

BOARD OF OPERATORS - 1102nd MEETING

July 8, 1940.

Present:

A. W. Steudel
H. J. Hain
F. E. Davis
E. E. Ware
H. E. Van Stone
V. Mills
S. B. Coolidge
F. A. Stanton
G. H. Griffiths
J. S. Prescott
E. C. Baldwin

Absent:

W. R. Sieplein
T. J. McDowell

Copies To:

G. A. Martin
H. D. Whittlesey
L. W. Wolcott
K. H. Wood
C. A. Campbell
Z. E. Martin
W. M. Stuart
D. A. Kohr
W. A. Gorrell
P. C. grigsby
D. A. Whittaker
L. C. deMerrall
F. Allen

8954 - REPORT ON FACTORY OPERATIONS:

Orders for heavy liquids amounted to 179,000 gallons as compared with production of 155,000 gallons. Shipments of 199,000 gallons brought stocks below the corresponding week last year and also below last August 31st.

Plants continued to operate on a forty hour week.

Sales for the week were $4\frac{1}{2}\%$ ahead of last year and showed gains in all captions except Opex jobber and P.C. & C. sales.

8955 - REPORT ON NUMBER OF HOURS PLANTS HAVE OPERATED:

Chicago	P&V	-	Operated at 40 hour week
Newark	P&V	-	" " 44 " "
Cleveland	P&V	-	" " 40 " "
Oakland	P&V	-	" " 40 " "
Los Angeles	P&V	-	" " 40 " "
Dallas	P&V	-	" " 42 " "
Chicago Lacquer		-	" " 40 " "
Dry Color		-	" " 40 " "
Flushed Color		-	" " 40 " "
Acme		-	" " 44 " "
Lowe Brothers Company		-	" " 40 " "
Lucas		-	" " 40 " "
Martin-Senour Company		-	" " 40 " "
Chicago White Lead		-	" " 75% capacity
Lithopone		-	" " 0% "
Tin Can		-	" " 80% "
Coffeyville Lithopone		-	" " 100% "
Loaded Zinc		-	" " 66% "
Cleveland Linseed Oil		-	" " 100% "
Castor Oil		-	" " 100% "

N 5231

8956 - PANEL SETS FOR RETAIL STORES:

Mr. Stanton reported that the billing price to retail stores of display panels has been \$176.00 as compared with cost of \$158.00. The entire cost of the panels is charged to expense. A change will be made in the billing price so that stores are billed at cost.

8957 - DEHYDRATED CASTOR OIL:

The Board decided that further commitments would be made on raw castor oil only for what we will actually need before the end of the fiscal year.

Mr. Hain advised the Board that on the basis of the present market price for beans that the net cost of raw castor for the crushers should be in the neighborhood of 7¢ a pound although market prices are currently somewhat higher.

In view of the fact that the price to the trade was lowered only about 10 days ago, it was decided that no further change would be made at present.

Dr. Van Stone pointed out that in order to promote additional sales we need to do a technical sales job to show customers how the best results can be obtained.

Mr. Coolidge will have typical formulations worked out which can be given to the trade with promise of additional technical help if it is needed.

Mr. Steudel pointed out that we want to be assured of a sales volume sufficient to keep the plant operating at capacity.

Mr. Hain was asked to have the oil mill experiment with adding neofat to Dehydrol to see whether the resulting oil is any more satisfactory than when the neofat is added to Dehydrol in the paint plants.

8958 - RETAIL STORE SHELVING:

Mr. Davis advised the Board that by placing an order for an additional ten sets of store fixtures a further price reduction of \$100 a set would be granted. The Board requested that he place an order for another five sets if the same reduction in price could be obtained.

8959 - WHITE LEAD POTS:

Mr. Davis reported that we have four carloads of white lead pots on order for which we will have no need due to discontinuing the Old Dutch process.

In order to avoid writing off the total amount of approximately \$1100.00, Mr. Coolidge was requested to make further efforts to see whether they can be sold even though at a substantially lower price.

Mr. Stanton will work up complete figures on the write-off that will be necessary on pots, tan bark, etc.

8960 - MOVING COSTS--NORTH CENTRAL:

Mr. Davis submitted a requisition covering the partial cost of moving North Central District from Canal Road. The total cost will be in the neighborhood of \$25,000.

8961 - TITANIUM DIOXIDE:

Mr. Davis pointed out that the number of grades of titanium in use at all plants has increased to somewhere between ten and fifteen. Mr. Mills explained that part of the reason for this is the fact that we are buying from several suppliers. However, he will see what can be done to reduce the number of kinds carried in stock.

8962 - RETAIL BRANCH--MATTOON, ILLINOIS:

It was reported that a lease has been signed for a retail location in Mattoon, Illinois. Estimate for the cost of installation is \$2800.00.

8963 - REPORT ON PLANT ALTERATION EXPENSE:

Mr. Stoudel asked Mr. Stanton to report periodically on plant additions and expense.

8964 - OFF-STANDARD (44):

Dr. Van Stone advised the Board that shipment of off-standard (44) to Havana has made it necessary to keep Mr. Ferrec there longer than would otherwise be necessary.

8965 - HICKS PATENT:

Dr. Van Stone reported that in view of the decided change of the automotive industry from lacquer to synthetics and in view of the demand for metallic finishes comparable to the lacquer metallics, we can probably work out a licensing arrangement under the Hicks patent comparable to the lacquer license under the duPont patent. Such an arrangement would yield us substantial royalties and would also stabilize prices.

8966 - P.C. & C. TECHNICAL SERVICE--CHICAGO:

Dr. Van Stone reported that the P.C. & C. Technical Service Department at Chicago is beginning to bring results. On his next trip to Chicago he will decide on the best place for it to be permanently located.

8967 - PLANNING DEPARTMENT:

The Board decided that expenses of the planning department would be charged to a job order but that service should be absorbed in the other departments.

8968 - COLOR METER SUIT:

Professor Ware reported that there is some evidence to show that the Grubelic Color Meter device was inspected before our own color meter was invented. Dr. Van Stone will have the Chicago files searched to establish the earliest date at which we were working on the color meter idea.

Mr. Steudel pointed out that a release should always be obtained before looking at an invention which is not covered by patent.

8969 - LITHOGRAPHED PACKAGES:

Mr. Hain reported to the Board on the comparative cost of plain and lithographed cans.

Mr. Mills was requested to figure the cost of labels and labeling to see whether the cost of the can plus label and labeling cost is as high as the cost of a lithographed can.

It was suggested that if the two costs are nearly the same, lithographed cans will be used for packaged linseed oil.

8970 - NEW STORES:

Mr. Staudel advised the Board that dealers at Long Beach, California, and Middletown, Ohio, have been taken over as retail branches and that negotiations are under way for taking over several more dealers.

8971 - POSTAGE METERS:

Mr. Staudel suggested that we might make a saving by using postage meters. Mr. Davis will check comparative costs.

8972 - OBSOLETE OR UNUSED EQUIPMENT:

Mr. Prescott advised the Board that he has a record of all obsolete and unused equipment. This list is checked when requisitions for new equipment are presented. It was decided that all such equipment should be entirely written off. Mr. Mitchell also has a record of it and is trying to dispose of as much of it as possible.

8973 - RETURNED GOODS:

Supplementing item 8932, it was reported that only partial credit was given on the very old returned goods and that as a result of the credit given, a new dealer was established.

8974 - INVENTORY OF S-W MATERIALS AT GIBBSBORO:

Mr. Griffiths reported that of the \$44,000 inventory of S-W goods at Gibbsboro, \$17,000 is dry colors, \$14,000 lacquer, and \$13,000 paint. Both paint and total inventory is less than at the same time a year ago.

Dr. Van Stone was requested to see that the stock of dry colors is reduced as far as possible before the end of the year.

8975 - COLOR METER-NEWARK PLANT:

Mr. Griffiths was asked to have a record kept of the extent to which the Color Meter to be installed at the Newark factory is used.

8976 - TAX RATE-CANAL ROAD:

Mr. Davis suggested that since offices have been moved from Canal Road, it may be possible to get a reduction in the tax rate. Mr. Baldwin will consult with Messrs. Reese and Hague.

8977 - TWO-GALLON CARTONS:

Mr. Davis reported that if we used a two-gallon instead of a four-gallon carton, it would cost an extra \$50,000 a year.

8978 - JACKSONVILLE WAREHOUSE LEASE:

Mr. Griffiths advised the Board that negotiations are under way for a new lease at Jacksonville which will give us a lower rental and will be on a two year basis with a three year option.

8979 - PRODUCTION COSTS:

Mr. Steudel advised the Board that costs of oil paints this year are approximately 2¢ a gallon under last year and that average cost of all paints and varnishes is .7¢ under last year.

Cost of trade sales products is slightly higher than last year.

8980 - COST OF OPERATING COMPANY-OWNED TRUCKS:

A report from Mr. Sanford showed that our trucking cost with contract carriers between Cleveland and Chicago are actually lower than cost would be if we operated our own trucks, and that between St. Louis and Kansas City the contract carriers are enough lower than the common carrier rate to make the difference of a saving of \$1100.00 each month. Further check will be made on cost of Company-owned trucks and cost of operating the Cook Paint and Varnish Company trucks between St. Louis and Kansas City.

8981 - PUBLIC BID:

Since September 1, 1939, 2034 invitations to bid have been received. A total of 1709 amounting to \$4,364,224 have been placed and of this total we have received awards on 215 amounting to \$554,760.00.

8951 - FACTORY OPERATIONS, week ending July 2, 1940

HEAVY LIQUIDS - S-W PLANTS

Total orders received	- 178,950	Total production	- 154,930
Total factory stocks	- 738,607	Inventory Dec.	- 37,485
CHICAGO	- Orders recd. 82,376	Production	77,260 Stocks 314,692 gals.
NEWARK	- Orders recd. 41,534	Production	29,106 Stocks 186,246 gals.
CLEVELAND	- Orders recd. 34,063	Production	29,522 Stocks 163,747 gals.
OAKLAND	- Orders recd. 20,977	Production	19,042 Stocks 73,922 gals.

TOTAL PLANT OUTPUT

CHICAGO	P&V	- 117,903 gals.	Operated at 90%
NEWARK	P&V	- 52,034 "	" " 50%
CLEVELAND	P&V	- 54,418 "	" " 78%
OAKLAND	P&V	- 23,666 "	" " 136%
LOS ANGELES	P&V	- 13,700 "	" " 60%
DALLAS	P&V	- 15,820 "	" " 116%
CHICAGO LACQUER	-	37,458 "	" " 100%
DRY COLOR	-	140,999 Lbs.	" " 79%
FLUSHED COLOR	-	45,489 "	" " 86%
CHEM. PRODUCTS			" " 66%

BOUND BROOK INSECTICIDES - Lead Arsenate 180 tons Zinc Arsenite 14 tons
 Arsenic Acid 128 " C P Q 10 "
 Calcium Arsenate 76 "
 Paris Green 30 " 3-8 Hr. Shifts - 7 days.

OAKLAND INSECTICIDES - 3-8 Hr. Shifts - 7 days.

ACME - Produced 75,106 gals. Paint Dept. operated at 46%,
 Enamel & Lacquer at 33%, and Varnish & Thinner at 19%.

LOWE BROTHERS COMPANY - Manufactured 38,595 gals. with Paint Depts. operating
 at 65%, Enamel Dept. at 65%, and Varnish Dept. at 36%.

LUCAS - Manufactured 42,408 gals. Operated at 75%.

MARTIN-SENCOUR COMPANY - Manufactured 17,704 gals. Paint Dept. operated at 62%.

7-8-40

#8952 PLANT REQUISITIONS APPROVED:

RETAIL STORES:

#1469 - Danville

2 - 2½ gal. foam extinguishers 17.00

#1495 - Salem, Mass.

1 Kanev wallpaper trimmer 68.00

CHICAGO FACTORY

#457 Extend crude turpentine line - C.P. 60.82

#474 Install new power circuit - Allied Lab. 1,666.65

#476 Oscillating fan - P&V 27.00

#478 15 - 40 gal. color meters - Sales 1,774.86

#480 Fahralloy liners for red lead or litharga pan - Red Lead 1,064.10

CLEVELAND ADMIN. OFFICES:

#1505 Furniture, floors and moving of North Central,
General Retail Stores and Statistical Departments
to 18th floor of Builders Exchange Bldg. 21,733.75

CLEVELAND FACTORY:

3314 Move tandem mill to Bg. #11-3, reinforce floors,
enlarge present line shaft, water lines, extend mixer
gate handles, and move 7 - 21" mills 952.87

#3315 Purchase 1 - 3 roll Lehmann mill, move and install
6 - 500 gal. thinning tanks and 2 - 1,000 gal. thinning
tanks 9,612.12

#3318 Install 10 - 48" thinning tanks. Remove 6 36"
thinning tanks and install 4 - 48" tanks 1,697.50

#3319 Purchase and install 1 - 600 gal. corner tank - "M" 800.00

CLEVELAND LIMESEED OIL MILL

#774 Overrun on new 60,000 gal. refined oil storage tank 250.00

LOS ANGELES FACTORY

#120 2 floor trucks and 2 hand trucks 120.00

NEWARK FACTORY

#644 Purchase and installation of 1 color meter senior 253.50

TOTAL PLANT REQUISITIONS APPROVED - - - - - \$ 40,098.17

#8953 - LARGE EXPENSE REQUISITIONS APPROVED:

CHICAGO FACTORY

#458	Replace plugged up process lines at pebble mills P&V	73.92
#481	Repairs to ploughs, gas burners, etc.-Red Lead	695.50

CLEVELAND FACTORY

#3317	Move Lehmann 5-roller mill to Bg. #11-3, move 2 - 21" mills and 4 - 21" mills on east wall, reinforce floore, install water line, etc.	922.28
#3320	Remove 13 - 400 gal. thinning tanks, 7 mixers, etc.	625.60
#3321	Dismantle Day 5-roller mill and loading on cars	137.00

CLEVELAND LINSEED OIL MILL

#772	Repair and paint marine elevator roof	1,842.00
#773	Repairs to varnish truck	154.00

NEWARK FACTORY

#652	Repair roof on penthouse - Bg. #11	285.00
#653	Roto Strainer - "B" Dept.	32.50

TOTAL LARGE EXPENSE REQUISITIONS APPROVED - - - - -	\$	4,767.80
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Total Plant Requisitions approved to date	\$	1,018,001.02
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Total Large Expense " " " "	\$	180,171.65
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Acme - Detroit

ES 933	Replace magnetic switches, pressure governors and oil circuit breakers on (348) and (2) lines in Bg. #9-A	224.09
ES 981	Replace 6 leaky lock gate valves	98.53
ES 1003	Paint wash room Bg. #2	59.78
ES 1027	Dismantle #1 roll mill - regrind rolls	266.45
ES 1028	Replace worn out Gould pump	56.85
ES 1060	1 G.E. thickness gage	135.00
ES 1061	Install screen guards under conveyor	60.00

LOWE BROS. - Dayton

#483 (Chicago reqn.)	20 - 40 gal. Lowe Bros. color meters	2,609.83
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MARTIN-SENOUR - Chicago

#312	1940 Ford Std. Tudor Sedan, less trade-in	250.00
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