John L. Kimberley *Executive Vice President*

Lead Industries Association, Inc. / Zinc Institute, Inc.

June 26, 1969

Subject: ZALIS (International Zinc and Lead International Service)
Meeting of the Board of Directors in London - May 29, 1969

Dear Sir:

Attached hereto is a copy of a London report on the subject, which I trust you will find of interest.

In my judgment, the meeting reported was a successful one, and will serve to bring you up-to-date on the overall status of the Zalis project.

We feel that progress has been made- with that in Latin America being of primary importance to LIA and the ZI.

Sincerely,

J. L. Kimberley
Executive Vice President

JLK:vm
Attachment

292 Madison Avenue, New York, N. Y. 10017

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ZINC AND LEAD INTERNATIONAL SERVICE

Meeting of Board of Directors in London on 29 May 1969

1 PRESENT

M. I. Freeman (in the Chair)	Zinc Development Association Lead Development Association
J. R. Alexander	Zinc Institute
Brigadier H.P. Crosland	Zinc Development Association Lead Development Association
J. R. Englehorn	Lead Industries Association Zinc Institute Inc.
J. L. Kimberley	Zinc Institute Inc. Lead Industries Association
N. A. Hanley	Australian Lead Development Association Australian Zinc Development Association
R. L. Stubbs	Zinc Development Association Lead Development Association
S. Tokunaga	Japan Lead Zinc Development Association
In attendance	
C. H. Knight	ZDA/LDA
D. Pettigrew	ZI/LIA

Apologies for absence were received from Mr. R.P. Koenig, ZDA/LDA, Mr. K. Gross, AZDA/ALDA, and Mr. S. Omoto, Japan Lead Zinc Development Association.

2 CHAIRMAN

Mr. Freeman was elected Chairman for the meeting.

3 MINUTES OF PREVIOUS MEETING

The minutes of the meeting on 28 January 1969, which had been circulated were approved and signed by the Chairman.

4 JAPANESE PARTICIPATION IN ZALIS

LIA02191

A memorandum on Japanese participation in ZALIS, prepared by Mr. Stubbs after his recent discussions with Mr. Omoto, Chairman, Dr. Tokunaga, Director-General, and members of the Japan Lead Zinc Development Association was considered.

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Dr. Tokunago said it accurately summarised the Japanese situation. He confirmed that the Japan Lead Zinc Development Association now formally agreed to support ZALIS and to contribute 10% ($14,000) of the income of $140,000 for 1969. However his members still had to agree amongst themselves on the basis for raising this contribution. In supporting ZALIS, the JLZDA wished to share equally with the Australian associations in the responsibility for planning and carrying out the work in South-East Asia and to participate in visits by technical staff. They would like also to see ZALIS concentrate on stimulating the use of semi-manufactured zinc and lead products in South-East Asia so far as was practical.

Mr. Hanley saw no difficulty in establishing a satisfactory basis for cooperation between the JLZDA and the Australian associations. However it would be necessary to reconcile the difference in the way his associations were at present carrying out the work in South-East Asia and the wish of JLZDA members to foster the consumption of lead and zinc products and semi-manufactures rather than of zinc and lead metal.

The Board agreed that the aim of ZALIS in South-East Asia, as in other developing areas, was to develop the consumption of lead and zinc in all forms. In broadening the effort in South-East Asia with the help of the JLZDA, it should be borne in mind that ZALIS could not be involved in commercial activities and that the promotional and technical services under the aegis of ZALIS were being provided on behalf of all its supporters.

The Board expressed its pleasure that the JLZDA had confirmed its support for ZALIS and recommended that Mr. Hanley and Dr. Tokunaga should together work out a practical form of cooperation.

5 ZALIS ACTIVITIES FOR 1969

Progress in the various areas was reviewed.

India The work of the well-established Centre in Calcutta continued to go well. New publications included the proceedings of the Centre's 1968 zinc die casting seminar, the cost of which had been subsidised by including advertisements. Dr. Parthasarathi had adopted this practice, which was acceptable in India, to make possible the publication of such material economically. Hindustan Zinc, who were now producing zinc metal in India, had been invited to become local supporters of the Indian Centre. They had commended the work of the Centre, but wished to defer joining until they had achieved a higher level of production.

In 1968 the consumption of refined lead had amounted to 38,000 metric tons and of slab zinc to 95,000 metric tons, the highest level yet.

Africa The proposal for setting up a South African lead/zinc centre had been discussed with Zincor and Tsumeb. Zincor had welcomed the objective but had felt that such a centre might for the time being form part of the technical service they would be introducing when their new zinc production began. Although not suppliers of lead, they had some connection with Tsumeb and could if necessary distribute lead publications for ZALIS. However, Tsumeb themselves had said that, for the present, they did not wish to support a new South African centre.

Anglo American were willing to continue distributing lead and zinc publications in South Africa on behalf of ZALIS so long as their metal sales department in Johannesburg was adequately staffed. It was agreed that Anglo American should be asked to carry on this work until there was a more positive response from the local producers.

Mr. Stubbs said he planned to send a ZDA/LDA technical officer to Africa, including South Africa, before the end of the year. He hoped that Zincor and Tsumeb would be able to keep in touch with Anglo American in building up mailing lists.

Refined lead consumption in 1968 in South Africa was 23,000 metric tons and slab zinc 44,000 metric tons. Other African countries together took about 21,000 metric tons of lead and 30,000 metric tons of slab zinc.

Middle East The ZDA/LDA was expanding the mailing lists it operated for ZALIS in the Middle East countries and a ZDA/LDA technical officer, with a knowledge of both lead and zinc, would be visiting the area before the end of the year. A previous visit, by Mr. Chivers of the ZDA, and subsequent enquiries, had confirmed that it would not be practical to set up a lead/zinc centre in the Middle East and that a satisfactory service could be provided from London.

The Middle East countries together consumed in 1968 about 22,000 metric tons of lead and 33,000 metric tons of zinc.

South-East Asia Mr. Hanley said that mailing lists for South-East Asia, operated from Melbourne, were being continually expanded and already exceeded 600 names and addresses. The regular distribution of the lead and zinc abstracts bulletins, and the free photocopying service of articles reviewed in these bulletins, had done much to arouse interest in the ZALIS service he was providing. Two members of his staff were at present visiting the area again and their report would be available later on. Future visits would be planned in consultation with the JLZDA.

The main objective of the work in South-East Asia had been to create a wider interest in lead and zinc among government officials, engineers and architects and others responsible for the specification and design of products using zinc and lead, rather than to concentrate on advising on technical aspects of the manufacture of lead and zinc products: in other words the broad objective had been to stimulate the market for lead and zinc in all their forms.

In South-East Asia lead consumption reached 29,000 metric tons in 1968 and zinc consumption 83,000 metric tons.

Latin America Mr. Kimberley reviewed the main points in his memorandum, circulated to the board, on the discussions which he and Mr. Stubbs had had in Mexico earlier in the year. The principal Mexican mine and metal producers of lead and zinc had agreed to contribute initially $15,000 a year to a local lead/zinc centre providing ZALIS would contribute $10,000 a year and also supply publications and technical advice. They had still to agree among themselves on the basis for contributions to the centre, but had given assurance that the money would be available. They all seemed enthusiastic about the project and when the Mexican centre was firmly established it could be expected that they would agee to bear a larger share of the cost.

Mr. Figueroa, the manager of the Mexican copper centre, who was well regarded by the local metal producers, had been commissioned to get the office established and would be drafting a constitution, seeking office accommodation and looking for a technical man to train as a potential manager. Some of the leading galvanizers were interested in the project and there was a possibility that a galvanizers group could be formed as a subsidiary organisation.

CIDEC (Conseil International pour le Developpement du Cuivre) had agreed that Mr. Figueroa could work part-time for lead and zinc, providing the new centre was kept separate from the copper centre.

Mr. Kimberley said that as soon as some further progress had been made with the preliminary arrangements and candidates for the appointment of a technical officer had been lined up he would visit Mexico City again.

There had been no further news from Argentina on the plans being made by Mr. Wing Lew of Aguilar to set up a lead/zinc centre in Buenos Aires in association with ZALIS. It was proposed to contribute $8,000 a year from the funds available for work in Latin America in support of an Argentinian centre. Mr. Englehorn thought the delay might have been caused by St. Joe's involvement in merger discussions.

For Brazil it was planned that Mr. Stubbs and Mr. Kimberley should together visit Sao Paulo and Rio de Janeiro in November this year to explore with local fabricators and merchants the possibility of setting up a local Brazilian centre, or perhaps a lead/zinc committee to work with ZALIS. Since no significant support would be available from local producers it might prove somewhat difficult to organize co-operation with ZALIS in Brazil in the same way as in Mexico. In the meantime Mr. Schnyder, the manager of CEBRACO, the Brazilian copper centre, had agreed to initiate and operate mailing lists for the distribution of lead and zinc publications for a modest fee.

For Chile, Mr. Campino, the manager of a local copper centre, had undertaken to operate a small lead/zinc mailing list without charge. In Peru, Cerro was cooperating with ZALIS. Work had begun on building up mailing lists for the other countries in Latin America to which publications would be mailed from New York.

The total consumption in 1968 of refined lead in Latin America (including lead used in litharge manufacture in Mexico) amounted to about 153,000 tons and of slab zinc 132,000 tons.

The Chairman thought it would be useful to review trends in consumption at meetings of the Board in order to get some idea of the progress being made in the developing areas. The paper that Mr. Stubbs had given at the recent ZI/LIA meetings in Chicago reviewed the situation to date.

6 FINANCE

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a) ZALIS Bank Account

On a proposal by Mr. Alexander, seconded by Mr. Englehorn, it was resolved:

i. that an account be opened with Lloyds Bank Ltd. at Berkeley Square, London W1

ii. that the Bank be instructed to honour and debit to the account or accounts of Zinc and Lead International Service (ZALIS) whether in credit or overdrawn in consequence of any such debit all cheques, drafts or other orders or receipts for money signed on behalf of ZALIS provided they are signed by the Director General of the Zinc and Lead Development Associations (Mr. R.L. Stubbs) or the Secretary of the Zinc and Lead Development Associations (Mr. W.S. Hopes) and countersigned by the Chairman or Deputy Chairman of the ZDA or LDA Council

iii. that the Bank be furnished with a copy of the Rules and Regulations of ZALIS, and also with copies of any resolutions amending them that may from time to time be passed duly certified by the Chairman or President of ZALIS.

iv. that the Bank be furnished with a list of the names of the Board of Directors and Executive Officers of ZALIS, and that the Bank be authorised to act on any information given by the Chairman or the President as to any changes therein.

v. that these resolutions be communicated to the Bank and remain in force until any amending resolution shall be passed by the Board of Directors and a copy thereof certified by the Chairman or President shall have been received by the Bank.

b) Expenditure

Costs recoverable from ZALIS by associations In discussing how ZALIS work should be carried out by the supporting associations it was agreed that all staff, including the President and Vice-Presidents, should, whenever practical, travel economy class by air, but that they should stay at hotels of good standard suitable to their role as representatives of the world lead and zinc industry. ZALIS should be debited with the cost of salaries of technical officers for time spent on visits, but no allowance should be made for time spent on ZALIS work by the President and Vice-Presidents. Costs involved in attending Board meetings should not be charged to ZALIS.

The cost of publications used in ZALIS work - bulk shipments, postage, translations, etc. - should be charged to ZALIS at cost. In preparing the budgets a unit cost per contact had been established and this covered the cost of publications, mailing and answering technical enquiries by correspondence. Separate accounts, setting out expenditure in detail would continue to be kept for the Indian Centre.

The Board agreed that the ZDA/LDA should be paid for any special secretarial work undertaken for ZALIS, such as preparation and distribution of reports, and that a fee should be agreed later in the year when the amount of the extra work involved could be better assessed.

Transfer to ZALIS of ZDA/LDA Overseas Development Fund The audit of the Indian Centre accounts up to the end of 1968 was now being completed and these accounts would be incorporated into the final account of the ZDA/LDA Overseas Development Fund. Mr. Stubbs said it appeared that any surplus or deficit in the Fund for transfer to ZALIS would be very small. Assets of the Indian Centre - furniture and office equipment, motor car etc. - which had been written off in the accounts, would be transferred to ZALIS.

It was agreed that the Indian Centre should continue to function as a branch office of the ZDA/LDA, London, since this provided greater flexibility in the use of its funds and avoided taxation problems in India. While the Centre would be seen as forming part of ZALIS, it was not practical to make it a branch office of ZALIS since ZALIS was not a registered company.

c) Budgets for 1969 and 1970

Although the existing budget was being used as a guide for expenditure in 1969, Mr. Stubbs said that since the work in some areas was taking more time to get under way than had been anticipated and overheads were not to be charged by the associations in costing work, it now seemed likely that there would be a surplus available at the end of the year to carry forward.

It was agreed that any surplus should be taken into account when assessing the income required in 1970.

7 REPORTS ON ZALIS ACTIVITIES

The Board confirmed that bulk supplies of reports on visits by technical officers to the developing areas should be sent to all members of the supporting associations by the ZDA/LDA, each association then being responsible for circulating these reports to its members. Memoranda on other aspects of ZALIS activities should be restricted in circulation to the ZALIS board and councils of the supporting associations.

8 PUBLICATIONS

a) Use of Zinc and Lead Abstracts Bulletins

The regular circulation of the monthly Lead and Zinc Abstracts Bulletins in developing areas was proving to be one of the best ways of stimulating interest in the ZALIS service. Consideration was being given to the possible inclusion in the bulletins of one or two additional pages listing publications available from the development associations and giving news about ZALIS activities.

b) Distribution of other publications

Mr. Kimberley said that the ZI/LIA were, in consultation with the ZDA/LDA, selecting a library of association publications for circulation in Latin America. Some of these publications, such as the ZDA Galvanizing Manual were already available in Spanish, and others would be chosen for translation by CENIM in Madrid under the arrangements made by Mr. Stubbs.

The Chairman observed that RTZ had a Spanish office which might be able to help with translations.

c) Distribution of ILZRO Digests

The Board agreed that arrangements should be made for ZALIS to distribute ILZRO digests in all the developing areas as part of its service of mailing lead and zinc publications, recipients of the digests being advised to refer direct to ILZRO for detailed information, including reports on ILZRO projects.

d) ZALIS symbol

In order to identify ZALIS activities throughout the developing areas, Mr. Stubbs said he had felt that a symbol should be designed which could appear on stickers for publications, and on letter headings and other printed material issued by various lead/zinc centres in developing countries. Such symbols were widely used nowadays, particularly in Latin America. A design, prepared in London, was examined by the Board, and it was thought that its striking appearance was very promising. It was agreed that Mr. Stubbs should proceed to get the final details of the design completed.

9 NEXT MEETING

The next meeting of the Board would be held in New York on Tuesday 25 November 1969.

ZDA/LDA
LONDON

17 June 1969