THE
DOE RUN
COMPANY

SUITE 400
11885 LACKLAND ROAD
ST LOUIS, MO 63146-4236
TELEX 98-8554
FAX 314-991-7180

JEFFREY L. ZELMS

RECEIVED
JAN 4 1990
R.L. GUYETT

JANUARY 3, 1990

MR. WILLIAM A. HUMPHREY, CHAIRMAN
THE DOE RUN COMPANY PARTNERSHIP COMMITTEE
c/o HOMESTAKE MINING COMPANY
650 CALIFORNIA STREET
SAN FRANCISCO, CA 94108

DEAR BILL:

I THOUGHT THE ATTACHED ARTICLE FROM THE WALL STREET JOURNAL SIGNIFICANT ENOUGH TO WARRANT SENDING IT TO YOU.

IN THE LEAD BUSINESS THIS ARTICLE IS VIEWED AS BOTH GOOD NEWS AND BAD NEWS. ON THE PRIMARY SIDE OF THE BUSINESS, IT IS BAD NEWS AS IT IS DESIGNED TO REDUCE OUR ABILITY TO SUPPLY LEAD METAL FROM VIRGIN SOURCES, I.E. OUR MINES. ON THE SECONDARY SIDE OF THE INDUSTRY, IT IS GOOD NEWS BECAUSE IT FORCES THE USE OF LEAD METAL FROM RECYCLED FEEDS.

AS I THINK YOU KNOW, I SERVE AS CHAIRMAN OF THE LEAD INDUSTRY ASSOCIATION, THE DOMINANT TRADE ASSOCIATION OF THE LEAD INDUSTRY. THE ASSOCIATION HAS APPROXIMATELY 50 MEMBERS FROM ALL MARKET SEGMENTS OF THE LEAD BUSINESS. THE LIA HAS ALSO BECOME AWARE THAT THE ENVIRONMENTAL DEFENSE FUND, IN CONJUNCTION WITH SENATOR JOHN H. CHAFEE (R) OF RHODE ISLAND IS GOING TO INTRODUCE A BILL TO THIS LEGISLATIVE SESSION THAT WILL PARALLEL THE INITIATIVE PROPOSED BY THE WHITE HOUSE.

AS THE CHAIRMAN OF LIA, I WILL BE CALLED UPON TO SPEAK TO THE ISSUE AND WILL INDORSE THE BENEFITS OF RECYCLING LEAD. I WILL ALSO STATE THE POSITIVES OF LEAD AND THE ABSENCE OF A LEGITIMATE REASON TO BAN OR TAX PRIMARY PRODUCTION.

ONE FINAL OBSERVATION IS THAT IT APPEARS MORE AND MORE THAT THE GOVERNMENT IS GOING TO MAKE THE PRIMARY LEAD BUSINESS MORE DIFFICULT AND SIMULTANEOUSLY INDORSE AND SUPPORT THE RECYCLING SIDE.

I would appreciate any comments that you feel are appropriate.

Sincerely,

Jeffrey L. Zelms

JLZ/llm

Enclosure

cc: Paul W. Allen
David K. Fagin
Lee A. Graber
Robert L. Guyett
Les G. McCraw

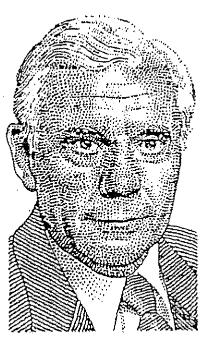
Campbell Picks Gerber's Chief For Top Post

Embattled Soup Maker Said To Tap David Johnson, Ending a Long Search

By ALIX M. FREEDMAN
And VINDU P. GOEL
Staff Reporters of THE WALL STREET JOURNAL

David W. Johnson, chairman and chief executive officer of Gerber Products Co., has been appointed chief executive of embattled Campbell Soup Co., people familiar with the situation said.

The choice of Mr. Johnson, a marketing whiz and turnaround expert who is extremely popular with Wall Street, culminates a tumultuous succession search that lasted more than a year. Campbell began looking for a new chief executive even before the resignation of R. Gordon McGovern, who left in November under pressure from certain members of the board and Campbell's controlling Dorrance family.



David W. Johnson

The move to bring in a chief executive from the outside—a departure from tradition at the Camden, N.J., soup maker—represents an attempt by Campbell's board to quell mounting infighting and takeover rumors that have been swirling around the company in recent months.

But it isn't clear that Mr. Johnson's selection will quiet dissident family members who have indicated they want to sell their stock and press for the sale of the entire company. A spokesman for the dissident group, which controls more than 17% of Campbell, said the selection of the new chief executive won't deter the group's efforts.

One of the dissidents, Dorrance Hamilton, is a member of Campbell's board, which unanimously approved Mr. Johnson's selection. The spokesman for the dissident group said Mrs. Hamilton voted for Mr. Johnson because "no one would deny the company needs a good far-sighted chief executive." But the spokesman said the selection of Mr. Johnson doesn't resolve the "fundamental issues" the dissenters have raised. "The real question is should this remain a family-dominated company with all the problems that entails?" the spokesman said.

inaccurate to say Bob Vlasic ramrodded the thing."

According to Mr. Lippincott, Campbell's final choice was culled from an initial list of 24 candidates assembled by an executive search firm. The Campbell screening committee ultimately interviewed three outside and two inside candidates. "We felt these were all very good choices," the director said. "But there was one person who stood out above all the rest."

White House Hopes to Spur Recycling With New Taxes on Certain Materials

By DAVID WESSEL and ROSE GUTFELD
Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON—The Bush administration, hoping to encourage greater use of recycled materials by American industry, is planning to propose taxes on paper, glass, plastic and metals that are made from virgin materials, administration officials said.

Although details aren't firm, officials said the plan is to levy a per-ton tax on various materials at the point of production. Bottlers, newspaper publishers and others who use recycled materials would then get a rebate or otherwise be exempted, in part, from the fee.

The initiative is partly designed to fulfill President Bush's campaign promise to "make a national commitment to reduce waste by recycling and developing technologies that produce less waste." The plan also reflects the administration's predisposition to use economic incentives, rather than new regulations, to address social problems, particularly in the environment.

Changing Incentives

If approved by Congress, the taxes would change incentives, one administration official said. By making products made from virgin materials more costly, the government would give business an obvious incentive to use more recycled materials. The more recycling, the less garbage to be disposed of.

Details of the proposal are expected to be included in President Bush's fiscal 1991 budget. The White House budget office confirmed that the budget will be unveiled Jan. 29, a week later than scheduled. Mr. Bush is expected to deliver his State of the Union address the same week.

The administration plan apparently bears some resemblance to a concept circulated by Coca-Cola Co. of Atlanta. A Coca-Cola spokesman confirmed that the company has been discussing within the soft-drink industry a $20-a-ton fee on all materials produced by paper mills, steel mills, plastic plants and others. Producers would get rebates for every ton of recycled material they use. Money collected from the tax would go to support state and local government recycling activities.

Although the Bush budget will be filled with so-called user fees and other vehicles for raising money that can be described as anything but taxes, administration officials said the recycling fee is intended more to bolster Mr. Bush's standing as "the environmental president" than to raise revenue.

EPA Goal of 25% Cut

The Environmental Protection Agency has a public goal of reducing the nation's waste by 25% by 1992, a goal that President Bush has said he hopes to exceed. The EPA recently proposed that municipal incinerator operators be required to separate for recycling 25% of the waste they would otherwise burn.

The budget proposal would, of course, have far broader application. In fact, Lester Lave, an economist at Carnegie Mellon University in Pittsburgh, said it might prove to be too broad. He said the administration plan, as described to him by a reporter, "in principle goes in the right direction." But he prefers a narrow focus on consumer goods, such as charging deposits, like those now charged on soft-drink containers in many states, to divert newspapers, batteries and other items from municipal trash heaps.

Many economists have long advocated government levies that would force businesses and consumers to take account of the full "social cost" of their purchases, such as the cost to society of disposing of throw-away containers. The trickiest facet of such schemes is figuring out just how big of a fee to charge. "It's hard to know how much you want to tip the balance," one official said.

Economists tend to focus more on perfecting the market than on the results. As Paul Portney, an economist and vice president at Resources for the Future, a Washington think tank on environmental issues, said, "Once you've set the tax that reflects these social costs, if it turns out that recycling is still prohibitively expensive, then so be it."