INTERVIEW WITH

JOHN G. BREEN
CHAIRMAN & CEO
SHERWIN-WILLIAMS

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INTERVIEW CONDUCTED BY

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WG: I'd like to start off by asking you about your biography. How did you come to be Chairman and CEO?

JB: I was recruited by the Board of Directors in the summer of 1978 and agreed to take the job in December of 1978, and started on January 15, 1979 as the president and CEO. We had a current president, Bill Fine, at that time, and it was agreed that he would become chairman for a year and that he would then retire. He elected to retire, and I was elected as Chairman and CEO. It was Bill's intention to leave as soon as he could.

WG: Tell us a little bit about your background -- your management career prior to coming here.

JB: I started working very early. My parents were both immigrants to the country, and were working people. My father left school when he was ten years of age by necessity. He lived in Scotland, and my mother, as it turned out, was from Scotland too. They were married in the United States in 1927. He came here at an early age -- 19, or something like that. He was a skilled carpenter and a toolmaker. He married at an early age, then my sister was born. I was second of five children. My father, like many other American people, was a great provider for his family, devoting his life to working for his children, basically, and not for himself or his wife. That's the way people were. We were raised in a strong family environment, and a Catholic family. I went to Catholic schools all my life. We pretty much were devoted to helping out at home, if you will, and that started at an early age because I was the only boy. I started delivering papers when I was seven. That was the first job I had, for the Cleveland News, which is now out of business. I think I delivered newspapers up to eighth or ninth grade. I started caddying when I was in the seventh grade because these were the post war years, and our school was on a half-day session. We went from 7:30 to 12:30. We were out of school at 12:30. I started at 7:30. The schools were crowded, particularly the Catholic schools. I caddied, starting in the good-weather months of the year, the purpose of which was to help out in the home. There were five kids. My mother was handicapped. She had a stroke when she was 38 years old, and it left her partially paralyzed from the waist down for her last 40 years. I did a lot of odd jobs. I worked in a plant nursery for a landscape company, and caddied. My father wanted his own land -- it was his American dream -- se we raised a lot of livestock -- steer and pigs, geese and chickens, and I got stuck with that which was a lot of work, by the way, particularly having to butcher them and sell them. It had to be done after school or early in the morning, and so forth. I got a job when I was 16. It was my first factory job at the Hillside Dairy Company, a member of the union. I worked there through high school. I went to work after classes. That became a source of my feed for the pigs and the chickens because /unclear/. I had an old jeep. That was the kind of environment I was raised in. I worked through that dairy until I graduated from high school. I started college in 1952 at John Carroll University and worked solidly through my sophomore year. At one time in my sophomore year I had three jobs. I was working much more than I was going to school. I had a full-time job at the Cleveland Pneumatic Tool Company; I had a weekend night job, Saturday nights from midnight to 8:00, Sunday night, midnight to 8:00, at the Hillside Dairy Company loading milk trucks for delivery; and I cut meat. I became a meat cutter at Hinans(?) Supermarket. I was a member of three unions. Then I ran into difficulty in school with respect to something new. The first courses in economics and accounting that prevented me from getting through as I had with the resource that I had -- I had gone to a good private boy's school. My learning curve on most subjects levelled out at the seventh grade. I didn't have to really study too hard my first few years of college until I started taking those kinds of courses. My style of studying was cramming, I realized, and I had told my father I had to stop working, and he understood. The problem he had was that we had five kids that were growing older, and education /unclear/ so he needed more help, not less help. I cut back to one job, and to a 30-hour work week at the dairy. I changed all three jobs /unclear/........... 30 hours a week................assembling bottling equipment. I was a cheap asset to them. I graduated in 1956 and went to work for the Ford Motor Company out in Sandusky, Ohio. That lasted until I went in the army, and was commissioned as second lieutenant in ROTC. I went on active duty, and came out in the summer of 1957. At that time it was an eight year obligation: six months active duty, and seven and a half years in the Reserves, or two years active duty. I chose the six months. Then I left the army, and I went to work for Leaseway, which was a big trucking company in Detroit. By the time I had met my wife-to-be, and I was nosing around in Detroit at the General Motors Building one day in purchasing. I was a young whippersnapper. I could not have been more than 22 years old. I talked to the purchasing agent. Was the accounting manager -- hauling cars around the country to new dealers. I said I better get out here, and I happened to be in Cleveland that weekend with some college friends. I was sitting at the bar next to a guy just talking to him. It turned out he was the training director for Cleveland Graphite Bronze, which was originally the parent company for Clevite. They offered me a job, and I turned the job down, and I was in the parking lot literally closing the door of my car and I heard somebody yelling my name, and it was this man. Fred Laffer. He was a training expert. He subsequently opened up a personnel agency. Those guys set up huge and extensive training programs. /Unclear/ and make these precision silver-plated bearings for Pratt & Whitney during World War II. All these bearings were made of silver, and they were extremely expensive. So he called me. I stopped. He said, "Where are you going?" I said, I'm going to work. "Oh, you've got to come back in -- why don't you talk to some other people?" So I did, and this time I stepped up a level and talked to some big shots -- the director of personnel, et cetera. They talked me into joining what they called their "training group," and being naive and young, I thought it sounded quite glamorous, so I joined it and subsequently asked to be taken off the program, or else I would leave because it was stupid. I did get taken off the program, and I had a job working in the /unclear/ department. We put in standard cost systems in some of our branch plants. Then I did a project for the personnel department on the issue of self insurance. Then the famous 1958 recession hit. We were down to working four days a week, and the training program was disbanded by the CEO. He was trying to reduce costs, and the department that I was in, we were doing projects, was folded up, and I ended up getting the job that I originally turned down in the parking lot, which was in the production planning area. By that time I had started going to night school. As a matter of fact, I went to night school since I got out of the Army at Case Western. I was on my way to getting an MBA. It was interesting. I'd say a few courses were interesting. It wasn't a very good school. I went to night school. I was married in 1958 -- I'm still married. I finally got the job that I had wanted -- the first job that I really coveted. I had put my oar in for it. There was a sales and marketing department, doing sales analysis and market research. Just like Bill Eldredge, I wanted that job because I liked doing statistical analysis and surveys and studies -- stuff I thought was pretty interesting stuff to do. I became a market analyst for the company, and I think I was about 26 or 27 years old. I was still going to night school.

[BREAK]

So, I got this job as a market analyst, and I was sitting there doing all these studies, you know, as you get into... I could even tell you about some of them, but... I did a lot of statistical and marketing studies -- and new product studies. We got a new general manager in the division. His name was Bill Cameron. Bill just did not like my boss. Bill was an instinctive person -- he was a World War II combat pilot. He was one of the first three-martini lunch guys that I ever met. He was just a tough guy. He didn't like my boss, who was a Harvard MBA, and he said, "I want you to do the study for the company on the electrodeposit copper foil market" which we had a new product we were developing. I said, Well, Noel just did it. He said, "Are you hard of hearing or something asshole? I want you to do the study." And was /unclear/ the vice president of sales, the director of sales and marketing. I was sort of on my own without the support of the department /unclear/. I did the study. It took me several months around the country in my Ford Falcon and airplanes. My boss believed this business would grow dramatically. The product was used for electronic printed circuit switches, which became the building block for all electronics we have, radios, Patriot Missiles. It was the beginning of TV in those days. I still wasn't very smart. I was inexperienced, and my boss subsequently got fired. He became an alcoholic. Cameron lifted me out of this department on the third floor -- a little office I had, and I was now going to run this business. I was 27, and he said, "You made your bed, sleep in it." The only other person I ever heard say that was my mother. I knew what they meant, but I didn't really know... It became very clear that the idea we had was sound, but the product was no good. A year later, unbeknownst to me, Bill Cameron was called in by the CEO of the company who had the patience of a worm -- he had none. He then called me into his office. I was in Philadelphia /unclear/ secretary /unclear/ everything. Then I felt weight of the world. He said, "Do you have any questions?" I said to him, I guess I have to move to Ohio." /Unclear/ just started. They put the plant down there because it had available space, but this product required water. I had had a hard time in high school chemistry, but I understood it. He said, "I don't give a __________ ____________ if you need to live in Minnesota, get the job done!" I walked out of the office. That's when I started. He didn't care. I asked him later because I travelled with the guy later on. We were taken over. I was with him -- he was the first guy I ever knew that drank Silver Bullets. I said, Why did you pick me? He said, "Because the company had an Eastern orientation. Most of the people there were Yalies, and we were not Midwestern guys at the top, and although he went to Dennison, and number two, there were no Catholics in the company and Bill Laffer, who is now dead -- a very bright guy -- I talked to him; he called me in his office to discuss Catholicism -- my Catholicism. He would say to me, "How can you be intelligent and Catholic? Scotch-Catholic?" He was a big guy; he weighed about 260 pounds, and was a roughshod guy. He used to relish saying, "I don't get ulcers, I give 'em!" He was just a tough, tough, tough guy. In the end he became my sponsor. I wasn't afraid of him. I had then in seven years' time had six bosses, because the project became successful. I kept changing my boss. I had six different vice presidents. The last one was /unclear/ back to the V.P. of R&D and the business was growing and I kept pushing it. I got on that horse and I started riding it, and I took the project to Europe, built the plant in Germany, built another, a second plant in the United States, one in England, and one in Japan. I did that by 1970. By 1970 I came to the United States. We lived in Germany a year and three years in England. I got into a lot of trouble with the boss, with Laffer, because I spoke up to him maybe a little too vociferously, at least on two occasions. He bought a company in England, which, very ironically, today, it was just today, this morning, is being shut down; because I still have contact with the old guys who run the business who I hired. And he called me and I said, Why did you do that? We don't need a plant... We have one in Germany. We don't need that technology." He said, "I didn't even ask your opinion. Is your passport in order? Get over here." So off I went. It was such a disaster. I told him it was. I sent it to him in writing. I told him what we should do, just purchase fourteen phosphorous grenades, put one on top of each electric cell, pull the pins, walk out of the building, and go home. Because it was a disaster. It was on the Mineries, in the Mineries on Royal Min Street, not more than

300 yards from the Tower of London. It was owned by the Rothschilds, they had sold property to the General Post Office, who were going to put a big phone exchange there. And we had to move it. The problem was it was built from the ground up on the fifth floor of the building that was probably built in the 15th century. All of the equipment had to go out one door. The only way to get it out, you have to take the roof out and hoist it out onto flatbed trucks and take it to Southampton. He received the communication and I received a telegram with an order to return immediately. I wrote a report. There was a British guy and a German guy. We were trying to build up our European business. They saw this business that was so wonderful in the United States that had started doing well, and they wanted to build up their territory. I made the mistake of telling him twenty times in an hour that it was stupid -- in front of his staff! The meeting was adjourned after I finally ran out of gas, and Bill Cameron, who had been my boss once, grabbed me by the collar and pulled me into his office and closed the door. "You can't talk to the boss like that! Go back to work! Keep your mouth shut!" So for 18 or 20 months I just worked -- I never got a raise, never got a boss. I was in limbo. I got a call one day. It was Laffer. "I'd like to see you." We're bleeding pretty hard now -- we're losing $3-4 million a year in the British plant." I then left Mary and the kids, and while I was gone the company was taken over by Gould in any unfriendly takeover. And the lawyer who I met then who had been brought in during the last minute who tried to prevent the Clevite takeover was Alan Holmes,

and he and Ralph Shea -- after the fight was almost lost -- then came up with a plan that satisfied the judge on the case. I met Alan then and in 1978 Alan Homes called me. He was on the Sherwin Williams board. I talked to the search firm, and took the job, and found out when I got here that the company had been for sale for two years and that they were unable to sell it. Morgan Stanley was hired to sell the company. They talked to ICI and BASF. We came here and went to work. The first day on the job Gulf & Western announced that they were filing their 13D to go to 25% of our stock -- they owned 13.4%. That morning I got up at the Stouffers Hotel and took a walk up to the Meeting Club. By the way, it was a bitter day. That was the winter that Jane Byrne beat Michael Balandyk and made the famous comment, "What are you going to do with all the snow? There's no place to put the damned snow! It's piling up." He said, "What snow?" And Jane Byrne jumped on his neck and beat him. She became mayor, but this was a bitter day, and I got in at two or three in the morning because of airport delays. I got a couple hours of sleep and got up and read the Wall Street Journal. I went to the Union Club to meet with her husband, and all the managers of Sherwin Williams. I suppose there were about twenty of them. I then started to create -- I didn't know anybody -- what I called "forums" to listen to what people had to say about what they did -- go through the process of being politicized by those had axes to grind, that took several months coming in, trying to make order out of what I thought was a lot knee-jerking of people around things I thought were not that serious. The problem of the company stemmed from the top. It went back to the '60s. I'm sure you won't disparage people, but I think Colin Baldwin... When I met Colin Baldwin he was on the board. He was a man of little courage. He was intellectually interesting to talk to. He interviewed me. I think he had a terrible inferiority complex. He stuttered -- he had a speech impediment. He was a man who clearly did not like the paint business and said so. You'll find an article in BusinessWeek entitled, "The Grass is Greener on the Other Side of the Road." In essence what Colin Baldwin was saying was that on the other side of the road -- this side of the road is the paint business, and the other side of the road are these other businesses. He then consequently marched in to buy Osborne and bought Spray-On. He bought the Maumee Chemical Company, and he and others made these investments outside of the paint business, none of which worked. So the lesson there was that if you are good at what you do, either the core business of the company and the core businesses is easily described -- It's where the intellectual property of the company lies. What the company knew was paint. But you know, it's interesting that they didn't get into electronics, but he went into these kinds of businesses. He took a company that was a widow and orphan; blue ribbon -- had been around for a hundred years; paid a dividend, had no debt, and by '78 had borrowed to the hilt and had no more credibility. During that period of time the core business deteriorated. That process probably started before the sixties, and the problem there traces to Steudel, who stayed too long. I don't know his exact dates -- I think he was in his 70's. My recollection is that I talked to a young guy at the time who was a messenger. He said there were two chairs out side of Steudel's office there, and two guys sat with their little black coat and black tie and hat on, and he would scribble notes at his desk, put it in an envelope, hit the bell, and the guy would trundle the message down through this rabbit warren of offices. Baldwin, I think, was worse because he closed the door. Maybe that's too harsh. Steudel continued the patriarchical style of the company: Cottingham and Martin. This top-down orientation of the company. Capital spending process was ridiculous. The Board was approving nominal capital expenditires they shouldn't have been involved with. Why were they doing that? because they don't trust Spencer. Spencer lied to them. Once you lie to someone... And they had a lot of problems with Spencer. Vic Holtz had said, 1) trust me; 2) commit to excellence; 3) really care about them in regard to coaching his players. There are a couple of stories that I've verified. One of the directors, Keith Benson -- Keith Benson was in his younger days a very effective and energetic executive, and Baldwin, I'm sure, was pressured one night at a bar or something and was told that he was going to be the CEO. Baldwin then without really preparing the board............ So it started off the wrong way. Spencer, when I was in Venezuela............ head of the family there............ appointed Spencer and that upset a lot of people. And Spencer became CEO, they weren't part of the process. It was a fait accompli. So it it started off the wrong way. When I was in

Venezuela, I was told by the head of the family there, I think I was with Bill Eldredge, there was only one American who we requested return to America. That was Spencer. He just couldn't get along. Personality was such.

So the structure of the Board was wrong. Cyrus Eaton said no lawyers were to be on the board. They had this company that was sort of like a cork afloat on the sea that had this potential, but it wasn't directed. Fortunately, the company had a good name, a good product, a good reputation, and lots and lots of good people -- at the field level, at the store level, who were honest. Sherwin Williams was a classic case of a company that was successful for a long time in spite of itself. There are a lot of companies like this. That's the kind of thing I found. When I got here, I wanted to have "forums." I didn't say we're having forums, but I had in my mind that I needed them. I also needed some disciples. So the first guy I honed in on was Conway. I was clean on Conway because he resigned. He showed me his letter of resignation to Gould. Conway was in the process of accepting a job at Fairchild. I knew they were going to be taken over. I had talked to some people I knew. Conway would get there, and then be out of a job in thirty days. I couldn't say anything. It was a rumor. I was stunned when he showed me the letter to Fairchild. I didn't want to persuade him not to go. He wanted to come pretty badly. I said OK. He came down in the middle of March. I wanted to start the process of teaching these people to be responsible for what they were doing. This room often had 3, 4, 5, 6 men in it, smoking their cigars and cigarettes, saying, "We ought to get $4 a share next year, you guys figure out how to do it." And the poor guys down there... Total acts of whimsy, as opposed to coming the other way and saying, "Here's what we can do, me and my team." "That looks pretty good to me." or "Let's go back to the drawing board." See, you had to reverse things. There were no teams. Len Ward said "What the hell do I need a personnel guy for? They just take care of the EEO shit!" That was Len's first reaction! So that's how we started the other phenomenon about the country that I thought was interesting was that it seemed like everyone was going to school. A very high proportion of people going to night school and weekend MBA courses. I thought it was kind of bizarre because you had people in the laboratories who were supposed to be working on new products getting MBAs and I found Mary Brodie, a chemist, VP of R&D who worked in the personnel department -- Somebody -- Spencer, I assume, had this intellectual bent that everybody had to go out and get this broad exposure to different areas of activity of the company, which is interesting if you're smoking and doing fine, but it is an intellectual thing that a college professor perhaps would promulgate. And I'd say, I don't understand it you people. I couldn't meet with somebody because he was in school. I said, What the hell is going on here? There were very few people that I fired. Very, very few. I think I may have had a reputation for it, but I don't really think I'm a ruthless person. I've been treated ruthlessly myself. It's not my style.

I don't like violence. I've never struck a person in my life. I've been on the receiving end. I'm not made up that way. But there were a couple of people that had to be fired because they're like Saddam Hussein, they didn't have any values. One was Tory Foster, an International guy. That guy's sitting in Brazil in 1979. He came up for that Union Club meeting, walked up to me and said he was taking a month's vacation. "Did I have any problems?" I said, Do what you want to do. If you need a month's vacation, fine with me. Take two if you want.

He wanted to get back in Cleveland. He was told he was in two years. So anyone that counts days, or has an assignment to the hour -- there's something wrong. He left a man in charge down there, Marty /Unclear/, who had been a controller and was a serious alcoholic. I found this out later. Marty was made general manager of Sherwin-Williams Brazil. He was a good person with limited capabilities, and abilities, but a nice man. Marty came up to a meeting. He was found comatose at Stouffer's Hotel. We got him into Rosewood Hall. Foster, who was still here then, fired him. I fired him that afternoon when I found out about it.

There was the Director of Auditing. I asked who laid down in front of the tank? In one of these forums. I don't understand who's the director of internal auditing. He was sick. An alcoholic, a nasty person who managed by threat.

A closet alcoholic. He'd come in here and lay down. You'd be doing financial analysis, here, without talking to Bill Eldredge, ahead of /unclear/ These were in respect to lease obligations. "Where'd you get this?" I'd say, God knows where he got it. He didn't get it from them. "Should be generated by them, and they should have left it up to you. This is crazy. Get out of here and go get your work done. Stop coming in here and giving me a heart attack!" That was what he was doing every day.

So you had to get control of things. I wanted to know what sales were every day. They didn't know. So we had to get sale reports. I wanted to know how much working capital we had. How much in inventory, receivables. I want to know that every day. Dick Beckhart ran our data processing. We were closing on the 14th day of the month. That was Victorian. I said, "We're gonna close on the 6th day of the month." "Why?" "Because we have to." "What are you gonna do with all this information?" "We're gonna be ahead of the wave by then."

So we never closed the books in the month of January. I remember sitting there asking, "How did we do in January?" "Well, we don't close January. We use January to close the prior year, and we close January and February at the end of February." I said, "No, we're going to close January this month."

And I bootlegged a lot of stuff, too.

Last year, this month, last year, this was this year. This is what you said you'd do according to your plan, what it is year to date, and what it will be for the rest of the year. Why? Because people are educated and schooled in system of no surprises. Nobody likes surprises. So you go to school to think and solve problems to avoid surprises. Good and bad surprises. I said, "I don't like surprises because the financial market did not like surprises, and stockholders don't like surprises." We have to get these surprises down -- we'd had two fourth quarter surprises in a row, that ended up getting Spencer fired, because they were estimating their gross margins. Then they went to take inventory and, "oh-oh -- they're not here!" Boom! Big hit. End of the year, you're out of money. I hired Tom Commes. Tom was the second disciple. Conway was great, and still is great, because he could pound away in a meeting. I pounded away because I was boss. You had two sides of the table. The corporation side and the division side. I had always been on the division side of the table, and I wanted the division presidents to close ranks. They didn't know what that meant. They came in with arms held and these bastards aren't going to punch through. Once he punches a hole in this dike, Pandora's box, he'll find out what is going on. And I always tell my guys, keep your mouth shut, I'll do the talking, don't break. We're going to go in and handle these idiots today. That's how I used to do it. Go in closing ranks.

Len Ward was the first guy to learn how to close ranks. He was stiff, like he was in rigor mortis. These monthly meetings were instructive. Sometimes you'd come out of them and somebody would have their feelings hurt. You tried to be sensitive, but you didn't know what role they played. It was difficult. Conway filled that role. He's a father confessor. Soothing. He became a confidant. People trusted him. Art Maine was vice president of personnel. We kept Art. So we moved him off the floor, and down into another wing so that people wouldn't be embarrassed if they wanted to go in and bear their souls to the personnel director.

Tom Commes came in and Tom was a guy I had heard of before. I met him once at Gould. I met him on the way out. He came down to talk to me. He was troubled. He was leaving and he was asking what he should do. They guy who was president of the company was a consultant at Booz Allen. Tom was assistant corporate controller, at the time. He was sent to go down to Cleveland. Anyway, I remembered him. Because he had the courage to quit. And I knew he went to WT Grant. I called a guy who I knew knew him. I said, "Whatever happened to that guy?" So I called Tom. I said, Do you remember me? I'm going to be in New York. Why don't you meet me at LaGuardia? (I was going to meet with Bluhdorn.) "Sure." I met him and hired him. He and I didn't negotiate. I said, here's what I can pay you. He was looking at vice president and corporate controller. He had gone from Grants, which had been in bankruptcy, released by the judge. Then got at job at Saks 5th Avenue as vice president and controller. So he had been through a credit-induced bankruptcy. And that is what we were faced with. So he joined. They didn't know each other at all. Another guy without being hired or invited was Dave Fuente. He arrived, from Gould. I'd hired him out of business school. He was a professor at Case Western Business School. I had lured him 1973 and then left the company.

I told him I can't populate the place with Gould people. Bill hired a bunch of guys from Sears, and I hired a bunch of guys from Gould, and for two years the people were going around here in a funk saying, "You have to be from Sears or Gould to get promoted." We got over that.

Dave showed up one day and said, "I'm here." I hired him for the same amount of money he was making at Gould. Len Ward needed a vice president of marketing, and he hired Dave. That got Dave started. Dave subsequently ran the stores left us; now is CEO of office /unclear/. So those were the starting people. We had Bill running the stores, Wendell Gillund was running the Consumer Division. We let him go a little while, a year or so later. The problem we had was we had good people who were long service people. The problem was being so close to the past, and some of the people. There were ties. You make mistakes because you make changes. Three or four years later you're back to where you started. A person may have been action-oriented, enthusiastic, and so on, so you make these mistakes. But I tried to keep people, and encourage them. Where we had basically not so good people, or sound people, or people who could be trusted, we separated. As gently as we could. We paid them and got them other jobs, and they landed on their feet. It wasn't their fault.

WG: Were you feeling cost pressure to get rid of people?

JB: They had already started a cost reduction program which became infamous in 1978. It was knee jerk reaction to what they had to do. Their response to cost reduction was to close the factory in LA. They closed the store with it. "Why you'd do it?" "Well, we closed the factory here." "Well, I know but you closed your distribution down." Close the store, you've lost market share. You're not going to get into LA by snapping your fingers." They were going through a lot of things like that, knee jerk reactions to cost-cutting which weren't handled as well as they should be. But it was ongoing. And they had taken out some costs. We had salary freezes. We had taken some punishment that had been started before I got here. What I tried to do was to make it a little more focused and coming from the operating people.

The easiest thing to do is lay off people and cut costs. The hardest thing to do is sell more. We faced that bridge in the first recession of 1981 and 1982, and I sat in the board room with all the guys. I said, "Why don't we agree now that we aren't going to lay anyone off?" Bill was here. I did that. In 1974 at

Clevite they didn't lay people off. So, they couldn't do it. Products weren't ready and quality wasn't good enough. The links in the distribution system weren't strong enough. They are now, but they weren't then. We swallowed hard, and we got hurt. The thing that saved us, really, was Gray Drug. We got lucky. We turned over a lot of people in that first twelve months. As it turned out, we turned over half of the top one hundred jobs, and as it turned out, half came from the outside, and half from the inside. It wasn't designed that way. Half were turned out.

It was needed, I think, because over the years, if you look back at the company, I couldn't find any evidence that anyone got rewarded for doing good work, or fired for doing bad work. I didn't see it. I would say that to these guys in the meetings. I'd say, "You know what? The survivors are still here, and the survivors will tell you what they think you want to hear. God damn it! Don't ever do that to me! Tell me what's wrong so that we can deal with it. If you tell me what you think, I want to hear -- you're going to make a mistake. Don't do it, because I know you're out there somewhere." I'd tell them that -- not to frighten them -- just to tell them. We're going to be out here five years from now, and we'll think we're doing great, and we'll be sinking, you know, because we didn't fix something I thought was taken care of. That's what you do as CEO. I don't sell any paint up here. I don't know paint. What I think a CEO does is to create an environment that allows people who have a sense of responsibility to do what's right and to be responsible, and to create an environment that motivates people to work. You control the process by asking intelligent questions. If you can't ask intelligent questions, you'll never... There's nothing you can teach.

So I've always said there's more teaching that should go on inside a corporation that goes on inside a university. I think that's true. It should be that way. If you've been on the receiving end in your career, you know that anybody who has a few quarts of red blood in their veins doesn't like to be told what to do. I never wanted to be told what to do. Americans don't take orders easily. I manage by saying, "I'm never going to tell you what your budget should be. I'm never going to give you a number." I've never give a number. Now, we've gone back and encouraged them sometimes, "Do you think that's enough stretch here? Are your early sandbagging?"

The basic process is to listen, and to ask good questions.

WG: Had that been the management style of Art Gould?

JB: No! I developed it because of my experience. I was a plant manager in several plants, and I remember the visiting firemen coming down from Cleveland, and God knows where, and you'd be running around like a chicken with your head cut off, polishing everything, and getting ready. Then they'd ask you a couple of questions, and go home.

People don't like dictatorial fiat, whimsy, or arbitrary decisions. People don't understand arbitrariness. They don't understand unfairness. They don't understand lack of common sense. That's what government and organizations do. Hopefully you'll do less of it than someone else, or less of it than before. You'll never be perfect. That's why I've always refrained and given people the benefit of the doubt. I've tried to walk in their shoes. What are they thinking about? My basic thought has always been that most people want to do what's right. Man, by his nature, is not intrinsically evil. I don't believe God created evil. I think he created free will, but not evil, because that would say that man, by his nature, is intrinsically evil, and I don't believe that. I think man is intrinsically good. By man, I mean the generic term. I've always based my thinking on that. I got that in Thomistic philosophy at John Carroll University in 1953-1956, and I believe it. But if someone says they're going to do something and then they don't do it, you have to hold them to task because we rely on them. What you've developed now is what I call the corporate partnership. You're in the same boat, and you depend on each other to row and bail at the same time. If someone comes in and doesn't make it, because he made a mistake, or tried hard, or whatever, that's different. But if somebody comes in and hasn't done their homework, that's different. It is a breach of loyalty to the organization. The other thing I believe in, too, which was hearsay around this place was "Don't give me this stuff about everybody being loyal to the company." I don't believe that, and

I never have. People are loyal to each other -- to their friends -- to people who have helped them out. That's where loyalty lies, and that's what is important. In a corporation, the veneer of good will is so thin, you can destroy it quickly.

WG: What you've described as central to the turnaround here is a new management style -- a new team...

JB: We went through that. Systems stuff is interesting. We went back and cleaned up all the accounting. Here was our stores division which had reportedly lost $48.5 million in 1978. All accounting: Between consumer and stores -- one division screwing the other. Internecine warfare. A classic American management problem -- inter-divisional crisis. Any time you have manufacturing divisions supplying other internal divisions, you're going to have endless war about "how much does that guy get charged for what I produce?" and "Where are you going to show the profit? There or there?" Oh man, you talk about wars! Finally, five years later I said, I don't want to hear any more. I'll kill somebody! I don't want to hear it! Tom Byrd and Carl Bellini finally go together and started to work profits into selling paint. It did not make any sense to me that we would have a factory in Atlanta, and not be competitive in Atlanta, as opposed to Florida, where we have to put in a truck in Gainsville and ship it. The next thing I knew we had special prices for the stores in the cities where we had plants. There was such an amount of energy wasted on that battle!! I'm looking at people arguing, wondering, as the new person, which one is the $3 bill?

WG: I have questions about G&W.

JB: That was one of the crucial things that happened. I got here, and the 13-D was filed, the Hart Scott was filed that morning and I said, Oh my God, 25% more than enough for a blocking position. This could be a battle of attrition." Of course, his problem if.....

We figured he'd green mail us, or put the company in play and he'd get his money out of it, which is what he did.

WG: He didn't want to add it to G&W?

JB: I don't think so. He would have, but Charley was an asset trader. He was a sixteen year old commodities trader. He was an Austrian Jew. His mother got him into this country, and raised him. Buy low, sell high -- but I was told by the board... I was never involved with a takeover. When we were taken over, I was division president -- I was just watching.

I said, "Where's G&W?" "No problem." "How much does he own?" "6.4%." "Oh really?" "No problem." The first day I arrived I got worried. No one was tracking the trading of the stock, and no one had ever talked to him! And he was the largest single stockholder of the company, so he was entitled to have someone talk to him. And three, the largest owner of stock was the employees of the company. The employees stock purchase and savings plan owned almost twenty percent of the stock. Here is a company being taken over by a guy who doesn't understand anything about the company in the last one hundred years! Where the hell is the faith? Where is the pride? Come on! It wasn't there. So I went up to see him on the third day with Bill Fine. I met Bill at the airport. I was living in Chicago still. He came from Cleveland. We got into a cab, and we were going to Central Park South, or wherever it was, and I said, Bill, you'd better be prepared for this guy because he's going to be mad as hell! I started on like a Tuesday or Wednesday. We were in Chicago on a Friday to see the Chicago paint plant. They took me in there to the training center were people are taking a course by some consultant on army survival training! I said, "What is this? Is this a game?" "Well, we're teaching them cooperation and teamwork." "You've got to be kidding me!" No, they were serious. I said, "Are you crazy? The consultants have taken over! Get this shit stopped now!" Chicago was a nightmare. The factory was built by Spencer because they had available land. It should have been built in Indiana -- a right to work state. It was a complex nightmare. The city of Chicago had labor problems. We were in a horrible neighborhood -- you couldn't believe it. Chicago was a big part of Sherwin-Williams assets. We had more people employed there than in Cleveland. I often wondered why they didn't have their headquarters there. But they started here. We held a press conference. In that conference, a reported asked Bill Fine, "What are you going to do about G&W?" "We're not worried about G&W -- the anti-takeover laws will protect us." The next morning I see that in the Chicago papers! Oh no! I didn't know what a press conference was! I had never had one. I didn't know reporters write down everything you told them and then embellished it. I said, "Bill, you better be careful. This guy is going to be mad!" We got in there, and there was a Jewish lawyer there named Larry Levenson, who had been Lyndon Johnson's assistant at 28 years old. We went in, and Fine was sweating profusely down his face and through his jacket. Bluhdorn lectured him. "Do you think I'm stupid? Do you think that I've never taken over a company? Do you think I don't understand anti-takeover laws? Who are you to throw ridicule at my company?"

I looked at Fine and saw the sweat break out on his face. I got out of my seat and walked over to Bluhdorn and I said, "Charlie, you're not talking to Bill Fine. I'm the CEO of the company. You'll have to talk to me from now on."

He stopped and turned to me. "Oh, well, Larry look what we've got here!" I was nervous, too. I had never been in the den with the wolf before. That's how we started. I said to him, "Listen, if I believed everything I read about you in the newspaper, I'd have packed up....."

Then I met him religiously once a month, whether he wanted to or not. I'd call him and say, "I'll be there tomorrow morning." He'd say, "No, don't bother, I don't want to talk to you. We're doing fine. We want to keep our position in the company." I said, "You've got to sell the stock; I'll be there."

The problem then was the more you went the more he liked you. Then I knew I had a problem. So the last meeting was in October. I had Allen Childs, our lawyer, with me. He was such a con artist and an actor. You could see the Statue of Liberty from his office, and he would pace in his office and talk about the American dream. He said, "You want to take this away from me." He would just go on and on. You just had to wait him out -- listen to him, and humor him. So we asked Allen to leave the office. Bluhdorn really put on his charm. He put his face right up to me like this -- he held me -- he wouldn't let me go, and he said, "I just want to ride with the stock." I said, No. He said, "You don't like Jews." I said, "Charley, you don't understand. I did not come down here to close the books on the Sherwin-Williams Company. I've come here to buy the stock. I can't run the company because in every quarterly report on the Wall Street Journal, the last paragraph says, "G&W owns 13.4% of stock, has filed a 13-D. What's going to happen?" It's a sword of Damocles over this company's head. I can't go out and get the people we need -- generate the enthusiasm. You're a gray cloud hanging over us. You have to go!"

So he walked back to his desk, and pressed his buzzer. He sat there and had his hands like this. I learned he had cancer. He said, "Larry, it's not like I've never done this before." You have to be careful legally that you aren't intimidating or threatening. H said, "$35 a share." I said, "Whoa! Wait a minute!" Then he started in all over again. "You come in here...." I said, "Clearly we're not paying you $35 a share. I don't have the money!" So he started over. He said, "$30." I said "No. You're not anywhere near what we're going to pay you!" So he said, "Well, what <u>are</u> you going to pay me?" "$25 7/8ths" -- the trading was around 27. He said, "You're crazy!" I said, "No." He said, "How did you arrive at that number?" I said, "It's a price that is lower than our high for the year, so I'm not making new ground with the offer. And it's a price higher than..........."

We haven't had a dividend for seven quarters so the premium that you're getting (which turned out, I think, to be a 14% premium).....

And then he said, "No" and went into a routine. Finally, Larry Levenson was sitting there and said, "Come on Charley." Where upon I got up. He had an elevated desk. He was about 18 inches over everybody. When you sat down you were looking up at him. He had a big Italian Rennaissance type desk. I walked up the side, and grabbed him by the hand. He stood there. That's how we got the stock back, I think. Then we became good friends. He'd call me every quarter or so and go into a fifteen minute monologue. I'd put the speaker on, and let the guys listen. He'd go on and on about how I screwed him. Because the stock today -- it was 2.70 and it is now at 39. He bought it for less than $3 a share. It was a hell of an investment. It was great for us. It removed the threat. It was a great psychological boost. The issue was we could win and lose. Turn the company around, and someone else would benefit. Just to put things in perspective, when he bought the stock, our market cap was $100 million. We had 500 shares outstanding. Stock was $20 a share when I got here. In the first year we generated $100 in cash. So we would have gotten it for nothing. Now, he wouldn't have done what we've done with it. He'd have stripped out the assets and sold the name.

We knew then we'd removed that psychological barrier, and could feel much more confident. I didn't want to be taken over. I've been through it. I've seen what's happened. The whole leveraging up of America hasn't created a job or improved competitiveness. He told me I could have made a lot of money personally, but who needs it? I'd make a lot more money staying here and building a company, but I thought it wasn't fair to the people, and I didn't want to be seen here as cashing out.

WG: I'd like to hear you talk about the company's strategy. The company is very focused on coatings. When you came in there was a lot of gloom and doom.

JB: It took us a long time to see that we shouldn't be in the chemical business. We had a couple of niches, but when you add it all up, all the money that the company had spent in 1966 until then and what we had was very little to show. We had less than $100 million in sales, and we should have a billion, for all the money that was spent. A lot of mistakes were made. There was an awful lot of time spent by a lot of people away from the coatings business. They changed the logo, and I'm sure that part of the rationale for changing the logo was to say, "This company is more than a paint company." Maybe the guy believed that. Maybe he said by changing the logo, I'm going to change the company and my problems. Your problems don't go away when you change ad agencies.

The logo was an important issue here for a lot of people who were long service employees. I remember walking out of here, and one of the secretary, Mary Toma, she's retired now -- she was a dedicated, loyal, hard-working, single woman who worked for these idiots -- about ten of them -- in her career. She was tough. She never said anything. The way she was raised, you keep your mouth shut -- you're just a dumb secretary -- we're the executives. But boy oh boy, out it came! She talked about that logo. She was hurt by what he did. I started talking to others. I saw Laffer do this at Clevite.

Another little story... When I came here, we had a board room. We didn't have any meeting rooms. I asked to use the board room. I asked where it was. I asked for the key. Mary Toma was keeper of the key, and the board room had never been opened except for board of directors meetings. I called it the "inner sanctum." You went in there and it had all these bloody pictures of all the previous CEO's. I could have done the old parade grounds routine -- stripped off the epaulets, and removed the rank. I could have made a big show and said, Take these god damned pictures down! I let them stay. About five or six months later somebody said, "Why don't we take these pictures down?" I said, Except for Sherwin and Williams, they were the last two guys with a good idea. That's how it was. Mary wouldn't give up that key! And the next problem was how to get food in that room! You couldn't get sandwiches or coffee in there. We were going for eight, ten, or twelve hours, non-stop! We finally got that sorted out.

Gray Drug finally sorted it out for us. We got a call from them -- Jerry Wernberger. We thought we were such smart asses, we went over to talk to them -- it was a no-brainer -- just go in there and turn it around. All the kinds of things we were capable of doing. Well, we did that, and it still didn't work! It didn't work because we really didn't understand what the heck was going on in the industry. It was changing dramatically. Supermarkets had pharmacies. The real core of drugstore business was prescription drugs, and now you could get that anywhere. All that was changing when we went in. We weren't industry experts. We didn't know what was going all with all these underlying changes. We went in there to shake, rattle, and roll for about three to four years, and finally, in exasperation, I said we had to get someone in here to tell us if we can generate enough capital to dominate two businesses. We're never going to be satisfied to be in the damned drugstore business unless we can dominate it. It was a sign of the times -- Reagan -- anything goes -- being dominant is put back into the business vocabulary with the decline of the antitrust laws. I said we have a chance to dominate the paint business if we do it right -- but can we do both? I knew the answer was no. I had a study done. Had to bring Commes and others around. Then nobody wanted to buy it. We could have sold it easily early on. The lesson is, when the phone is ringing off the hook -- sell it. So, we finally got out of it. We made a little bit of money. I said, that's it! No more screwing around! We're sticking close to our knitting. We're going to go in, dominate, and grow. That was 1986. Concentrate on the business! We started opening stores in 1984-85 slowly. In 1986 things accelerated, and we started building stores. We acquired Dutch Boy in 1980.

That is another story. A group of people wanted me to agree to allow them to take Sherwin-Williams branded goods into what are now referred to as home centers. The rationale was Bill Eldredge is a weak guy, and the stores are all screwed up, and they're not doing anything with the brand anyhow. We're the macho guys in this company. We really know the paint business, and this is a niche we can go into -- It won't bother the stores or interfere. I said, "Geez, it seems to me about six or seven years ago we did that. We took Sherwin-Williams out of the dealer market. Why do we want to do that?" They kept coming back by attacking the person as opposed to coming up with logical answers. I said go out and buy Lucite or Dutch Boy. "They're not for sale." "They're going to be for sale! Go get another brand!" I think that was one of the first decisions I made that came down on the side of the stores. That was in 1979. Conway, God bless him, he did. He went out and contacted DuPont. They said it was not for sale. He found the Harvey Brothers which owned Dutch Boy, which had previously been owned by National Lead, but who had gone out of the paint business. These guys didn't want the paint company. We bought it cheap. I think we paid $4 million for it. We bought the inventory on consignment. It was losing money -- they didn't want it. We bought the brand. We made a huge number of mistakes trying to get it right to build up the external marketing, so that we had Sherwin-Williams going to our own stores and external brands going to the rest of the marketplace. Our reasoning was that you could buy paint in 100,000 outlets in the U.S. All the market research that I had seen showed that if you added up all the Sears stores, K-Mart stores, paint and wallpaper stores, dealers, et cetera, at that time we had about 1,400 stores. I said, 1400 over 100,000 -- there's no way we're going to be dominant with only 1.5% of the outlets. We have to get more distribution -- more outlets. We need another brand. We have to have a brand that will go to dealers, mass merchandisers, and home centers. So that's what we were trying to do. We didn't have the right kind of people in there to do it.

Tom Byrd was running the division, and he had had a running feud with his boss, Ted Hopkins, group vice president. He allowed Tom Byrd to bring into the Consumer Division other things that had been separated. He got the business so complicated that I couldn't understand it! He was off in 9000 different directions! He was a bright guy -- he was a young guy, too. I said, Tom, you've got to take this stuff out. I had sold the chemical business a year and a half before, and retrieved Frank Butler. I liked Frank; I thought he was very bright, and was a good manager. He acted like a Kansas farm boy. I put Frank in as a vice president of operations as a backstop. I didn't think Tom would stay stable. You have to get costs down, and separate this stuff out, and control quality.

I took him out, and put Frank in, and we started doing well. The brands were there. We needed to get good people. We had to target the rest of the market because it was the only way we were going to gain marketshare. We could do it through the stores, but there were limits. If we went back to the heyday of the company and had 2500 stores, it was still 2500 over 100,000. You're never going to be able to be dominant with a 30-35% market share.

Budweiser -- King of Beers. Because the government is not going to get in the way. That's why we acquired Dutch Boy, and why we tried to acquire Olympic. We wanted that badly because we thought we could do a lot with that brand. We acquired Krylon because that fitted into the aerosol business. We needed a line of goods to compete with Rustoleum. Now we were looking at other companies that have brands because what you're buying really is the consumer franchise.

It surprised us that when we did focus group studies that Dutch Boy, in spite of the fact that it hadn't been advertised in years, was still the third best name brand in the paint business. So there was a lot of latent recognition in the brand.

WG: So the opportunities are really there in coatings?

JB: I think they're there. We have to do more in the industrial maintenance piece of our business, we're probably tied for first in terms of market share in industrial maintenance, we're lower there than in architectural products. Another part of our business is chemical coatings. We're smaller there.

WG: One of the things we've talked a lot about is the past. What are the challenges now facing Sherwin-Williams?

JB: More and more we have to be cognizant of the needs of the community in which we operate. On the front burner of the nation is the environment. I'm personally a very strong environmentalist. I've put a lot of personal money into conserving marshes and wetlands. The laws of a country change -- the mores change too. We have a lot of problems today that are not of our making -- problems that were really nobody's making. Nobody intentionally did these things. It was the state of the art of the business. It was the state of the art of the industry, and products were the most advanced available. All these things have changed. This has to be done intelligently. We've been so radical in some of these changes, and we're sitting on the largest deposits of coal in the world right here in the United States. We have to get a coal fired energy plant today, but it takes ten years to get environmental approval. We're literally climbing up inside of ourselves, and everybody is suing everyone else -- it's a self-destructive process. We have a responsibility not to be /unclear/ in our attitude toward our environment, communities, employees, and other interested parties affected by the company. I think this is a new attitude in the country. The United States has a grand opportunity to re-orient our national priorities. I was watching people demonstrate the other morning anti-war demonstration. A man was being interviewed, and I agreed with him. He talked about re-orienting the nation's priorities. The interviewer put the guy down saying he was unpatriotic. But the country has to change. It has to be grown wholesomely and competitively. We've gotten to the point now where we've beaten ourselves up so badly that we now think there is something wrong -- there is not! We still graduate more people from universities. I heard a statistic the other night that 50% of the graduates from U.S. universities are women. The comparable figure in England is 2%. We're not that bad! A lot of people have become disinfranchised. We have to stop closing plant, and doing things that hurt people. Our company has to do it. We want to say we're America's paint company -- that's a mouthful! What the hell does that mean? I'm sure that to people running the stores it is....

That isn't being America's paint company -- it's like what I said about Lou Holtz: Winning football games at Notre Dame is not a matter of control. That says you have to be responsive to customers and be responsible for what you do. What I find, invariably, is you get sued. Somebody is unhappy, and it isn't what we did, generally, that's wrong, it's how we did it. I say to people, "For God's sake, why did you do this?" You cannot, today, be Humphrey Bogart or Jimmy Cagney. You can't just go blow somebody away. That's not a lawful process, you know. You have to get with it. Not to get overly rude, but the country starts literally climbing up its own rectum. You have to start getting responsive and sensible. If you've done things that are right, and you're standing on solid ground, you can fight to the end. We have a changing environment. We've got the right to know laws, communities that are sensitive... What are we doing to the air? What are people doing inside that building over there? This thinking is foreign to the way we've about our responsibilities as corporations in the past. It just is. And I've seen some of it. I've done some of it! I've turned my back on it -- not here, but in my younger days. I talk to my kids -- particularly the two younger ones -- that is very, very helpful. Too often I'm sure at the Stores meetings there were people who were offended. . . entertainer Susan Anton. I didn't know her either. I didn't think she was worth a damn, but I'm sure that there are people who thought she was great with her long legs -- she was in her 40s. It's so hard with Americans. We're just a big melting pot of mongrels, and it's awfully difficult to run an American company because of that variety of ethnic backgrounds -- white, black, oriental, islamic, catholics, protestants, and so on.

PE: Do we have a company culture?

JB: I think we're getting one. I don't know if we have one. You have to try to do things to develop a healthy culture, but what I define as a healthy culture others may not necessarily agree with. Now they may think it, and as soon as your back is turned....

I have very strong views about honesty. And I told them that when I came on. This would give me trouble today. I told them that "I don't believe in tomcatting at the doorstep. What the hell does that mean?" "I'll define it for you. I don't believe in chasing women inside this company, and if I find somebody doing it, you're going to get fired! Take me to court, sue me for affirmative actions -- I'm still going to do it." The reason for it is that when things get rough and the business isn't working right, people come down on the people /unclear/ who are /unclear/ -- look at the politicians -- /unclear/ -- something wrong with them. /Unclear/ person is a bad person. Anyone who would do that is not intellectually honest. God damn it! We're not doing that around here. I don't care what you do at night, but don't do it inside the company. We had a couple of instances. People said we have to fire the guy. I said, fire them both. They said, "We can't." I said, fire them both. It was over in the Stores in one case. We had a case in Chicago about two years ago. There was a female auditor -- a college graduate -- auditing a store. After work she and the store manager -- who was a male and her boss who is a male supervisor, and the district manager would go to dinner, which lasted until 2:00 in the morning, at the company's expense! So they're entertaining each other -- not customers! And the auditor goes to bed with the store manager. The store manager gets up, gets dressed, and goes home. His wife says, "Where have you been?" He's all disheveled. "Well, I've been sleeping with a woman tonight." The wife goes down to the store and goes after the auditor and verbally and physically attacks her for ruining her marriage!

So, they're consenting adults, but we have to get rid of the store manager, the auditor, the district manager, the audit supervisor. We did get sued, but we won. It just made the point. I think intellectual honesty is crucially important because managers have to know they have limitations and they are some things that they just can't get done. But when they trick themselves into believing, you know, that they start fantasizing about their business and their people and so forth -- that's crucially important to our company. Trying to be consistent is important in what we do. If you're consistent people know what the hell to expect from you, then people know where you're coming from. Consistency might sound basic, but it is very important. If we want to be America's Paint Company, we have to do things right.

WG: A lot goes back to the Code of Principles.

JB: They don't change, those things. You look at Cottingham's works and some things people said, hell, you think you're in 1990. It doesn't really change. People's real values don't really change -- do you trust me? Are you committed to excellence? Do you really care? What's new? How does a company do well? By developing good plans and implementing them. That's hard to do. First of all, to say you can develop good plans is one thing. I've seen companies that can develop plans but can't implement them -- they don't have good operating people. Or you have good operating people with no forward thinking or planning. They just never achieve their potential. But to put the two together takes people and thinking. We hate to lose! We have a competitive spirit. Losing is not rewarded. Losing is not rewarded in the world. It is not the NFL, but outside of government where does losing get rewarded? It is the only institution I know of where we reward failure. Not in school, not in the home. You don't get rewarded for bad earnings. Stock price goes down. We live in a performance-oriented world, and right now, it is becoming more performance-oriented than it has ever been because you have intruders... We've done a lot of talking. I've been rambling around a lot...

WG: No, this is good -- it's giving me a perspective. It's interesting to talk to you and get an overview rather than the step-by-step details. What philosophically had to be done?

JB: I've always tried to say keep going -- don't stop. I know it hurts, and your feet are sore. When there are six miles left in the marathon, you've just got to keep going. I tell that to my wife a lot if something gets her down about the kids or something. You have to keep going. What are the alternatives? Well, okay, let's get drunk tonight and cry about it. Let's go start putting stuff in our bodies, and all the kinds of human frailties that lead to problems and the breakdown of fibers that hold families together -- that hold the state, the government and countries together. Pressures are so enormous now in some sectors of our society; principally blacks and minorities. They are disenfranchised. Their role models are gone, or they are the wrong models. We can fix it. I'm not discouraged, but the problems that are hard to fix are fundamental, and these are fundamental.

If you guys want to come back and go over stuff, that's fine.

WG: Actually, we would. The way this is sequenced is we are writing up the anniversary history first.

JB: What's lacking is facts and names -- who did what. If you're interested, I can tell you that.

WG: No, what you can give us is a unique perspective from the top of the mountain.

JB: I was over in Germany when I was put in limbo and got called back. I went over because the German company was being run by a German hierarchy. We went into these geographic management structures -- you know, Sherwin-Williams Japan, Clevite-Europe, and stuff like that. I came back and wrote it up. Laffer took my report and underlined it in red, and sent it to the German guy. I was going back for my follow up visit. I was 31 years old. I landed in Basel airport. There was nobody there. I waited around for an hour, and then I called the plant. "Now, we can't come and get you." That was a sign, I said. So, I get there, off the plane -- I was tired. "Dr. Siler wants to see you in his office in Frebourg." We were in the country, so we went in to Frebourg.. He was with his assistant -- a Ph.D. in accounting -- Dr. Robert Hagemann. He puts the report down, and I see all these little notations in the margin. He had a big temper! I said, Well that's true! I was stupid! Finally he said, "You are a hatchet man from Harvard!" That was his view of the hot blooded American turk! I didn't even go to Harvard! I remember saying that to him. Then I started to learn there are some things you keep quiet about -- they didn't talk to me -- they gave me the silent treatment. I didn't win them over. I'd attacked their hierarchy. But, I had won their people over.

We went to Russia selling! It was 1965, and some of the Stalin guys were still there. It was winter. I was back in the States. I went in on Swiss Air. I didn't have a lot of feeling about the country. I remember going into the foreign trade office that morning to meet with the secretary named Mrs. /Unclear/. She was a very nice woman -- she was a mother. She said, "Your head will freeze -- you must get a hat! Your head will freeze, and your eyes will freeze!" It was bitterly cold -- there was a wind chill factor of -56 degrees! She took me down to the hard currency shop, and we got a fur hat. I had that hat until the day I came here. I was at the Holiday Inn in Chicago on that Friday, and they stole the car with my suitcase, my briefcase, and my hat.