1910

vention room on the 6th floor. Our President, Mr. Walter H. Cottingham, called the meeting to order, and it was some time before the applause died down sufficiently for Mr. F. E. Davis to read the roll call. The list was a long one and was interesting because of the fact that it included men of over 25 and 30 years in the service as well as the recruits of later years.

The opening address of Mr. Cottingham follows:

Gentlemen: It is three years ago exactly, this very week, since we held our last united Convention of our entire selling organization, and I am sure it is not necessary to remind you this morning of the very distressing and depressing business conditions which existed throughout the country at that time. I am sure you must all remember as well as I do that it was that very week that the terrible panic of 1907 swept across the country, leaving behind it a trail of financial disaster and industrial wreckage that has never been equaled before. Those were the conditions under which we met, and we went through that week, held our meetings, carried out the program day after day with as much interest and as much enthusiasm as I have ever seen displayed in our organization, and I have often thought that it was a splendid illustration of the spirit of our concern that we could go through conditions of that kind with such enthusiasm and with such interest and with the splendid results which followed later.

After the meeting, which wound up as usual with a banquet on Friday night, on Saturday morning the Managers met in my room at the Chicago Beach Hotel and we discussed the general conditions that existed throughout the country, and we felt that it would be unwise to ask you gentlemen to take up the work on the territories under the conditions that existed at that time. So, instead, we asked you to retire to your homes, and there, you will remember, you rested unwillingly and restlessly, no doubt, for two months. After that time was over we sent you instructions to take up your work again, and perhaps some of you may remember at that time I sent out a bulletin entitled, "Marching Orders," and I want to tell you this morning that nothing has ever happened in my business career that gave me so much pleasure and encouraged me so much as the splendid responses we received from that bulletin. Every letter I received, and I think I heard from a majority of the men, although the bulletin did not call for an answer, was full of the fighting spirit, full of determination to do the very best, and I want, the first thing this morning, on behalf of the Company, to thank you for the loyal, faithful and successful service which you rendered at that time.

I certainly shall never forget the receipt of all those letters which did me and the officers of the Company so much good in increasing our confidence in our ability to go through that time. Those letters were not put away in the ordinary files of the Company, but they are secure in a private drawer in my

safe, and I will always keep them as a record of the fine spirit of the men of this fighting organization of ours.

I do not think anything ever happened that did this Company so much good as did that panic of 1907, because there were lots of people who used to say, and I think we all used to hear it, that The Sherwin-Williams Company was a great organization in days of prosperity, that we could do well when conditions were right, but it would be different when conditions were unfavorable and when trouble came with a load such as we were carrying.

Well, many of us felt that when conditions were against us the true mettle of our organization would be shown and we would stand firm, and so we went through that panic and came out with high credit and greater success than ever we enjoyed in days of prosperity.

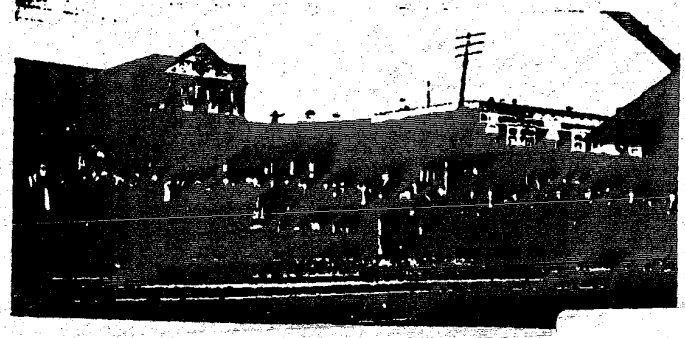
I believe we not only helped our own concern, but I believe that the enthusiasm and optimism which was shown by our organization and the record that we made helped to better the general conditions throughout the country, because we are a national concern and that is one of the gratifying things in connection with the good results which we accomplished at that time.

This morning we meet under very different conditions. Prosperity throughout the country is general and the outlook for our business and business in general, is excellent. I would not say it was never better, but certainly it is as good now as ever I have seen it, so I think we can congratulate ourselves on the change that has taken place within the last three years.

I thought it would interest you this morning to know something of what we have accomplished since our last united meeting of three years ago.

The year immediately following the panic was a difficult year for all business, and yet we went out in that year and in the Trade Sales Department, the only department we could influence by special effort and ability, we came within three-tenths of 1 per cent of the biggest turn-over we had ever had before that year, and that was an accomplishment I think we can all be proud of.

We did not make any great advance in any of the departments of our business the year of the panic, as it would not have been wise to have done so under the conditions during that year, so that in the past two years most of the additions and improvements that we have made to our plants and facilities have taken place, and I want to refer to the things that we have done during the last two years. Now, most concerns, it seems to me—many of them at least—were so scared by the panic of 1907 that they have not yet obtained a sufficient amount of courage and enterprise to go ahead as they did



Arriving at Kensington.

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before; but, as is usual with us, we went ahead with a full head of steam and in the last two years we have added to our facilities as follows:

We have opened new branch houses at Houston, Texas; San Antonio, Texas; Denver, Colorado; Spokane, Washington; New Orleans, Louisiana; Victoria, British Columbia, and Sydney, Australia. The latter is a full-fledged branch house in far away Australia, connected with our British organization.

We have organized a new district known as the Mississippi Valley District, with headquarters at St. Louis, dividing the large Western District in two.

We have taken a very important step, and one that is quite radical for our organization, by entering the white lead business, and we now have a fully equipped corroding plant at Pullman which we hope to have the pleasure of showing you tomorrow. We have invaded the enemy's camp and we have changed the slogan, "Good-bye, Lead and Oil," to "Good Day, Lead and Oil."

We feel we have dignified the white lead business by this recognition of that industry. But we have no idea of making it the important factor in our concern. Our primary object in entering the white lead business was to continue our policy to manufacture all our own raw materials, and in making the lead for ourselves we decided to make a little surplus, because we know that you boys would not be satisfied if you did not have a little surplus to offer the trade.

We have established and erected a lead and zinc concentrating plant at our mines out in New Mexico. We now not only take the ore from the ground, but also separate it in our own concentrating plant. We mine the ore, we put it through our own concentrating works, then it is sent to our smelters at Coffeyville, where we produce the zinc oxide. Then it is sent to our paint factories and made into paint, and then to our dealers to be sold to the consumer, and by the consumer it is put on his house, so that we have the chain now complete, from the ground to the finished product on the house.

We have also, during the last two years, established what we call an Insecticide and Dry Color Department, which promises to be one of the important departments of the business. I know our aggressive Manager, Mr. H. M. Ashby, has dreams of its becoming the most important part of the Company's business and that the paint business will be a side issue after awhile. We are death on bugs and all other things that destroy the prosperity of the country.

We have established an Automobile and Carriage Sales Department, which used to be the old Manufacturers' Sales Department, and we have come into our own again, I believe, in the carriage trade and the automobile trade, and are making good headway there.



Marching to the Chicago Plant.

We have also established an Insulating Varnish Sales Department with which we are making good progress.

We have also established another very important department which is exerting a wide influence on the growth of our business and which I am a great believer in—the Decorative Department, which you have heard a great deal of—and we hope to give you more particulars of it while you are here.

We have also established a Dry Color Works and Insecticide Department at Newark.

All our paint and varnish plants have been enlarged during the last two years.

We have also acquired new land in Newark, Montreal and at our Linseed Oil Works at Cleveland and many of our old established houses have been enlarged.

The London Plant has been practically rebuilt during the last three years, and I am pleased to tell you that we have with us this morning Mr. J. W. Garson, Managing Director of our London business, who has made a record in building up that one-hundred-and-fifty-year-old concern to be one of the progressive branches of our widespread organization.

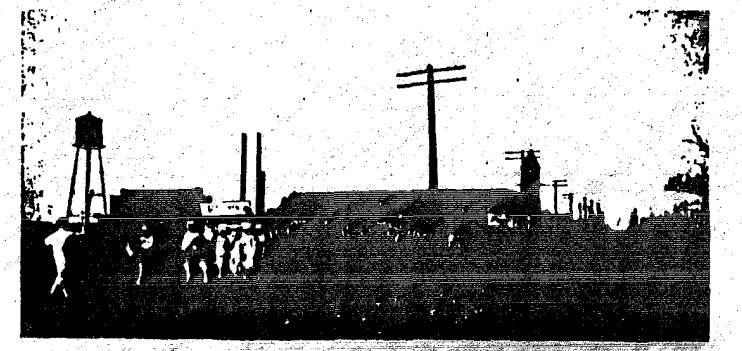
We have made substantial headway in the Export Department. I am sorry it has not been possible to have our export men here. We did expect the first export man that we sent out in the foreign field, Mr. Donnison, to be here, but he cannot arrive in time, having been delayed on the way.

We have taken another very important step within the last year in acquiring the Detroit White Lead Works. We are now the owners of that concern and we expect to develop a second Sherwin-Williams concern out of it.

These have been two very busy years, and yet they have been very pleasant years, for I know of nothing that is so satisfying and so pleasant as to make sound progress such as we are doing in our Company today.

I want to tell you this morning something of our turn-over, as I usually do. We are now doing a total turn-over in all of our departments and auxiliaries of over fourteen millions of dollars. That is a pretty good little business for a paint business.

The other evening I was at dinner with some of our Directors and Managers and I asked them to list six of the largest concerns after ourselves in the paint and varnish business and estimate what they thought the turn-over of these six concerns would be. When they had done this the figure estimated did not amount to fourteen millions of dollars, so when we say we are the largest paint and varnish manufacturers in the world, or larger than the next



Escorted by Little Paint Men

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two or three or four or five, we are still stating it, and we want to do so conservatively, and we are not through with the turn-over yet.

The gain for the last two years has been over four millions of dollars for all of our departments. The gain for the last year has been over two millions. We are now operating thirty-two branch houses, six paint factories—one at Cleveland, one at Chicago, one at Newark, one at Montreal, one at London, Eng., and one at Detroit—six varnish works, four dry color works, two linseed oil plants, one white lead works and one lead and zinc concentrating plant, four tin can plants and twenty or more mining claims, and with it all we are no trust. We have developed these industries and built up these different concerns with Sherwin-Williams people and we take great pleasure in the work.

I want now to congratulate you gentlemen on these results, because you have done a very large share of the work in producing them. The sales department has been very much of a factor in this development, for unless you gentlemen had done your work well and grown with the organization we could not have produced such an array of facilities as I have just mentioned to you.

I presume it is expected of me this morning to say something about the present conditions that exist in the paint trade, but I really cannot say anything especially new to you, and I do not believe it is very necessary. You all know my views as they have been expressed recently in the bulletin, "The Fight is On," and I have not changed them since. I must tell you a little incident in connection with that bulletin, "The Fight is On." One of our Manager's stenographers, in acknowledging the bulletin, overworked the word "Fight" and put in an "r," making it read "The Fright is On." There may have been a fright on somewhere else, but there is no fright on in this concern. The conditions of the country are all right, and while some people seem to be very cautious in the trade, in view of the shock we had three years ago, there is nothing similar in the conditions today as compared with what they were then. At that time business had practically stopped, there was no money, no building, no active operations going on throughout the country; but when you let your mind dwell on the present conditions, you will note that we never have had any greater activity in business and in building and in trade generally, and the fact that paints and varnishes are a little higher in price need not disturb anybody. The man who is going to build a house would not think, I am sure, of stopping that building on account of the small extra cost of the paint and varnish he would have to buy. There are many other things on which prices have gone up far more than paint and varnish. For instance, hardware and other building materials. And, when you stop to think, the paint trade has been very slow in putting up prices. We are about the last people to come up. Under the conditions as they exist today, prices of paints and varnishes are not high enough and will have to go higher if present prices of raw materials are maintained.

It is my opinion that prices for paints and varnishes are likely to be on a higher plane permanently for some time. We are, of course, hopeful that raw material markets may decline sufficiently to bring down prices somewhat, but I do not think we can look for very much decline, and we will certainly not get back to the low prices that prevailed a year or two ago, for a long time to come. We must remember that the consumption of linseed oil and other materials is increasing constantly, and the production of flaxseed, from which linseed oil is made, is not increasing. The important thing for us to do and get our agents to do is to settle down and accept present conditions and go to work to increase the business to the greatest extent possible. The "put off" or "waiting" policy will lose us and our agents business, as I do not think we or they can buy to any greater advantage later on.

We greatly regret the present prices, as we think it unfortunate for the paint industry, as very likely the consumption of paint will be curtailed. However, we feel very confident that by putting forth special efforts in the sales and advertising departments of our business we cannot only keep up our turn-over,

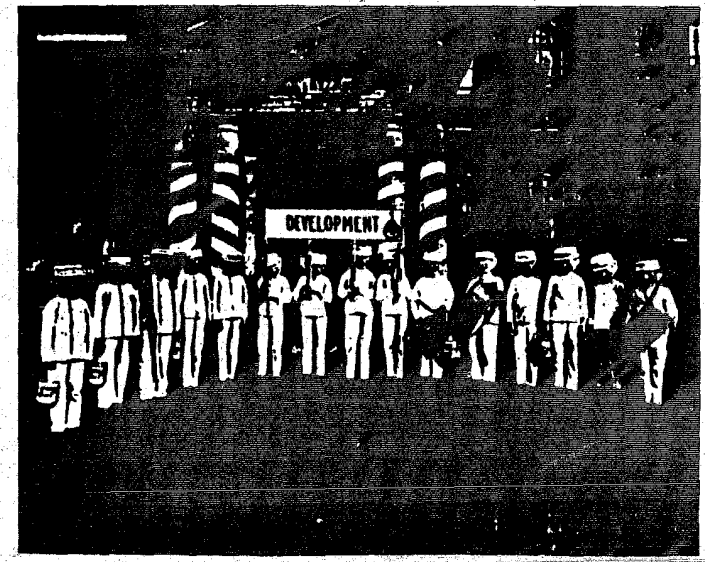
but increase it. We are going right ahead ourselves in the purchase of raw materials and are getting ready to do a larger business than ever. We hope you will be successful in getting your agents to do the same thing.

If the present price of flaxseed holds and the present price of turpentine holds, we have got to get more for paint. That is as sure as we are sure that we are here this morning.

I want to refer to our Convention plans now for a minute. This is quite different from any Convention we have ever held before. We have been anxious to hold one of these big Conventions again, but there has been the thought that they were getting too big and that we could not hope to accomplish very much on that account, and yet we felt that we wanted to have you all together again. I was very much interested not long ago in hearing one of our old Representatives—in fact, more than one—state that he was getting a little bit lonely for one of these united Conventions of the Sherwin-Williams organization. I was interested because that sentiment struck a responsive chord in my own heart. We have wanted to see you all again and go over our proposition with you freely and learn from you of the actual conditions on the road as you meet them.

There is nothing that increases my confidence so much as meeting you and hearing your discussions and seeing the fighting blood and spirit that shows in every one of your faces.

Then we decided that it might be possible to hold the general meeting and at the same time hold our district meetings. There are many things impossible for us to discuss in a big meeting, and it would be unwise because you are not all interested in the same things, and then there are local difficulties which you have to contend with in the different districts but which do not



The Drum Corps and Escort

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interest the entire organization. So we decided to try, as an experiment, to hold this large meeting and then divide up later into district meetings, and I hope the plan will work out well, because nothing would please me more than to have one of these big conventions every year, and if this plan works out well I am sure that will be decided upon.

We have made very careful preparations for this Convention, as we always do, and the men in the Advertising and Decorative Departments have prepared what I think are the finest exhibits that I ever have seen of our products, which you will find upstairs, and we want you gentlemen to visit those exhibits frequently. We intend to have the heads of the departments there to explain those exhibits to you. You can get an immense amount of knowledge in tracing through the methods of producing the raw materials such as lead, zinc and linseed oil, as well as the finished products there, and you will be overlooking a very important part of this Convention, one of the things that will help you with your work, if you don't make the most of these exhibits. We want you to go through them frequently and see the Managers in charge and get them to explain exactly how the work is done.

Now, I am down on the program to give you an address of welcome, and I have been talking all this time without saying a word of welcome, but to tell you the truth it always seems to me it is a very formal matter to say you are welcome, because you are more than welcome, you are ten thousand times welcome. We are mighty glad to see you all again and are encouraged with the news you bring from all the territories.

I am particularly pleased to see so many of the older men here whom I have met in the past and know well—men who have continued to be here year after year, which is always a good sign. Among those are David Fisher, Charley Wheeler, Judge Ballard, Bob Johnson and others I could name, and I am sure it will be a matter of inspiration to you to meet those men and see the continued interest they take in their work. They look to me younger and fresher than ever. We are glad to see the younger men, too, and I want to welcome them especially and hope we will see them here year after year. Nothing pleases me more than to see the same men continue in the organization.

We are always looking for good men and anxious to retain them and have them grow in prosperity and happiness as the business grows.



The Convention Emblem.

Address of Mr. H. A. Sherwin.

Mr. Cottingham next introduced the Chairman of the Board of Directors as follows:

Mr. Walter H. Cottingham—I am very glad, gentlemen, we have with us this morning Mr. H. A. Sherwin, who is just as young as ever and as much interested and just as keen in watching the development of the business as he ever was. Mr. Sherwin, gentlemen.

Mr. H. A. Sherwin—I am very glad to meet you here today and give you the "glad hand". Representing the stockholders, rather than the managing officials, on their behalf I wish to congratulate all of you who have in any way assisted in the growth and success of this Company since we met here in Chicago three years ago.

Speaking of stockholders, I am pleased to say that a very large majority of the stock of the Company is represented right here by those of us who are in its service.

I would not limit my congratulations to you for the larger business alone, but quite as much for the part all you Managers, Superintendents and Representatives have taken in strengthening our organization and making it more invincible, so that as time goes on we may feel that our stock is an excellent permanent investment.

The quality of our organization, as well as its size, develops the met connected with it, so as from time to time some drop out, the policy and management of the Company as a whole is not changed. This the stockholder recognize as a valuable asset of the Company. They have confidence in you



Three Attractive Displays.

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