

LEAD INDUSTRIES ASSOCIATION, INC.

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ON 4-0000

September 2, 1965

SUBJECT: MARKETS FOR LEAD AND LEAD PRODUCTS
PIGMENTS

To the Industry Development Committee of
the Lead Industries Association, Inc.:

Attached is the sixth in the series of 1965 memoranda to you
presenting the LIA staff appraisal of various markets for lead and
lead products.

As always, we will welcome your comments in the hope of ap-
proaching our budget discussions later this year most effectively
and expeditiously.

Very truly yours,



Executive Vice President

RLJ:kh
Enc.

Lead Ahead with Lead

MARKETS FOR LEAD AND LEAD PRODUCTSMEMORANDUM NO. 6-65PIGMENTS

This subject has been covered previously by Memorandum No. 4, August 9, 1963, and Memorandum No. 8-64, October 14, 1964. Last year it was decided to concentrate our promotional efforts on behalf of lead pigments on those used in metal protective paints and on yellow traffic marking paints. It was further decided to concentrate on the specifiers and ultimate users of these paints rather than on paint manufacturers who are well covered by our own members who make pigments. It was also decided to investigate further the uses and market possibilities of molybdate orange (a lead molybdate-lead chromate pigment) which has been growing steadily. These three groups of lead pigments now account for an annual lead consumption of some 40,000 tons and are all growing.

Red lead is still generally considered the standard for priming structural steel. While its use has fluctuated within narrow limits in recent years, based on five month figures it should show a modest increase this year to the highest level since 1957. To this must be added the lead used to make such newer pigments as basic lead silicate, basic lead silico chromate, tri-basic lead phospho silicate, and a small proportion of basic lead chromate, lead molybdate and basic lead carbonate. Red lead is used only for priming and intermediate coats while most of the others are either used for top coats or for all coats. When all of these are added to the fairly stable consumption of red lead, it is obvious that the use of lead for metal protective paints is growing, although no separate statistics are available on the newer pigments.

Principal competition for primers comes from iron oxide, zinc rich paints and zinc chromate and for top coats from aluminum and titanium paints. This year our promotion has consisted of four one-page two color ads in Engineering News-Record and two one-page two color ads each in American City and Urban and Rural Roads. We have continued to distribute on request Pigments Technical Letter No. 15, a compilation of paint formulas for metal protection under a variety of conditions, first printed several years ago. We also distributed to 8,000 corrosion engineers, paint technologists and executive reprints of an excellent trade paper article on the history of painting the San Francisco-Oakland Bay Bridge with lead paints.

We believe that this program should be continued along present lines and perhaps intensified somewhat.

The use of lead chromate, based on Bureau of Census statistics, has been growing to a point where this year it will probably surpass any year except 1951. In doing so it has had to absorb reduced use as a color in interior paint brought about by governmental restrictions limiting the lead content to 1 percent. Most of the growth, therefore, is attributed to expansion of the use of yellow for traffic marking paint, which is estimated to be the largest single use of lead chromate, using about half of the nearly 20,000 tons of lead going into all lead chromate.

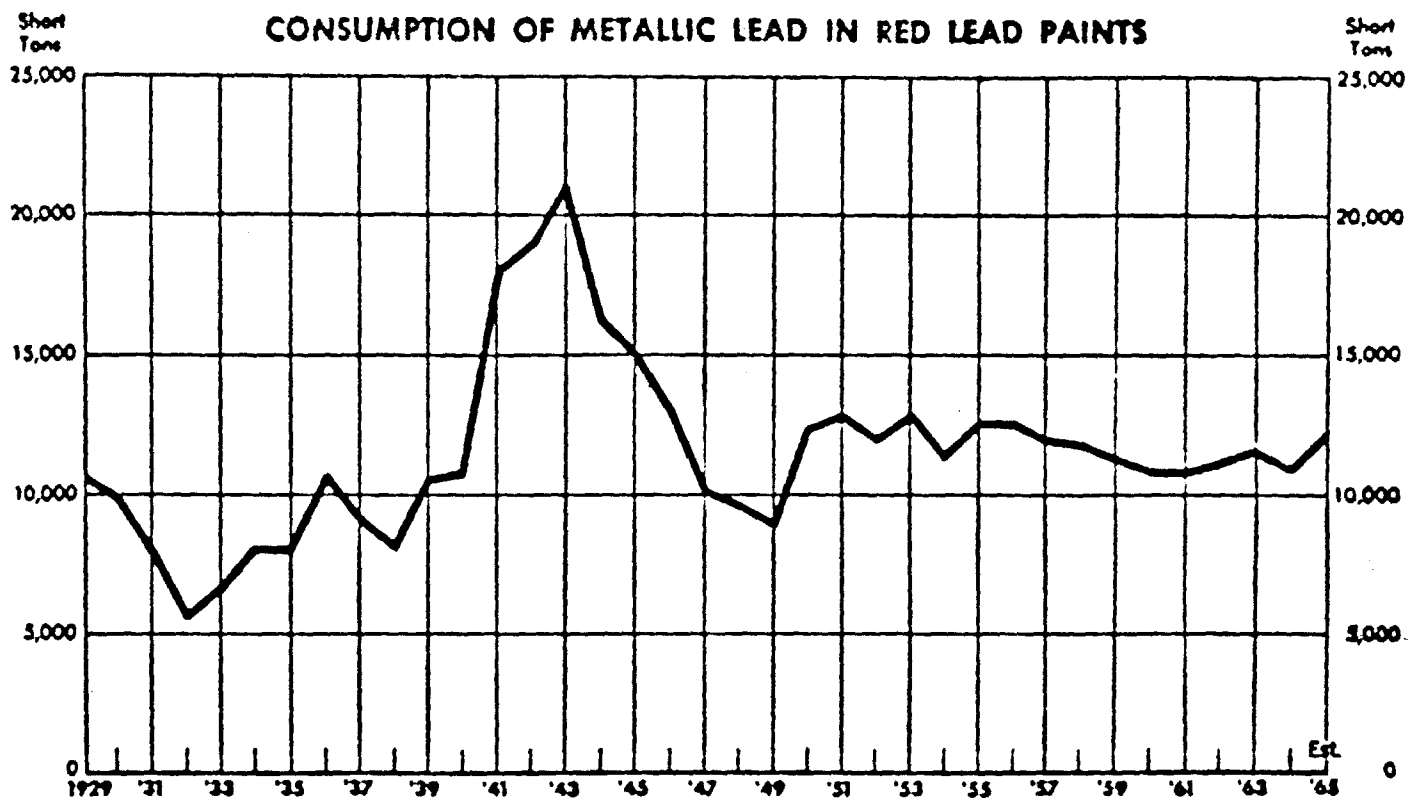
To date lead chromate had no competition in making the yellow paint and yellow has been replacing white (contains no lead) for many purposes. Our efforts so far have been to encourage wider use of yellow for more purposes.

Recent research sponsored by the Sulphur Institute has developed specially applied sulphur, its yellow color strengthened by addition of a dye, Hansa yellow, for traffic marking. While we don't know too much about this material yet, we understand it is much cheaper and based on limited testing, more durable than the lead chromate paints but must be applied hot and probably by different machines than those now used by highway departments. Stauffer Chemical Co. has been licensed to make and distribute this product in the United States. The feasibility of using lead chromate instead of Hansa yellow for strengthening the color is being investigated but even if that happened the amount of lead chromate would be greatly reduced.

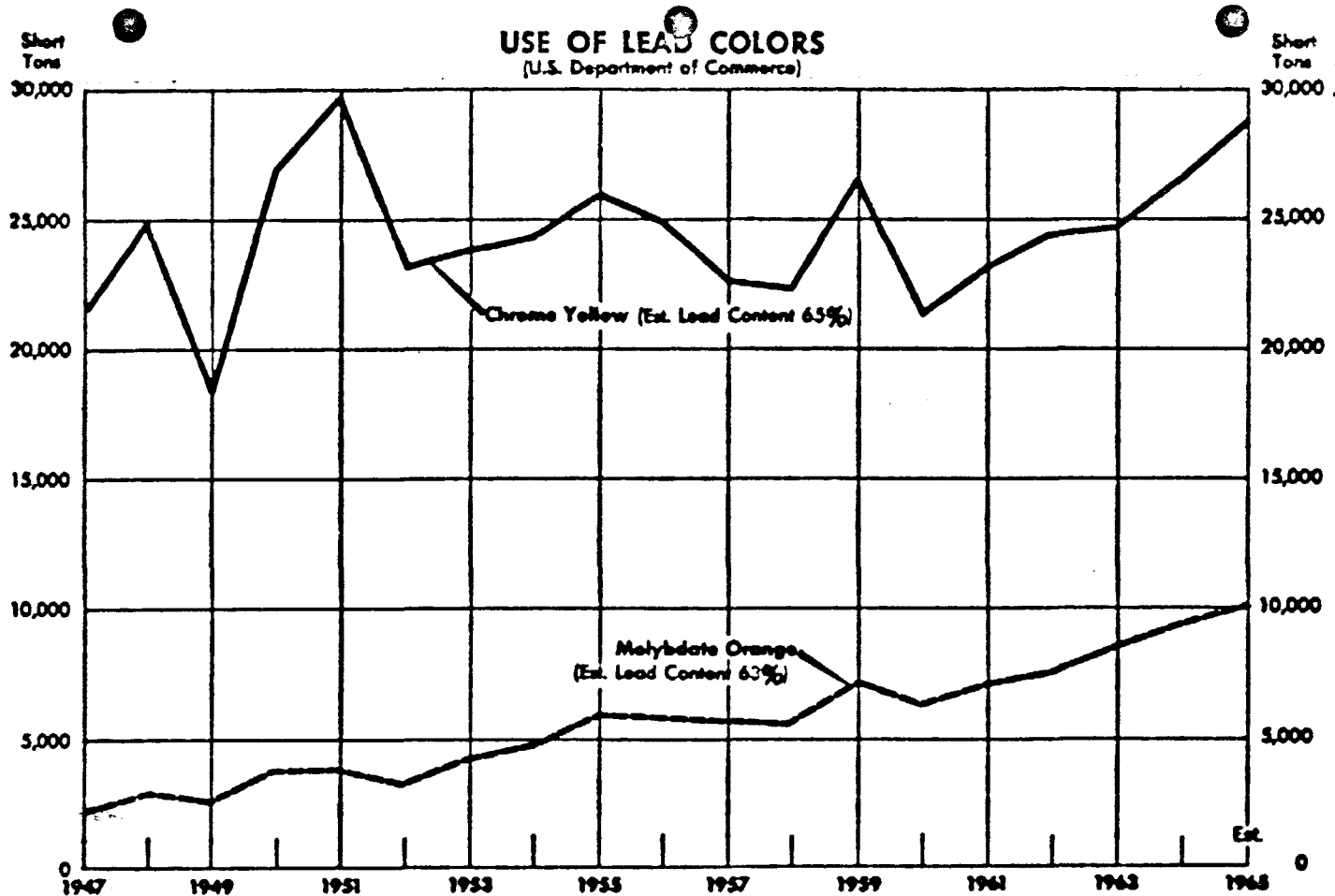
This year we are using two one-page two color ads each in American City and Urban and Rural Roads to promote yellow traffic marking paint. We also have in preparation a brochure on this subject which will be given wide distribution before the year end. We believe that this program should be materially intensified in 1966 to face the new competition. There are certain factors in our favor such as the high investment in road marking equipment (\$20,000 or more per machine) which will make highway engineers hesitant to change over. We have the investment, the inertia of habit, and the lack of knowledge of the performance of the new competition in our favor. We believe the effort should be made now. Our efforts should also be extended to safety markings in industrial plants where the sulphur compounds may be difficult to apply. The American Standards Association now has an extensive standard for such applications which offers a large potential market.

Molybdate orange has been a constantly growing market for lead that this year will probably consume over 6,000 tons of the metal. Last year we mentioned that we felt that this market warranted investigation. Meanwhile we have found that the probable reason for the growth is the permanence of the red colors that can be obtained by the use of molybdate orange. In addition to its use for visibility in so-called "international orange" on high structures near airports, it is mainly used in red paints for such things as automobiles and in lithographing inks. In the past organic red colors were largely used and reds and maroons were notable for their tendency to dull and fade. It has been found that the supplemental use of molybdate orange can do much to stabilize the color and gloss of these paints and inks. This is highly important in automobile finishes and container labels.

We are not yet ready to recommend any action on the part of the Association in connection with this product. We do not know whether there is anything we can do to stimulate it but we intend to keep a watchful eye on it and if we have anything constructive to offer, it will be presented to the Committee. Meanwhile suggestions will be welcome.



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