MINUTES OF THE REGULAR MONTHLY MEETING
OF THE BOARD OF DIRECTORS
OF THE GLIDDEN COMPANY

Minutes of the regular monthly meeting of the Board of Directors of The Glidden Company, held at the office of the Company, 1396 Union Commerce Building, Cleveland, Ohio, on Friday, August 27, 1948, at 10:30 o'clock A.M.

The following Directors were present:

Adrian D. Joyce	A. D. Duncan
Dwight P. Joyce	J. P. Ruth
W. J. O'Brien	L. Y. Pulliam
P. E. Sprague	H. Betzold
J. A. Peters	Clifton M. Kolb

Mr. R. H. Horsburgh was absent.

Mr. Adrian D. Joyce, Chairman of the Board of Directors, presided and Mr. Clifton M. Kolb, Secretary, recorded the minutes.

The Chairman called the meeting to order and the Secretary presented the minutes of the previous meeting. Upon motion duly made, seconded and unanimously carried the reading of said minutes was dispensed with and they were approved.

The Treasurer, Mr. J. A. Peters, presented to each director a statement showing the estimated cash position of the Company as of October 31, 1948, a copy of which is attached to these minutes.

The Secretary presented the report of P.F.E.'s for the period from July 14, 1948 to August 20, 1948, which were approved:

DIVISION	Maint. Not over $5,000	Emergency Capital Not over $5,000	Non-Emergency Capital Not over $1,000	Division Total
Chemical and Pigment	$6,231.75	-0-	$ 518.50	$ 6,750.25
Durkee Famous Foods	6,717.30	-0-	3,727.68	10,444.98
Euston Lead	40.64	-0-	530.00	570.64
Feed Mill	-0-	$ 283.45	104.31	387.76
Metals Refining	-0-	($1,500.00)	-0-	(1,500.00)
Naval Stores	-0-	-0-	887.99	887.99
Oil Mill - Buena Park	-0-	-0-	-0-	-0-
Paint	1,470.00	-0-	5,540.92	7,010.92
Soya Products	8,680.00	-0-	2,832.00	11,512.00
TOTAL	$ 23,139.69	$ 283.45	$14,141.00	$37,564.14

GLD022969

The Secretary presented P.F.E. No. 22 for the Soya Products Division, covering the installation of a 15,000 gallon tank into which hexane from the present extraction units at the Soya Products Division could be drained in the event of fire or explosion, pursuant to the request of the Factory Insurance Association, at a cost of $9100.00. The Secretary pointed out that the insurance covering the Soya Products plant was at present covered by a binder and that Mr. C. A. Leach, in charge of the Insurance Department, expected to have a meeting with the representatives of the Factory Insurance Association early in September relative to the installation of various fire prevention devices and changes as requested by the Factory Insurance Association; that said Association was insisting upon the installation of the tank covered by the P.F.E. which had been presented and that if this was not done along with other changes, coverage could not be secured. The matter was discussed and upon motion duly made, seconded and unanimously carried P.F.E. No. 22 was approved.

The Chairman stated that on his recent visit to the Elmhurst plant Mr. M. E. Palmer had pointed out that the Elmhurst plant had been in something of a turmoil for quite some time, due to the building of the addition to the plant, paving, and making other changes and improvements which had to be done while the plant was operating, and that he would like to complete everything now under way and get back to normal operations before starting any new projects. The Chairman pointed out that this was a good idea and that the Vice Presidents in charge of the various divisions should check up on all outstanding P.F.E.'s in their divisions and determine their status and then see that the projects covered are completed as promptly as possible, and that the issuance of new P.F.E.'s be held up until the projects covered by outstanding P.F.E.'s are completed, except in cases of emergency.

The Chairman stated further that when the Refinery was constructed at the Elmhurst plant, many mistakes were made, particularly with respect to the piping, and that many changes had to be made which were very expensive; that a careful study should be made by the Engineering Department with particular reference to the piping and a long-range program established to avoid temporary changes which generally lead to trouble and expense. He also called attention to the condition of the switch track at the Elmhurst plant, which is in need of repair.

The Chairman advised the directors that the Department of Justice of the United States had accepted the Company's offer of $300,000.00 to settle the Company's suit in the Court of Claims covering damages to the properties of The California Zinc Company and the Sacramento Valley and Eastern Railway, growing out of the construction of the Shasta Dam in California, and that judgment would be entered, terminating the suit. He also reported that negotiations relative to the settlement of the patent infringement suit brought against the Company by Schering Corporation were proceeding satisfactorily.

The proposition of the Company carrying its own fire and other insurance was discussed and the Chairman requested Mr. Dwight P. Joyce, President, to investigate the matter and report to the directors.

The Chairman requested Mr. Alexander D. Duncan, Vice President, to report upon the general plan covering the future expansion of the Nubian Paint and Varnish Company plant and the Adams and Elting Company plant at Chicago. Mr. Duncan submitted a written report relative to the plan, which is attached to these minutes, and provides in general for the following program:

That no general transfer of machinery be made from the Nubian plant to the Adams and Elting plant for the following reasons--

1. It would destroy, to some extent, the flexibility of Nubian production.

2. The original cost of installing the machinery at Nubian would be lost and the extra cost of moving and installing would be incurred.

3. The estimated cost of moving the equipment under consideration and its equipment with individual drives would amount to approximately $30,000.00,

compared to a cost of approximately $16,000.00 for new equipment as required at the Adams and Elting plant.

That the Company concentrate on the development of the Adams and Elting plant and that no additional facilities be added to the Nubian plant in the future.

That the following program be carried out at the Nubian plant to relieve the congestion in the Receiving and Shipping Departments:

1. Build a storage shed with a paved floor and open sides on the North side of the plant, providing approximately 14,500 square feet without wiring, sprinkler system or heating, at an estimated cost of $38,000.00.

2. Paving the former parking lot on the East side of LeClaire Avenue and a concrete approach at a cost of approximately $2600.00, as covered by P.F.E. 9-30 in the amount of $2600.00.

3. Purchase and install twelve 3,000 gallon tanks, six of which must be of stainless steel, for the storage of ureas, melamines and alkyds, now purchased in drums, which can be purchased in tank cars after the tanks are installed, at an estimated savings of $54,228.00 a year, at an approximate cost of $54,226.58, as covered by P.F.E. 9-50 for said amount.

4. Install such equipment for ventilation at the Nubian plant which the State of Illinois and the insurance authorities require.

That it is not advisable to transfer varnish production to new facilities at the Adams and Elting plant or produce varnish at both the Nubian and Adams and Elting plant; that it will cost approximately $500,000.00 to provide varnish facilities at the Adams and Elting Company plant and the installation of such varnish plant at the Adams and Elting plant is not recommended; that the following program, which is a part of a long-range program for the development of the Adams and Elting plant, be immediately carried out:

1. Transfer of a 16 H.P. Hy-R Speed Mill from the Nubian Plant to the Adams and Elting plant.

2. Transfer one 90-gallon ball mill from the Nubian plant to the Adams and Elting plant.

3. Purchase and install one 6 x 6 Patterson steel ball mill, as covered by P.F.E. #17-6 in the amount of $15,666.00.

4. Purchase and installation of tanks necessary for serving the above mill.

5. Dismantling and removing of sheds V-1 and V-2 at the Adams and Elting plant which are not being used at the present time. Removal of useless floor in Building C-2. Building of a dock which will be the same height as the floor level in Building C-1 and Building A and paving the yard and entrance, all at a cost of approximately $37,100.00.

The program as submitted was carefully considered by the directors and

upon motion duly made, seconded and unanimously carried said plan and the P.F.E.'s included therein were approved.

The Secretary stated that the title to the additional land which had recently been purchased at the Indianapolis plant had been carefully checked by a competent attorney but that in his opinion it was advisable to secure a title insurance policy covering said property since the Company decided to erect a plant on said property at a value of approximately $3,000,000.00. He stated that an owner's title policy valued at $3,000,000.00 would cost about $6500.00; that he would recom_end the securing of a policy in the amount of $50,000.00, which could be secured for $225.00, which would disclose any defects in the title. The matter was considered and upon motion duly made, seconded and unanimously carried the Secretary was authorized to secure the title policy covering said land in the amount of $50,000.00.

The Secretary presented the following resolution relative to making night deposits with the Detroit Bank by the Detroit Store, which resolution was, upon motion duly made, seconded and unanimously carried, approved:

WHEREAS, this Corporation is desirous of availing itself of the privilege of using the Night Depository Service furnished by THE DETROIT BANK; and

WHEREAS, such service is rendered gratuitously by the Bank and is available only to those depositors who are willing to assume certain risks; be it

RESOLVED, that the Secretary or Assistant Secretary of this corporation hereby is authorized and directed to execute and deliver to The Detroit Bank a Night Depository Agreement on the Bank's regular form, a copy of which has been read and approved at this meeting; and

FURTHER RESOLVED, that the Secretary or Assistant Secretary shall certify to said Bank the names and official signatures of the persons who are authorized to act as agents or representatives of this Corporation under the said Night Depository Agreement, and shall from time to time hereafter as changes in the personnel of said persons who are authorized to act are made, immediately certify such changes to the Bank; and said Bank shall be fully protected in relying on such certifications of the Secretary or Assistant Secretary and shall be indemnified and saved harmless from any claims, demands, expenses, loss, or damage resulting from, or growing out of, honoring the signature and instruction of any agent or representative so certified, or refusing to honor the signature or instruction of one not so certified; and

FURTHER RESOLVED, that the foregoing resolutions shall remain in full force and effect until written notice of their amendment or recision shall have been received by said Bank, and that receipt of such notice shall not affect any action taken by the Bank prior thereto; and

FURTHER RESOLVED, that the Secretary or Assistant Secretary be, and he hereby is, authorized and directed to certify to THE DETROIT BANK the foregoing resolutions, and that the provisions thereof are in conformity with the Charter and By-Laws of this Corporation.

The Secretary stated that Mr. W. C. Henke, the present authorized agent of the Company in the State of Minnesota, was getting quite old and that it was advisable to appoint Mr. T. E. Deans as the registered agent of the Company in the State of Minnesota in place of Mr. W C. Henke, and offered the following resolution, which was upon motion duly made, seconded and unanimously carried, approved:

RESOLVED, that T. E. Deans be appointed as the registered agent of The Glidden Company in the State of Minnesota in place of W. C. Henke and that the Secretary or Assistant Secretary of The Glidden Company be and is hereby authorized to take all necessary action to accomplish this change.

The Secretary presented the following bank resolutions which were upon motion duly made, seconded and unanimously carried, approved:

RESOLVED, that the authorization of H. C. McLendon to sign on the Operating Account of our Valdosta, Georgia plant of The Glidden Company maintained with the Citizens and Southern National Bank of Valdosta, Georgia, be cancelled and that the signature of J. W. Baskin be substituted therefor, said change to be effective as of the date letter of notification is received by said bank (letter of notification dated August 13, 1948). After said change has been made on the records of the bank, the authorized signers on this account should appear as follows:

Any Two: J. A. Peters, Treasurer
Clifton M. Kolb, Secretary
W. D. Stallcup
Carey Speer
F. W. Haben
J. W. Baskin

RESOLVED, that the authorization of H. C. McLendon to sign on the Operating Account of our Valdosta, Georgia plant of The Glidden Company maintained with the First National Bank of Valdosta, Georgia, be cancelled and that the signature of J. W. Baskin be substituted therefor, said change to be effective as of the date letter of notification is received by said bank (letter of notification dated August 13, 1948). After said change has been made on the records of the bank, the authorized signers on this account should appear as follows:

Any Two: J. A. Peters, Treasurer
Clifton M. Kolb, Secretary
W. D. Stallcup
Carey Speer
F. W. Rabon
J. W. Baskin

RESOLVED, that J. G. Stephan, H. N. Froyd, and Russel L. Wright be authorized to sign checks drawn against the Payroll Account maintained for the use of our Nubian Division in the name of The Glidden Company with the Continental Illinois National Bank and Trust Company of Chicago, Illinois, effective as of the date letter of notification is received by said bank (letter of notification dated August 13, 1948). After said signatures have been added to this account, it should appear on the records of the bank as follows:

Any One: J. A. Peters, Treasurer
Clifton M. Kolb, Secretary
C. C. Johnson
H. K. Heath
John T. Radix
Herbert E. Miles
J. G. Stepnan
H. N. Froyd
Russell L. Wright

RESOLVED, that a "Cleveland Account" be opened on behalf of The Glidden Company with the Central National Bank in Chicago, Roosevelt Road at Halsted, Chicago, Illinois, effective as of the date letter of notification is received by said bank (letter of notification dated August 17, 1948). Any tw. of the following are authorized to sign on this account:

J. A. Peters, Treasurer
Clifton M. Kolb, Secretary
C. C. Hart
C. A. Leach
W. W. Hostetler
H. W. Caton

The following PLF.E.'s were submitted and upon motion duly made, seconded and unanimously carried, approved:

Nubian Paint and Varnish Company Division

B-2866 - Over expenditures on P.F.E.'s B-2785 and B-2799 in connection with the installation of two 6 x 10 Pebble Mills	$ 4,555.71

A. Wilhelm Company - Reading

B-3761 - Purchase and installation of four time clocks	1,948.50

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Durkee Famous Foods - Berkeley, California

22-18	Over-expenditure on P.F.E. #280 covering the purchase and installation of mayonnaise filling equipment and pneumatic chuck capper	4,290.33

Chemical & Pigment Company - Collinsville, Illinois

22 (B-1268-20)	6 Spare electric motors	1,262.30

Chemical & Pigment Company - St. Helena

1012	Over-expenditure on P.F.E.'s No. 1078-2582 and 1079-2583 covering ore siding and platform and ore storage and unloading	35,902.74

Durkee Famous Foods - Elmhurst, New York

23-14	Reconditioning one Redington Cartoner for shredded coconut	3,497.65
23-44	Relocating cooling units from No. 6 cooler in bulk shortening filling room so as to provide cool air for bulk shortening tempering room and install new amonia lines and valve	2,042.03
23-22	Install new bulk shortening high pressure filling line from votators to bulk filling station in basement for separation of bulk tin filling and bulk drum filling	1,218.45
23-17	Relocating and building new office for use of both Refinery and oil filling supervision and clerical staff	1,278.17

Durkee Famous Foods - Louisville, Kentucky

21-19	Purchase and installation of 32,500 lb. hydrogenation converter with accessory equipment	31,920.90

Mr. Alexander D. Duncan, Vice President, advised the directors that he had been informed that the price of towmotors was to be increased in the near future and recommended that orders be placed for towmotors which the Company desired to purchase, so as to avoid the increase in price. The matter was considered and upon motion duly made, seconded and unanimously carried it was decided that the Company should place orders for towmotors on a basis which would permit the cancellation of such orders if the Company so desired.

Mr. N. Betzold brought up the question of whether or not the Company should continue to use the formula of 80% cottonseed oil and 20% soybean oil, in the manufacture of margarine, in view of the fact that the price of cottonseed oil was favorable. The matter was considered and upon motion duly made, seconded and unanimously carried it was decided to continue the 80-20 formula for the present.

Mr. N. Betzold presented the proposition of manufacturing margarine under private labels, pointing out that fill-in business might be secured in this manner. The proposition was considered and upon motion duly made, seconded and unanimously carried it was decided that the Company should not manufacture margarine under private labels, in view of the fact that large consumer demand has been built up for the Durkee brand of margarine, a quality product, through national advertising. Mr. N. Betzold stated that it might be possible to expand the sale of shortening if it was manufactured under private labels for the chain stores and other large buyers. The matter was discussed and it was decided that the Company should do everything possible to push the sale of Durkee shortening, and not package shortening under private labels for any additional customers. The sale of Durkee shortening was generally considered and it was decided that Mr. L. Y. Pulliam and Mr. N. Betzold should report to the directors each month on the progress made in the sale of Durkee shortening.

Mr. P. E. Sprague outlined the whole settlement of the patent infringement suit which had been brought against the Company by Schering Corporation, which includes the securing of a license to make Progesterone for sale in bulk under the patents in suit on a royalty-free basis when the sales are made to the licensees of Schering Corporation and on a 10% royalty less a credit up to 2-1/2% on sales in bulk to other than licensees of Schering Corporation, a license under other Schering patents on the basis of a royalty of 7-1/2% and the payment of $25,000.00 in full settlement for all past infringement. The matter was considered by the directors and upon motion duly made, seconded and unanimously carried the whole settlement with Schering Corporation was approved, subject to the approval of the patent attorneys of the Company, and that if any changes are necessary in the proposed plan that the Executive Committee be authorized to approve such changes and consummate the settlement.

The Chairman stated that the meeting was open for comments by the directors relative to anything that they had heard or read which is new and interesting and might have a bearing on the activities of the Company. Mr. N. Betzold reported that the legality of the Canadian law prohibiting the manufacture of margarine in Canada was being tested out and that a decision should be reached very shortly; that if the decision was favorable the Company could engage in the manufacture of margarine at Toronto very promptly.

Mr. Dwight P. Joyce, President, reported that the construction at the Elmhurst plant had been completed under contract with the Kidde Company at a considerable saving, which was quite gratifying.

Mr. W. J. O'Brien, Vice President, made a report relative to the progress in connection with the reversion of soybean oil.

There being no further business to come before the meeting, same was upon motion duly made, seconded and unanimously carried, adjourned.

Clifton M. Kolb.
Secretary

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