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LEAD INDUSTRIES ASSOCIATION

420 LEXINGTON AVENUE
NEW YORK 17, N. Y.

April 18, 1949

To Members of the Lead Industries Association:

SUBJECT: High Lights of Annual Meeting

The enclosed copy of a press release concerning the recent annual meeting of the Association in Chicago will serve to give you a brief summary of what transpired at the meeting.

Complete proceedings of the meeting are being printed and we hope to be able to send you a copy within a few weeks.

Very truly yours,

Robert L. Ziegfeld

Secretary

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For immediate release
April 8, 1949

Lead Industries Association
420 Lexington Avenue
New York 17, N.Y.

At the annual business meeting of the Lead Industries Association held at the Drake Hotel, Chicago, on April 8, the members unanimously re-elected the Board of Directors, as follows:

Norman Hickman	The American Metal Co. Ltd.
K. C. Brownell	American Smelting & Refining Co.
Clarence Glass	Anaconda Sales Co., Agents, International Smelting & Refining Co.
S. A. Easton	Bunker Hill & Sullivan Mining & Concentrating Co.
A. E. Bendelari	Eagle-Picher Co.
J. H. Schaefer	Ethyl Corp.
E. L. Newhouse, Jr.	Federated Metals Division of American Smelting & Refining Co.
L. E. Hanley	Hecla Mining Co.
J. P. Ruth	The Glidden Co.
J. A. Martino	National Lead Co.
O. N. Friendly	Park Utah Consolidated Mines Co.
F. E. Wormser	St. Joseph Lead Co.
James Ivers	Silver King Coalition Mines Co.
J. W. Wade	Tintic Standard Mining Co.
George Mixter	United States Smelting Refining & Mining Co. Inc.

Officers were reelected and are as follows:

F. E. Wormser, President
K. C. Brownell, Vice President
J. A. Martino, Vice President

The Executive Committee, appointed by the Board of Directors, includes the officers, as well as L. E. Hanley, president, Hecla Mining Company and George Mixter, vice president of the United States Smelting Refining & Mining Co. Inc.

Prominent representatives of the lead industry met yesterday in Chicago to discuss the lead production outlook as well as the outlook for some important lead products. This timely review of lead's position in the rapidly changing metal market was the subject of the 21st annual meeting of the Lead Industries Association.

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In his opening remarks, Felix E. Wormser, president of the Association and vice president of the St. Joseph Lead Company, New York, pointed out that "A free market, operating in the American system of free enterprise, has brought about a swift correction of the serious world-wide lead shortage."

The first session at the one-day closed meeting held at the Drake Hotel, at which slightly over one hundred members were present, covered the domestic and foreign supply position of lead. This session was presided over by F. S. Mulock, vice president, United States Smelting Refining & Mining Co. Inc., Salt Lake City, Utah.

The first speaker, Mr. J. B. Haffner, general manager, Bunker Hill and Sullivan Mining and Concentrating Co., Kellogg, Idaho, stated that, "It is doubtful if any year exceeded 1948 in the amount of capital invested in new mining or milling plants, in rehabilitation of old plants and in intensified and widened exploration in the northwest area, all of which were directly due to the high price for lead. There are drawbacks now facing the mining industry of the northwest in the form of almost punitive taxation, declining metal prices, high cost of labor and supplies and the tariff situation.

Mr. F. A. Wardlaw, Jr., general manager, International Smelting & Refining Company, Salt Lake City, Utah, felt that the market condition in lead is rapidly reaching a point where mine production in the Utah and southwest area will be appreciably adversely affected, particularly with respect to the maintenance of proper exploration and development work. He also cited figures to show the substantial increases in mine production between 1946 and 1948 in virtually every state in the area under discussion.

Mr. Francis Cameron, vice president, St. Joseph Lead Company, New York, reviewing the lead production figures in the midwestern and eastern states, stated that if they can look forward to a period of profitable metal prices, there is little doubt that their mines can continue to sustain for some years to come their present rate of production.

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Mr. R. F. Goodwin, vice president, American Smelting & Refining Company, New York, spoke on the international lead production outlook. Reviewing world lead production, he pointed out that increased production now in prospect should balance decreases due to exhaustion of known mines and the suspension of operations of marginal mines unable to operate profitably at lower prices. Foreign lead for the next two or three years should approximate 850,000 tons, the same as the estimated world production for 1948. Mr. Goodwin described the precarious position of the American investor in many foreign countries, pointing out the onerous taxation and unfair exchange regulations employed by many of them which served virtually to stifle many potential sources of lead. While many nations have failed to respond to the overtures on the part of this country to develop their resources many others, including the British Colonies and Dominions, have encouraged foreign investments by not placing barriers on the payment of dividends or interest in dollars. In some cases, tax concessions were made to foster the investment of mine capital.

According to Marc S. Goldsmith, president, Goldsmith Bros. Smelting and Refining Company, Chicago, the importance of secondary lead production is indicated by the fact that in twenty years, it has grown from under one-third to over one-half of the entire domestic lead production. Despite recent indications to the contrary, the secondary market price is not becoming independent of the primary market. When the lead market eventually finds a balance between supply and demand and a more normal price level, the addition of a timely calculated stockpiling program should again find the primary and secondary markets working interdependently.

At the present time, according to Mr. Goldsmith, forces are at work which indicate that the future secondary lead market will hold closer to the primary market price and will, like the primary market, gradually develop a more steadying influence on price. The two main reasons for this are, (1) that better scrap distribution channels have been organized that will not be as exposed to speculative hoarding or dumping, and (2) that secondary lead will not be so exclusively dependent upon the fluctuating demand of the battery industry because a much larger percentage of soft lead and corroding lead of highest purity are now being produced directly from scrap battery plates to meet the demand of most other lead consumers. Therefore, with a steadier scrap supply and a more varied consuming demand, secondary production should not be exposed to such market extremes as it has in the past. This means that there will eventually be a more harmonious relationship between secondary and primary production and price which will inevitably benefit the entire lead industry.

Dr. R. B. McCormick, Chief of the Nonferrous Metals Division of the Munitions Board, Washington, D. C., spoke about the functions of his office in the defense program and particularly about the part played by lead. Operations of the Government Stockpiling Program were described, along with an outline of the viewpoint of the Munitions Board on subsidy and related legislation.

The afternoon session covered the outlook for some important lead products and was presided over by Mr. D. A. Merson, vice president of the National Lead Company, New York.

Discussing the outlook for lead in cable sheathing, R. K. Spofford, purchasing agent, The Okonite Company, Passaic, N.J., stated that "Constant changes in the requirements for electric cables has resulted in most cases in a reduction in the amount of lead sheathing necessary." He also went on to describe several newer developments which are being tested and which require no lead covering.

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Mr J. H Schaefer, vice president, Ethyl Corporation, Baton Rouge, La., stated that when the demand for gasoline is less than the production capacity, then competition, together with automobile engine improvements, forces a steady increase in the antiknock quality, resulting in an increase in the demand for tetraethyl lead which in a period of less than twenty years has grown to be one of the five or six largest lead consumers. To cope with the increasing demand for tetraethyl lead, the Ethyl Corporation plans to expand its production facilities very substantially during 1949 and 1950.

Mr. W. P. Carroll, manager, Metal Department, National Lead Company, New York, in discussing the outlook for extruded and rolled lead products cited instances where inroads were made in the use of lead in the chemical and process industries by substitute materials taking advantage of the high lead price. By comparative testing and proper education, it is hoped that the number of substitutes classed as competitive from the standpoint of serviceability may be materially reduced. Also, the 33 percent decline in the lead price will help to curtail the use of such substitutes, particularly in the case of water services.

"Since the storage battery industry accounts for between one-half and two-thirds of the lead oxide sales," H. M. Zoller, vice president, The Eagle-Picher Sales Company, Cincinnati, Ohio, stated that, "the well being of the latter is largely dependent on the well being of the former. Substitutes for lead oxides have been gaining in the ceramic industry. Lead oxides have been gaining or holding their own in the pottery and insecticide field." Mr. Zoller cited the cooperative efforts of the Red Lead Technical Committee of the Lead Industries Association, which are devoted to the development of improving red lead paint. The most promising outlet for lead oxides appears to be shown by the television industry which depends to a large extent on leaded glass.

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In discussing the decline in the volume of white lead usage, Mr. A. R. Knight, manager, Euston Lead Company, Scranton, Pa., blamed the high price of pig lead for placing white lead virtually out of the paint pigment market. Even with lower lead prices, he felt that the original white lead market could scarcely be regained in view of the interim development of substitute materials.

Mr. A. M. Callis, general sales manager, Federated Metals Division, American Smelting and Refining Company, New York, in discussing the outlook for mixed metals stated that despite the abnormally high price of tin and lead, production in 1947 and 1948 was high. In 1948, solder production increased 25 percent over that of 1946 and babbitt 13 percent, while type metal sales declined 18 percent in the same period. Noteworthy is the fact that two-thirds of the increase in solder costs was due to increases in tin costs. The decline in type metal sales was due, Mr. Callis felt, to the printing industry's use of type which normally would remain unused in standing form. When prices rise, instead of buying new type, the industry stabilizes its metal cost by utilizing old type in this manner.

Mr. W. A. Harvey, vice president, Auto-Lite Battery Corporation, Niagara Falls, N.Y. and president, Association of American Battery Manufacturers, Inc., in discussing the outlook for storage batteries stated that expectations of the industry until July are for low production and sales of replacement batteries, which, incidentally, constitute 80 percent of automobile battery production. Considerable progress should be made by then toward the reduction of high inventories so that production and sales will probably be close to the peak years of 1947-1948. Anticipated sales and production increases, however, would represent a decline of 20 percent or more for the current year, compared with 1947 and 1948. With plentiful supplies of batteries, the battery industry has gone back to the old tradition of a flat spring season and a fall peak demand which should pull the battery business out of the slump for the third quarter. Mr. Harvey empha-

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sized that claims for the cadmium battery are wholly unjustified. It is definitely unsuitable for automobile use because of the poor performance at low temperatures and excessive size, weight and cost for equal capacity. Furthermore, cadmium is a scarce and costly metal which is not available in quantities sufficient for any considerable battery production.

The following plants of member companies were visited the following day: Federated Metals Division of the American Smelting and Refining Company, at Whiting, Indiana, and the U.S.S. Lead Refinery at East Chicago, Indiana.