

EXECUTIVE COMMITTEE MEETING

New York, N. Y.

June 22, 1936.

A meeting of the Executive Committee of the Lead Industries Association was held on Monday, June 22, 1936, at 12:30 P.M., at the Down Town Association, New York.

Present

Clinton H. Crane, Chairman
F. H. Brownell
F. M. Carter
I. H. Cornell
F. Y. Robertson

F. E. Wormser, Secretary.

Representing

St. Joseph Lead Company
American Smelting & Refining Co.
National Lead Company
St. Joseph Lead Company
United States Smelting Refining
& Mining Co. Inc.

Mr. Clinton H. Crane occupied the chair.

The minutes of the previous meeting of April 10, 1936 were approved.

RESIGNATION OF DIRECTOR

The resignation of Mr. W. Y. C. Hunt, Vice President of the Reynolds Metals Company, who, because he had severed his business connection with the Reynolds Metals Company, tendered his resignation as a Director of the Lead Industries Association, was accepted with regret. Mr. R. G. McKay, Vice President of the Reynolds Metals Company was nominated to succeed Mr. Hunt, and was unanimously elected.

APPLICATION FOR MEMBERSHIP

The application for membership of the General Lead Manufacturing Company, Denver, was presented and approved, and the Secretary was directed to notify the applicant of his election to membership.

MEDICAL RESEARCH - HARVARD MEDICAL SCHOOL

The Chairman explained that the Harvard Medical School needed an additional appropriation in the sum of \$2,000 to carry on its program on lead poisoning for the full college year, and that owing to a misunderstanding of Dr. Aub's requirements, an earlier appropriation of \$4,000 was insufficient to complete the program of the School.

It was thereupon moved, seconded and carried that the Lead Industries Association appropriate an additional \$2,000 for the use of Harvard Medical School in its lead poisoning research, making a total appropriation of \$6,000 for the year July 1, 1936 to July 1, 1937.

LIA02603

RESOLUTION: ON THE NORMAL STOCK METHOD OF
CALCULATION OF PROFITS AND INVENTORY VALUA-
TION FOR CORPORATE AND TAX PURPOSES.

Mr. Brownell presented a resolution, as follows, on the normal stock method of calculation of profits and inventory valuation for corporate and tax purposes, which the Committee adopted and instructed the Secretary to forward to the members of the Association for approval:

WHEREAS, in certain industries, among others, the refining and fabrication of non-ferrous metals, the use of a basic normal minimum stock carried at fixed prices is a well-recognized, accepted accounting practice which, in the opinion of executives and accountants connected with those industries, most clearly reflects income.

NOW, THEREFORE, BE IT RESOLVED, that the Lead Industries Association approves the use of a basic normal minimum stock carried at fixed prices as clearly reflecting the income of smelters, refiners, processors and fabricators of lead and similar metals and respectfully requests and urges the United States Bureau of Internal Revenue to permit under regulations issued by it the use of this or similar method of valuing inventory and costing sales in the computation of taxable income for purposes of United States Federal Income Tax, as an optional alternative to the method previously used.

BE IT FURTHER RESOLVED that the officers of this Association be, and they are, hereby authorized to submit copies of this resolution to such public and private bodies and agencies as any member of this Association may request.

WHEELER ANTI-BASING POINT BRIEF

The Chairman stated that with reference to the Wheeler Anti-Basing Point Bill, S.4055, the brief dated April 22, 1936, and attached as Exhibit "A", had not been formally presented to Congress but was ready to be used at the discretion of the Executive Committee of the Board of Directors.

STANDARDS FOR LEAD PIPE TRAPS AND BENDS

The Chairman requested the Secretary to explain the action which the lead pipe, lead trap and bend manufacturers in the Lead Industries Association had taken with respect to the establishment of a standard for their product.

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The Secretary explained that owing to the large amount of inferior lead plumbing goods on the market, fabricators had found it necessary, for their own protection, to devise an adequate standard for lead pipe, lead traps and bends, and to provide

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for the creation of some Association insignia which could be used on all merchandise meeting the Association Standard wherever manufacturers desire to procure licenses for that purpose. The Standard had been approved, without objection, by the members at interest and was now ready to be acted upon by the Executive Committee, or Board of Directors.

It was regularly moved, seconded and carried that the Lead Pipe and Lead Trap and Bend Standards, as established and approved by the Metallic Lead Products Division of the Lead Industries Association, and attached as Exhibit "B", be approved and the Secretary be authorized to give the Standard widespread publicity and to proceed with the drafting of suitable licensing arrangements for the use of the Association insignia.

The meeting adjourned at 2:30 P.M.

J. R. Townse
Secretary.

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NOT FOR PUBLICATION

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CONFIDENTIAL

The Lead Industries Association represents the entire lead industry from mine to finished product, that is, about 90 per cent of the lead mine production in the United States, 100 per cent of the primary smelting and refining, plus a large portion of the secondary refining, plus 100 per cent of the lead pigments industry, and perhaps 90 to 95 per cent of the metallic lead products, and 95 per cent of the metallic foil products industry. The Lead Industries Association believes that S.4055, The Anti-Basing Point Bill, would cause great confusion in the determination of the domestic pig lead price and in the buying and selling of lead ores and concentrates, pig lead, scrap lead, and in determining the prices of various manufactured lead products which are all based upon the price of pig lead. The present marketing method has gradually developed over the last 100 years, and price differentials between various consuming centers are still changing from time to time due to competitive conditions. A sudden change in the fundamental basis of quotations, however, would have repercussions in many directions, not the least of which is that it would, as stated above, seriously disturb the present method of pricing lead ores and concentrates.

To illustrate, a substantial volume of lead in ores and concentrates produced from innumerable small operations in the West is sold to custom smelters, who pay cash to the miners for their product. Settlement for these purchases is made on quotations established by numerous trade papers and published quotations covering the two important lead markets - New York and St. Louis. We believe that the passage of the Wheeler Anti-Basing Point Bill will make it difficult to appraise the market price of lead at a point suitable for ore settlement contract purposes, because the trade papers will have difficulty in reducing the sales information they receive, and upon which they base their appraisal, to the New York or St. Louis market points.

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If it is the purpose of the Bill to do away with these two market points long used in the lead trade, then the miner will probably have to accept a provisional settlement for his lead from a smelter, constituting only a fraction of the estimated value. The final settlement of the lead would be delayed 60 to 90 days, or longer if the market were unable to absorb current production, which would be based by the smelter on the actual price received for the lead. Small mines and operators on narrow margins of profits with insufficient surplus will be seriously injured and in cases where unable to borrow for payroll purposes, it may be necessary for them to close down. Further, the ultimate result of this would be the establishment of different prices of lead paid to shippers on shipments received at the reduction plants on the same day.

We consider New York and St. Louis to be market centers similar to those established for other world commodities such as cotton, wheat and coffee. They are not basing points in our estimation. Moreover, it is to the advantage of the entire lead industry, from mine to finished product, to have a free and open market in pig lead which miners, fabricators and consumers can use. This is furnished by the New York market which reflects not only internal business but also European competition, as expressed through the important London quotation. Furthermore, New York, over a period of years, is the principal port of entry for importations of lead into the United States, that is, whenever importations may be profitably made into the United States from Europe, a situation which has occurred in the past and will, no doubt recur in the future.

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Such being the case, we are convinced that, should this Bill be enacted into law, the New York price of lead would fluctuate quite radically as compared with prices in other sections of the country, dependent upon whether a price differential existed between the domestic and foreign markets which would allow the importation of foreign lead. This would work an undue hardship on

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the principal lead producing districts of the West, whose freight rates on lead to New York (which is the hub of the lead fabricating East) range from \$12.50 to \$13.50 per ton as compared with no freight at all to New York, on which several important foreign producers would figure. In explanation of this last statement, these foreign producers must pay their freights from say Spain, Tampico, Vancouver or Australia to London, in order to sell their lead in their normal markets, and their freight rate to New York would be no higher than to London. Therefore, the duty which has been responsible for keeping many of our domestic lead mines alive in recent years would be correspondingly reduced in its effectiveness, particularly for those far-western mines, a large part of whose product must be marketed on the Atlantic seaboard.

The St. Louis market has grown by virtue of the fact that St. Louis District is a point of origin for the most important lead production in the United States, namely that from the State of Missouri. It is, therefore, a natural market point. Between New York and St. Louis, the producer and consumer has a close gage of the lead market.

Chicago is another originating point for pig lead and has its own market, generally slightly higher than the St. Louis price, but not the St. Louis price plus freight. In the last analysis, the price of pig lead at any point is determined by competition, and this rule applies whether or not the point is an originating or consuming point, or both.

A multitude of market points for pig lead, each represented by the locality of a refinery, would cause an extraordinary amount of confusion in the trade. We do not see how the lead miner, or fabricator, interested in the day-to-day price of lead could intelligently keep abreast of the lead situation if our present market points were outlawed, or their usefulness impaired.

Incidentally, it is worth noting that Canadian, Mexican, Spanish German, Australian, and other world lead production is based almost wholly upon

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the London metal market, which is a market place for the entire world. Prices in Belgium, Holland, France, and other European countries are not the London price plus freight.

Under the provision of the Bill, we believe competition for pig lead sales would be restricted to the lead refineries nearest to, or most easily serving the major lead consuming districts. This would deprive some consumers of a choice in the selection of their lead supplies, an important consideration when certain brands or grades of lead are required by customers as they now are.

Numerous manufactured lead products are generally sold on a uniform delivered price basis so that the users of these products will all be placed on an equal competitive basis in the purchase of these raw materials. If this system is changed, there will be a relocation of numerous lead consuming plants to more advantageous places of manufacture, with results that may be unfortunate both for labor and the cities in which these plants are now located. Some of the larger fabricators, with plants scattered over the United States, may be able to adjust themselves satisfactorily to this situation, but the smaller producer will likely be injured.

Then again, there are numerous manufactured lead products, the sale of which is governed by the market quotations for pig lead in New York or St. Louis. For example, the price of some lead covered cable, lead oxides, storage batteries, and other lead products may frequently be based upon New York quotations. The entire and extremely important scrap lead market requires a New York or St. Louis market quotation for a settlement purpose. It is difficult to see how lead scrap could be bought and sold under the conditions outlined by the Bill, originating as the scrap does in hundreds of cities and localities.

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It is our opinion that the operation of the Anti-Basing Point Bill will result in more erratic and generally disturbing pig lead prices than would otherwise prevail, which probably means lower average prices to the lead mining industry, and may consequently cause some lead producing properties to become unproductive with attendant unemployment and loss of tax revenue to the West. This result is not pleasant to contemplate for an industry which has suffered severely during the past five years with record breaking low prices for its output and which we estimate is now operating at less than 60 per cent of normal. In the long run, the passage of this Bill might very well result in certain consumers of lead, or lead products, securing a lower price than they would receive under the present marketing system, but it would also result in certain other consumers paying a higher price. We can not tell which interests would be helped and which would be hurt, but we are certain that the confusion which would be caused the entire industry would be harmful to all members of the industry, producers and consumers alike.

It is noteworthy that no one in the Association, composed as it is of both producers and consumers of lead ores and concentrates and pig lead, has complained about existing merchandising methods. Every one in the industry with whom the Bill has been discussed is definitely opposed to it.

We feel that however idealistic the Wheeler Anti-Basing Point Bill may appear, an attempt to change present selling methods would cause serious confusion in our industry, and would accomplish nothing constructive either for the public using our products or the industries supplying them. Therefore, we respectfully request that the Bill exempt the lead industry from its provisions.

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EXHIBIT "B"

Lead Trap and Bend Meeting
April 29, 1936.

All lead fittings bearing the Lead Industries Association insignia shall be made in accordance with the Lead Industries Association Standard and any manufacturer shall forfeit his right to the use of the insignia of the Lead Industries Association on his fittings at such time as numerous complaints and evidence would tend to show carelessness or disregard of reasonable precautions or violations of the Lead Industries Association Standard.

LEAD INDUSTRIES ASSOCIATION STANDARD
FOR LEAD FITTINGS

1. Analysis: The lead used shall analyze at least 99.7 per cent pure. Maximum zinc content shall be 0.002 per cent.
2. Accuracy: The wall thickness of lead traps and bends shall vary not more than 5 per cent above or below the specified wall thickness taken at any point on the circumference of the trap or bend.
3. Defects: Reasonable diligence shall be used in manufacturing operations to eliminate all defects in lead traps and bends, such as laminations, cold joints, pits, obstructions and inclusions.
4. Markings: The markings on lead traps and bends shall consist of the inside diameter of the fitting, weight per running foot, and manufacturer's identification mark at the end of the fitting. The manufacturer's identification mark shall be registered with the Lead Industries Association.

5. Weight: Lead fittings shall not be lighter than the following weights:

<u>Inside Diameter</u>	<u>Weight per Running Foot</u>
1-1/4"	2 lb.
1-1/2"	3 lb.
2 "	4 lb.
3 "	6 lb.
4 "	8 lb.
4-1/2"	10 lb.

6. Tolerance in Weight: The total weight of each lead fitting shall not vary more than 5 per cent above or below the actual weights required by the Lead Industries Association Standard List, which is as follows:

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Exhibit "B"

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LEAD INDUSTRIES ASSOCIATION STANDARD LIST

Lead Trap and
Bend Weeting

WEIGHTS OF LEAD TRAPS AND BANDS

REGULAR (Special Medium Weight)

Weight of lead per running foot	2 lb. 1-1/4 in.	3 lb. 1-1/2 in.	4 lb. 2 in.
	Lbs. Ozs.	Lbs. Ozs.	Lbs. Ozs.
Full S	3 3	4 14	8
3/4 S	2 13	4 6	7 5
1/2 S or P	2 12	4	6 12
Running	2 5	3 13	5 15
Running Y	2 11	4 3	6 9
Bag	3 13	6	9 15
Long Bend	2 1	3 7	5
Short Bend	1 9	2 10	3 10

REGULAR (Extra Heavy Weight)

Weight of lead per running ft.	2-1/2 lb. 1-1/4 in.	3-1/2 lb. 1-1/2 in.	4-1/2 lb. 2 in.	6 lb. 3 in.	8 lb. 4 in.	10 lb. 4-1/2 in.
	Lbs. Ozs.	Lbs. Ozs.	Lbs. Ozs.	Lbs. Ozs.	Lbs. Ozs.	Lbs. Ozs.
Full S	4	6 2	9 4	14 12	22 8	31
3/4 S	3 10	5 9	8 9	14 2	20 9	29 12
1/2 S or P	3 7	5 4	7 10	12	17 2	24
Running	2 15	4 11	6 12	10 14	16 2	23 12
Running Y	3 2	5	7 8	13 10	20 5	29 12
Bag	4 12	7 6	11 6	19 6	31 7	43
Long Bend	2 8	4 2	5 9	8 4	12 14	18 8
Short Bend	1 11	3 4	4 3	6 4	9 13	14 4

EXTRA LONG (Special (Medium) Weight)

Weight of lead per running ft.	2 lb. 1-1/4 in.	3 lb. 1-1/2 in.	4 lb. 2 in.
	Lbs. Ozs.	Lbs. Ozs.	Lbs. Ozs.
Full S	5 7	8	11 13
3/4 S	4 10	6 13	10
1/2 S or P	4 2	5 12	8 12
Running	4 5	6 7	9 1
Running Y	4 8	6 10	9 4
Bag	5 14	8 12	12 15

EXTRA LONG (Extra Heavy Weight)

Weight of lead per running ft.	2-1/2 lb. 1-1/4 in.	3-1/2 lb. 1-1/2 in.	4-1/2 lb. 2 in.
	Lbs. Ozs.	Lbs. Ozs.	Lbs. Ozs.
Full S	6 13	9 12	13 7
3/4 S	5 15	8 7	11 7
1/2 S or P	5 3	7 5	9 13
Running	5 7	7 12	10 3
Running Y	5 7	7 14	10 7
Bag	7 6	10 9	14 11

EXTENSION BEADS (Special (Medium) Weight)

Weight of lead per running ft.	2 lb. 1-1/4 in.	3 lb. 1-1/2 in.	4 lb. 2 in.
	Lbs. Ozs.	Lbs. Ozs.	Lbs. Ozs.
Short Inlet 12"	2 9	3 14	5 1
Short Inlet 15"	3 1	4 10	6 1
Short Inlet 18"	3 9	5 6	7 1
Short Inlet 20"	3 14	5 14	7 11
Long Inlet 12"	3 1	4 11	6 7
Long Inlet 15"	3 9	5 7	7 7
Long Inlet 18"	4 1	6 3	8 7
Long Inlet 20"	4 6	6 11	9 1

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EXTENSION BEADS (Extra Heavy Weight)

Weight of lead per running ft.	2-1/2 lb. 1-1/4 in.	3-1/2 lb. 1-1/2 in.	4-1/2 lb. 2 in.	6 lb. 3 in.	8 lb. 4 in.
	Lbs. Ozs.	Lbs. Ozs.	Lbs. Ozs.	Lbs. Ozs.	Lbs. Ozs.
Short Inlet 12"	2 15	4 11	5 11	8 2	11 2
Short Inlet 15"	3 9	5 9	6 13	9 10	13 2
Short Inlet 18"	4 3	6 7	7 15	11 2	15 2
Short Inlet 20"	4 10	7 1	8 11	12 2	16 8
Long Inlet 12"	3 12	5 9	7 3	10 2	14 3
Long Inlet 15"	4 6	6 7	8 5	11 10	16 3
Long Inlet 18"	5	7 5	9 7	13 2	18 3
Long Inlet 20"	5 7	7 15	10 3	14 2	19 9

DIMENSIONS OF LEAD TRAPS AND BENDS
(Dimensions Taken as Shown by Arrows)

REGULAR TRAPS	FULL S.		3/4 S.		1/2 S OR P.		RUNNING.	
	Inlet	Outlet	Inlet	Outlet	Inlet	Outlet	Inlet	Outlet
1 1/4-inch.....	4 1/4 inches	6 1/4	4 1/4 inches	5 1/4	4 1/2 inches	6	4 1/2 inches	5 1/4
1 1/2 ".....	4 1/2 "	7	4 1/2 "	6	4 1/2 "	7	5 1/4 "	6 1/4
2 ".....	4 1/2 "	8	4 1/2 "	7 1/2	4 1/2 "	8	5 1/4 "	7 1/2
3 ".....	4 "	10 1/2	4 "	10	4 "	9 1/2	7 1/2 "	7 1/2
4 ".....	3 1/4 "	11 1/2	3 1/4 "	11	3 1/4 "	10	8 "	8
4 1/2 ".....	3 1/2 "	12 1/2	3 1/2 "	13 1/2	3 1/2 "	10 1/4	9 1/2 "	9 1/2

EXTRA LONG TRAPS	Full S	3/4 S		1/2 S or P		Running	
	Length Over All	Inlet	Outlet	Inlet	Outlet	Inlet	Outlet
1 1/4-inch.....	24 inches	4 1/4 inches	16 1/4	4 1/4 inches	14 1/4	4 1/2 inches	17 1/4
1 1/2 ".....	24 "	4 1/2 "	15 1/4	4 1/2 "	14	5 1/4 "	16 1/4
2 ".....	24 "	4 1/2 "	15 1/2	4 1/2 "	14	5 1/4 "	16 1/4

REGULAR TRAPS	RUNNING Y.		BAG.		SHORT BEND.		LONG BEND.	
	Inlet	Outlet	Length Over All		Center to Ends		Center to Ends	
1 1/4-inch.....	4 1/4 inches	5 3/4	11 1/4 inches		6 inches 3 1/2		6 inches	
1 1/2 ".....	5 1/4 "	6	13 "		7 "		7 "	
2 ".....	5 1/4 "	7 1/2	15 "		7 3/4 "		7 3/4 "	
3 ".....	7 1/2 "	10	18 1/4 "		8 1/4 "		8 1/4 "	
4 ".....	8 "	11	22 1/2 "		10 "		10 "	
4 1/2 ".....	9 1/2 "	13 1/4	23 1/2 "		11 "		11 "	

EXTRA LONG TRAPS	Running Y		Bag	
	Inlet	Outlet	Length Over All	
1-inch.....	4 1/4 inches	16 1/4	24 inches	
1 1/2 ".....	5 1/4 "	15 1/4	24 "	
2 ".....	5 1/4 "	15 1/2	24 "	

LIA02613

The minimum seal for lead traps shall be 3", measured from the crown weir to the dip.

EXHIBIT "B"
Lead Pipe Meeting
April 29, 1936

All lead pipe bearing the Lead Industries Association insignia shall be made in accordance with the Lead Industries Association Standard and any manufacturer shall forfeit his right to the use of the insignia of the Lead Industries Association on his pipe at such time as numerous complaints and evidence would tend to show carelessness or disregard of reasonable precautions or violations of the Lead Industries Association Standard.

LEAD INDUSTRIES ASSOCIATION STANDARD
FOR LEAD PIPE

1. **Analysis:** The lead used shall analyze at least 99.7 per cent pure. Maximum zinc content shall be 0.002 per cent.
2. **Accuracy:** The wall thickness of lead pipe shall vary not more than 0.008 in. under or 0.012 in. over the specified wall thickness taken at any point on the circumference of the pipe. The following is the Lead Industries Association Standard List of Lead Pipe Sizes and Weights:

LEAD PIPE SIZES
LEAD INDUSTRIES ASSOCIATION STANDARD

Size Inside Diameter	Classification		Outside Diameter Inches	Weight Per Foot	
	East	West		Pounds	Ounces
3/8"	D	XL	.549		10
	C	L	.577		12
	B	M	.631	1	
	A	S	.725	1	8
	AA	XS	.811	2	
	AAA	XXS	.888	2	8
1/2"	D	XL	.666		12
	C	L	.712	1	
	B	M	.756	1	4
	A	S	.798	1	8
	AA	XS	.876	2	
	AAA	XXS	1.012	3	
5/8"	D	XL	.803	1	
	C	L	.881	1	8
	B	M	.953	2	
	A	S	1.019	2	8
	AA	XS	1.082	3	
	AAA	XXS	1.137	3	8
3/4"	D	XL	.940	1	4
	C	L	1.006	1	12
	B	M	1.068	2	4
	A	S	1.156	3	
	AA	XS	1.212	3	8
	AAA	XXS	1.336	4	12

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Lead Industries Association Standard
For Lead Pipe

Size Inside Diameter	Classification		Outside Diameter Inches	Weight Per Foot	
	East	West		Pounds	Ounces
1"	D	XL	1.232	2	
	C	L	1.284	2	8
	B	M	1.356	3	4
	A	S	1.428	4	
	AA	XS	1.492	4	12
	AAA	XXS	1.596	6	
1-1/4"	D	XL	1.486	2	8
	C	L	1.528	3	
	B	M	1.592	3	12
	A	S	1.670	4	12
	AA	XS	1.765	6	
	AAA	XXS	1.889	7	12
1-1/2"	D	XL	1.776	3	8
	C	L	1.830	4	4
	B	M	1.882	5	
	A	S	1.984	6	8
	AA	XS	2.076	8	
	AAA	XXS	2.272	11	4
1-3/4"	D	XL	2.024	4	
	C	L	2.086	5	
	B	M	2.146	6	
	A	S	2.193	6	12
	AA	XS	2.404	10	8
	AAA	XXS	2.624	14	12
2"	D	XL	2.284	4	12
	C	L	2.354	6	
	B	M	2.410	7	
	A	S	2.503	8	12
	AA	XS	2.751	13	12
	AAA	XXS	3.008	19	8
2-1/2"			2.75	5	
			3.00	10	10
3"			3.25	6	
			3.50	12	8
4"			4.25	7	14
			4.50	16	6
5"			5.25	9	14
			5.50	20	4
6"			6.25	11	13
			6.50	24	2

3. Defects: Reasonable diligence shall be used in manufacturing operations to eliminate all defects in lead pipe, such as laminations, cold joints, pits, pressure joints, obstructions and inclusions.
4. Markings: All lead pipe shall be stamped with the manufacturer's identification mark at least every 12 in. along the pipe, and the symbol for wall thickness and the inside diameter shall be stamped at least once on each coil of lead pipe. Manufacturer's identification marks shall be registered with the Lead Industries Association.

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