

BOARD OF DIRECTORS MEETING

New York, N.Y.

January 17, 1940

A meeting of the Board of Directors of the Lead Industries Association was held on Wednesday, January 17, 1940, at 12:30 P.M., at the Down Town Association, New York, N.Y.

Present

Clinton H. Crane, Chairman
K. C. Brownell

Clarence Glass
A. E. Bendelari
F. W. Rockwell
William Knust
I. H. Cornell
F. F. Colcord

F. L. Wormser, Secretary-Treasurer

Representing

St. Joseph Lead Co.
American Smelting &
Refining Co.
Anaconda Sales Co.
Eagle-Picher Lead Co.
National Lead Co.
National Lead Co.
St. Joseph Lead Co.
United States Smelting
& Refining Co. Inc.

The meeting was called to order with Mr. Clinton H. Crane in the chair.

The minutes of the previous meeting of May 16, 1939 were approved.

Change in Representation on Board of Directors

The Chairman announced that Mr. E. L. Newhouse, Jr., would replace Mr. Ivan Reitler on the Board at the request of the Federated Metals Division of the American Smelting & Refining Company.

Resignation of Nassau Smelting & Refining Company

As the Nassau Smelting & Refining Company's lead operations were merely confined to inter-company arrangements with its parent company, Western Electric Company, the Nassau Smelting & Refining Company had tendered its resignation as a member of the Lead Industries Association. The resignation was accepted.

Membership Application - John R. MacGregor Lead Co.

An application for membership in the Lead Industries Association having been received from the John R. MacGregor Lead Company, Chicago, and, having received a mail approval by members of the Executive Committee, this action was formally ratified and the John R. MacGregor Lead Company admitted to full membership.

Membership Status

The Treasurer reported that two members, the Alpha Metal and Rolling Mills Inc., and Kahn Bros., Brooklyn, N.Y., were delinquent in their dues but that he felt these companies would ultimately pay.

He also presented a request from Goldsmith Pros. Smelting & Refining Company for special consideration of its subscription to the Lead Industries Association because they claimed they were essentially precious metal producers. The Board carefully considered the circumstances of the Goldsmith Pros., operations and decided that no exception should be made in favor of that Company as the Goldsmith Company were active and substantial lead smelters. The Secretary was instructed to notify the Goldsmith Company of the Board's action.

Report of the Secretary and Treasurer

The Chairman called for the Secretary's and Treasurer's Report, which was approved as Exhibit "A" attached, with the following addition:

Distribution of Cash on Hand and in Bank
January 1, 1940

Ordinary Fund	\$15,449.50
Plumbing Promotion Program	5,993.17
Lumber Products-Better Paint	
Campaign	2,705.49
White Lead Promotion Fund	19,498.76
Sheet Lead Fund	3,002.00
	<u>\$46,648.92</u>

The Treasurer reported that the special activities of the Lead Industries Association, that is, the White Lead Promotion Program, the Lumber Products - Better Paint Campaign and the Plumbing Promotion Program had established budgets for the conduct of these activities during 1940 and they are included here for the record:

Budgets

- (1) Lumber Products - Better Paint Campaign -
Budget for this program for 1940 was \$25,000.00.
- (2) White Lead Promotion Program - Budget for 1940,
\$251,900.00.
- (3) Plumbing Promotion Program - Budget for 1940,
\$39,000.00.

Ordinary Fund Budget - 1940

LIAC0232

The Chairman presented a record of the expenditures of the Ordinary Fund of the Lead Industries Association for

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1939 compared with the budget that had been established by the Board for the conduct of the operations for that year, as Exhibit "B" attached. He called attention to a cash balance of \$15,449.50 to the credit of the fund at the beginning of the year. The Secretary stated that the fund could be drawn upon for 1940 operations if the Board so desired. The Chairman felt it was desirable to continue the budget at the rate established for 1939 rather than to draw upon the reserve at this time and that the reserve could be more usefully employed in times of emergency, a viewpoint in which the rest of the Board concurred. The budget for 1940 was thereupon established for 1940 at \$50,000.00, as per Exhibit "B" attached.

The Secretary was requested to leave the Board Room and upon his return was notified his salary would be \$16,800 per annum and that he could use \$1500.00 to increase the salaries of the members of his staff for the work that had been done for the Association. The Board was unanimous in its feeling that the Association had made a creditable record.

The meeting adjourned at 8:30 P.M.


Secretary

REPORT OF THE SECRETARY

Reciprocal Trade Agreements

Although the State Department negotiated numerous trade treaties with foreign governments in the last twelve months, only one of them included consideration of any lead products. This was the renewal of the trade treaty with Belgium. The lead pigments, particularly white lead, were threatened with a tariff reduction in that agreement. The Lead Industries Association prepared a brief outlining its position and, upon approval of the Executive Committee, submitted it to Washington. The outbreak of another world war has delayed consummation of the Belgian agreement and it may very well be that no action will be taken.

With the growing hostility toward the reciprocal trade agreements, the Administration may be loathe to make any more cuts in the non-ferrous metals or metal derivatives. Although congressional review of the trade agreements act may terminate it in June, we anticipate negotiations may possibly arise which will require attention from us, notably the Australian and Peruvian trade agreements. This office is attempting to follow the situation closely and to act promptly, if need be.

WHITE LEAD PROMOTION PROGRAM

The largest single activity since the founding of the Association eleven years ago is its white lead promotion program, an important nation-wide effort to increase the consumption of white lead in the United States and to combat the substitution of inferior pigments for white lead. A detailed step by step account of the progress of the campaign has been furnished periodically to subscribing members consisting of mining, smelting and white lead manufacturing companies. The campaign is only nine months old but already many straws indicate that the program is making definite progress. If imitation is the sincerest form of flattery, then the action of the National, Paint, Varnish and Lacquer Association is announcing the formation of a campaign of its own to promote paint as a whole is a sign that our program is significant. An indication that the tendency of prepared paint companies to cut the white lead content of their paint from year to year is being checked is also noticeable. The largest mail order house, for the first time to my knowledge, is now boasting of the white lead content of its paint and urging comparison with other paints. Then again, white lead is being made available more and more in colors in prepared paint form. The campaign begins its second year with many intricate problems of organization and coordination solved, and with interest in the progress and support of the work growing. It will be a long hard struggle to regain the ground that has been lost over the last seventeen years but with the unexcelled merit of the product as a basis, and with the inspiring example of unanimity set by our mining, smelting and manufacturing members in the first year of the campaign as a background, I am confident of the ultimate satisfying outcome.

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REPORT OF THE SECRETARY

One beneficial and unexpected result of our campaign is the good will it is building up for lead and the Association in general. I have always felt that the cultivation of good will for our metal and publicity about the indispensable work it does for mankind is something that lead needs more than other common metals because, as the directors know, lead in many forms is constantly under attack on account of its toxic qualities. Our campaign helps to meet this issue.

LUMBER PRODUCTS - BETTER PAINT CAMPAIGN

This campaign continued to function during the year and covered the southwest and Pacific Coast, and area not hitherto reached, as well as parts of the middle west. Detailed reports have been furnished subscribing members periodically. Lumber associations continued distributing, at their own expense, thousands of painting leaflets recommending white lead or the highest grade prepared paints to be used on their product. The National Door Manufacturers Association is the latest to use this means of cooperating with us. The close relations that have been cemented with important lumber associations through the campaign were also of great assistance to the Lead Industries Association in our white lead promotion program. Many important testimonial letters from regional lumber associations such as Western Pine, Red Cedar Single Bureau, Southern Cypress and others were used in our advertising copy.

PLUMBING PROMOTION PROGRAM

The Plumbing Promotion Program was carried forward during 1939 by the same methods used in previous years. The work of our three field men, contacting plumbers' organizations and water works engineers in various cities and states, is the central feature of this work, supported by our magazine, "Plumbers' Forum," advertising in the plumbing and water works trade papers and publicity. A detailed report of the progress made during the year was submitted to those members subscribing to the program and periodic reports of the activities of our field men were also provided. Much attention has also been given to the use of lead in Federal Housing projects.

The amount of space devoted to lead by the trade papers now as compared with a few years ago, and the amount of lead used in public housing projects, even where not required by local ordinance, are a good indication that the work is bearing fruit. In addition, several more cities revised their plumbing ordinances to require a good deal more lead than formerly.

Progress has also been made in obtaining the specification and use of Lead Industries' Seal of Approval material.

Further simplification of our standard for lead fittings has now been approved by the lead manufacturers and only awaits approval by the National Association of Master Plumbers and our Board of Directors to be put into effect.

REPORT OF THE SECRETARYMagazine "Lead"

The magazine "Lead" was expanded to twelve pages in 1939 so as to carry more data about white lead and to help support our white lead promotion program. The magazine continues to have an excellent reception and is the reason for many inquiries reaching this office for assistance in the proper use of many forms of lead.

USE OF LITHARGE

During 1939, the members manufacturing litharge have been investigating, through this office, the continued use of litharge in the petroleum industry. It appears that competitive processes, particularly the use of copper chloride, threaten the continued use of some 6,000 to 8,000 tons of litharge in the "sweetening" of gasoline. Not only is litharge threatened but also the use of alkali and sulphur, chemicals that are required with litharge in the process.

It appears that no one from our industry is helping the petroleum industry use litharge to best advantage and that, competitively, the litharge system is still unexcelled but that the industry does face the prospect of having heavy inroads made into this outlet unless some effort is made either by the litharge producers individually or cooperatively to protect their market. Further study and investigation is being made.

Last year I reported on the use of litharge in enamel manufacture. This is also an outlet where lead is definitely not being promoted and where it is being displaced by materials that are not as good for the purpose. It would also seem well worth while to study the best method of protecting our existing enamel ware market and endeavoring to increase it.

SHEET LEAD

Several of our members have been anxious to have us launch a program for the promotion of hard sheet lead in small home construction and plans are being laid to establish such a program when, as, and if the sheet lead fabricators desire to begin. We have funds, collected from the miners several years ago in anticipation of this program, so that it is not necessary to ask for any assistance in the first year from the mining companies.

A home constructed by one of our staff in 1939 at Stamford, Conn., at his own expense, was a vivid demonstration of what can be done if an intelligent effort is made to introduce sheet lead for flashing and building in small home construction. This one job has resulted in several additional sheet lead installations in the vicinity.

We have a large amount of detailed information which we are ready to use whenever the membership desires to have us proceed.

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REPORT OF THE SECRETARYLEAD POISONING

Attacks against the use of lead on the ground of lead poisoning continue to be made but as an offsetting influence is the appearance now and then of authoritative and constructive papers such as the one by Dr. Lawrence T. Fairhall, Principal Industrial Toxicologist of the U.S. Public Health Service, published in November, 1939, entitled, "Significance of the Urinary Excretion of Lead."

We have continued to support the research of Dr. Aub and his associates at Harvard on lead and he has been helpful from time to time in answering directly inquiries relating to the use of lead which come to this office from our members and others.

For the first time, we took the offensive in this matter and spoke on lead pipe and lead poisoning to an important group of water works engineers. The paper was designed to give authentic information and dispel fear. It was most favorably received.

The lead poisoning problem remains one of the most troublesome the industry has to face and, as I have said before, it alone would justify the existence and expense of a Lead Industries Association.

GENERAL

The Chairman, secretary and a few members of the Board were invited by the Army and Navy Munitions Board to serve on the Lead Sub-Committee, which they gladly did.

* * *

As constituted today, the Lead Industries Association is functioning in many directions with, I feel, noteworthy economy. Being a vertical trade association and representing many lead products from ore to finished metal, or pigment, it actually operates as a group of trade associations would do for individual and related industries. Obviously, this centralization saves much duplication of expensive overhead. For example, our white lead program, plumbing and lumber activities have an unusually small overhead as the accounts indicate.

As I see it, our own system parallels the position occupied by the competitive non-ferrous metals, aluminum and nickel, two industries thoroughly integrated by force of their development and doing excellent promotional work on behalf of their respective metals. In our case, the integration has had to be created

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REPORT OF THE SECRETARY

through the formation of the Lead Industries Association.

The more intensively I study lead and its competitive problems, the more I believe that much remains to be done to benefit the entire industry through united efforts without in the least violating a cardinal principle that has actuated the association from the start, i.e., never to undertake any task that can be done better and more economically by members themselves.

At any rate, looking back upon the first ten years of its life, the association can point to several activities and accomplishments, any one of which would justify its existence.


Secretary

LIAC0238

Treasurer's Report
January 1 to December 31, 1939

Cash on hand and in Bank, Jan. 1, 1939 \$28,447.89(a)

RECEIPTS:

Membership Subscriptions:

Ordinary Fund	\$48,693.00
Plumbing Promotion Fund	22,296.82
Lumber Products-Better Paint Campaign	
Fund	\$24,113.13
Sale of Trailer	<u>200.00</u>
	24,313.13
White Lead Promotion Program Fund	<u>234,999.24</u>
Total Receipts	\$340,302.19
TOTAL	\$368,750.08

DISBURSEMENTS

ORDINARY FUND:

Furniture, Fixtures & Equipment	\$ 491.99
Salaries	26,576.16
Rent and Light	4,340.10
Social Security Taxes	\$1,810.35
Less: Taxes Accrued 12/31/39	<u>909.58</u>
	920.77
Office Supplies	897.86
Miscellaneous	519.45
Traveling Expenses	642.45
Association Dues	267.00
Entertainment and Luncheons	74.80
Telephone and Telegraph	790.65
Books and Subscriptions	384.91
Printing	615.74
Mailing	336.21
"Lead" (b)	6,223.18
Illustration	200.02
Medical Research	<u>2,000.00</u>
	\$ 45,775.69

PLUMBING PROMOTION FUND:

Salaries	\$8,700.00
Traveling Expenses	3,187.06
Printing	182.90
Mailing	381.12
"Plumbers' Forum"	6,680.72
Association Dues	168.00
Entertainment and Luncheons	748.77
Conventions and Exhibits (c)	1,744.18
Advertising	6,944.50
Seal of Approval Inspections	18.95
Miscellaneous	659.74
Advances	<u>300.00</u>
	\$ 34,715.94

(Continued)
Treasurer's Report
January 1 to December 31, 1939

LUMBER PRODUCTS-BETTER PAINT CAMPAIGN FUND:

Salaries	\$10,869.90	
Traveling Expenses	8,458.75	
Printing	417.67	
Mailing	352.17	
Entertainment and Luncheons	444.06	
Conventions and Exhibits (c)	2,789.45	
Miscellaneous	<u>1,290.61</u>	
		\$24,684.61

WHITE LEAD PROMOTION FUND:

Furniture, Fixtures and Equipment	\$ 1,105.85	
Salaries	4,288.12	
"Lead" (b)	2,260.87	
Traveling Expenses	1,517.32	
Entertainment and Luncheons	121.85	
Printing	5,685.53	
Mailing	2,371.22	
Illustration	527.17	
Office Supplies	168.51	
Miscellaneous	927.51	
Advertising Space	\$183,726.50	
Less Discount	<u>2,988.02</u>	
		180,738.48
Publicity	7,022.47	
Production	9,084.40	
Advance	<u>100.00</u>	
		\$215,500.43

Accounts Payable, January 1, 1939 671.19

Taxes Accrued, January 1, 1939 958.25

Total Disbursements \$222,101.18

Cash on Hand and in Bank, January 1, 1940 46,648.92
\$368,750.28

FOOT-NOTES

- (a) \$3,002 of this amount is ear-marked for Sheet Lead Promotion.
- (b) Includes editing, printing, mailing and miscellaneous expense entailed in publishing "Lead." The White Lead Promotion Fund is charged with the additional expense of the enlarged "Lead" magazine.
- (c) Includes expenses incurred at conventions and exhibits, including advertising in convention programs, but excluding field representatives' expenses.

The following subscriptions were outstanding as of December 31, 1939, and are not included in the receipts above:

Ordinary Fund	\$287.50	LIAC0240
Plumbing Promotion Fund	807.50	

Of the above amounts, \$62.50 Ordinary Fund, and \$647.50 Plumbing Promotion Fund, has been received since January 1, 1940.

Board of Directors
Meeting

Exhibit "B"
January 17, 1940

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	<u>Expenditures</u>	<u>Approved Budget</u>	<u>Ordinary Fund</u>
			<u>Fund Budget</u>
Furniture, Fixtures and Equipment	\$ 491.99	\$ 500	\$ 500
Salaries	26,576.16	26,000	29,300
Rent and Light	4,340.10	5,000	4,500
Telephone and Telegraph	780.65	900	900
Books and Subscriptions	384.81	300	300
"Lead"	6,228.18	6,000	6,300
Printing	615.74	1,000	750
Mailing	336.51	1,000	1,000
Illustration	200.02	200	200
Traveling Expenses	642.45	2,000	1,500
Medical Research	2,000.00	2,500	1,000
Technical Research	-	1,000	-
Social Security Taxes	1,330.35	1,200	1,700
Office Expense Miscellaneous	512.45	1,200	800
Office Supplies	897.26	800	900
Association Dues	267.00	150	200
Entertainment and Luncheon	<u>74.50</u>	<u>150</u>	<u>150</u>
TOTAL	\$46,685.27	\$50,000	\$50,000

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