Southern States Iron Roofing Company

MANUFACTURERS AND DISTRIBUTORS

BRANCH WAREHOUSES
THROUGHOUT THE SOUTH

GENERAL OFFICES
SAVANNAH, GEORGIA, U.S.A.

March 8, 1950

re their agreement to pay for the aluminum on consignment with Dealers

Mr. John Krey, Assistant to the President
Reynolds Metals Company
Richmond, Va.

Dear John:

After talking with you over the phone today, I sat down and carefully analyzed our present inventories of aluminum, and attempted to project a picture as to the probabilities that will exist under the proposed setup worked out with the Parts Division.

There is no question but what our Company will benefit as a result of the new arrangement and our investment in aluminum inventories will be less than at present. Since this is a secondary consideration growing out of the development of the plan and it was not the intention of our Company to take such a position, we are willing to go along with your desire that when the plan is put into effect we will discontinue the arrangement in connection with the dealers with whom we have consignments. Our payments in the future will be based on 30 days net, and will cover all material that we have fabricated or taken out of consignment, through sales, including that material on consignment with the dealers.

We are not looking at this thing as a concession, but rather are making it to do whatever we can to help get the new working arrangement with the Parts Division operative so that both companies can benefit from the potentialities it offers.

While, naturally, it is necessary for both Companies to consider inventories and cash requirements, we do hope that when this plan is put into effect neither the Parts Division nor ourselves are handicapped due to inadequate stocks. In presenting our estimates to the Parts Division as to what would represent adequate stocks, we have attempted to be conservative; and, while in some instances we may not reach immediately the figures shown as a representative inventory at the

PLAINTIFF'S EXHIBIT
RMC-544

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various locations, I do believe that for the plan to be fully effective we will, of necessity, have to get to such an inventory in a fairly short period of time.

Sincerely yours,

SOUTHERN STATES IRON SROOFING COMPANY

J. W. McIntire
Executive Vice President

JWMcI/cl

cc: Mr. Frank Schotters
Reynolds Metals Company
Louisville, Ky.