

THE SHERWIN-WILLIAMS CO.
117 CANADA LIMITED

SIGNIFY LIMITED
VICE PRESIDENT AND MANAGING DIRECTOR

File Ref: L. 3-6

Montreal, Que.
May 29, 1953.

Mr. D.A. Merson,
Vice-President,
National Lead Company,
111 Broadway,
New York 6, N.Y.

Dear Dave:

When you were in Montreal several days ago I mentioned rather casually that the recent experiences in connection with the Carter White Lead Co. sales position had caused me to think in the direction of recommending the appointment of a firm to act as their sales agents.

I do not think I need detail exactly what I mean by "recent experiences" because I feel sure you understand and are familiar with what I have in mind.

I believe that we could improve the sales of Red Lead, Litharge and White Lead if we had competent people handling the sales of them. Such a firm obviously would be in competition with interests of your own and with the other competitor in this field, but if Carter could not stimulate its sales activity the consequences will be obvious to you without any further explanations from me.

I have been looking around in Montreal for an appropriate firm, and I have come to the conclusion that we should consider very carefully appointing a Canadian company called Caledonia Chemicals, in the capacity I have suggested. This firm is quite progressive, it was founded several years ago with virtually no sales volume, but their annual sales now are running in excess of \$5,000,000 a year. They are the agents in Canada for Montecchini for fireproof discolorers for the Oil Division and the Chemical Division of General Mills, and for one or two other producers of chemicals, and they also manage two factories here owned by substantial American interests.

They have eight salesmen covering the country and these men

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Mr. D.A. Merrill

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are all qualified chemists or mechanical engineers.

I have had quite a long discussion with Mr. Aldrich, who is a Director of the Company, and he has said that he is not sure that Mr. Aldrich is qualified to represent for the sales of Carter products. While I do not know the man, I have said it quite clear to him that there can be no talk about selling Stabilizers and 4-M, and Mr. Aldrich understands this situation.

It so happens that some time in the future, a good deal of time, the sales of products will be a very big part of the Company's income. The sales of products are talking about and deciding that the total market potential was quite large and that they should try to get a supplier for themselves. Of course, they then discovered that the production of these goods in the United States is very small, with whom they knew it would be difficult to make a deal. They have for some time been importing quantities of one or two of these products but it is difficult for them to continue on this basis and this is another reason why they are anxious to secure the appointment as the United States agents.

I have discussed this matter with Chairman of the Board and the recommendation I am making. I have also told Mr. Aldrich that I cannot make any further move in this direction until I have had your approval. The purpose of this letter is to give you the opportunity of considering the information I have provided so that perhaps you might discuss it when I am in New York next month.

I have not discussed terms with Chairman of the Board but they tell me that their other principals give them a commission of 20% on sales. I do not know whether this is a practicable commission for Carter to allow - this is very difficult to work out but later if we agree in principle with the proposals I am putting before you.

Perhaps I should make one further point, and it is that this firm might, for all I know, be working in the markets which are not covered intensively by either Carter Metals, Knudsen or Mobil Chemical. Certainly there is a pretty wide spectrum of the chemical market for the chemicals in which they are interested.

Yours sincerely,

SL/ab

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