberthy, Toronto.  
(Mr. Peters read also the names of the directors as submitted in the preliminary report.)

I would like to move the election of the candidates proposed.

President Atwood:—You have heard the report of the Nominating Committee. What is your pleasure?

President Atwood:—It has been moved and seconded that the men placed in nomination be elected. I presume that the secretary would be authorized to cast one ballot.

(The motion was carried.)

President Atwood:—The gentlemen named are unanimously elected.

I am going to appoint Mr. Minehart and Mr. Moore to conduct to the chair the president-elect, one of the best loved men of the industry.  
Mr. Minehart and Mr. Moore escorted President-Elect Gregg to the chair.

## Officers Are Installed

Mr. Atwood:—I know we are all grateful for the service Mr. Gregg is going to give us, and we want to hear a few words from him right now.

President Gregg:—I am sorry to say I think you will hear very few words from me now. You may hear a great many as the year progresses. I will say, however, I very much appreciate the honor you have conferred upon me, the greatest honor that can come to any man in this industry. I have listened to the proceedings of this convention, and I have learned from them the tasks set before me as to some of the subjects which we must push forward during the coming year. I want to say also that I know Mr. Atwood and his predecessors have set a pace of devotion to your interests which I shall endeavor to follow and try to equal. Whether I will do that or not I do not know. I shall certainly try in every way to do it.

Mr. Lord, Vice-President for the Eastern Zone, would be glad to hear from you.

Mr. Lord:—In accepting this office as regional vice-president, I do so knowing that it will be a great pleasure to serve on a board at which you preside. To the members I will simply say I will do the best I can to help the good work the association has been doing.

President Gregg:—I believe Mr. West is not here. Mr. Currier, the new vice-president of the central district.

Mr. Currier:—This is rather unexpected. I want to say, however, that I have come in contact with Mr. Gregg a great many times, and it will be a pleasure to do anything to assist him in the administration during the coming year. While I know I have a big task ahead of me, I shall do my best.

President Gregg:—Mr. Currier, I appreciate your remarks very much. Is Mr. Penberthy of the Canadian district here? They tell me he is not here; neither is Mr. Root, the new vice-president for the western district. Is Mr. Figgis here? Apparently he is not. I know he would be very glad to speak to you if he were. The secretary will call the roll of the new directors. If any of them are present, we would like to have them stand.

(Secretary Horgan called the names of the directors.)

Secretary Horgan:—I would like to say Mr. Bolton was nominated by the Toronto Club. I would like to include him in the ballot cast.

Mr. Peters:—I move that Mr. Bolton's name be included in the ballot cast.

(The motion was regularly seconded and carried.)

President Gregg:—If there is no further business a motion to adjourn will be in order.

Mr. Caspar:—I make a motion we adjourn.

(The motion was regularly seconded and carried.)

The convention was adjourned at 5 o'clock, Friday afternoon.

## Greetings from E. J. Cornish

During the N. H. O. and V. A. convention Secretary Horgan received the following message from Edward J. Cornish in an ocean letter by wireless from the steamer "Berengaria":

"Thanks for message. Express my regrets at enforced absence. Congratulations to retiring president on successful year. Fealty to incoming president and good wishes for all my friends."

# Entertainment Features of N. P. O. V. A. Meeting

From the opening of the convention until its close with the dance following the annual banquet, Friday evening, there was an uninterrupted round of entertainment for the delegates and their families and friends.

The peak in the week's social activities was Le Bal Cristal, held in the Grand ballroom of the Drake Hotel, Thursday evening. Eight hundred guests attended. An entire wing of the hotel was thrown open for the ball. It was styled "Le Bal Cristal" from two great globes, composed of hundreds of mirrors, which were revolved while varied colored lights were thrown against them, reflecting all the colors of the rainbow over the room and the dancers, making the crystal covered globes seem balls of flaming fire. The surprise feature of the evening's entertainment was the singing of the song "Le Bal Cristal" by the vocalists, led by Adolph Bohm Ballet, under the direction of Mr. Bohm, who was formerly of the Imperial Ballet in Petrograd, and at the Metropolitan Opera House, New York, and is now director of the Chicago Opera Ballet.

At midnight a buffet supper was served and the dancing continued until an early hour Friday morning. The contest was won by J. T. McConnell, who was one of the features of the ball, following the midnight supper.

## The Golf Tournament

The golf tournament for men was held Wednesday, October 24, at the Park Ridge Country Club. The day was marred by showers, but golfers were not to be stopped by a little rain and the contest was completed. When the day's battle was over the following winners were announced by the committee:

1. J. T. Rutherford, Oak Park, Ill., low net, 27 holes—president's trophy.
2. Leon S. Hanline, Baltimore, first flight, low net, 27 holes.
3. Harold Rowe, New York, first flight, second low net, 27 holes.
4. F. A. Morgan, Chicago, second flight, low net, 27 holes.
5. H. G. Sidenbottom, New York, second flight, second low net, 27 holes.
6. C. P. Morris, Haddon Heights, N. J., third flight, low net, 27 holes.
7. Claude H. Smith, St. Louis, third flight, second low net, 27 holes.
8. G. A. Wharry, New York City, fourth flight, low net, 27 holes.
9. H. W. Pearson, New York City, fourth flight, second low net, 27 holes.
10. William C. Cincinnati, fifth flight, low net, 27 holes.
11. W. A. Borland, Philadelphia, fifth flight, second low net, 27 holes.
12. John Heath Wood, Chicago, low gross, 27 holes.
13. Beverly B. Hall, Chicago, low gross, first eighteen holes you play.
14. H. A. Grey, Chicago, low gross scores on four long holes—Nos. 2, 4, 15, 16.
15. K. G. Clobber, New York, trophy prize.
16. V. Wurtelle, Minneapolis; Claude H. Smith, St. Louis; Joseph R. Cochran, Minneapolis; Carl M. Fory, St. Louis, low net foursome prizes, 27 holes.

## The Annual Banquet

The annual banquet was held Friday evening at the Hotel Drake. After the large number present had satisfied their inner wants, they were called to order by Lewis R. Atwood, who spoke as follows:

### Chairman's Introductory

Mr. Toastmaster, Ladies and Gentlemen, Boys and Girls, I am a former friend and late associate, George V. Horgan, said the other day in describing our trip through the country that we had eaten our way from coast to coast and to paraphrase what he said I will say that I have talked my way from the Gulf of Mexico, and I think it is about time that I should quit. Indeed, I have been a guest of Mr. Fields in which he welcomed me to the ranks of the Indians. I think it is quite a distinguished honor to go into that select company, and I want to say to this association that if in the future they get a good man as they have got back there you will be very fortunate indeed.

Going into the ranks of the has-beens reminds me of something George Henderson, of Montreal, said to me the other day. I was talking to him about the beautiful city of Victoria in British Columbia, and I told him what a charming place it was. He said, "Do you know what we Canadians know about Victoria?" I said, "No."

He said, "We call it a city where the dead still live, and that, gentlemen, is where I am going to be with the has-beens."

I wonder if you men and you women have gotten out of this last year what has come to me. I wonder if you have seen what we men of this association have seen in the last few days of this work. I wonder if you realize that we are making history, making history in our industry, making history in our country and probably of the world. We are factors in the evolution of the world as I would call it, lifting industry to a higher plane than ever existed before, and justifying us in the eyes of the world as adopted at this convention. "In the Public Service."

Do you know I believe it is an honor to belong to such an association as we have belonged to, and that as we go on and build on what we have already built that honor and that privilege will become more evident to us all every day and we will be proud of any connection that we have with it.

I am not going to make a long speech. I have said my say. I just want to add this. In our convention today resolutions were passed thanking the city of Chicago for the entertainment they had provided

for us. Mr. Robinson, Buffalo, low net, first 18 holes play.

Mr. G. Sidoroff, New York, second low net, first 18 holes play.

After the annual banquet handsome prizes were given to the golf winners.

## With the Ladies

While the men were spending the day at the golf links the women of the convention were being entertained at a luncheon and fashion show, offered through the courtesy of Marshall Field & Co. Wednesday evening the annual reception to the president followed the formal opening of the convention. In the receiving line were President, Mrs. Atwood, Mr. and Mrs. George Henderson, of Montreal, and Mrs. Harvey G. Edwards. The reception was held at the Avenue of Palms, in the Drake Hotel.

Thursday the Lake Shore Country Club was the objective for all women of the convention. After the motor trip across the city a luncheon was served at the club and the afternoon was devoted to bridge and mah jong. Thursday evening Le Bal Cristal was held.

With the women's golf tournament on Friday, but some of the braves followed the scheduled golf and the afternoon was devoted to bridge and mah jong.

There was only praise for the Chicago committees, which had planned and arranged the entertainment features during the convention. These committees were as follows:

Arrangements and Entertainment—W. T. Sweeney, Wills Martin, S. H. Stewart, L. E. Sulzberger, H. A. Melum, John H. Pine, John R. MacGregor, Harvey G. Edwards, chairman.

Ladies—Mrs. W. T. Sweeney, Mrs. Wills Martin, Mrs. S. H. Stewart, Mrs. L. E. Sulzberger, Mrs. H. A. Melum, Mrs. John H. Pine, Mrs. John R. MacGregor, Mrs. John N. Welter, Mrs. Harvey G. Edwards, chairman.

Golf—Howard Elting, Wm. A. Sanders, C. D. Sproule, John N. Welter, chairman.

Smoking Golf—Evanston—Mrs. John N. Welter.

The many friends of Harvey Edwards, the chairman of the Chicago committees, sympathized with him when he was called away by the illness and death of his father. Mr. Edwards was in the direction of affairs when Mr. Edwards was called away.

An efficient registration staff, under direction of John R. MacGregor and Miss Edith Edgeworth, his assistant, were commended for the manner in which the work was accomplished. As the delegates came to the booth to register they found a large staff of volunteers, who were equipped with promptness and without confusion.

Somehow or other the ladies didn't get in on that resolution, and I know they want to thank the entertainment committee through Mr. and Mrs. Edwards, for all that they have done, the delightful and gracious way in which they have treated us.

Many of you at the Atlantic City convention last year, and in my embarrassment there I didn't know what I said. I spoke of the gentlemen of my heart and told you all that I loved the ladies. I want to assure you that my sentiment still continues, only very much intensified, and I want all these ladies when they go home to take it to the first page of the program and keep it, and never forget me and I will never forget them.

As the ladies and gentlemen, I have the honor of turning over this meeting to a man whom we all love, Charles E. Field, as the toastmaster.

### Toastmaster's Address

Toastmaster Field:—Mr. Chairman, Ladies and Gentlemen—That rather handsome, unexpected, undeserved perhaps, expression of love added greatly to my embarrassment, but in the words of some wise man (I don't know who he was, but he said), "That is flattery, my boy, but I like it."

It has been customary at our annual dinner of this association to listen to the swan song of the retiring president as he always announced the careers of the incoming and the hopes of the future, but when I got here tonight and looked over the program I see that Mr. Sweeney has very cleverly changed the method of procedure by having himself appointed to preside over the opening of the convention.

As I instead of my having the pleasure and the honor of introducing him he introduces me, and that is the position we ought to occupy through the administration. He has been about two jumps ahead of all the rest of us, and I am grateful, however, for his referring to me in that plain, simple manner as Mr. Field. In the first place he has always aroused the careers of the incoming and the hopes of the future, and in which our friends from Kentucky sing around that title of "Colonel." Every man has addressed me during the convention, and that has been several. He has always addressed me as a colonel, and I have never minded it. I don't think I was going to introduce him as lieutenant-general. That is about the relation we ought to occupy through the military standpoint, although I admit I would like to be on his staff.

Let me just remind you that we are not going to lose him. Under our by-laws he automatically becomes first vice-president and a member of the executive committee. We are going to have him with us next year, and I hope many years to come, and I hope he will always bring Mrs. Atwood. The only excuse I have to offer

you for occupying the position of toastmaster that another who is very efficient on the entertainment committee seems to have fallen down on that particular job and they appealed to me earnestly, almost tearfully. When I mentioned a number of men I knew who could more gracefully and tactfully fill the position than I, they had an objection in each case, but somehow or other that objection didn't sound original, and out of sympathy for their embarrassment and incidentally as most of them are custom-ers of mine, I reluctantly consented to serve. I guess you will have to stand for it. You know there is great license to the duties of a toastmaster. He can make a speech himself every time he introduces a speaker if he wishes to, but I am not alarmed. I will promise you I will attend strictly to business.

### Chauncey Dewey's Methods

Scholars has recently published a very interesting book entitled, "The Memories of Eighty Years," by Chauncey Dewey. His devices considerable space to after-dinner speaking at which he was a past master. It seems after dinner speaking is a legacy we have inherited from our English ancestors. To this day banquets are very popular in England. They are out-things used as a platform by the government upon which some cabinet minister can outline some policy they don't want to develop in Parliament. Mr. Dewey makes a distinction between wit and humor. He said the wit is never known as William M. Evans. That rather surprised me.

Mr. Roosevelt said, "Of all kinds of men, beware of those men who attempt to cite one branch of the American people against the other."

My friends, what we need more and more, to my mind, in this country is a deep faith and pride in our national institutions and more real genuine and per cent constructive American patriotism. Not only patriotism that gives a monetary thrill as when a man hears "The Star-Spangled Banner" or sees the soldiers go by on parade, but the kind of patriotism that causes a man to think that gets below the surface and compels him to ask himself the question: "What can I do for my country in such a crisis?"



Harvey G. Edwards

Chairman of Committee on Entertainment and Arrangements.

cause I always regarded him as a very dignified Secretary of State. He said he was the guest of Mr. Evans at his home for a month. Evans said to him, "Do you see that old fellow saving wind?" He has a great habit of talking to himself. I said to him one day, "Jim, why do you talk to yourself so much?" He said, "Eh, Evans, I love to talk to a sensible man, and I love to hear a sensible man talk."

I will leave it to you as to whether that is wit or humor.

### Making Culture Hum

I suppose I expect me to say something about Chicago. Of course, I know the weather has been bad and you haven't seen much of it. In this city where we formerly held our banquets, we have been apt to come away under the spell of the eloquence of the orator and the magnificence of the speech with the idea that the city in which the banquet was held was the only city in the United States. For instance, in Boston, they tell us they spend more money per capita for education than any other city in the land. They have many places and treasures of history than any other city on the Atlantic Coast. The first public library in the United States was established in Boston. And so on, proud of their collections and their art and their culture and their history. It is fine and I believe every word of it is true. It reminds me of the old story of the good-natured man who said, "You are the greatest city in the world, and the Boston girl. The Boston girl said, 'We have got more culture in Boston than you have in Chicago.'"

Yes, but you wait until Chicago gets around to culture and she will make culture hum."

Then there is New York. Did you ever see a New Yorker who thought there are no other cities in the land? They are so great and so big that they have to be themselves for supremacy. I believe the Yankee went out. Among other things, they tell us that New York is the financial center of the country, always has been and always will be. That is fine and we need our hands until we get away and begin to think it over, particularly us fellows from Chicago, and we begin to wonder if that is quite correct as to the future.

Then there is St. Louis, and we get a wonderful description of their unusual and attractive homes, well laid out streets, their pavements, their illuminating systems, their river front, water transportation and so on, and we come away regretting that we were not born in St. Louis.

In Philadelphia they tell us they turn out twenty-five pairs of socks a minute, a locomotive every two hours, and a baby

is born every ten minutes. I am not going to enter Chicago in competition with any of these accomplishments. I think it was Dr. Hillel who said, "The most lovable man in the world is the man who loves his country," but the Irish orator remarks, "Every man should be proud of his nativity no matter whether he was born there or not."

I was not born in Chicago, but I have lived here nearly half a century. Whenever I go on the cars or at hotels or at conventions, wherever men are gathered together, I am proud of the fact that I am in Chicago, but while I am proud of that fact, I realize that Chicago, like every other city in the land, is only a very small part of this great American nation of which we are all justly and mutually proud.

### Civic Pride

Seriously speaking, civic pride is fine. It is all right as far as it goes, but it does not go far enough. Only yesterday I read in the papers that the secret service department of our government in Washington had given out information that there are a million and a half radicals in this country, from the red-mouthed red-baited anarchist to the bolshevik, socialist and other—demagogues of every name and stripe and nature. These people are not found on our highest streets and east side of our great city, but in the market places and some of them in the colleges, but not a half of that kind in this country are a million, five hundred thousand too many.

Mr. Roosevelt said, "Of all kinds of men, beware of those men who attempt to cite one branch of the American people against the other."

My friends, what we need more and more, to my mind, in this country is a deep faith and pride in our national institutions and more real genuine and per cent constructive American patriotism. Not only patriotism that gives a monetary thrill as when a man hears "The Star-Spangled Banner" or sees the soldiers go by on parade, but the kind of patriotism that causes a man to think that gets below the surface and compels him to ask himself the question: "What can I do for my country in such a crisis?"

### Counterfeit Bills

The first thing I know I will make a speech, and I don't intend to. I feel that I will tell a story that Mr. Schwab, president of the Bethlehem Steel Corporation, tells. He said he and the Cornells were walking on the outskirts of Pittsburgh one afternoon and passed a church in which a colored congregation was holding service. They went inside and took a seat just in time to hear the preacher say, "This church is in need of a coat of paint and the fence needs repairing. A collection will now be taken up toward defraying the expense of painting the church and repairing the fence." Mr. Schwab said when the box came around he and Mr. Carnegie each slipped in a ten-dollar bill. When the preacher got the collection and poured out the nickels and the pennies and the dimes, he caught sight of the two ten-dollar bills. His eyes bulged out and he said, "The painting of this church and the repairing of this church will proceed tomorrow morning, provided the two ten-dollar bills placed in the box by the gentlemen in the back seat are not counterfeits."

There are a great many things said and done in life's routine. I feel that may be justly criticized as counterfeits and conspicuous among them is the toastmaster of the after-dinner speaker that does not live up to his promise.

We had a delightful evening, but through a recent mental telepathy I had reached the head table that there was something lacking. You will observe that I keep a glass of water handy. It often happens to one not accustomed to stand in the presence of such a distinguished audience as this, with so many hands so well groomed men and so many beautiful charmingly gownned ladies creating a picture that is thrilling, that he is seized with a sudden fit of nervousness called stage fright. The mouth becomes dry and a swallow of water will relieve it, but it goes to the knees there is no help for it in these days.

An striking evidence of the efficiency of the entertainment committee is their securing the speaker that they have for us tonight. You know the original State of Indiana embraced not only what is now known as Indiana but all of Michigan, Illinois, Wisconsin, and a part of Minnesota.

One by one these states have been taken from her domain, but while Indiana has been reduced in size there is no evidence of any reduction in energy, enterprise, statesmanship, or patriotism. While the waters of the Wabash divide the two states, the waters of human endeavor embrace them both, and the next generation stands out more conspicuously or reflects greater glory upon the old commonwealth than does its distinguished senior senator. Ladies and gentlemen, I am not going to introduce him. That would be surmounting, but I take great pleasure in introducing to you James B. Watson, United States Senator from Indiana.

### Preserving the Federal Constitution

By Senator James A. Watson

Mr. Toastmaster and My Fellow Citizens—That was a very happy introduction for me, better than one I received some three weeks or more ago when I spoke at a college which I shall not name. There were very delightful selections by a splendid orchestra, preceding the purpose of introducing me by and by, after an unusually brilliant selection had been played, he stepped down to the front and said, "Young ladies and gentlemen, shall we have Senator Watson speak for us now, or would you prefer to go

on and enjoy yourselves a little while longer?" I think perhaps that was a very appropriate introduction.

I am reminded on one of another introduction, I happened to be speaking not very long ago and a soldier was to follow me. I spoke a few words and the crowd, evidently weary, started to leave at the end of my remarks, whereupon the speaker arose and said, "Hold on here, people. We have another speaker here, and you are bound to hear him. He is a sea soldier. He has been through hell and sea and now we are bound to do as much for him."

Having but a short time to talk, being compelled to take a train in order to reach Louisville, where I was to speak, I spoke tomorrow night, one I would much rather make than the one I am going to make tonight. It is my first duty, as it is my first pleasure, to make my due acknowledgments to your past president for the courtesy of his introduction, and likewise to those who brought me here. I count myself fortunate, my fellow citizens, to stand in the presence of such a magnificent assembly of business men, men and women devoted, as I have learned tonight to high ideals and to a noble conception of the rights of the business man to another and of the general business of the country to the principles that underlie our Constitution.

Your toastmaster splendidly has spoken of the patriotism that should touch and thrill every heart, and I am going to briefly I propose to talk to you about the underlying principle that is the bedrock beneath this magnificent structure of ours.

The National Bar Association at its last gathering insisted that a speaker as far as possible should address himself to the Constitution of the United States in order to give a noble conception of that fundamental law of the land, and, therefore, I deem it entirely appropriate upon this occasion to talk briefly upon that shelfwork and threadbare topic, yet one everlastingly fundamental.

### Liberty Springs from Constitution

If the institutions handed down to the United States at some great sacrifice are to be perpetuated for the generations that are yet to come, and it is peculiarly appropriate that the business men should consider the principles of the Constitution of the United States, for your individual liberty springs from that document, your right to do business springs from that document, your right to accumulate property and to enjoy its use and its possession springs from that document. Whenever the foundation stones of this mighty republic are undermined, as they are likely to be if the principles of liberty described by my friend, Field, obtain in the country, you will find that your business collapses with the republic. Individual liberty is destroyed, as inevitably it will be if the fabric of the republic is overturned. Even incidentally, business accompanies it into the wreckage. And so I make no apologies when I talk to you for a few brief moments of the fundamental principles that underlie the Constitution of the United States.

What is it that is new in this great document? As Gladstone happily said, "It is the greatest document ever struck off at any one time by the hands of any purpose of man." Was it new in the fact that it was a written document? The Magna Charta was written, the Massachusetts compact was written, Connecticut and Massachusetts each had written constitutions before the great one was formulated. It is not new in that respect, not new in its distribution of powers, because England to a certain extent enjoyed such distribution for generations, not new in any of those aspects, but new in one everlastingly fundamental particular, and that is—individual liberties to be protected by a fundamental law.

What do I mean by that, ladies and gentlemen? The Declaration of Independence completely changed the whole course of human events in the announcement of a principle never before so authoritatively announced in the history of the world and what was that? Before that Declaration was written all power resided in kings and crowns and thrones and scepters. Humanity had no real voice and was wrenched by force from the kings and thrones of the earth. From time to time the great body of the people rose and compelled kings to grant certain rights to the people, but still it was never denied that the kings and thrones were the power and all the rights for all humanity which they were privileged to dole out to their followers in accordance with autocratic will from time to time, as Magna Charta was forced from the hands of King John at Runnymede. But here was an announcement for the first time to the people that all the power resides in the people, and in this written document for the first time the people conferred upon their government certain powers, certain rights, and fixed those powers and rights within a written document in fixed terms in specific language beyond which the government might never go.

Listen to this, the words of the Declaration of Independence, "All men are created equal." Before that Declaration was written all power resided in kings and crowns and thrones and scepters. Humanity had no real voice and was wrenched by force from the kings and thrones of the earth. From time to time the great body of the people rose and compelled kings to grant certain rights to the people, but still it was never denied that the kings and thrones were the power and all the rights for all humanity which they were privileged to dole out to their followers in accordance with autocratic will from time to time, as Magna Charta was forced from the hands of King John at Runnymede. But here was an announcement for the first time to the people that all the power resides in the people, and in this written document for the first time the people conferred upon their government certain powers, certain rights, and fixed those powers and rights within a written document in fixed terms in specific language beyond which the government might never go.

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doctrine founded in our ears that we have a right to appeal from such a decision and that these decisions shall be submitted to the mob for their final conclusion.

### Inalienable Rights

Why, my friends, in the Constitution of the United States our fathers in the first ten amendments purposely fixed a right to appeal from the decisions of the mob. The right of trial by jury is a fixed right. No majority has the right to take away from me, as it is because of a right conferred upon me. The right of free speech is a fixed right, and in the solid rock of the Constitution of the United States forever imbedded is the principle that no majority has the right to wrench that right from me, and yet in these rights that are individual in character, that come to me because of my relation to my Creator cannot be taken from me by any majority, because no majority conferred that right upon me. The right of trial by jury, the right of free property, the right of free assembly, the right to the accumulation of property, the right to its use and its possession—these are individual rights, and no majority has the power to wrench those rights from me, and, therefore, I am true to the Constitution of the United States and its fundamental concepts, we shall oppose any effort to establish in this country any doctrine of the right of judges and judicial decisions by which the decisions that sustain the Constitution of the United States may be overturned by the whims of the mob at any time expressed.

Now, my fellow citizens, whence came this right? Upon it is that I have a right to do business. That is why business people are interested in it. Upon it is founded the right to free property and to its use, its enjoyment, its possession. That is why it is fundamental in the Constitution of the United States. It stands out against any effort to overturn this fundamental right, or all will be lost in the Republic.

Whence came this right? Let me give you the fundamentals of it. When the man of Nazareth said, "Our Father is supreme in the world. The Roman emperor sat upon his throne and ruled the world and the power was unquestioned in no quarter of the globe. And yet this man, more like a dove among eagles, the founder of this country, found that it had come down through the centuries with such constant force and abiding energy that no power had ever been able to stand against it, and he, the meek and lowly Jesus, stood up and declared that the man of Nazareth across the intervening centuries and for the first time in the recorded history of the world, in a printed document the words of Jesus Christ were made the foundation of a new government devoted to the equality of men, and back of that to the individual liberty of each citizen beneath the flag.

### Must Abide by Constitution

Therefore, there is a Divine reason for the doctrine of individual liberty and human equality, because if man is endowed by his Creator with certain rights and every other man is endowed by his Creator with the same rights, all must be equal and it is that equality and that individual right and that individual liberty that are the basis of the Constitution of the United States, the greatest doctrine ever struck off at any one time by the hands of any purpose of man. We must abide by the Constitution of the United States. It holds in its grasp the very gem of human liberty, it is the surest repository of our freedom, it is the safest guarantee of our liberty. Upon it rest the pillars of the Republic and if they are to rest anywhere in this world, and to touch them is to endanger the great Republic handed down to us after these generations of sacrifice and blood.

Ah, my fellow citizens, this idea has been at work all along the line of the history of our people. It was in the history of our people as we understand the advance of this mighty concept of the Man of the future. Why, ladies and gentlemen, this idea was in training all along the line of the past. It was in training when Athilla, the great of the world, fell in the hands of the Romans. It was in training when Charles Martel flashed his invisible sword before the Moslems; it was in training when it inspired the Maid of Orleans and hurled back the forces of England and made France's future secure, so that Europe was not to be dominated by any single power; it was in training when Oliver Cromwell refused the offer of a crown; it was in training when St. Bernard in his fastnesses of the Alps invented the printing press which after all was to spread a new land of knowledge and further the doctrine of human equality, because of a new conception of individual right and the equality of men. It was in training when the Pilgrim Fathers came praying across the wintry sea to found a new land dedicated to the idea of religious freedom. It was in training and reached its culmination when Thomas Jefferson in language that fearless shall be forever more, penned the Declaration of Independence devoted to the divine concept of the equality of men. Yet, my fellow citizens, it was even then but an ideal and it was never realized in America until Lee gave up his sword to Grant at Appomattox and four millions of men came forth from the abyss of slavery to stand beneath our flag forever and forever free.

It was in training when our boys climbed over the ridge of the world in '98 and gentlemen, here in the struggle in the track of the sun, evidence to the world that this idea of equality, fundamental in America, could not be confined to American shores alone, but is world-wide in the sweep and the majesty of its power. It was in training when our boys over yonder on a dozen of the trembling slopes of strife served notice to the great Germanic power that no one nation in this world should be permitted by force and by power and by despotic authority to overthrow the liberties of the entire people of the world.

### Danger in Peace Times

Our boys over there simply projected that idea of democracy down through the centuries. Ah, but it is not in the times of war, when the battle array is on, when men's souls are stirred, and when the heart violently beats, and when as my friend awhile ago said we catch sight of the flag and we are stirred to the depths, not then but in the piping times of peace the danger comes.

We have today in the United States millions of aliens. They are here presumably for the purpose of studying our institutions or our laws or our business methods of our form of government, here to learn, here on missions of business, as long as they are here for those splendid purposes they are welcome. They are here under the right of international law according to their ability and the comity of nations. But unfortunately many of them are here for other purposes. They are here because they do not understand the Constitution of the United States and they are against our government. While those people are here bent on peaceful missions they are welcome, but when any one of them counsels violence to overthrow the government of the United States, after their protection, then I am for sending every man out of the country by force back to the land from which he came.

If these men are American citizens already naturalized, my fellow citizens, they should be tried by our courts in accordance with the law and sent to jail, and we will go down and look at them and while they are there let us show them charity for all we are glad to see you here.

My fellow citizens, these are some of the dangers that lurk in the body politic, and if we do not stop their onward march, they will overturn these institutions that we love.

I am very glad that business men have come, for they send here tells me, to have high ideals. Business isn't altogether an idealistic proposition. It is practical; it



J. N. Welter  
Supervisor of Golfing

is sane; it is sensible, and when properly understood so is government. We have so many new fangled ideas about government lately. All kinds of laws are being passed, all kinds of panaceas are being offered for the ills that affect the body politic.

### Mutual Obligations

The truth about it is that as Jefferson said, the less a nation is governed the better it is governed, but the trouble about it is that human selfishness and human cupidity made it impossible that we should run along on that high plane simply because of the competition of wealth literally forced the passage of laws like the Sherman anti-trust law and the Federal Reserve Act, and the Federal Reserve Commission and other laws of like character. If every man had had a just conception of his obligations to his fellowman and had unselfishly devoted himself to conserving and preserving those rights, none of these laws would have been necessary, and therefore, we know when business gets on a high plane we dissipate the idea that any more such laws shall be passed in the United States.

One hundred thousand statutes have been passed in the United States in the last five years by Congress and by all the State Legislatures. Nobody ever read them all and nobody ever will. If he did he would be insane, and he ought to. What are these passed for? To interfere somewhere along the line with somebody's right to do something, and whenever you do that, instead of making individual liberty a guarantee for individual initiative and individual endeavor, you make of this Republic but a mesh of laws to restrain people from doing things, and my fellow citizens, I go back to the old fundamental of individual right, of individual liberty, of the right of the individual to live and to enjoy the things that he by his own power has brought to himself.

My fellow citizens, if every man is held to be responsible for what he makes of himself, then as a matter of course liberty, freedom of action, is a pre-condition to such self-realization. If you hinder a man with laws, if you hedge him around with statutes, you might as well cut off his arms or cut off his legs or gouge out his eyes. You make it impossible for him to realize what is in him, and if he is to realize what is in him, he is to develop what is in his mind and in his heart to the limit of his capacity.

That is the very essence of individual freedom and individual liberty, and I believe that doctrine.

We had to hinge around about, and my friend a while ago was speaking half humorously and yet I thought he meant it in the bottom of his heart about the Volstead Act, when he picked up a glass of water and looked sadly at it. These things exist because certain individuals have taken too greatly freedom with the doctrine of individual liberty to convert it into individual license to do wrong to their fellow men. And because a few people were actuated by these improper motives, laws were passed in order that they might not be permitted to do things in the future. The real truth about it is that we are coming to a time when men are having a new conception of the rights of their fellowmen under our flag and these laws will be less and less necessary.

But oh, my fellow citizens, let us remember the wise saying of Abraham Lincoln, that great genius of the practical. He said, "You can fool some of the people all of the time, and you can always fool some of them all of the time. They may have been born that way. Whether so or not, they are always fooled. I can go down into the congressional district that I represented for many years and where I know the people as well as I know the members of the Congress, and I can pick out the very fellows that will join any kind of a new movement that comes along. It does not matter what. They are always fooled."

### Demagogues Always Heard

The man who stands out on the soapbox, the corner of the street out here, and he hears the mob and he will always have hearing and he will show that the members of that mob are not receiving their fair share of the good things of our civilization and that it is the fault of the government. He wants some law passed, not to improve the chances or opportunities of the individuals in that mob, but to restrain the competent man who has made a success of life, to show an example it is going to help up the bottom fellow if you pull back the top fellow, and yet this share of the good things of our civilization and that it is the fault of the people all of the time.

Lincoln said that you can fool all of the people some of the time, and that is when they play the mischief. It is when the whole crowd of people is stirred up and all the citizenship is swayed by some mighty impulse that the mischief is wrought, and then is when we elect the Brookharts and the Magnus Johnsons to overturn the whole fabric of the country. Thank God you can't fool all the people all the time, and that is the salvation of government. That is to say, you have an abiding faith in the common honesty and common sense and the common morality of the common people after they have had time to study a proposition, to reflect upon it, to think it over in their minds, reflect upon it and cogitate upon it, talk about it in their homes.

Now, ladies and gentlemen, this Constitution is a hard thing to talk about to the people because if you are talking about abstract propositions, the principles of law, the fundamentals. They are not abiding, but oh, how essential they are, and how necessary it is when so many dangers threaten that we shall get back to the basic principles that underlie our great Republic, and I will tell you it is time that business men aroused themselves to these things. You business people are partially responsible for the things that have befallen you.

### Compensers' Power

My friend Sam Compers can press a button when any proposition comes up before Congress that interests organized labor and in a week there will be 10,000 petitions and memorials and resolutions there, and nobody on the other side to send a letter or petition. The average Congressman is frightened at the uprising of the people when the great silent majority (in fact it may be the other way, who knows) so suddenly comes united. The business interests of this country are not organized, they stand back of men who vote for some things and stand for property rights and business rights in the United States of America. You people are responsible for that. It used to be that you took an interest in it, but now you play golf and go over to the seashore and go to the mountains and ride in an automobile and you permit the fellow who stands up to protect your rights to be misled while all the people who are opposed to these principles are assaulting him in every district of the United States. That is your fault, and I am here tonight to preach to you that eternal vigilance is the price of liberty. You have got everlastingly to indocrinate the people of the United States over and over again with ceaseless reiteration, in order that they may understand the principles of the government and protect the very thing that constitutes the life blood of the republic.

If I had time, I would talk to you longer about that. I have been thirty years over there. I have been up against these gentlemen many times, and there are no business interests to protect the man who protects business in the United States. A man has but one sustaining thing. That is his conscience and that is the thing that is still there. But after all a little political apoplexy would help to bolster up the conscience a thing that is everywhere in the country. And so it is a fine thing to have organizations like these in order that at the polls in the primary system, which we now have fastened upon us, greatly to my regret, we shall vote for men who believe in these fundamental principles and who will stand by them through the heaven falls. That is up to you people. It is up to you people to organize in order to protect the great principles that underlie the republic and are embodied in the very star of the spangled flag of the free.

If I had the time I would like to talk to you, and I hope you will hope you have said enough to you to convince you that you had better be up and doing, because danger lurks everywhere today.

Roland W. Inglis, Wishnick-Tumpeer Chemical Company, Chicago; Mrs. Roland W. Inglis, C. G. Innes, Innes & Co., New York.

**J**

Daniel Jaeger, U. S. Color Card Company, Chicago; Wm. H. Jarden, Jr., M. Closkey Valve Company, Philadelphia; W. R. ...



all glad to see him take a well deserved trip to the Pacific Coast, attending the regional convention there last June, which trip, by the way, was very profitable to our association as Mr. Zeckel will report to you during up quite a number of new and desirable members.

#### Educational Bureau Active

Our Educational Bureau has been unusually active this year, and much progress has been made, as will be reported on later.

Among other matters, Mr. Gardner has continued his good work in developing the china wood oil industry in this country. I had the pleasure of seeing a bottle of domestic production of china wood oil which Mr. Gardner had produced. It certainly was beautiful and far superior to anything we have ever been able to import. Think what a great advantage it would be to have a thoroughly dependable, reliable source of domestic china wood oil, unquestionably pure and superior in every way, and not be up and down with the uncertainties and widely fluctuating market under which we are all operating today.

Our Educational Bureau is continuing to help us work out better products and better values. It is the quickest way to build up our industry, and to those of our members that are not supporting our Educational Bureau, I want to appeal to their ability. I want to appeal to you to increase your subscription. You will be well repaid.

I am sure Mr. McDonald, of the Unifair Competition Bureau, will have some very interesting matters to bring before you and I only want to personally appeal at this time for all of us to be more cautious and careful about the correct labeling and advertising of our products. Before I go any further, I want to take occasion at this time to thank the officers, committees and members for their loyal support and co-operation during the year.

#### Correct Labeling

There has been quite a bit of publicity on the correct labeling of turpentine, shellac, and so on, but there are numerous other items to which we should all pay attention and see that they are correctly labeled.

For example, take so-called white lead put up in small packages and labeled "White Lead," "S. P. White Lead," and so on. These designations are not fair, for contents of the package are not strictly pure white lead in oil, as the designation "S. P." might signify, and certainly some of these products are compounds are not worthy of the designation "American."

And so on putty. Manufacturers and jobbers quite often offer a commercial grade of putty, containing considerable paraffin oil, as "S. P. Putty" which might lead the buyer to feel he was getting a strictly pure linseed oil putty. These methods of labeling might be within the law, but I think they are not fair and stand higher and be better off if we are more careful and cautious in our labeling as we should be.

At a recent meeting of the master painters of the various railroads in Cleveland and they went on to insist on being opposed to the buying of paint under "specification." I feel all of us should discourage to the best of our power the buying of paint under specification. This only tends to throttle initiative on the part of the manufacturer in developing better products, as in filling an order under specification there is no incentive to do otherwise than deliver a product made just as cheap as possible and yet meet the restrictions imposed as to color and texture. I am sure we will all agree that in our finer enamels it is not so much the matter of chemical analysis and color, but the careful treatment and amalgamation into the final product.

Think how much better values we could offer the public if we had in our own sales departments, factories and laboratories spending a lot of time on figuring how to make up a product under a specification, we were concentrating on individually developing products which, because of their own individuality and standardization and quantity production, under laboratory control, we could offer the public for their own use, for the purpose and most economical and efficient in the long run.

#### Fair Advertising

I would like to appeal to our members for more fairness and more statement of fact in their advertising. The average paint buyer is not a chemist, nor is he technically well posted in our line. Statements such as I have seen appearing in our magazines, and in our own trade papers, cannot help but prove confusing and misleading. We should all believe in our own goods and in our own industry. Of course, but I don't feel we should attempt to do so by knocking or belittling some competitor's product or the composition of his paint.

We are collectively spending hundreds of thousands of dollars annually in our "Save the Surface" campaign, pointing out the many advantages and great economy which will result in painting up. Now I feel that we should not only financially back up this campaign to the limit, but should also see that we are offering the public to "Save the Surface" will really save it—and not prove a disadvantage to the owner of the jobs undoubtedly are, where cheap inferior mixtures have been sold under the guise of paint. Our "Save the Surface" advertising has attracted the customer's attention and brought him to the point of painting, and it is only to see to it that he gets good paint, something that will give him a really satisfactory job so he can go on and continue "Saving the Surface" by "Painting Up."

#### Simplification

The simplification plan discussed at our last convention was formally approved at a meeting in Washington, April 20, 1923. However, some objections have developed, particularly to the elimination of

the half gallon size in varnishes and enamels. The plan is not yet effective, but I hope and believe it will be before another year goes by. For simplification will unquestionably help us and our customers to carry on business with less investment, greater turn-over, and greater profits.

Right on this point I would like to mention an experience which I have had personally, in my company. Right from the start our branch managers were for simplification strong, for since their personal incomes depend upon the earnings of their branch, and since their branch is not only charged with the usual interest and insurance charges, but also 8 per cent, on the investment at the branch and with any inventory losses in falling markets and disposal of old stocks, they quickly saw the possibilities of their giving customers just as good service, fresher paint, with much less investment. For example, our Grand Avenue store in Kansas City at the beginning of this year an inventory of \$19,000. Our manager started cutting down his stock in colors and shades for next spring's business, simplification plan. This resulted in his having a better looking store, better service, and a big increase in sales. By July 1, he had reduced his inventory to \$13,000, thus materially reducing his insurance and interest charges, and increasing his net income.

In ordering our new color cards and direct standards for next spring's business we decided to strictly conform to the sim-

ple, or who is a renter, that is in trouble. When I left the East I was bullish on the whole country, but the worst of the recovery the farmers are making has changed my view. However, there must be a readjustment between the wages the skilled mechanics are getting, and the wages or money a farmer receives for his labor. It is certainly too high.

And, right on the subject of wages, J. S. Wanamaker, president of the American Cotton Association, offers the following suggestion:—

Sixty-three and a half dozen, 782 eggs, pay a plasterer for one day's work of eight hours. Seventeen and one-half bushels of corn, or a year's receipts from half an acre, pay a bricklayer for the same time.

Twenty-three chickens, weighing three pounds each, pay one day's salary to a painter in New York for the same work.

Forty-two pounds of butter, or the output from fourteen cows, fed and milked twenty-four hours, pay a plumber \$15 a day.

One hundred and seventy-five pounds of hog, eight months' feeding and care, pay a carpenter for one day's work.

In an article, "Is the Farmer Going Broke?" by Dr. Henry J. Waters, editor of the Weekly Kansas City Star, he says in part:—

Diversified farming is the solution. For the time being the farmer is distressed in spirit because of the low price of his wheat. Yet he realizes clearly that there is an over-production of this staple and that the remedy rests with the consumer.

The routine work of your secretary's office is naturally growing. I trust that it has been performed to your satisfaction.

Reference was made in my last annual report to the arrangements made with the Department of Commerce for the semi-annual collection and publication of statistics of the paint and varnish industry. The first of these reports, covering the first half of 1922, was released shortly thereafter, and others have appeared regularly since that time. It is gratifying to note that at the present time practically all paint and varnish manufacturers are furnishing the figures to the department without urging in the part of your secretary. The regular and rapid growth of the industry is gratifyingly exhibited in these successful reports.

At the request of your Simplification Committee, your secretary last spring assumed the detail work necessary in connection with the program proposed by that committee, and also, by request of the committee, has prepared a detailed report of this work, which will be presented later. While progress in this eminently constructive work has not been so rapid as was expected by some, substantial progress has nevertheless been made, and it is confidently expected that a satisfactory program of simplification will be adopted and made effective with practical unanimity by the end of June next.

#### Shellac Labeling Project

At your last meeting resolutions were adopted looking to ethical practices in the labeling of shellacs. The complaint of the Federal Trade Commission against a certain manufacturer of shellacs, which resulted in an order by the commission, and several other cases since taken up have also been followed by order of the commission. In all these cases the orders have included the requirement of complete accurate labeling of colors and sold by these particular concerns. It is hardly to be expected, however, that in the absence of specific regulations, the commission will interfere with any manufacturer who is labeling his goods in conformity with the standards of the industry. Mr. MacDonald will report in detail on the work of the Unifair Competition Bureau in which work it has been a pleasant privilege for your secretary to assist whenever possible. I wish once more to remind you that this bureau is not a black list among the agencies which have placed your industry in the enviable position it now occupies in the public and especially in the official mind.

#### Trade Restraint Charge Fails

The inquiry instituted by the Department of Justice in 1920 culminated, during February last, in a presentation of charges alleging a conspiracy in restraint of trade before a Federal grand jury in the eastern district at Philadelphia. Duquesne summonses were issued to about 20 members and others in various parts of the country. The case was presented to the grand jury by a formidable array of counsel from the Department at Washington, and a number of witnesses, not including, however, any member of the association. The hearing continued during an entire week, and your secretary was several times before the jury. You know how they have to take the presentment. This experience, however, convinced your secretary that for an association it is essential not only to avert evil but to avoid any acts that might justify a suspicion of evil.

Trade associations are conspicuous for its constructive work both on behalf of the industry and of the public it serves. The law of choice and the law of competition opportunities sufficient to engage all of the talent, wisdom and altruism at its disposal. It has been the duty of the legal and logical lines for co-operative work, and its leadership along these lines has evoked copies of commendation from government and other authorities, conspicuously from the Bureau of Standards and the Secretary of the Department of Commerce. An association with such record and with such work before it has no time to waste in such trifling as price agreements or other contrivances in restraint of trade. The ideal of this as-

sociation is to create trade, clean trade, not to hamper or condition it.

Your secretary has, for some years past, received numerous invitations to visit the industry on the Pacific Coast, and in June, last, with the approval of your board of directors and of the board of directors of the National Varnish Manufacturers' Association, in company with H. A. Gardner, attended the Western Zone meeting of the National Paint, Oil and Varnish Association at Del Monte, Cal., visiting, en route, the local trade of all important paint centers, from Los Angeles to Vancouver.

Both Mr. Gardner and your secretary were overwhelmed with courtesy and attention at every point, and had the pleasure of addressing large gatherings in several cities. We feel that the trip was fully justified, and that our visit will prove of lasting benefit to the association.

The Monthly Bulletin has been issued regularly, as heretofore, to all paint and varnish manufacturers and appears to retain its popularity and influence.

Formula Legislation

Paint formula legislation, while not acute during the year, because of conditions, is nevertheless, only dormant, and will doubtless reappear in Congress and the State legislatures at the first favorable opportunity.

For such legislation is self-correction in the matter of labeling and advertising, as exhibited in these successful reports of this association, with which all paint manufacturers are familiar. Bills to prohibit the use of spray painting were introduced in several state legislatures, but none of them was enacted into law. In this connection Samuel Gompers' editorial, "Accept the Machine," in the American Federationist for September, is of interest.

During the year the Federation of Production Clubs, which is organically connected with this association and the National Varnish Manufacturers' Association, has functioned heartily, and has been enlarged by the organization and admission of clubs in San Francisco, Los Angeles and Detroit. This federation plays an important part in the general scheme of co-operative service in the industry.

As heretofore the Service Bulletins of the National Varnish Manufacturers' Association have been mailed as issued to members of your association.

Promotion Manager Engaged

At a meeting of the Educational Bureau held in Chicago, January 16, with the board of directors of this association and of the National Varnish Manufacturers' Association, E. T. Trigg made a suggestion which was adopted to appoint a promotion manager, whose duties would be to quote from the minutes of that meeting as follows (Mr. Trigg's conclusion alone given here):

All these facts lead to the conclusion that the two associations have now reached a point where members should be given a practical field work all the time, and the secretary should have with him a young associate of some experience, devoting his entire time to these subjects: apprenticeship, education of dealers, development of the spray machine, etc.

At the conclusion of the discussion which followed, a committee was appointed to consider the subject and make recommendations thereon. As a result of this committee's recommendations to the Educational Bureau, the two bodies have agreed to appoint a promotion manager.

Mr. Pitt will report separately on his various activities, but it is his privilege for your secretary to say, as Mr. Pitt cannot say, that in all his experience he has never encountered a man who more quickly organized his job or in so short a time accomplished so much.

Mr. Pitt has realized that the various associational activities of the several associations are, in many cases, reciprocal, and that where reciprocal they should be co-ordinated. It was with a view to such co-ordination that early in the spring a committee comprising the secretaries of the associations and the executive heads of the several bureaus and departments was organized for consultation and mutual advice. This committee now functions regularly as the Conference Committee.

Besides the secretary of the National Paint, Oil and Varnish Association and your secretary, it includes the manager of the "Save the Surface" campaign, the director of the Scientific Section and promotional manager of the Educational Bureau, the manager of the Unifair Competition Bureau attending the meetings in an advisory capacity.

The Association Year Book and a resume of proceedings at your last annual meeting was issued as usual.

Under the general authority given by your board of directors, representatives

Charles R. Cook  
The Presiding Officer



quiry of those who have tried out the elimination of the half-gallon can. Mr. Gregg naturally dwelt on the advantage of the elimination of motion. Now, if we were convinced that other manufacturers felt that the elimination of the half-gallon can would result in a larger number of gallons, thus reducing motion, I do not think there would be any opposition to the program. But my conviction is that if you eliminate the half gallon can you will have to substitute for it the quart size, and that simply means that you have doubled the motion necessary in supplying the half-gallon. I fail to see where the elimination of the half-gallon can, which is so very important, particularly in varnishes and enamels—I do not know about outside paints, where probably the half-gallon can is almost unnecessary—but I feel that if it is eliminated it will simply, almost to the extent of doubling the motion, double the consumption of cans, and increase the waste motion.

Mr. Breinig: It seems to me one question is the net profit or loss to the distributor. About a month ago I happened to make two large distributors, situated in cities of over 150,000 inhabitants. You showed me one of them a half gallon of either paint or varnish or enamel. One of them has not had a half gallon can on his shelves for years. And they are the money-makers in their respective communities. It simply throws a sidelight on the situation, that the dealer wants to get something that will give him a profit. That may solve the situation.

President Cook:—As to Mr. Calman's remarks about double operation, I was very much interested in having our own cost department do it. I have the figures here showing that it only cost us a fraction over 3 cents to produce a quart of paint in quart half-gallon cans, without taking into account overhead or other expense, but just the cost of the paint in quart half-gallon cans. When you consider that our company is operating today on 20c wood oil, as against 11c wood oil in the first part of the year, I will cheerfully lose that 3 cents, if I can avoid the inventory loss, which we will all have to take, for instance, when China wood oil drops backward from 20 cents. That little difference of 3 cents that it costs us to put up our product in quart half-gallon cans, is more than offset, many times, by the simplified stock, and the greater turnover, and the less loss we have, when the market slumps.

Mr. Moore:—If you eliminate your half-gallon cans, and make nothing but quarts, you can save money in your operation. Mr. Trigg is right in that. And you can sell a couple of quart half-gallon cans, and make as much money on your half gallon of paint and oil as you are going to save your additional interest on your investment.

President Cook:—I believe our secretary has something to say.

#### Concerning a Differential

Secretary Heckel:—I would just like to make a remark about the differential. Mr. Durgin quoted a very unfortunate remark, and it seems that the matter of differential should be clarified. There is no agreement in the industry that any differential shall be charged, and in fact there were such an agreement, and it is illegal. I can assure you of that from my own experience.

Some years ago a committee of this association, and a corresponding committee of the National Varnish Manufacturers' Association, laid to rest the question of the differences in price of packing materials in different sized cans, and as a result of that investigation, the four factories, they said, "We find that the differential in cost between the pack ages in half quarts and quarts and pints, etc., is so much, eliminating fractions. But there never was any agreement among the members of the association that those differentials would either be charged or observed. Underneath the first publication said that the committee recommended that the committee recommend any such thing. The committee said, "We find such and such differentials in the prices of making paint, and the trade generally has accepted that this was a fact, I think, pretty generally adopted. But it is the best of my knowledge, as secretary, there is no agreement on anything in either association, excepting that they will not continue the dirty practice of exchanging other paints, or the dirty practice of bribing buyers; those are the only two agreements I know of, in either association.

Mr. Patton:—I think the point is well taken. The cost of manufacture will define, if we confine ourselves to quarts. I would like to know how we can get at this thing and put it through. We cannot put it through the first of January, but if we cannot, let us find another time when we can put it through. Would it be all right if the committee meet again close to Washington, and possibly form a little bit stronger with the Retail Hardware Dealers' Association? Mr. Durgin:—We shall be pleased to entertain any committee, if it has proper credentials; but we want to see your papers, before we take your statements. President Cook:—Mr. Gregg talked, I believe, with the head of the paint and varnish house. Is he not very friendly? The point of two that you brought up, don't you believe that you had him in a closed room, with the points you have, that you could "lick" him? He is very fair.

#### Mr. Gregg's Experience

Mr. Gregg:—I do not know, President, whether or not you want to look him and me up in a room, and have us go to it, I will see what I can do. I used to sell paint myself. We had a salesman once, in Iowa—I am speaking now of fifteen years ago—when he came in one day and asked me if I noticed that he did not sell any half-gallon cans. I said he had not noticed. He said, "Look over my orders and see how often you find it." He said—"My customers like it." He had adopted the plan of his own accord. We had them, and expected to sell them, but he had persuaded his customers, or at least nearly all of them, not to order half-gallon cans, but to take quarts and gallons instead. The gentleman who referred to I think is in favor of a large part of the original simplification plan. When I talked with him he was not in favor of eliminating the half-gallon. He did, however, say that he would adopt the rest. I wrote you a letter on the subject, Mr. Chairman. I had some argument with him as to the fact that a retail dealer made about as much money in selling the others.

President Cook:—Mr. Gregg wrote a letter, following a conference which he had with Mr. Martin. My impression, after reading that letter, was, knowing Mr. Martin to be the big man he is, and fair as he is on all subjects that affect our industry, that if I could only go out and play golf with him some afternoon, I had enough facts in my mind to at least tell every point he brought up. In other words, Mr. Durgin, I think we would like to crack it, and this time I would like to see that notices are sent out far enough in advance, so that the big fellows, like Mr. Martin, get one engrossed, so that they surely know of it. I was very much embarrassed at the Washington meeting. I, myself, first heard of it through a trade paper. A lot of us are a long way from the fact that if we get this meeting scheduled far enough in advance, and get the big men agreed to be there, I think we can do it over. Mr. Heckel has a resolution somewhat to that effect.

#### Division Suggested

Secretary Heckel:—I have a resolution from the educational bureau. The educational bureau recommends to the association, both associations, this resolution:—Resolved: That the National Varnish Manufacturers' Association and the Paint Manufacturers' Association, at their joint convention assembled, recommend that the simplification program be voted on as a separate simplification, and request the bureau to take the matter up actively and bring it about.

President Cook:—Mr. Patton, will you move the adoption of that resolution? Mr. Patton:—Well, I am not in full accord with that resolution, but I have not the belief that this simplification problem is any harder for the varnish manufacturers than it is for the paint manufacturers. We are in both, and I believe that it ought to be put across in both, because the lines intersect there.

Mr. Patton:—I am inclined to think that we ought to eliminate the half-gallon can, and do not eliminate the half-gallon can, and you have not said to think that we have got to consider them together, although I am sure that the varnish side of it had not been in that original program we might have put through for the paint manufacturers. But I am inclined to think that we have got to work together, and find a simplification plan that is a real simplification plan, and put it across, for both.

President Cook:—What plan have you in mind, Mr. Patton? You say you have taken her today, anything towards that goal?

Mr. Patton:—I am sorry to take so much time on this. I do not know why we have got to fight the battle, because it is a good thing that there might be a little hesitation, possibly, about the situation. And the salesman who has influenced a good many of the manufacturers. But I believe, Mr. Durgin, if you would get eight of the heads of those concerns down at Washington, and get them to something really substantial. At the other meeting even the chairman of that committee was not at Washington. There was not such notices. Some of them wait there unprepared, and did not know what it was about. I do not believe that that meeting was a really fair meeting of the industry. If you can get a meeting of eight or ten of the heads of the manufacturers down there, and get the heads of those institutions, I think that you will get somewhere.

#### Mr. Durgin's Suggestion

Mr. Durgin:—If I may reply, Washington always has an alibi. The meeting was called at the suggestion of the industry, not at our suggestion. We used our best efforts to get more time, and felt that there was no sufficient. You asked me a moment ago for specific suggestions. I have three. One is to get the machinery of your organization. But

I should like very much to see from this joint meeting these three points:—

First, appointment of a definite date, either February, March, April or May, as may be necessary—the appointment of a definite date, for a general conference at Washington. Let us begin the publicity now, so that every one of the presidents has it in mind.

Second, undertaking, by your joint associations, of a survey of the facts, so that we may have something besides the information even of presidents for us—the possible present production in half gallons as opposed to others, specifically, with the various trade practices which have a bearing on those facts. The mere fact that you are now selling more paint in half gallons than you are in gallons or quarts—if that be the fact—is not entirely conclusive, there may be trade practices that bring that about. Consequently, this survey must be made from the inside, by somebody that understands, not by a government expert, who will not.

Third, I would very much like from this meeting a request to the Department of Commerce, that they get the distributors, particularly the retail hardware dealers, to make a survey of the retail hardware dealers, which they say exist. If we can have that request from you, we will get to show that that is real, or else of course we will throw that out of the picture.

Now, those three specific suggestions seem to me might bring about a meeting early next spring that would put over the hardware dealers, and this plan. When I came up here this morning I thought it was dead, but now there seems to be just about as much sentiment for the elimination of half gallons, and I think, in fact, the eliminators of half gallons have got the best of it in this particular group. So perhaps you can stick to your original proposition, and

Hoover's representative? He already has that letter. He has that authority. It is for you to decide which is the best way of doing it. All we want is results. We will serve you, if you want.

Mr. Patton:—I think, knowing the inside of our organization, we will get a better response. If we can do it through the Department of Commerce.

Mr. Durgin:—Very well. Mr. Patton:—Now there is another association that ought to be affiliated, and that is the paint jobbers' association. Secretary Heckel:—The National Association of Paint Distributors.

Mr. Patton:—They are the ones that are in more direct contact with the dealers. They ought to be represented. And possibly they can suggest some retail dealer association that I do not know anything about. But we want them all there, and let us get at it from the consumers' standpoint, as well as the manufacturers'.

President Cook:—I am sure that Mr. Durgin knows what is in earnest, and if we pass this motion will work with us and take whatever steps are necessary toward getting the full and complete data which will enable us to put it over. We have all heard the motion, gentlemen?

Mr. Patton:—I would like to ask if that is agreeable to Mr. Durgin. Mr. Durgin:—Entirely so.

President Cook:—I would like to have a standing vote on this. All those in favor of the motion will please stand up. I want to be sure.

(Almost every one present responded by standing.)

President Cook:—Gentlemen, there is no question. You might call it unanimous. I thank you.

#### Simplification Committee

President Cook:—Before we get off of simplification, I would like to ask if the committee will be so kind as to meet with Mr. Martin, president of the Sherwin-Williams Company, who happens to be here. I saw him in the lobby—before he leaves Chicago, and let us see if we cannot partially convert him, or at least work on him?

I would like to name on that committee

Norris B. Gregg, Z. E. Martin, Ludington Patton, E. T. Trigg, and L. F. Moore.

Mr. Calman:—It may not be out of the way, I think, to make the suggestion that if the committee is to meet Mr. Martin, that Mr. Durgin co-operate with the committee.

President Cook:—I think that would be fine.

Mr. Calman:—I think that he, on behalf of the Department of Commerce, carrying on the simplification program, would have greater influence than would the urgency of competitors, or associates.

President Cook:—I thank you very much, Mr. Calman. Mr. Durgin got right to the meat of the coconut, and I am sure that we all appreciate his coming here. I do not like to ask you to get on your feet too much, but let us give a rising voice of thanks to him.

Mr. Moore:—Mr. President, before you give that vote of thanks, may I suggest that there be included on the committee a purely varnish manufacturer? You have named paint manufacturers and paint and varnish manufacturers, but no pure varnish manufacturer.

President Cook:—I thank you for the suggestion. Mr. Calman, will you serve? Now, a rising vote of thanks, please, to Mr. Durgin.

(The vote was a hearty one.) The plans of the "Save the Surface" Committee for the 1924 campaign were outlined by Chairman Ernest H. Trigg at the opening of the afternoon session. Mr. Trigg addressed the convention as follows:

#### Save the Surface 1924 Plans

The forces of nature around us are relentless in their efforts to destroy. The sun, wind, rain and frost change the surface of the chemical action, mighty enough to level mountains, are also working to destroy the physical

Where objects have life they are able to withstand these elements and repair the ravages, but as soon as life leaves an object, even though it may have taken a century to create it, nature turns about and destroys. Decomposition sets in immediately on the plant that has been cut down for fuel, and the animal life begins to disintegrate as soon as life ceases.

It is the function of our industry to provide those products that will protect and prolong the life of the physical objects, and properly created by man. It is the surface of objects which the elements attack, causing rust, rot and decay. The paint and varnish industry has chosen to use the phrase "Save the Surface and you save all Paint and Varnish," as summarizing the fundamental purpose for the use of our products.

For five years now the paint, varnish and allied interests have co-operated in educating the public through the "Save the Surface" advertising and by the force of this combined effort have been creating increased demand, broadening our market, and making selling easier.

No matter what paint, varnish and allied products each of us are selling, the greatest and most resistance in due, not to competition among ourselves, but to lack of appreciation on the part of the public of the goods we are selling. It is by this co-operative effort that we can make not merely the paint and varnish industry, but every one of our buyers grow better.

#### Advertising Sells Local Markets

During the first six months of 1924 "Save the Surface" advertising will appear in the Saturday Evening Post, American Magazine and Farm Journal.

National "Save the Surface" advertising is being conducted simultaneously in every city and in every county of the United States. But it is more than local advertising, for it strikes into each locality the conclusion of the national prestige of the paint and varnish industry.

In every community of the United States where people read and are consequently reading power, the 5,141,525 copies of the Saturday Evening Post, American Magazine and Farm Journal are sent strong local influence, shaping the thought and the buying habit of the citizens.

"Save the Surface" national advertising is an effective advertisement because it appears in these well-known national publications that are universal local media.

In every community the national "Save the Surface" advertising creates market opportunities for local dealers. The sum total of all these local opportunities is the national market for paint and varnish manufacturers.

The plan of action for advertising paint and varnish will aid in the effort of the paint and varnish industry to lengthen the painting season



New Officers and Directors, Paint Manufacturers' Association

Front row—Charles R. Cook, first vice-president; S. D. Well, director; J. H. Gay, director; L. F. Moore, president; David E. Breinig, director. Back row—Charles Woodruff, director; S. R. Matlack, second vice-president; George E. Heckel, secretary.

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#### Simplification Plan Laid Out

Mr. Patton:—I would like to move a substitute for the motion proposed by the educational bureau.

My motion is that this association go on record as in favor of simplification; that a meeting of representative manufacturers of the association be held in Washington during the spring, preferably in the month of April, with a definite program, after a study of the situation, and that we request the Department of Commerce to call that meeting, including the Retail Hardware Dealers' Association, and have them show that there is a real demand on the part of the retail hardware dealer for simplification.

Mr. Calman:—I second that motion. Mr. Chapin:—I would like to suggest that we also ask the Department of Commerce to make that survey that Mr. Durgin suggested; that it send out a questionnaire, as that is what I suppose meant, to the retail hardware trade, and find out where they stand, themselves.

Mr. Patton:—That was included in my motion.

President Cook:—Yes. Mr. Patton:—I thought that Mr. Patton's motion suggested that they call a meeting of some prominent hardware people there, whereas I thought they could not in that way take to the entire hardware association. I do not think the Retail Hardware Dealers' Association is really representative of the hardware industry.

Mr. Moore:—I think that that survey should also include the retail paint dealers. It is a large number of paint dealers distributed through the country, through the retail paint dealers, not through the retail hardware dealers. That is particularly true in the large cities. I think the motion should cover every distributor or seller of paint, whether it is a hardware dealer or wall paper dealer, or paint dealer.

President Cook:—Mr. Patton, would you care to amend your motion?

Mr. Patton:—I will attend it in accordance with the suggestion of Mr. Patton. I think it is very desirable, if there is any way of getting it.

Mr. Durgin:—Before you pass that motion, Mr. President, we are entirely agreeable to making that survey, if you want to make it, but in the meantime, why a government survey is about the last way to get at getting the real facts. Many people resent it. There has been an over-dose in this country of questionnaires, in the last five or six years.

Any questionnaire we send out would have to be prepared by you people, in collaboration with the retail dealer. We will send questionnaires on any of these subjects, because if we do we are going to get at just a few more retailers. We will send it out, but why does not your secretary send it out, acting as Mr.

This committee thoroughly investigated the matter and their final report was the effect that speculation had only

very slight extent affected the market so that the high prices were due to the conditions previously described by me.

While on the subject, I must express my appreciation of the splendid co-operation given to us by the Chemical Division of the Department of Commerce which, by cable and by letter, detailed reports on the situation from its agents in China.

Ever since that time the representatives of the Department have been in communication with me on the subject and I anticipate that one of our representatives will be present at our meeting and perhaps be willing to address us on the subject.

A committee, headed by J. H. McNulty, is now actively at work on the problem of better safeguarding a continuous flow of the sufficient quantity of wood oil and the prevention of such price movements as we went through a few months ago.

The committee will make its own report on its labors and will present to you an important proposition which will be worthy of your consideration and of your broadminded support.

It appears that one of the factors necessary for preserving the regular flow of China wood oil is the prevention of the depredation of the pirates, and practically all that would be required would be the supply by our Navy Department of four or five gunboats of small draft which could patrol the river between the points far up the river from which the wood oil is shipped and Hankow, the market from which it is distributed to all parts of the world.

It is estimated that the entire cost to our Government of building such boats would not exceed \$1,500,000, and should be the province of the Legislative Committee to present the matter fully to the Committee on Ways and Means of the House of Representatives and the Finance Committee of the Senate as well as to secure the co-operation of our government departments in its effort to obtain the necessary appropriation.

According to figures supplied to me by the Department of Commerce, our total importation of wood oil in 1922 was 12,000 gallons, with an invoice value of \$7,891,251.

During the first eight months of 1923, our importation of the same oil was 10,000 gallons, and if this ratio is maintained throughout the year, the total will be in excess of 12,000 gallons.

The average price of oil in 1923 will probably be in the neighborhood of \$1 per gallon in excess of the price paid in 1922, showing that the amount of oil in this country will pay in the neighborhood of \$12,000,000 as a result thereof. Unless the conditions now obtaining on the Yangtze River are corrected, a similar annual tax may be anticipated and the expenditure of \$1,500,000 must surely appear insignificant to our legislators. The conditions now obtaining on the Yangtze River are corrected, a similar annual tax may be anticipated and the expenditure of \$1,500,000 must surely appear insignificant to our legislators. The conditions now obtaining on the Yangtze River are corrected, a similar annual tax may be anticipated and the expenditure of \$1,500,000 must surely appear insignificant to our legislators.

Henry A. Gardner will present a report on investigations now being made as to the feasibility of gradually increasing the acreage of flaxseed in Florida and perhaps in other adjacent sections of the United States. I shall not dwell upon the interesting details which he will present to you.

#### Cost Accounting

Considerable progress has been made since our last convention by the committee headed by Wm. H. Macdonald. The report will prove to be of great interest to our members, all of whom have received the circular indicating progress which his committee has sent out to you.

#### Unfair Competition

As you will see from the printed report of the committee, it makes a definite suggestion that our Legislative Committee undertake steps to secure the passage of necessary regulatory laws to prevent graft and bribery.

While, as far as we are able to judge, the practice of grafting has been almost entirely eliminated in our industry, all must realize that the work of the Unfair Competition Bureau, so effectively handled by Mr. Macdonald, is not yet greatly simplified if a national law should be passed imposing penalties which will act as a deterrent.

#### Simplification

It had been hoped that a simplification program, based upon recommendations agreed upon between the industry and the Department of Commerce, might have been made effective by January 1, 1924.

As the report of the committee will show, this has become impossible owing to the strenuous opposition made by a large number of our members to the elimination of the half-gallon can in the distribution of the paint.

A similar objection has been recorded by several of the leading paint manufacturers against the elimination of the size in house paints and floor paints and these latter objections are so important a factor in the industry that the carrying out of the program as originally proposed seems impossible and that a modification will be absolutely required if it is to be accomplished.

There have, of course, been a number of less determined objections to various parts of the program and I am personally convinced that if the half gallon, perhaps for all products, is eliminated from the program, practically all the objections can be secured and that the proposed reform might be made effective not later than July 1, next year.

The officials of the Department of Commerce appear to have the feeling that the most important item in the program is the elimination of the half gallon can and the reform would scarcely be worthy of the effort.

I cannot agree with this view as, in my opinion, a long step forward will be taken if the elimination of the half gallon can is adopted and put into practice even without the elimination of this one item.

#### Flax Development

You will all have been gratified at the government report showing that the crop of flax grown this year will be at least 60 per cent. larger than that shown at any time for a period of nearly 15 years. In the nineteenth and early in this century, our crops of flax used to run between 25 and 30 million bushels and were ample to supply the needs of American industry.

Notwithstanding the introduction and the constantly increased use of wood oil and other vegetable oils, our requirements have grown by leaps and bounds while at the same time our crops have constantly decreased in size.

Even the present crop supplies only about one-third of our requirements of linseed oil and as it may happen at any time that the crop in the Argentine Republic, upon which we rely to so great an extent may suffer a partial failure, we must recognize the importance of our growing acreage of flax hereafter than we have for many years past.

Of course the increased crop this year



H. L. Calman  
The Presiding Officer

is due partly to the wet season in the early spring which prevented some of the farmers from planting spring wheat as usual and partly to the substitution of flaxseed in its place.

Those who did so have every reason to be grateful, as the yield per acre in dollars and cents is considerably larger than if wheat had been produced.

Your Committee on Flax Development, having been convinced of the most important contributing factor toward the increased acreage of flaxseed is the educational work in connection with the laboratories of the state universities in Michigan, North Dakota, etc., have done their utmost to bring to the attention of every one who uses linseed oil the fact that not only is flax not a dangerous crop to raise as was supposed by many, but that the best results are obtained by growing flax in conjunction with wheat, corn and other grain.

One of the members of our committee will have some very interesting details on this subject, to which I recommend your careful attention.

The fund raised by subscription for supporting the work of your committee was \$1,500,000. The fund is now in the hands of the State universities in Michigan, North Dakota, etc., and amounts to about \$15,000 per annum and I am convinced that most of our members would be astounded at the very small number who are now contributing toward this important work.

The committee has just been organized for the purpose of securing increased subscriptions for the flax development fund and it surely must be to the interest of every one who uses linseed oil to aid financially so that the educational work, bearing such splendid results, may be largely extended.

#### Educational Bureau

The report to be made to you by Dr. Gardner will furnish considerable food for thought.

It is not necessary for me to weary you with details. I must, however, again remind our members that the work of the bureau is not supported by any funds taken from the treasury of the various associations, but entirely by voluntary subscriptions made outside of membership dues.

The circulars issued by the bureau are recognized as of inestimable value and I honestly feel that every member who does not bear his share of the burden by contributing in proportion to his resources to the magnificent work performed at Washington, should feel ashamed to reap the benefits which are bound to accrue to him from the valuable information disseminated to the industry.

The work of Dr. Gardner has been greatly increased by his investigations in connection with the growing of wood oil in this country.

You will hear from him that the wood oil produced in China is of a higher grade and purer quality than any wood oil that has come from China, and that the subject is worthy of your general support.

The members of the Educational Bureau travel and fro throughout the country to meetings held at various points and it is reasonable to estimate the expense of each member for railroad fares, hotel bills, and incidentals, at anywhere between \$500 and \$1,000.

All of this comes out of their own pockets as there are no funds out of which these expenses can be defrayed, and such

sacrifices, both of time and money, warrant them in expecting the generous support of their fellow-members for whose benefit these sacrifices are made.

#### "Save the Surface and You Save All"

This slogan has become a household word as is evidenced by the fact that attempts are being made all over the country to copy it in whole or in part.

This result has been accomplished through the expenditure on our part of not much less than one million dollars, and it is hoped that such further support will be given to the campaign that its budget may be greatly increased and much larger appropriations be made for general publicity.

At the most recent meetings the desire was unanimous for an extension of the advertising program, but the committee was found to follow the line of conservatism and to restrict the appropriation for the first half of 1924 to the amount which was in sight.

The first period of five years having ended, a large number of subscription contracts have expired and a general canvass is now being made by the committee to secure new subscriptions from those who have not yet joined the ranks. The two forms of contract which are submitted call for a very reasonable proportion by each manufacturer in proportion to his turnover in the domestic market.

The amount to be paid, either under the plan calling for a fixed sum based upon an approximate amount of business done in a year or under that calling for the small percentage of 1/4 per cent. on such turnover, is certainly not excessive and is returned many times over by the increase in the consumption of varnish and paint throughout the country.

There can be no question that we are educating the entire community to the realization that preservation of existing material is more economical than restoration of decayed and destroyed material, and every increased effort to disseminate this knowledge among the public is bound to bring a corresponding increase in the consumption of our products.

Of the most important functions of the committee is the stimulation of the growing youth to the realization that the craft of painting and decorating is a noble, profitable and attractive one, and the report to be made to you by the Committee on Education will give you a full and complete picture of the work of the committee during the year which has just ended.

I take occasion, in connection with this subject to express my appreciation on the part of your directors, of the splendid cooperation given to the work of the Educational Bureau and the "Save the Surface" Campaign, by A. H. McMan, secretary of the National Association of Master Painters and Decorators of the United States and Canada.

The safeguarding of our slogan from improper use and from abuse has called for the expenditure of a great deal of time and thought by the "Save-the-Surface" Committee.

By friendly negotiation we have thus far been successful in entirely avoiding the branding of varnish and paint with the words "Save-the-Surface," and we feel assured that similar methods will accomplish the same results in the future.

We have consented to the registration of the slogan in Canada under the safekeeping of the Canadian government, and our Canadian brethren appear only too eager to accept and maintain the spirit in which the slogan is employed by us.

A varnish manufacturer in England made application for the registration in his country of the slogan and after considerable correspondence between attorneys representing the two sides, and the kindly intervention of some of the manu-

facturers in Great Britain, the application has been withdrawn.

We are now applying for the registration of our slogan in Great Britain and similar action will undoubtedly be favored wherever conditions arise which render this necessary or important.

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#### Market Conditions

Before concluding I desire to say a few words on the subject of the conditions in the markets for raw materials which concern us.

**LINSEED OIL**—There is every likelihood that there will be no drastic fluctuations in the price of this material, and that we shall be able to supply our requirements until next year's crop at prices approximating those ruling at present.

**CHINA WOOD OIL**—We, of course, have all suffered from the violent fluctuations in the price of this material, and I can only hope that not too many of our members were compelled to pay the fantastic prices which ruled at one time. Undoubtedly the crop available in the Hankow market during the present year has been considerably below normal, while the increase in business has resulted in an increased demand, and believe me that we are not likely to face another such upheaval as we saw in the spring, and that we are fairly safe in basing our calculations upon the present prices.

**ROBIN AND TURPENTINE**—The crop of turpentine is expected to yield about 125,000 barrels, and of rosin somewhere around 1,800,000 to 2,000,000 barrels. As this is 25 per cent. in excess of the crop of 1922, we are practically assured of a satisfactory supply of these two important materials at prices which may now be considered fairly reasonable.

**VARNISH GUMS**—Outside of the market for kauri, the market for gums has been extraordinarily stable with the exception of the high cost of dammar, which now seems eager to reach a somewhat more normal level. Most of the gum that we are now in the habit of using are obtainable at very moderate rates, and there is no prospect at the moment of any material increase in price.

**PETROLEUM PRODUCTS**—You all are, of course, aware of the tremendous pouring of oil in the newly opened fields in California, resulting in a great decrease in the price of benzine and petroleum substitutes. While it is likely that before long we shall see some recovery in the market for these products, you must count upon being supplied at fairly moderate rates for some time to come.

I hope that I have now wrapped up with this long report, but I felt it incumbent upon me to present a complete picture in brief outline of the activities of our association during the year which has just ended.

While your Board of Directors has held no meeting except that which took place a few days ago, the secretary and myself have kept in constant touch by correspondence with the members. I must here record my appreciation of the splendid support given to me by all the fellow members of my board and of the administration of your affairs.

It seems almost unnecessary to repeat the innumerable thanks which have been poured in the past upon Mr. Heckel, Dr. Gardner, and Mr. Macdonald, as well as to Mr. Calman, who has been the head of our Promotion Department.

Every one of these officials has devoted his entire spare time and energy to the important function which has been entrusted to him, and it would be gratuitous to list the many reasons for my appreciation in at least these few words.

We must all recognize that our association has made a great deal of progress in the past year in stabilizing our industry and strengthening its spirit of cooperation. It is only one forward step in the line of the proper activities of a trade association.

Following the president's address came the annual report of Secretary-Treasurer George B. Heckel, which was as follows:

### Report of the Secretary

At your last annual meeting the total membership reported was 98. The report of your Membership Committee to this meeting will show a net gain of 6, thus, for the first time in the history of your organization, passing the century mark.

In addition several other applications for admission are pending. The increase shown, while not large, is nevertheless, larger than in any recent year, and indicates the growing value of the Association in the minds of manufacturers who have hitherto been aloof.

The arrangement, reported at your last annual meeting, with the United States Department of Commerce for the periodic collection of statistics on the volume production of paint and varnish has resulted in the semi-annual publication of such reports. The first of these, covering the first half of 1923, was issued shortly after the meeting, and others have since appeared. They show, as you are aware, a gratifying growth in both industries. The number of varnish reports has increased until it now includes practically all. To statistical information collected and disseminated in this way there can be no valid objection, since it cannot be improperly used in competition.

#### Simplification Work

At the request of the Joint Simplification Committee your secretary last spring assumed the detailed work looking toward the adoption of the proposed program. A complete report of this work will be presented later. It is only necessary to say that the varnish industry in general has objected strenuously to the proposed abandonment of the half-gallon package for varnishes and enamels, while important paint manufacturers objected to the other items of the program. Progress in obtaining unanimity therefore while not as rapid as was hoped and expected, has nevertheless been reasonably satisfactory and it is believed that a national program of simplification can be made effective by the middle of 1924.

At your last meeting resolutions setting forth certain ethical standards in the

labeling of shellacs were unanimously adopted, and later these resolutions were adopted by numerous other organizations interested in the subject. Orders have since been issued by the Federal Trade Commission in several cases, ruling on the publication of the complete formula on shellac compounds and shellac substitutes. These orders, however, apply only to those concerns against whom the orders have been issued, and it is difficult to conceive that the commission should go out of its way to enforce such a ruling on manufacturers who are already labeling their products in conformity with the strictly ethical practice recommended by your resolutions.

It has been, as heretofore, both a duty and a privilege for your secretary to cooperate whenever opportunity has been offered in the extraordinarily fine service which Mr. Macdonald is rendering to the industry. It is slow work, producing little glory and few thanks, but it is consequently the one activity which has set this association and the Paint Manufacturers' Association apart and above in the eyes of the public, and which has neither needs nor suggests the necessity for legislative restriction or regulation. It was a sagacious forethought which conceived the establishment of this Unfair Competition Bureau and would be a slighted foolishness to neglect or abandon it.

I call attention to the importance of this work because of the fact that the "new" contracts by which it is maintained expire at the end of the current year. These contracts will be renewed willingly and gladly, and those who have not heretofore contributed toward the maintenance of this association should esteem it a privilege to do so. I venture the suggestion that the new contracts be made to cover a period of five years rather than three years, so as to avoid the recurring necessity of re-financing the work at comparatively short intervals.

Your secretary has also co-operated, when opportunity has been offered, with the other members of the committee of your association, very pleasantly indeed with your Cost Accounting Committee, whose work, when

completed, promises to be of service to the entire industry.

In June last, with the consent of your board of directors, your secretary, in company with Henry A. Gardner, attended the annual meeting of the Pacific Coast Zone of the National Paint and Varnish Manufacturers Association, Inc., visiting en route the trade in all important coast cities from Los Angeles to Vancouver. The hearty and cordiality of the reception accorded us at every point could not be surpassed, and at several points we had the opportunity of meeting and addressing large gatherings of the local trade. We feel that the results of this trip fully justified the time and expense involved, in that we were enabled to present the value of association work to an important and exceptionally high class section of the trade in that region.

#### Bulletin Service

The Monthly Bulletin has, as heretofore, been issued regularly to all paint and varnish manufacturers in the United States. Its popularity and influence appear to continue unimpaired.

During the year only one Service Bulletin has been issued, No. 92, "Painting Barrels With Spray Application," dated of February 10. Questionnaires are now in the hands of members for three more.

It was, of course, to be expected that with the exhaustion of ordinary topics of common interest, frequency of issue would gradually decrease. Your secretary can only say that the machinery for this service is waiting at your convenience when and as you wish to use it.

Legislation during the past year has troubled the industry but little, excepting for anti-dumping painting machinery introduced in several State legislatures, but fortunately not enacted into laws. Possibly the most important legislation was the American Federationist for September, entitled, "Accept the Machine," may influence the attitude of workmen toward this entire question.

The Federation of Paint and Varnish Manufacturers Clubs organized something over a year ago, which is organically connected with this association, is functioning satisfactorily, and has been enlarged by the organization and admission of local clubs in San Francisco, Los Angeles, Detroit and Chicago. The interchange of information as to proper standard practice among the members of this association cannot be too emphasized to the industry as a whole and to improve its service to the public.

At a meeting of the Educational Bureau held in Chicago, January 16, with the boards of directors of this association and the Paint Manufacturers Association of the United States, J. T. Trigg made a suggestion which has led to important results. I quote from the minutes of that meeting as follows: "Trigg's preliminary remarks omitted here—"

All these facts lead to the conclusion that the two associations have a common point where somebody should be available for practical field work all the time, and the Secretary should be a young man, energetic of some experience, devoting his entire time to this subject.

At the conclusion of the discussion and after a long and interesting discussion to consider the subject and make recommendations thereon. As a result of this committee's recommendations to the Educational Bureau and the boards of directors, Wm. J. Pitt was engaged as Promotion Manager of the Educational Bureau. The Bureau has now secured each of the associations one-fourth of the cost of these services.

Mr. Pitt will report separately on his various activities, but it is a privilege for your secretary to say, as Mr. Pitt cannot say, that he is a young man who has never encountered a man who more quickly organized his job or in so short a time accomplished so much.

#### Change in Dues

With the increased expense entailed by this arrangement it was found that the revenues of the association were insufficient. With the approval of the board of directors it was, therefore, proposed that an amendment be made to the by-laws governing annual dues, providing that concerns with an investment of \$250 in the business should pay annual dues of \$250. This proposal was placed before the members with the suggestion that only those affected vote thereon. The vote in favor of this was practically unanimous and dues were paid by them on that basis. You will be asked to vote on an amendment to the by-laws authorizing this classification.

An amendment to Article VIII, providing for annual audit of the treasurer's accounts by a certified public accountant will also be submitted to you for approval.

It has long been realized that the various associational activities of the several associations are in some degree overlapping and that where reciprocal they should be co-ordinated. It was with a view to such co-ordination that the Conference Committee comprising the secretaries of the associations and the executive heads of the several bureaus and committees was organized for consultation and mutual advice. This committee now functions regularly as the Conference Committee. Besides the secretary of the National Paint and Varnish Association and your secretary, the members of the "Save the Surface" Campaign, the director of the Scientific Section, and the director of the Educational Bureau, the manager of the Unfair Competition Bureau attending the meetings in an advisory capacity.

The Salesmen's Expense Book retains its favor, 12,500 copies having been sold during the fiscal year. It is now being reprinted from \$274, on which there was a small profit. Eight thousand and fifty of these were purchased by members of this association, the remainder by paint manufacturers.

At our last meeting I called attention to the failure of our association up to that time to subscribe the agreed minimum of \$100 per annum to the support of the Educational Bureau. It is now our duty to inform you that, largely through the personal efforts of your president, this deficit has been made good. The increased subscription, the present annual

subscriptions for varnish research now totaling \$10,025.

The Association Year Book and the Annual Proceedings at your last annual meeting was prepared and mailed to you, as usual.

The practice of furnishing name cards to members attending the meeting has been continued.

In conclusion your secretary wishes again to acknowledge the cordial assistance and kindly forbearance uniformly accorded him by your president and board of directors, to express the conviction that in the list of several thousand trade associations of the country, while there are many bigger, there are none better and few as constructive as yours.

#### Cost Accounting Plans

A discussion of a cost accounting system for the members of the association followed a report made by Wm. J. Pitt, of the Martin Varnish Co., Chicago. Mr. Martin recommended an appropriation of \$2,000 to employ the cost of accounting services in preparing cost accounting system. This was ordered by a unanimous vote of the association.

The report of the committee, as presented by Mr. Martin, follows:—

#### Report of Cost Accounting Committee

Since the last annual meeting in Atlantic City, your committee has continued its work of making a careful study of cost accounting methods in use in the varnish industry. This work has been aided to a considerably greater extent by the assistance of the National Varnish Manufacturers' Association.

It will be remembered that just prior to the meeting of your committee, a questionnaire was prepared and sent out to the members of the association, in which were given four different varnish formulas, together with arbitrarily fixed raw material and packing costs. The member firms were requested to figure their manufactured costs according to these formulas. Several questions regarding the cost accounting methods in use in the questionnaire.

The response to this questionnaire was not so large as it should have been from the standpoint of enabling the committee to obtain definite information as to cost accounting methods in use as a matter of fact 17 per cent. of the members responded to the questionnaire.

The members were asked to figure and send to the secretary of the association certain information regarding the cost accounting methods in use, including: (a) Yield, and (b) Factory Cost.

In reply to the type of questionnaire used, we will quote the formulae and directions, showing the invoice of materials for the factory. No allowances have been made covering shrinkages and differences in commercial cost and actual measured cost.

#### Combination Gum Varnish

| Lbs.                   | Per 100 | Lbs. | Per 100 |
|------------------------|---------|------|---------|
| 75 Manila, bold.....   | 100     | 75   | 100     |
| 25 Hardened rosin..... | 25      | 25   | 25      |
| 5 Litharge.....        | 5       | 5    | 5       |

| Lbs.                         | Per 100 | Lbs. | Per 100 |
|------------------------------|---------|------|---------|
| 100 China wood oil.....      | 117     | 100  | 117     |
| 100 Refined linseed oil..... | 115     | 100  | 115     |
| 100 Turpentine.....          | 115     | 100  | 115     |
| 100 Naphtha.....             | 115     | 100  | 115     |

Melt East India and Manila to 650 degrees, add wood oil, followed by linseed rosin; heat to 400 degrees, add litharge, followed by five gallons of heated oil; run to 350 degrees; cool to 450 degrees, and reduce. Filter.

#### Rosin-China Wood Oil Varnish

| Lbs.                     | Per 100 | Lbs. | Per 100 |
|--------------------------|---------|------|---------|
| 100 E. Rosin.....        | 100     | 100  | 100     |
| 100 China wood oil.....  | 100     | 100  | 100     |
| 100 Red lead.....        | 100     | 100  | 100     |
| 100 Manganese oxide..... | 100     | 100  | 100     |

Mr. Pitt will report separately on his various activities, but it is a privilege for your secretary to say, as Mr. Pitt cannot say, that he is a young man who has never encountered a man who more quickly organized his job or in so short a time accomplished so much.

#### Dark Dryer

| Lbs.                     | Per 100 | Lbs. | Per 100 |
|--------------------------|---------|------|---------|
| 100 E. Rosin.....        | 100     | 100  | 100     |
| 100 China wood oil.....  | 100     | 100  | 100     |
| 100 Red lead.....        | 100     | 100  | 100     |
| 100 Manganese oxide..... | 100     | 100  | 100     |

Melt rosin to 450 degrees; add time and manganese; run to 670 degrees; add wood oil; run to 325 degrees; cool to 600 degrees; add red lead; stir well to 475 degrees; cool and reduce. Filter.

#### Dark Gloss Oil

| Lbs.                     | Per 100 | Lbs. | Per 100 |
|--------------------------|---------|------|---------|
| 100 E. Rosin.....        | 100     | 100  | 100     |
| 100 China wood oil.....  | 100     | 100  | 100     |
| 100 Red lead.....        | 100     | 100  | 100     |
| 100 Manganese oxide..... | 100     | 100  | 100     |

Run oil and rosin to 450 degrees; stir in red lead; run to 600 degrees; add wood oil; run to 450 degrees. Cool to medium pill. Cool and reduce. Filter.

#### Formula No. 1

| Lbs.                     | Per 100 | Lbs. | Per 100 |
|--------------------------|---------|------|---------|
| 100 E. Rosin.....        | 100     | 100  | 100     |
| 100 China wood oil.....  | 100     | 100  | 100     |
| 100 Red lead.....        | 100     | 100  | 100     |
| 100 Manganese oxide..... | 100     | 100  | 100     |

Run oil and rosin to 450 degrees; stir in red lead; run to 600 degrees; add wood oil; run to 450 degrees. Cool to medium pill. Cool and reduce. Filter.

#### Formula No. 2

| Lbs.                     | Per 100 | Lbs. | Per 100 |
|--------------------------|---------|------|---------|
| 100 E. Rosin.....        | 100     | 100  | 100     |
| 100 China wood oil.....  | 100     | 100  | 100     |
| 100 Red lead.....        | 100     | 100  | 100     |
| 100 Manganese oxide..... | 100     | 100  | 100     |

Run oil and rosin to 450 degrees; stir in red lead; run to 600 degrees; add wood oil; run to 450 degrees. Cool to medium pill. Cool and reduce. Filter.

#### Formula No. 3

| Lbs.                     | Per 100 | Lbs. | Per 100 |
|--------------------------|---------|------|---------|
| 100 E. Rosin.....        | 100     | 100  | 100     |
| 100 China wood oil.....  | 100     | 100  | 100     |
| 100 Red lead.....        | 100     | 100  | 100     |
| 100 Manganese oxide..... | 100     | 100  | 100     |

Run oil and rosin to 450 degrees; stir in red lead; run to 600 degrees; add wood oil; run to 450 degrees. Cool to medium pill. Cool and reduce. Filter.

#### Formula No. 4

| Lbs.                     | Per 100 | Lbs. | Per 100 |
|--------------------------|---------|------|---------|
| 100 E. Rosin.....        | 100     | 100  | 100     |
| 100 China wood oil.....  | 100     | 100  | 100     |
| 100 Red lead.....        | 100     | 100  | 100     |
| 100 Manganese oxide..... | 100     | 100  | 100     |

Run oil and rosin to 450 degrees; stir in red lead; run to 600 degrees; add wood oil; run to 450 degrees. Cool to medium pill. Cool and reduce. Filter.

Yield.....

| Lbs.                     | Per 100 | Lbs. | Per 100 |
|--------------------------|---------|------|---------|
| 100 E. Rosin.....        | 100     | 100  | 100     |
| 100 China wood oil.....  | 100     | 100  | 100     |
| 100 Red lead.....        | 100     | 100  | 100     |
| 100 Manganese oxide..... | 100     | 100  | 100     |

Run oil and rosin to 450 degrees; stir in red lead; run to 600 degrees; add wood oil; run to 450 degrees. Cool to medium pill. Cool and reduce. Filter.

Yield.....

| Lbs.                     | Per 100 | Lbs. | Per 100 |
|--------------------------|---------|------|---------|
| 100 E. Rosin.....        | 100     | 100  | 100     |
| 100 China wood oil.....  | 100     | 100  | 100     |
| 100 Red lead.....        | 100     | 100  | 100     |
| 100 Manganese oxide..... | 100     | 100  | 100     |

Run oil and rosin to 450 degrees; stir in red lead; run to 600 degrees; add wood oil; run to 450 degrees. Cool to medium pill. Cool and reduce. Filter.

Yield.....

| Lbs.                     | Per 100 | Lbs. | Per 100 |
|--------------------------|---------|------|---------|
| 100 E. Rosin.....        | 100     | 100  | 100     |
| 100 China wood oil.....  | 100     | 100  | 100     |
| 100 Red lead.....        | 100     | 100  | 100     |
| 100 Manganese oxide..... | 100     | 100  | 100     |

Run oil and rosin to 450 degrees; stir in red lead; run to 600 degrees; add wood oil; run to 450 degrees. Cool to medium pill. Cool and reduce. Filter.

Yield.....

| Lbs.                     | Per 100 | Lbs. | Per 100 |
|--------------------------|---------|------|---------|
| 100 E. Rosin.....        | 100     | 100  | 100     |
| 100 China wood oil.....  | 100     | 100  | 100     |
| 100 Red lead.....        | 100     | 100  | 100     |
| 100 Manganese oxide..... | 100     | 100  | 100     |

Run oil and rosin to 450 degrees; stir in red lead; run to 600 degrees; add wood oil; run to 450 degrees. Cool to medium pill. Cool and reduce. Filter.

Yield.....

| Lbs.                     | Per 100 | Lbs. | Per 100 |
|--------------------------|---------|------|---------|
| 100 E. Rosin.....        | 100     | 100  | 100     |
| 100 China wood oil.....  | 100     | 100  | 100     |
| 100 Red lead.....        | 100     | 100  | 100     |
| 100 Manganese oxide..... | 100     | 100  | 100     |

Run oil and rosin to 450 degrees; stir in red lead; run to 600 degrees; add wood oil; run to 450 degrees. Cool to medium pill. Cool and reduce. Filter.

Yield.....

| Lbs.                     | Per 100 | Lbs. | Per 100 |
|--------------------------|---------|------|---------|
| 100 E. Rosin.....        | 100     | 100  | 100     |
| 100 China wood oil.....  | 100     | 100  | 100     |
| 100 Red lead.....        | 100     | 100  | 100     |
| 100 Manganese oxide..... | 100     | 100  | 100     |

Run oil and rosin to 450 degrees; stir in red lead; run to 600 degrees; add wood oil; run to 450 degrees. Cool to medium pill. Cool and reduce. Filter.

Yield.....

| Lbs.                     | Per 100 | Lbs. | Per 100 |
|--------------------------|---------|------|---------|
| 100 E. Rosin.....        | 100     | 100  | 100     |
| 100 China wood oil.....  | 100     | 100  | 100     |
| 100 Red lead.....        | 100     | 100  | 100     |
| 100 Manganese oxide..... | 100     | 100  | 100     |

Run oil and rosin to 450 degrees; stir in red lead; run to 600 degrees; add wood oil; run to 450 degrees. Cool to medium pill. Cool and reduce. Filter.

Yield.....

| Lbs.                     | Per 100 | Lbs. | Per 100 |
|--------------------------|---------|------|---------|
| 100 E. Rosin.....        | 100     | 100  | 100     |
| 100 China wood oil.....  | 100     | 100  | 100     |
| 100 Red lead.....        | 100     | 100  | 100     |
| 100 Manganese oxide..... | 100     | 100  | 100     |

Run oil and rosin to 450 degrees; stir in red lead; run to 600 degrees; add wood oil; run to 450 degrees. Cool to medium pill. Cool and reduce. Filter.

Yield.....

| Lbs.                     | Per 100 | Lbs. | Per 100 |
|--------------------------|---------|------|---------|
| 100 E. Rosin.....        | 100     | 100  | 100     |
| 100 China wood oil.....  | 100     | 100  | 100     |
| 100 Red lead.....        | 100     | 100  | 100     |
| 100 Manganese oxide..... | 100     | 100  | 100     |

Run oil and rosin to 450 degrees; stir in red lead; run to 600 degrees; add wood oil; run to 450 degrees. Cool to medium pill. Cool and reduce. Filter.

of these men each manufacturer should eventually be enabled to secure a more accurate cost control for his business and without doubt the greater volume of profitable business. It seems to the members of your committee that it would be a shame to let the good work of the work of the committee and the publicity given in the trade press, as well as the co-operation now voluntarily offered by the Production Men's Clubs. The work has been started and it is now under way.

After our two years of functioning together as a committee we were finally able to get together in a meeting held at this hotel a week ago, when much was attended to, except one member of the committee. Practically an entire day was spent in going over the work thus far accomplished, and the members were, as before stated, more encouraged than they had been any time since the work was first begun.

Your committee has accomplished what it set out to do in a greater measure than was at first expected. As stated in our preliminary report at Atlantic City last year, the Cost Accounting Committee had three major objectives:—

First.—To make certain if cost accounting as now practiced or not practiced by the individual firms in the industry presented a definite problem which might well be studied out to the benefit of the industry at large.

Second.—If this problem was found to exist, to find out if the association members wanted anything done about it.

Third.—If a definite desire for varnish cost accounting, study and research for the benefit of the industry was shown by the members of the association, to make a complete and careful study of cost accounting methods now in use in the varnish industry, depending to some extent on information gathered with the help of the member firms of the National Varnish Manufacturers' Association, and if considered advisable by the association, to prepare and present for the use of any varnish manufacturer a complete, practical and logical system of varnish cost accounting.

The first and second objectives have been satisfactorily reached. In other words, the cost accounting problem has been definitely established as existing in this industry. We have found that there is a desire on the part of the members of the association to have study carried on in varnish cost accounting. This is probably because each one of you has wondered how it has been possible for some of your competitors to take business on a competitive bid at a selling price possibly even below your own factory cost. This is a practical illustration of the lack of an adequate cost system in many varnish manufacturing concerns. Your own cost system may be adequate, but if you are not sure of it, you are bidding against manufacturers who have no knowledge of what their costs really are. You are plainly at a disadvantage. The many instances which have occurred and are occurring all the time, where your own individual businesses, give us plenty of food for thought regarding the need of more accurate varnish cost accounting and an increase in us a desire for cost accounting work in our industry.

The third major objective of the committee, that is, the making of a careful study of methods now in use in the preparation of varnish cost accounting—still remains for accomplishment. This final work will be carried out by the committee in time and effort of your committee. We have accomplished what we have set out to do. If it be the wish of the association that a Cost Accounting Committee supervise the attaining of the third major objective, we recommend that financial assistance on the part of the association. Unless this cost accounting work is carried out in the way of a efficiently large appropriation of money to efficiently combine the work of the committee with the work of the association, the committee will be dropped. If it be your desire to go ahead with the work it will be necessary to secure services for a limited time, of an outside accountant, who will devote his time to making a study of the situation.

The committee of recommending standardized methods. Your committee has probably the best qualified of anyone in the country to undertake this work.

After careful consideration your committee feels that it would be necessary to have an appropriation of \$10,000 to complete the work now under way. This would be used to secure the services of an outside accountant, who would also be sufficient to pay such traveling expenses as might be necessary in getting together in conferences the cost accounting committee members from different firms. We feel that it would also cover the cost of printing the work suggested and when perfected, it is recommended that the association appropriate this sum. The work is being done, not for the good of any one individual member or members, but for the entire industry. Your committee is carried on preliminary planning. To satisfactorily meet the cost accounting problem in the varnish industry will require the cooperation of different manufacturers through the National Varnish Manufacturers' Association as outlined heretofore.

W. J. Pitt, promotion manager, representing both the varnish manufacturers and the paint manufacturers, reported on the activities of his office during the year. The following is a summary of his report, which first considered the subject of mechanical equipment painting:—

The Promotion Department called into conference the manufacturers of painting equipment to develop what was being done by them to further the use of mechanical painting in rural sections and the feasibility of its adoption along important lines to promote the greater use of mechanical painting in agricultural sections and rural communities, the efforts they were making to encourage the use in general of their devices in other fields of painting, marine and industrial work, their advertising, promotion, selling and distribution efforts, and the ways to find ways in which the maximum co-operation could be obtained between the mechanical painting and varnish industry. The need of some co-operation and organization of such manufacturers was apparent.

The issues raised revealed the utmost desirability and need of action, and these representative committees in joint meeting thrashed out the entire field of mechanical painting at New York August 14. Every conceivable question that might cause misunderstanding or impede the progress of our work was fully discussed, and the committee believed our efforts to be highly successful from every point of view. The painting equipment manufacturers are co-ordinated of the interest of our manufacturers and of a sincere desire to help them promote their devices.

Secretary Horgan is now arranging for the Membership Committee to invite the equipment manufacturers to become members of the N. P. O. & V. Association. The equipment manufacturers will conduct an educational campaign that will definitely set forth the possibilities of mechanical painting and define its proper field within the limits of economy and efficiency. It is the recognition of the need of this application where mechanical method cannot be reasonably expected to perform satisfactorily. Their committee announced their willingness

#### Promotional Work

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As a result of the situation brought to light through the efforts of the committees there has been demonstrated more than ever before the need for accurate cost accounting knowledge in the varnish industry. The committees are keenly alive to the necessity. The Federation of Paint and Varnish Production Clubs is deeply interested in the cost accounting problem. Your factory men are beginning to realize the great opportunity for further varnish cost accounting study and research. Through the ef-

While this condition of piracy on the river has doubtless this year resulted in a considerable storage of oil in producing regions, it is also likely that the oil is rapidly being used by the natives for lighting purposes. When a Chinaman cannot get tins of kerosene for lighting he makes use of tung oil for this purpose. All of this indicates the uncertainties that

go with our present and only source of supply of tung oil.

### Production in This Country

This brings us to the consideration of a further source of supply through the production of this oil in the United States. I will not attempt to go into the development of this industry in our own country further than to say that after a number of years' experimentation it has been demonstrated that in certain sections of our country tung oil trees can be grown and oil can be produced, and of a better quality than that now received from China on a profitable basis.

With such help as may be secured through the Department of Agriculture, who are deeply interested in this subject, and such support from our associations as the importance of the matter to our membership seems to warrant, the possibilities of the committee that within a comparatively few years sufficient tung oil can be produced in this country to supply the needs of our industry, and be the means, in any event, within a comparatively short period, of increasing the high prices which we have been paying for this oil.

Through Mr. Gardner, who has been in very close touch with the developments in the growing of tung oil trees in this country, E. B. Gardner, of Gainesville, Fla., was invited to a meeting of the committee in New York, in August. The committee was glad to have the opportunity that Mr. Williamson had attained in

the two years during which he has been studying this subject, in a practical way, and the arrangement was made for Mr. Gardner to visit Florida and report his investigation of the work that Mr. Williamson had done in the development of tung oil culture, with a view to presenting a report at this meeting, through which, if favorable, some practical plan might be worked out in conjunction with Mr. Williamson in getting under way a development of this industry on a commercial scale. Mr. Gardner is now prepared to present his report for your information, following which Mr. Williamson, who is attending this meeting at the invitation of your committee, will address you.

### Tung Oil Raising Plan

The proposal that a stock company be formed to undertake the growing of tung nut trees in Florida was heartily received. On the floor of the convention \$60,000 in cash was subscribed and the American Tung Oil Corporation was formed. It is located near Gainesville, Fla., on land on which will at once be planted 100,000 seedlings of the tung tree, which will already be a few years old. The mental work has been aided by the Florida Agricultural College, and the land is located near Gainesville, Fla.

Prof. W. T. Pearce, head of the Department of Chemistry, North Dakota Agricultural College, made the following address:

### Training Future Paint and Varnish Technologists

Many of our great industries began in a small shed, shack or in a pot, and the stories of their development are so interesting, so more thrilling than the stories we read as boys in the Henty or Alger books. I think of the great men who were pioneers and heroes of first rank, and we should always honor them. However, no one would want to employ them to do your formulating and testing, or to head your sales organization.

All industries have developed along the same general lines, requiring men of greater technical training and experience as they grew. I find the varnish, paint and oil industries no exception to this. Early writings, pictures and the stories of the older members of factories, tell a story that is typical of the others. That you will develop very rapidly in the future most of you will agree. With increasing production and the demand for a greater variety of products from a diversity of materials, will come the need of men of greater technical knowledge and experience.

Many of you will recall the first paint and varnish chemists. They were more than curiosities. Gradually they found ways of proving their worth. I observe that many of these direct chemists started as chemists. In the future many more will come from the technical staff. What are some of the evidences of change? I think of the excellent work of the scientific section of your Educational Bureau, of your research laboratories, and of the part your chemists are playing in the development of new products, the standardizing of the industry, the improvement of your methods of operations. What would you have said of this twenty years ago?

### Source of Future Technologists

Because of these things the training of your future technologists is a matter of some interest. You must look not only to the immediate future, but the training of the men you will employ within the next year following, if you please.

Where will you get them? Will they start in as boys without technical training and work up to head your technical staff? I think not. Will they take the general college course and start at the bottom and work up? Some will, without question. If you have had experience with this type of man, you know the number of fatalities is high. Some large companies in other industries take college graduates in chemistry, engineering and put them through a school of their own for a period as long as two years. You might say that you have a large part of his knowledge and experience through the excellent co-operation of the paint and varnish manufacturers. By working in overalls and laboratory coat in a few large companies for short periods during vacation, and by spending several weeks each summer in visiting a number of such companies, I have gathered information and experience that could have been obtained in no other way, and without which I could not have made the progress I have. This is by no means a comprehensive test, but co-operation with the paint and varnish associations has gained me a great deal of credit due to your co-operation, and if we are to continue to develop and render service to your industry, we must continue to have your co-operation.

You may be interested in a brief outline of the course of the practical work includes physical testing of pigments and varnishes; chemical analysis of oils, pigments, dyes, and varnishes; and practice in grinding pigments in oil, making dry colors, in tinting and in the making of color-matching batches of varnishes, and practice in making and inspecting epoxy tests on paint and varnishes. The course of the oil, paint and varnish industry from raw materials to finished products, industrial methods of operation and testing and a thorough study of the literature. Principles of chemical engineering are also discussed.

I have a map here showing the location of our graduates, some forty in number. You will note they are in all of the paint and varnish centers. They hold positions as control chemists, research chemists, superintendents and technical direc-

tors in paint and varnish companies, with only a few exceptions.

### Educational Bureau Affairs

G. B. Heckel reported as secretary-treasurer of the Educational Bureau of the two manufacturers' associations on the activities of the bureau not covered in other reports. He reviewed the various meetings held during the year and told of the time and expense devoted to them by the boards of directors of the associations. Mr. Heckel's report concluded as follows:

### Save the Surface Dinner

The "Save the Surface" campaign dinner, held at the Drake Hotel, Thursday evening, was presided over by Ernest A. Trigg, national chairman.

### Chairman's Address

Chairman Trigg:—I wonder if I may have your attention for a few minutes while you go on with your dinner. I can only be with you a few minutes before I am supposed to be now in a meeting of the nominating committee, and I am sure you all appreciate the importance of giving careful consideration to the type of leadership which we have in this association. It is our duty to do so. The wonderful example which has been set during the last twelve months by the retiring president, Mr. Atwood.

This meeting has been called for the purpose of having a frank talk among ourselves, among those men who are taking the leadership in the "Save the Surface" movement with respect to the future.

There have been invited to this meeting the members of local "Save the Surface" committees, the presidents and secretaries of local paint clubs, the boards of directors of the paint and varnish manufacturers' associations and the executive committee of the National Paint, Oil and Varnish Association, members of the Ad-

The New Jersey Zinc Company has continued its liberal support, as have the National Lead Company and the Eagle-Fischer Lead Company. While the present income of the bureau is sufficient to maintain it on its present level, increased funds are desirable for expansion in both the scientific section and the promotion department. It is hoped that they will be speedily forthcoming from members of the two associations who have hitherto withheld their support while reaping the benefits of the work. This work is maintained without cost to the treasury of the association, and it is obvious that subscribers should be taxed at the rate of about \$100 per year to furnish this invaluable information to members who do not appreciate it.

to spread this work, to create interest in the first place, and to keep that interest alive and to arouse greater interest from month to month and year to year as the work has gone on.

I want to emphasize to you how dependent we are upon you, and in saying that, men, I am not simply using idle words. I mean every single word of what I am saying to you. The future success of this great movement depends upon the support we can get from everybody in the industry, and when I say support, I don't mean merely financial support. At the minute I am not thinking of financial support; I am thinking about your moral, your co-operative support, in taking over, as I said a few moments ago, the local leadership of the "Save the Surface" campaign. And so, men, you have been asked to come together here tonight to talk over the whole project, to discuss the ways and means by which we may more actively and aggressively carry on this great campaign for the future.

We have some of the presidents of the national organizations here. I regret that it is impossible for the chairman to stay through all of the meeting, but Mr. Roh, who is the chairman of the National Paint, Oil and Varnish Association, will take over the conduct of the meeting after I have called on just one president to make a few words to you. He is also obliged to attend the same meeting, so before leaving it is my great pleasure to call upon, at this time, the president of the National Paint, Oil and Varnish Association, Mr. Atwood.

### President Atwood's Remarks

Mr. Atwood:—I really oughtn't to be here; I have something else to do. I told Mr. East that I couldn't come, but at the last minute I said to myself, "I have got to go to this meeting, it is the point where I consider it a real honor to be in this movement." Gentlemen, we are making history in our industry and we are making the economic history of this country in this movement of ours.

I don't know how many of you were at the meeting this afternoon when Mr. Henderson got up and told the story about the fishermen in Nova Scotia to whom finally the government said, "No, we won't give you a dime; help yourselves." I put on a movement like the "Save the Surface" movement and the government will help you. You raise so much money and the government will give you so much money—and here's Mr. Henderson, telling the influence of the "Save the Surface" movement.

Mr. Trigg said a very subtle thing just now, that he wants your moral support. He is not asking your financial support. Any man who gets into this thing with his moral support will become so saturated with the soundness of this problem afterwards. He can't help it, because the thing is absolutely sound.

He said a moment ago, I think, that he wanted the association to do something to help lengthen the painting season. I have just one thought in my mind. It seems so simple that it is almost unnecessary to mention it, but I think the association and all of you men here ought to advocate and impress upon these dull seasons, of emphasizing in their advertisements the character of roads that are used on the claim of work that can reasonably be done during this dull season. We have taken that up quite actively in our own advertising, and I mind telling you, because, if every other fellow goes into it, it will help our own and our own will help every other fellow by the force of example.

I am glad to have been with you. I think it is an honor to be in this movement. The more I see of it, the more I like it. I am of the opinion that the proposition, and I think everybody else is too. Give us your moral support and you can help this thing.

### Mr. Roh Presides

Chairman Roh:—I didn't think last year they would catch me at the same game twice. Usually when I try to forestall it, I find myself being coming down here with Mr. Trigg and the meeting was held at the meeting and we would have one convention. It had the effect of giving me a feeling that we are just at the beginning of this "Save the Surface" thing. Of course I know the responsibility of about to different cities, we have to have the members of the trade invited to that particular city to attend your conference, but we have not gone beyond that; we have not only invited, but we have urged and been responsible for the creation of "Save the Surface" committees representing various sides of our industry, such as the salesman's side and the advertising side. We have created local committees in the various communities, and in that way it has been possible



Arthur M. East  
Save the Surface Manager

vertising Managers' Conference Committee and Sales Managers' Council of the Save the Surface Campaign, and the various forces in the "Save the Surface" campaign.

I cannot say in too positive language, men, that the continued success of this great movement depends upon you and that you play a carrying on and developing this work into greater and greater proportions as the months and years pass. I am sure that you have an activity to which that old saying, as true as it is old, applies with greater force than any other chain is only as strong as its weakest link.

### Work of National Committee

The national committee and the various national organizations operating in this work are more or less powerless in the final result unless they have the support of the backing and the hearty co-operation of the various communities throughout the country, and we want to emphasize to you, gentlemen, that every man here who represents a community or a paint club, or who is active in any one of the various cities throughout this country where the paint business is organized, how much it means in the success of this proposition to have you personally take over the full leadership of the "Save the Surface" campaign. It is not a question of a national proposition. The thing that has made it so successful as it is today is the fact that from the very beginning it has been kept in the hands of relatively large groups of men. We have had in our own national committee a very substantial number of representative men in the industry selected from different important centers. These men have had a national slant regard to this proposition. As you have been told numerous times, they meet very frequently, but we have not stopped at that small group. Every time we have held a meeting we have carefully considered where we shall go. We have tried to select different cities where we would hold our meetings, and as we have gone to different cities, we have invited the members of the trade to attend that particular city to attend your conference, but we have not gone beyond that; we have not only invited, but we have urged and been responsible for the creation of "Save the Surface" committees representing various sides of our industry, such as the salesman's side and the advertising side. We have created local committees in the various communities, and in that way it has been possible



Make the old  
bus new with  
DA-COTE  
Motor Car  
Enamel!

Murphy Varnish Company

Newark, N. J.



Chicago, Ill.

The Dougall Varnish Company, Limited, Montreal  
Canadian Associate

associate, Carl Watter, who is taking the place of Mr. Holmes, president of the National Association of Paint Distributors. Mr. Watter.

#### Mr. Watter Enthusiastic

Mr. Watter:—As Mr. Roh has said this thing has been passed on to me, but I feel that it is as Mr. Atwood has said, an honor, because I am enthusiastic about this "Save the Surface" work. As chairman of the "Save the Surface" Committee of the National Association of Paint Distributors I should be enthusiastic. The distributors are really an important branch of this industry. They feel as the present association does that this "Save the Surface" campaign is one of the biggest things that has been done or is being done in the industry for them. The three things that we are going to emphasize this year are the dull season sales drive, the season extension increasing the percentage of investors in our membership. The dull season sales drive will be taken up through our (the distributors) salesman to the dealer and the dealer in turn will interest the consumer. The increasing or lengthening or extending of the painting season has been done in like manner. We have in times past experienced a little difficulty in interesting our members in the investment feature, but we have made steady gains and we have today a percentage of approximately 80 per cent who are investors in one plan or another.

Our president, Mr. Holmes, wishes to assure you through me that we are with you heart and soul this coming year. Chairman Roh:—I am sure that the national "Save the Surface" campaign feels that the jobbers are back of the "Save the Surface" campaign 100 per cent and they are doing everything to get them in as quickly as they can.

What we are trying to do is to get every branch of the industry back of this proposition as you all know. I met Mr. Rubins, president of the Master Painters' Association, this morning for the first time. I know you are going to get a very interesting five-minutes' talk from Mr. Rubins.

#### Mr. Rubins of Master Painters

Mr. Rubins:—I have been president of our organization for part of a year and I have been increasingly excited about the possibilities in our association and in its intimate contact with you men. I have met with the "Save the Surface" campaign several times and I have never met a group of men so uniformly and wholly and totally enthusiastic about their job. It is an inspiration to me. I came here not expecting to find just what I did, but this has been increasingly exciting to me. For instance, today I met with the salesman and they pledged me the work of thousands men in the development of the Master Painters' Association. We have a big job ahead of us. We feel very keenly and deeply that the master painter and his problems represent a part of your problem.

There is just one phase of it that I want to call to your attention, however, and I want to tell you a little story that seems to fit it. It has been said that there was a certain queen in the world, now dead, who, at any time, under any circumstances and in any place, or at any time, without ever worrying or thinking whether or not there was a chair for her to sit in. It was always provided. There was no question about it. I think many of us are getting into the same attitude of mind that that queen was in. We expect our coat to be furnished to us at the time we want the coat without any thought of whether the load of digging that coal, transporting that coal or delivering that coal is spread over the year. We expect the same thing with our retail grocers, six or eight deliveries a week with no thought of the cost. I believe personally we are keeping one-third of the sales people in the retail dry goods stores standing around waiting for us or for our wives to come in and buy.

The situation is exactly the same in the painting business. There were 250,000 journeymen painters according to the census of 1920 and those men are getting a very short year's work out of it. It is because our public has not been thoroughly educated yet to the fact that they are not like the queen and that they must have this work done at a time that it can be done to get the best advantage of the trade. We are going into a funnel at the big end and coming out the little end as a trade if we don't watch out.

I have been asked to talk several times. I don't know whether it is a plot, but I believe there has been a plot to get me to say in advance what I am going to say on the program. I am going to stop now or I may get started on it.

Chairman Roh:—Is there a representative here for Mr. Williams, president of the National Retail Hardware Association? (No response.)

In this "Save the Surface" campaign we must bring to bear the very best of every department, both selling and advertising. In all the preparatory work of the campaign it is the big part of the campaign—the advertising. I want to introduce at this time a man who always gives his best to this "Save the Surface" campaign from the advertising viewpoint and the selling viewpoint, O. C. Harn.

#### Mr. Harn on Advertising

Mr. Harn:—Mr. Chairman, I have talked twice to the convention on "Save the Surface" and said about the same thing both times. I asked Mr. Trigg tonight, when I was to speak again, if I was to be sentenced to deliver the same speech a third time. He said, "Wait! I will see what my instructions are. We will read them over together and see what we have to do." I saw I was down as a representative of the paint and varnish advertising men's conference, and I said, "That lets me out." I was satisfied I would not have to make that same speech a third time because the same speech is being made from a different angle.

The advertising men of the paint and varnish industry have a peculiar interest in this movement. At first blush it might seem to some of them that it was taking away the prerogative of the individual companies' advertising departments. But if you will think about it a moment you will see that it is just the opposite, that

it is a collateral force which will make the individual companies' advertising more powerful, easier to do, and more effective in the end.

I have been talking this "Save the Surface" proposition now for a number of years. Going back to three, or four, or five years ago when the movement was young, I used the illustration that it would be very much easier to sell an article in a country where the use of that general type of article was known and familiar than to try to sell it in a country or in a district where nothing was known about that article at all. For example, it would be very much easier for a salesman to sell cigars in a country where smoking was the habit, even though he had stiff competition, than to sell it in a country where nobody knew anything about smoking and where the habit of smoking would have to be first encouraged.

We, as advertising men of individual companies, are in the same position since the "Save the Surface" campaign was started. We don't have to create the habit of mind on the part of our public to recognize the advantage of paint and varnish. That is being done for us by the "Save the Surface" campaign, so we can start a couple of laps ahead now and talk about our own proposition, our own particular brand of paint, our own particular brand of varnish, or anything that we have to sell, collateral to those industries.

It is a distinct advantage. We are sowing seeds in plowed ground, or perhaps we may be able to reach our harvest because the seeds that we have sown have already begun to sprout.

I think the advertising men of the paint and varnish industry should be the hardest workers for the "Save the Surface" campaign. I am glad to say that they are. They are doing their part, doing their full share, and in our conference of the advertising men of the industry, which we have started to hold once a year, the "Save the Surface" campaign comes in for a large share of our discussions. We try to contribute constructive ideas and suggestions for the furtherance of that campaign, knowing well that what we do in our own individual companies will be much more effective than they otherwise would be.

Chairman Roh:—This is the third year that I have served on the sales managers' conference committee of the "Save the Surface" campaign. During those three years I have had an associate who was always a good fellow, always dependable to "Save the Surface" in the fullest and biggest way, both he and his company. I would like to introduce Mr. Woodbridge.

#### Mr. Woodbridge on Sales

Mr. Woodbridge (Philadelphia):—Mr. Chairman and Gentlemen:—We have just heard from what I consider to be the spiritual end of our industry, the advertising end, and I have the honor to head up the hard shell. The sales managers as a group are interested in about two things, sales and expenses, and it is sometimes very difficult to get sales managers to have any of the inspirational experiences that other men get so easily.

Thus sales managers' council, which I have the honor to head for this year, is a very simple organization. It is made up of all the sales managers of the paint and varnish industry. It has a committee of seven headed by a chairman who arranges the program. It plans to meet or hold a meeting once a year. All men connected with the sales side of organizations in the industry are eligible for membership. It would be very much interested to know how many men in this room consider themselves in the sales side of their business. About half, I would say.

I feel very much at home. You are all very cordially invited to our next meeting. We want you to come and co-operate as a group. We in the sales organization of our companies need to get together and discuss problems common to our business. We have arranged in the last two meetings, so ably presided over by Mr. Roh, to have discussion on subjects in which you are vitally interested. You will get to know each other so that you will understand that this hard-boiled competitor of yours is after all human, something like yourself, and is a mighty fine fellow when you get to know him. But behind and above all these matters of person and business interests, the sales manager, as a group are getting together behind the great co-operative advertising effort of this industry. I personally feel this tremendous power. When you get the inspiration that we have just had from a man like Mr. Atwood, who comes here or fire with enthusiasm for this tremendous, big and important movement, and realize how little of that inspiration some of us have and how soon we lose what little we have acquired, it seems to me vitally important that the great sales producing forces of this industry should get together as a group and hold on to some of the splendid enthusiasm that men like Mr. Atwood and Mr. Trigg are trying to send out to us. So this year as we plan to our meeting we are going to do a great big in bringing the sales managers to get together to get them to understand full and completely in detail, if you please, the activities and the policies of this great national association, particularly the "Save the Surface."

So when this call goes out for our meeting next Spring in May or June, we war a hearty response from you men. As you executives make sure that your sales managers and branch managers come to this meeting so that we can talk over the plans and the policies of our big association and get behind the great slogan that we have to double this industry sales of the time instead of waiting until 1924.

Chairman Roh:—Of course, we all know we need the sales managers. We need the advertising managers. We need the executives, and after all what we do need is to get the dealers and the painters the executive branch of our business: the salesman. The salesman is the fellow who carries the message from the house to the trade, and we have been trying to get the salesman to carry that big message, not alone of our own products, but of this big movement that we are all so interested in. I want to introduce Mr. Masten, who is, I understand, president of the National Association "Save the Surface" Salesmen.

## Mr. Maston for the Salesmen

Mr. Maston—Mr. Chairman and Gentlemen of the "Save the Surface" Committee: It is quite an honor to stand here and represent the National Association of "Save the Surface" Salesmen, to represent the 1,028 men who have affiliated themselves with this group. It is a little difficult to know just how to talk to a group like this, especially following the sales manager, who will have to be very careful. He asked how many were in the sales end of the business. More than half, I should say, raised their hands, but I feel that you are all in the sales end of the business. You are all selling. You are selling an industry now. You are selling this paint industry to consumers and property owners of this country.

It is a big problem. The salesmen hope to have a part in this work. They are anxious to demonstrate to you their ability and their willingness to co-operate in every possible way. In looking at the every day getting the perspective of it, it seems to me that the five years of which Mr. Trigg gave us the history are a history, more or less of the same game that we are in. We are just exactly like baseball team or anything of that kind. We are salesmen trying to win at any business battle. At the end of five years we have just practically gotten our ground, our grandstand. We have gotten the team together. I doubt if we have gotten all the strength that is in our organization. That is where the salesman comes in and wants to be one of the players and wants a chance to get out and run the ball and run the bases just like the rest of us.

Our problem is one of keeping this campaign sold. I am a member of the "Save the Surface" committee and I am familiar

with some of the problems of interesting those who are not subscribers and getting new investments or increasing the old investments. I know the problem you are up against. I know how easy it is to sell the "Save the Surface" campaign once, but the big problem seems to be how can we keep it sold. It is quite a different thing when you have to go continually and keep this thing pepped up, to keep it constantly and steadily sold to the people whom we need to make it a success. Here is just one place that the salesmen think they can fit in, and we want to demonstrate to you that there are so many ways in which you can use us, so many ways in which we want to serve that it seems to me that at any time that presents itself to you we are at your service.

Chairman Roh—If we hope to double the paint and varnish business in the next two years, we will just have to do a little more than sell in other factors among ourselves and our associates, including the salesmen and the sales managers. We will have to call in other factors to help us; other factors that probably have not been so well known to us, and recently we have been able to interest to a great extent a body of men who manufacture mechanical appliances for putting on more paint and varnish. We have among us tonight W. J. Goodrich, who is chairman of the Spray Manufacturers Committee.

Mr. Goodrich on Spray Painting

Mr. Goodrich—Representing, as I do, Mr. Chairman and gentlemen, the smallest and newest branch of the industry, perhaps I should not have much to say, and I haven't, as a matter of fact. I hope that you will all present this morning when Mr. Fredericks, one of the members of our industry, gave a talk. I want to say that we all present this morning the campaign to the last word. We have felt in the past as though we had not been accepted—practically accepted—as a part of your industry. I have attended two or three of these conventions, but I never had a chance to get very far in the way of definite recognition. I am very much pleased to say, though, that today we feel that we are being heard the reception that was given our talk this morning and seeing the "Save the Surface" film that was shown this afternoon. We feel as though we can go out and do a lot for you, and we promise you that we will.

Reports of Local Chairmen

Chairman Roh—Now we are ready for the roll call. We would like to have a report of the activities of every chairman in about minute time. We would like this from every chairman,

or those representing a chairman, of a "Save the Surface" committee from every community in the country. What we would like to know principally is what your activities have been, so that it will give us inspiration to go out knowing that probably we are 100 per cent. strong doing the same thing for this great movement. We would also like to know what your plans are. Then, perhaps, after we have had the one-minute report of the chairman, we will have a little summary and see if we can't take something concrete away, so that we will feel that the time we spent here was for our own benefit and particularly for the benefit of the "Save the Surface" campaign.

Mr. East—We are going to make this one minute, and I am going to hold the watch and call on the next man immediately.

Is there anyone here from Atlanta, Ga.?

Atlanta

Y. P. Warren—Our president is so full of this "Save the Surface" proposition that he was unable to be here himself and he thought it necessary to send two of us along to represent him. Mr. Tripod will probably have a few more words to say than I. We are very enthusiastic down in our part of the country. We have just got through with our painting schoolhouses in Turner county. In this campaign the paint and oils were furnished mostly, I think, by the Atlanta club, although we did get some from the Savannah club. Mr. Roh's assistant would like us to mention that, if they wish to repeat these things, we would like to have a little more advance information, so we can get ourselves more thoroughly organized in order to get the paint and oils on the ground at the proper time.

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Mr. A. W. Scott (Golden Gate Paint, Oil and Varnish Club)—I feel like the

Cleveland

Mr. Levanhagen—Cleveland is coming along very nicely with the "Save the Surface" proposition. I think that the manufacturers there are all backing it up in good shape and contributing very liberally. In fact, I believe the biggest support to the "Save the Surface" proposition has come from Cleveland, and I am quite sure that will continue.

Mr. East—Don't forget to mention the mass meeting you held that was such a success, and that you have a real salesmen's club.

Mr. Levanhagen—All those little details have been handled very thoroughly in Cleveland and they are working the "Save the Surface" proposition right to the limit. Really, a man doesn't have time one minute here to say anything that is being done.

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face" campaign, we should be the first to start a campaign to lengthen the paint and varnish year. He told me that he will call a meeting of our local organization a week from Wednesday and that at that time we will raise a sufficient amount of money to finance the campaign. We will start the campaign on the first day of November and continue it throughout the month of November. We are confident we can make it just as great a success as we have the Spring campaign. As for the posters, if anyone needs posters and needs them quickly, Cincinnati has them.

Mr. East—Will your salesmen's club get to functioning this winter?

Mr. Johnston—I think so.

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Mr. East—Will you help us organize a salesmen's club in Louisville: this winter?

Mr. Warfield—That is something that you haven't sold me on, Mr. East.

Milwaukee

Mr. Schwartz—Two meetings were held in our city, one with the retail hardware men's association, which was very successful. We received both the moral support and also the financial support of the retail hardware men of our city. We also had a meeting with the master painters' association, which was not very successful. We did not get the right cooperation from them. We are now planning for a joint meeting with the "Save the Surface" committee of our paint club and the salesmen's club and also the master painters in order to lay out a program for making it an all-year-around business.

It also wish to say that the "Save the Surface" committee in our city is well represented here today. Everyone that belongs to my committee is here.

Minneapolis and St. Paul

Mr. Rubins—The salesmen's club of Minneapolis and St. Paul was organized about ten years ago and there were seven or thirty-eight men then. It looked to me as though it was 100 per cent. so far as the joining was concerned at that time. I believe there will be a great amount of enthusiasm developed in it, and it will do the entire local situation a lot of good to get this thing organized and going.

Chairman Roh—We have a visitor who just came in, one whom we all know and whom we have all learned to regard very highly. He is the secretary of the National Paint, Oil and Varnish Association. Will you say a few words to us, Mr. Horgan?

Secretary Horgan Speaks

George Horgan—Mr. Chairman and Gentlemen—I am glad to meet you all. I have heard a great deal about many of you. It is rather difficult to be at three meetings at one time, but I didn't want to let the opportunity go by to just stop in and say a word. I don't think that anything I might say would add to what has been said by the fountain heads of the association, and in fact I think it would be an anti-climax. I only say what I said briefly at the salesmen's luncheon this noon, that the machinery of the national secretary's office is always at the disposal of this activity.

New England

Mr. Morton (New England Paint, Oil and Varnish Club)—Mr. Chairman and Gentlemen—I might say that this New England club has been doing its part. We have raised a substantial amount of money and we have had meetings of our salesmen. Last March we had a meeting of the executives and salesmen and a showing of the film. Literature was given out, and I think that most of the men are quite enthusiastic over the campaign. I believe there will be no trouble in getting the additional support. I did have a little trouble in signing up one man on the five-year contract, that is, this man represents a large corporation, and he took the position that he would not do it, but that he would not sign for that length of time because, according to their by-laws, the officers hadn't authority to commit the corporation for more than one year. It might be well to have a little footnote on those contracts to the effect that in the event of change of management, the contract might be reconsidered by the new men, or something to that effect, to get around that particular point.

New Orleans

Mr. Devlin—We endeavored to put on a campaign in New Orleans this year, and two of the largest local manufacturers contributed the entire time of two men. I gave quite a little of my own time to it and, after having done about two weeks' soliciting of our dealers in the city who would benefit from such a campaign, we found that the most encouragement came from the manufacturers and practically no encouragement from the dealers who would primarily benefit by the campaign. After we had done all of that work, we decided that it would be unfair to the manufacturers to ask them to bear the brunt of such a campaign and give the dealer the benefit of it, as they were not entirely sold on the proposition; so we are going about the matter by indirectness, because we feel most of our dealers we can visit around with and get acquainted with and then sell our ideas to them in that way. We are now conducting our work along that line with an aim of getting every body well acquainted and on a friendly social basis, with the hope that in the coming year we will be able to put it over because most of us are thoroughly sold on it.

