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NATIONAL LEAD COMPANY

111 BROADWAY

NEW YORK

F. M. CARTER
PRESIDENT

December 5, 1935

Mr. F. E. Wormser, Secretary
Lead Industries Association,
420 Lexington Ave.
New York, N.Y

Dear Mr. Wormser -

When I wrote the enclosed note, I had not read the suggestions made by Mr. Easton. Having now read them, I like the points he brings out, but as it is too late to attempt a revision of my letter, send it along as your job.

Yours very truly,

F M Carter
President

NL 000040377

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F. M CARTER
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December 5, 1935

Mr. F. E. Wormser, Secretary
Lead Industries Association
420 Lexington Av.
New York, N.Y

Dear Mr. Wormser -

After reading the proposed copy of letter to Mr. Baldwin, together with Harold I tried my hand on it, and enclose the result.

Use it or not, just as you see fit.

Yours very truly,

F M Carter
President

NL 000040378

N 26628.01

Dear Mr. Baldwin -

I am taking advantage of your kind suggestion that I write you with reference to the substance of Mr. Lewin's letter of November 21 to Mr. Critchfield, in which he comments on methods of selling white lead. I am indeed glad to do this as I feel that Mr. Scroggs, who is referred to in Mr. Lewin's letter, apparently has a misconception of the manner in which white lead is sold today and why. I shall do my best to explain matters.

Like nails in a hardware store, white lead has always been an outstanding staple in stores handling paints and, in common with staples, generally has been handled on narrower margins of profit than apply to specialties. Lead in oil calls for no sales effort, is easily stored and handled and involves no obsolescence losses.

With the depression and the growth of keener competition between dealers, there developed a tendency, principally among the larger dealers, to make lead in oil a "loss leader" in order to attract trade to their stores. Naturally this practice tended to injure the smaller dealers and in order to correct this situation, the principal corroders, about two years ago, adopted a new selling plan under which the larger distributors became selling agents for the corroder who, in turn, controls their resale price. This plan has been most effective in insuring a profit to all handlers of white lead. It is far from being a "high pressure" sales policy. A dealer who only sells two or three tons of lead in oil annually can buy in quantity of 1000 pounds ~~of lead~~ and sell to the property owner on a 18 percent margin; to the painter on a 14 percent margin. With turn over and other advantageous features considered, this margin, while not "fancy", compares well with margins available on staple merchandise.

A large paint dealer such as a line yard lumber concern could qualify as an agent, receive an improved margin of profit which is insured to him ~~them~~ by a stabilized resale price. Everything is done to protect them as well as the smaller dealer.

In short, the situation has been so changed within the last two years that I am sure Mr. Lewin is referring to conditions of the past which no longer exist.

I am also told that one corroder is marketing lead in oil on a "gallon for gallon" basis and hopes to enable the dealer to make a profit even greater than usually secured on prepared paint.

I don't know where Mr. Scroggs got the idea that the reputation of lead and oil was ruined by paint contractors using "cheap oils and substitute turpentine". This is news to me. There may have been isolated examples but they never amounted to anything.

So far as the Forest Products-Better Paint Campaign is concerned, I am sure the white lead corroders do not expect any direct or indirect campaign by the retail lumber yards to sell white lead. Their primary concern has been to help save lumber markets from the damage caused by low-grade paints. They know their reward, if any, will come slowly but surely in proper public recognition of what constitutes a good paint. The more an unbiased person - a builder or an architect for example - studies paint, the surer will he reach our own conclusion, that the highest quality paint is either straight white lead in oil, or a higj-grade mixed paint, and that hige-grade mixed paint invariably contains substantial amounts of lead. Whatever can be accomplished to secure the wider use of such products will be reflected in greater prosperity fer the manufacturer and dealers in both lumber and all kinds of good paints. The use of poor paints promotes the use of lumber substitutes, which is detrimental to both interests but lumber is the greater sufferer. As a matter of fact, a lumber dealer could better afford to sell good paint at no profit if he thereby contributes to the permanency and development of his real interest--selling lumber. His maximum earnings in the paint department will always compare poorly with the possibilities of the lumber department.

As we are anxious to conduct the Campaign on a broadgauged basis, I think it important that all misconceptions be cleared up as they arise. I will welcome, therefore, any additional opportunity to give you further information on the subject.

Yours very truly,

Secretary

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December 5, 1935.

Mr. F. M. Carter, President
National Lead Company
111 Broadway
New York, N. Y.

Dear Mr. Carter:

I am enclosing a proposed draft of a letter to Mr. Baldwin about which we conferred yesterday, and have received some suggestions from Mr. Maston, which are also attached.

Mr. Maston says any corrections or changes you may make will be entirely satisfactory to him and that the reference to gallon for gallon white lead may be deleted if you deem it wise.

Sincerely yours,

Secretary.

NL 000040381

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Suggestions from Mr. Marston

Paragraph #4.

The profit on White Lead in Oil, while admittedly not as large as on prepared paint, is greater and more secure today than ever before. When the rapid turnover is taken into consideration it frequently happens that when compared with the more or less slow turning over of prepared paint stocks the net return is in favor of White Lead. Being a staple product White Lead does not require the same selling time on the part of a dealer and this, too, compensates for the somewhat lower return as compared with prepared paint.

May be inserted as part of Paragraph #6.

It is interesting to note that manufacturers of other building materials are stressing in their literature the fact that if their products are used no paint is required - - good or bad. They play up t[illegible]ing as a reason why lumber should not be used. Is it not fair, therefore, for the lumber groups to emphasize the truth, that good lumber ~~and~~ plus good paint make an ideal combination?