



Elliott Paint & Varnish Co.

4523 FIFTH AVENUE • CHICAGO, ILLINOIS 60624

• ASTRO STAR... SYMBOL OF QUALITY PAINTS • RESEARCHED FOR THE SPACE AGE •



September 29, 1970

RECEIVED

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J. B. H.

Mr. John Henrich, President
National Lead Co.
1111 Broadway
New York, New York 1006

Dear Mr. Henrich

We have been a large customer of the Pigment Division of the National Lead Co. for a good many years. Prior to my becoming an Executive with this company, I was a territory salesman. I took great pleasure in advocating to paint dealers that the Dutch Boy and Elliott Paint lines were a very satisfactory, profitable combination.

I have been familiar with Dutch Boy paints since 1935, when I started working as a stock boy in a paint store. The name DUTCH BOY was to the paint industry what the name Cadillac has been to the automotive industry. Of course this image was created by the Dutch Boy policy being a top quality and top price line.

We, as a paint manufacturer would have no quarrel with the National Lead Company as a paint manufacturer and would continue buying your raw materials without hesitation, if the "Dutch Boy" paint was sold on the basis of the original policy.

Recently, the National Lead Company saw fit to introduce a low end "architectural and painters" line. Naturally, the enticement of a competitively priced line under the Dutch Boy label enticed many of our customers to stock this line. The success of this new approach to the market by National Lead is only known by you. However, our dealers say that this new concept isn't doing too well.

In the meantime the volume of the independent manufacturer, serving the same Dutch Boy Independent dealers, has to suffer somewhat. Thus, our pigment purchases will decrease with your firm.

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National Lead Co.

More recently some of our dealers have informed us that National Lead Co. was again introducing a competitively priced color line this time aimed at the retail trade under the name of Dutch Boy - "Acclaim". Thus, again offering tremendous competition to the independent manufacturer, who is also your pigment CUSTOMER. The buying public accepts the white label with the Dutch Boy, as top quality paint and your dealers advise us that their customers are unhappy with the lower priced Dutch Boy products. It's too bad that the Dutch Boy image has to be hampered by low priced products.

Recently, our Pennsylvania salesman and his wife purchased an existing paint store in Lansdale. The party making this purchase is a Mr. & Mrs. Louis Snyder. Mrs. Snyder operates this store. Prior to their buying they both approached your district manager and asked his assurance of being able to keep the Dutch Boy line if they purchased this store. They also advised your people that they were going to close out two lines in that store and stock only Dutch Boy and the Elliott line.

On the assurance of your district manager that they could have the Dutch Boy Line, they took their lifes savings and purchased the store. Now about five months later, your sales department has seen fit to give the Dutch Boy line to another dealer only about five blocks away from this dealer. Reason, they would not buy Acclaim.

Since the purchase of this store they have disposed of two lines, as they agreed with your sales people. This naturally, would affect the volume of sales of Dutch Boy and Elliott products, however, their purchases from National Lead has exceeded those of last year thru August, by about \$1200.00.

If your company would maintain the image of Dutch Boy paint as top quality products they could command a price, highest in the industry. The buying public would pay, Dutch Boy would maintain an image that was established and would prosper by demand of your products.

Secondly, you could sell your raw materials to the paint manufacturing industry and still look them in the eye, instead of your company wearing two faces.

To me it looks like the big National Lead Empire is looking to take it all.

Your pigments division has been after us for some time to increase our purchases from them. We could, as your Mr. Art Millas can attest to, but I don't feel that we should. Would you?

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National Lead Co.

We are sure you will investigate the matters mentioned above.
Mr. & Mrs. Louis Snyder would like the opportunity of discussing
the situation with you or any of your other top executives.

I would appreciate hearing from you.

Very truly yours,


Henry P. Morris, Executive Vice-President
ELLIOTT PAINT & VARNISH CO.

HPM:EM

CC:Mr. Art Millas

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