

LEAD INDUSTRIES ASSOCIATION

Graybar Building, 420 Lexington Avenue
New York, N. Y.

February 19, 1936.

To Members of the Lead Industries Association:

Subject: Secretary and Treasurer's Reports

Attached please find a copy of the Secretary and
Treasurer's Reports for the year 1935, to be submitted at
the Annual Meeting of the Lead Industries Association on
February 28, 1936.

Very truly yours,

J. E. Womack
Secretary.



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SECRETARY'S REPORT

The following is a brief resume of the activities of the Lead Industries Association, covering 1935, the seventh year of its existence.

STATISTICS

There were no changes of any consequence in our statistical reports for 1935. In some directions, particularly in the statistics compiled on behalf of the products covered by the Metallic Lead Products Division of the Association, there is much room for improvement in the compilation of the data supplied. So many lead commodities are now grouped under one heading that the value of the reports is correspondingly diminished in following the trend of the metallic lead products industry.

FEDERAL LEGISLATION

(a) U.R.A. - There is no need here of reviewing the experience of the Lead Industries Association with the U.R.A., a chapter which was closed when the Supreme Court made its decision. Suffice it to say, that the Lead Industries Association cooperated fully with the Administration during the life of the U.R.A. and, as members know, a redeeming feature of our experience is the fact that the cost to our industries was probably lower than for any other industry in the United States comparable in size. Considering the number of related industries represented in our Association from mining to fabricating of lead products, the cost was extremely small - about \$12,500. The termination of the Code focuses attention on the Lead Industries Association as a tool of the industry for solving those trade problems which can be legally handled through a trade association.

(b) Tariff - The Administration in Washington has actively continued its policy of concluding reciprocal trade agreements with foreign countries, and our association has been vigilant in protecting the interests of its members whenever treaties of interest to us were under negotiation. The Trade Agreements Act, approved on June 12, 1934, gave the President the right to enter into reciprocal trade agreements without the approval of the Senate, and under this delegation of authority, the State Department has been acting as the agency through which the treaties are negotiated. In 1935, the Belgian agreement was signed, and to our surprise, contained a cut in the tariff on white lead. A strong protest was made to the President over this action. Fortunately for domestic lead mining and for the white lead industry, it has not so far resulted in any



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flood of importations from European white lead producers. We may point out that the cut in the rates granted to Belgium was promptly extended to other countries with which we have most-favored-nation agreements.

Our treatment in the Belgian trade agreement led us to file briefs in support of existing tariffs on all lead products for the negotiations with Spain and Italy, France and Canada. Outside of a small cut in the rate on sub-oxide of lead (as published in the Swiss Treaty), there have been no further changes in the tariff structure as it relates to lead and lead products, announced in the treaties completed with Canada and several other nations.

In making our tariff presentation, special thanks is due to the cooperation of the Western Mining Associations, who were extremely helpful.

(c) Federal Housing Administration - We have acted in the interests of our membership in cooperating with the Federal Housing Administration, becoming a member of the Manufacturers Housing Display Council so as to keep abreast of the housing activities sponsored by the Government.

(d) Berry Conference - The Board of Directors of the Lead Industries Association carefully considered the advisability of supporting the so-called Berry Conference of recent memory, but unanimously decided not to participate in it.

(e) Drawback - For the benefit of our manufacturing members, the Lead Industries Association succeeded in procuring a liberalization of the Drawback Laws extending the three year period prescribed in Section 313 (h) of the Tariff Act of 1930 to the exportation of drawback merchandise another year as it applies to importations made in 1931 and 1932.

EDUCATIONAL ACTIVITIES

(a) Plumbing Promotion Program - Continuing the program of 1934, much intensive work was done among master and journeyman plumbers, and plumbing inspectors in the United States during 1935, with two representatives in the field. Detailed reports were mailed to all members supporting the Plumbing Promotion Program from time to time, from which they have been able to judge the territory covered. Without the work the Association has done in the plumbing field in the last three years, I believe the use of lead would have further declined. In city after city, where the continued use of lead was threatened by the encroachment of substitutes, we succeeded in protecting our interests by having lead introduced in plumbing codes where it had previously been omitted.

Our plumbing efforts remain the most important promotional activity in the field and practically the only one. When we consider that less than \$14,000 was spent during 1935, and that the master and journeyman plumbers' organizations in State after State, as noted

below, are now helping us to reintroduce lead, the expenditure of this sum appears to be already returning dividends.

Master or journeyman plumbers' organizations in the following states have passed resolutions favoring more lead in plumbing codes:

Illinois	New Jersey
Indiana	New York
Iowa	Ohio
Kentucky	Pennsylvania
Maine	Vermont
Massachusetts	West Virginia
Missouri	Wisconsin

A fair amount of sub-standard lead plumbing goods has been sold in the United States, some of which is now falling down on the job, causing us no end of trouble in trying to protect the name of lead, and seriously affecting the future of our industry. The manufacturers in our Association are holding meetings in an effort to solve this difficult problem.

We exhibited at numerous master plumbers conventions throughout the United States and particularly at the National Association of Master Plumbers at Chicago. Our field representatives appeared upon the program of many of these conventions and also spoke at local or district meetings.

Supplementing our direct contacts with plumbers, we published a second edition of the booklet "Lead Pipe" and distributed wall hangers showing correct lead plumbing installations.

So successful has been the plumbing work that several of our members are desirous of increasing the number of men in the field. We now have two field representatives. During the Fall of the year, we made our first attempt to survey the plumbing situation along the Pacific Coast, where we had been led to believe other metals were being favored by plumbers at the expense of lead. We find, however, that the situation there is the same as it is in other parts of the United States, that it is susceptible of great improvement with the cooperation of plumbers and that they are anxious to help.

Lead remains without a peer for certain parts of the plumbing system, for example, service lines, bathroom waste lines, shower pans and as roof flanges. The work we have done will help to increase these outlets.

(b) Forest Products - Better Paint Campaign - During its second year, the Forest Products - Better Paint Campaign continued to arouse intense interest among lumber groups on the importance of good paint on good lumber. As it stands today, the Campaign has the endorsement of the following influential lumber associations:

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American Forest Products Industries, Inc.
 Arkansas Soft Pine Bureau
 California Redwood Association
 Douglas Fir Plywood Association
 National Lumber Manufacturers Association
 National Retail Lumber Dealers Association
 Red Cedar Shingle Bureau
 Southern Cypress Manufacturers' Association
 Southern Pine Association
 West Coast Lumbermen's Association
 Western Pine Association
 Western Red Cedar Lumber

One result of the work has been the printing of Painting Instructions Folders by regional lumber manufacturers associations, which have been distributed in the United States by the tens of thousands, inserted in bundles of lumber siding. We estimate that the regional lumber groups spent probably \$5,000 on their printing bill alone, cooperating with our Campaign, not to mention the labor of inserting the folders in the siding bundles. Evidence reaches us that not only is the distribution of white lead in oil growing in lumber yards, but many yards formerly handling prepared paint of questionable quality are now stocking superior merchandise. We know of at least one important paint manufacturer turning out a leadless product who has changed his formula to include a substantial amount of lead. The Campaign has been placed upon a broad basis and recommends as an answer to the poor paint problem either the use of a high grade mixed paint or white lead in oil. Results from the Campaign should accrue to us as they apparently have, from the use of more white lead in oil paste paint or dry white lead in prepared paint.

The successful prosecution of the Campaign has not been without its troublesome problems, but the first two year's experience indicates that these are being happily solved and that the lumber industry is very desirous of having the Campaign continued. For the year 1936, two field men have been engaged rather than one as heretofore, so that a more intensive coverage of the retail lumber dealers is to be expected in 1936.

During the year we published a booklet, THEY JUDGE BY WHAT THEY SAY, which has had an unusually fine reception by lumber and paint companies. Three printings have had to be made to satisfy the demand and numerous unsolicited complimentary letters have been written to us about it.

PUBLICATIONS

(a) LEAD - Our house organ, LEAD, has a circulation now of 30,000, comprising a selected list of architects, master plumbers, engineers, educational institutions, master painters, etc. The editorial material included in our magazine has been principally original and the bulletin remains a useful publicity medium for our purpose. Many inquiries for lead can be directly traced to the influence of our magazine, not the least of which is the use of sheet lead on the Rahway Reformatory in New Jersey, a huge metal job requiring about 75,000 lbs. of sheet lead. There is a large demand for some of our editorial material from abroad and it is

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being reprinted in British and French publications, not forgetting extensive reprinting in American plumbing, sheet metal and other periodicals. Our relations with foreign organizations having a promotional objective such as our own, are very cordial. We are constantly exchanging material of mutual interest.

(b) Contributed Articles - The staff of the Lead Industries Association contributed to a great number of papers throughout the year to various technical publications, such as the National Metals Handbook of the American Society for Steel Treating, The American Mining Congress Journal, Engineering and Mining Journal, Mining and Metallurgy, Food Industries, Sheet Metal Worker, The American Artisan, and the American Roofer. Needless to say this has been valuable publicity for lead at practically no cost.

SHEET LEAD

In the Fall of 1935, we began the preparation of a Handbook on the use of sheet lead and believe that when this volume appears, which we hope will be some time during the coming year, it will do a lot to encourage the wider use of sheet lead in building construction.

Many cases of faulty installation of sheet lead have been examined by us after complaints were received from architects and others. I am pleased to report that invariably the builder or architect has been gratified by the service given him. We have saved the good name of lead from criticism because these failures invariably were caused by poor installation and violation of the basic principles of sheet metal construction. Without this service, I am confident that the merits of sheet lead would have suffered. The Lead Industries Association is now the only source of assistance available to sheet metal workers and architects for aid in their sheet lead problems.

MEDICAL RESEARCH

We have continued making an appropriation to Harvard College for use by Dr. Aub and his associates at the Medical School, in their lead investigations. His work is progressing satisfactorily, according to latest reports, and it is quite likely that when the results are published, another signal contribution to medical research will have been made. We are constantly being called upon to help with lead poisoning problems, cases far too numerous to detail here. Questions of lead poisoning through the use of lead composition foil, lead arsenate, lead toys, paint on toys, the relative toxicity of lead compounds and many other questions arose for our consideration and attention. Without the help of Doctors Aub and Fairhall, we would indeed have been hard pressed to have taken care of many of these inquiries.

A problem of particular viciousness was the promotion of a chemical compound in Quebec which a law of that Province made it mandatory for paint manufacturers to add to their product as a medicinal ingredient to eliminate lead and benzol poisoning. We investigated the prophylactic and therapeutic value of the chemical and found it worthless and have been helpful in having the situation satisfactorily adjusted in Canada. It was essential from our point of view to stop fantastic legislation of this sort before it reached the United States.

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CONCLUSION

The Lead Industries Association for the last five years has shown in a modest way what can be accomplished on behalf of the lead industry through the expenditure of relatively moderate sums for educational and promotion work. The results speak for themselves. In each case it is noteworthy that our activities comprise work with a fundamental bearing on the future of the industry, work which would be an unfair financial load for any one member to carry, and work which the industry can not afford to neglect. Take, for example, our plumbing work. If this were abandoned, I know of no member who could or would look after the interests of lead as economically as it can be done through the medium of the Lead Industries Association, especially in cooperating with master and journeymen plumbers, or working with municipalities such as the Federal Government, in plumbing regulations relating to our industry. In similar vein, I do not see how any individual member could be expected to carry the burden of our work with the lumber associations on common paint problems.

The competition for existing markets may be keen, to be sure, among the fabricators of lead products, but there is another type of competition which is just as intense, if not more so, and that is the competition which lead meets every day from other metals and non-metallic products. It is in meeting this particular type of competition that the Lead Industries Association can do its best work. Unless the lead industry is organized to meet successfully the efforts of other great industries competitive with ours to widen the outlet for their own products at our expense, I think our metal will suffer. The Lead Industries Association, fortunately, seems to have found a place which helps lead successfully to meet this situation.

Respectfully submitted,



Secretary.

The Treasurer respectfully submits the report on the audit of the accounts of the Association as of December 31, 1935, by Haskins & Sells, as follows:

Haskins & Sells
Certified Public Accountants

ACCOUNTANTS' CERTIFICATE

22 East 40th Street
New York

Lead Industries Association:

We have made an examination of the balance sheet of Lead Industries Association as of December 31, 1935 and 1934, and of its statement of cash receipts and disbursements for the years ended those dates. In connection therewith, we made a review of the accounting methods and examined or tested accounting records of the Association and other supporting evidence in a manner and to the extent which we considered appropriate in view of the Association's system of internal accounting control.

In our opinion, based upon such examination, the accompanying balance sheet, with the foot-notes thereon, and statement of cash receipts and disbursements, fairly present, in accordance with accepted principles of accounting consistently followed by the Association, its financial condition at December 31, 1935 and 1934, and its cash receipts and disbursements for the years ended those dates.

HASKINS & SELLS (SIGNED)

New York,

February 15, 1936.

LEAD INDUSTRIES ASSOCIATION

BALANCE SHEET

DECEMBER 31, 1935 and 1934

	<u>...DECEMBER 31,....</u>	
	<u>1935</u>	<u>1934</u>
<u>A S S E T S</u>		
CASH,	\$19,728.90	\$7,015.39
DUE FROM MEMBERS - VAT,	636.78	352.25
ADVANCES:		
For traveling expenses,	800.00	500.00
For Code Authority expenses,	-	1,950.16
MEDICAL RESEARCH - EXCESS OF PAYMENT OVER CHARGES TO MEMBERS,	-	1,535.25
TOTAL	\$21,165.65	\$11,353.05

L I S T O F R E S E R V E S

RESERVES,	\$21,165.65	\$11,353.05
Reserves consist of:		
Ordinary Fund,	\$19,189.25	
Plumbing Promotion Fund,	\$ 1,414.88	
Forest Products - Better Paint Campaign,	561.52	

TOTAL \$21,165.65

NOTES: No effect has been given in the books of account or in this balance sheet to accrued expenses at December 31, 1935 and 1934. The costs of furniture and fixtures and automobile have been written off to expense.

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STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS FOR
THE YEARS ENDED DECEMBER 31, 1935 and 1934.

	Year Ended December 31, 1935	Year Ended December 31, 1934
BALANCE AT BEGINNING OF THE YEAR	\$ 7,015.39	\$10,834.48
<u>RECEIPTS</u>		
From Members:		
Assessments:		
ORDINARY BUDGET		
Prior year	493.00	761.50
Current	39,668.50	33,996.75
In advance		183.50
Plumbing Promotion		
Prior year	7,676.00	
Current	14,925.00	310.25
Forest Products - Better Paint Campaign		
Prior year	227.50	
Current	13,800.00	13,572.50
Code Authority - For Expenses Advanced	1,950.16	
TOTAL RECEIPTS	\$78,740.66	\$48,824.50
TOTAL	\$85,756.05	\$59,658.98
<u>DISBURSEMENTS:</u>		
ORDINARY BUDGET		
Expenses:		
Salaries	18,160.65	16,062.81
Rent, light and water	2,219.61	1,669.40
Printing	6,808.80	6,580.59
Travel expense	956.69	1,220.54
Telephone and telegraph	627.78	831.17
Books and subscriptions	356.83	264.43
Office expense miscellaneous	1,256.75	1,376.47
Postage	831.50	827.53
TOTAL EXPENSES	\$31,216.61	\$28,832.94
Advances for travel expense - Not		450.00
Furniture and fixtures	216.34	434.59
TOTAL DISBURSEMENTS -		
ORDINARY BUDGET - (Forward)	\$31,432.95	\$29,717.53

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STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS FOR
THE YEARS ENDED DECEMBER 31, 1935 and 1934

	Year Ended December 31, 1935	Year Ended December 31, 1934
TOTAL - (Forward)	\$85,756.05	\$50,668.98
DISBURSEMENTS - (Forward)	\$31,432.95	\$29,717.53
<u>Plumbing Promotion:</u>		
Expenses:		
Salaries	\$ 5,250.00	\$ 3,825.00
Travel expense	4,636.22	3,500.58
Advertising	720.14	120.50
Printing	1,221.37	49.49
Mailing	340.07	27.50
Miscellaneous	1,414.65	590.85
Total disbursements - Plumbing Promotion	\$13,582.45	\$ 8,113.92
<u>Forest Products - Better Paint Campaign</u>		
Expenses:		
Salaries	\$ 5,275.00	\$ 4,800.00
Travel expense	4,488.85	3,604.02
Printing	2,365.22	453.10
Mailing	711.08	147.12
Miscellaneous	2,810.60	2,322.49
Total expenses -	\$15,711.75	\$11,326.73
Advance for Travel expense - Net	300.00	
Total disbursements - Forest Products - Better Paint Campaign	\$16,011.75	\$11,326.73
<u>Medical Research - Payment to Harvard Medical School</u> (1934, loss charges to cooperating members)	\$ 5,000.00	\$ 1,535.25
<u>Code Authority - Advances for expenses - Net</u>		1,850.16
Total disbursements	\$66,027.15	\$52,643.59
<u>BALANCE AT END OF THE YEAR:</u>		
On deposit with The Chase National Bank of the City of New York	\$19,628.90	\$ 6,915.39
On hand	100.00	100.00
TOTAL	\$19,728.90	\$ 7,015.39