

April 29, 1938.

To Members of the Lead Industries Association:

Subject: Secretary and Treasurer's Reports

Attached please find a copy of the Secretary and Treasurer's Reports for the year 1937, to be submitted at the Annual Meeting of the Lead Industries Association to be held on May 2, 1938.

Very truly yours,

J. H. Brown
Secretary-Treasurer.



SECRETARY'S REPORT

The following is a brief resume of the activities of the Lead Industries Association covering the calendar year 1937, the ninth year since its organization.

MEMBERSHIP

Members of the Lead Industries Association comprised 54 companies at the beginning of 1937 and 57 companies at the end of 1937, the largest number in its history, with one resignation during the year, a net increase of three members.

STATISTICS

The collection and distribution of trade statistics relating to numerous lead products continued without interruption during the year, the usual annual report appearing 15 March, 1938.

FEDERAL LEGISLATION

(1) Tariff - In November, the State Department announced its intention to negotiate a reciprocal trade treaty with the United Kingdom, Newfoundland and the British Colonial Empire, and, as the procedure of the State Department now-a-days is to publish a list of those commodities which will be considered in the treaty negotiations, industry has an opportunity to know whether or not its own products are to be included. The lead pigments, bottle caps, lead-covered cable, and lead ores being involved in the British treaty, a brief was prepared and filed with the Committee for Reciprocity Information in opposition to a reduction in the rates on commodities in which we were interested. Copies of the briefs were submitted to all members.

Subsequently, the Department of State announced that a revision was contemplated in the trade treaty with the Government of Canada and that lead ores and pig lead were to be among the commodities included in the negotiations. Therefore, another brief was prepared to state our opposition to a reduction in the rates on these commodities in the Canadian negotiations, copy of which was transmitted to all members.

(2) Inventory Valuation for Tax Purposes - The Association placed itself on record as favoring the optional use of the "last-in first-out" system of inventory valuation for tax purposes by the Bureau of Internal Revenue. A basic change in the revenue law is necessary to permit this practice and is being urged upon Congress by numerous industries.

PUBLICATIONS

(1) "Lead" - Six issues of our bi-monthly magazine, LEAD, appeared during 1937, but an important change was made in the distribution of copies because a new publication, known as the PLUMBERS' FORUM, designed exclusively for the plumbing trade, was begun in June. The list of master and journeyman plumbers, fitters, and vocational schools was removed to form the nucleus of a mailing list for PLUMBERS' FORUM. LEAD continued to print almost exclusively original

Secretary's Report

- 2 -

articles and it continues not only to build up good-will for numerous lead products but, at times, there is a direct connection between the sale of lead on certain architectural jobs and the appearance of some item relating to the metal in the magazine.

(2) "Plumbers' Forum" - Believing that it was essential to give more national support to the activities of our three plumbing field representatives than the Association had heretofore provided, we began the publication of a magazine for journeyman and master plumbers throughout the United States in June, endeavoring to make each issue helpful to the craft by furnishing practical information on the every-day working of lead products and their installation and to make it a meeting place for a discussion of the plumbers' lead problems. The success of this magazine has far exceeded our expectations. The first few issues became quickly exhausted and there is no doubt but what the small cost of the publication of this magazine has been handsomely repaid in publicity for our products and members.

(3) Leaflet on I.L.A. Standards - Owing to a demand for information as to the Standard of the Lead Industries Association for lead pipe, traps and bends, an attractive four-page leaflet was prepared for distribution to the trade by the Association and interested members.

(4) Contributed Articles - During the year we provided the trade press with an article, "Summary of Notes on Lead Roofing". In addition, many of the items that appeared in our publications were reprinted in full or in part by the trade press.

PROMOTIONAL ACTIVITIES

(1) Plumbing Promotion Program - A detailed report was furnished subscribing members at the end of the year on our Plumbing and Water Works Promotion activities. The program has been enlarged to introduce several new features:

- (a) Publication of the magazine, PLUMBERS' FORUM,
- (b) Adoption of a modest advertising program in the plumbing trade journals and water works magazine, and
- (c) Adoption of a Seal of Approval on lead pipe, traps, bends and calking lead, meeting the Lead Industries Association Standard.

As usual, a great many Plumbers' Conventions were attended, together with the Annual Convention of the National Association of Master Plumbers at Atlantic City, where a special exhibit had been prepared. The display was of such great interest that it attracted wide attention and was later shipped to Utah and the Pacific Coast, where it is still being used for educational purposes.

There is no doubt that, despite the comparatively modest sum which is being spent on plumbing and water works promotion throughout the United States by our Association, the work has already restored lead to plumbing codes where

Secretary's Report

- 3 -

it had been displaced and that the plumber is again turning to the metal instead of substitutes. In addition, we note that trade schools are emphasizing the importance of lead work. We feel that it will only take a few more years to remedy in large measure the lack of properly trained apprentices in the plumbing business. The trade literature recognizes the return to lead work.

Following the adoption of the use of the Seal of Approval of the Association for lead pipe, traps and bends, the Association, as of November 1st, adopted a Standard for Calking Lead and the use of the Seal of Approval on Calking Lead meeting that Standard. Already we have been informed that the American Water Works Association is contemplating the adoption of this Standard as its own and that various contractors are using the Standard in their specifications, together with the Seal, as an assurance of procuring the finest quality lead for the purpose.

(2) Lumber Products-Bitter Paint Campaign - The Campaign completed the third year of its activity in 1937. The lumber and other associations cooperating with the work grew to 44 and interest in the objectives of the Campaign has, if anything, been intensified. A detailed report of the activities was provided subscribing members at the end of the year.

The Campaign utilized, in part, the medium of State retail lumber dealers conventions to further its message. Our two field representatives appeared at as many of these conventions as possible and spoke on the importance of using only white lead in oil or the highest grade prepared paint to protect lumber. This work was followed by visits to the important national lumber manufacturers' association headquarters, such as, the Western Red Cedar, Red Cedar Shingle Bureau, California Redwood, Western Pine, and others, to acquaint them fully with our methods and to receive their assistance. The Campaign also used a trailer, donated by the Douglas Fir Plywood Association, which carried an educational exhibit on paint and painting throughout parts of the middle west during the late Spring, Summer and Fall.

Millions of painting instructions leaflets have been distributed at the expense of the important cooperating national lumber associations, and, in addition painting labels were devised for use on drop siding, which will probably be put in use in 1938.

The lumber industry appears to be keenly interested in the continuation of the program and it has undoubtedly focussed more attention on paint problems by the lumber producers than ever before. The entire paint industry, as well as the lumber industry, faces serious competition these days from the use of composition shingles in low-priced home construction, the shingle manufacturer stressing the point that they do not require painting. This trend, of course, is due in large part to the dissatisfaction of paint users with the painting service they have received.

The Campaign has brought about close cooperation between our own Association and the lumber industry of the United States.

(3) Miscellaneous - It has been disturbing to observe numerous attacks made upon white lead by a few competitive paint products, illustrating the divergent points of view existing between some prepared paint manufacturers and

Secretary's Report

- 4 -

the producers of white lead.

From our early experience with the Lumber Products-Better Paint Campaign, we know that at least one manufacturer of low-grade paint, who had gone so far as to make bitter attacks on our product, quickly changed his formula and incorporated white lead in his paint, after the Campaign was launched, and the attacks ceased abruptly. Perhaps there is a lesson in this episode.

Some of our members producing litharge are worried over a trend away from lead-bearing enamels in stove and pottery manufacture. A preliminary investigation by this office indicates that some litharge or leaded-frit users are influenced by the health hazard to enamel workers in the use of leaded enamels. One stove manufacturer has indicated that he can not obtain the delicate pastel tints desired with a leaded frit. In any event, it does seem as if the litharge producers in the Association might properly survey the whole field and decide what, if anything, can be done jointly by them to hold or expand their existing market in the enamel and pottery field.

LEAD POISONING

The most important activity of the Association on the subject of lead poisoning was the conference of physicians and surgeons of member companies, held in Chicago on April 6, 1937, at which our guests were Drs. Aub and Fairhall, who have long been associated with the fundamental medical research on lead at Harvard University. This conference was perhaps the most helpful from a medical standpoint on lead ever held in the United States. It reviewed our existing knowledge of lead poisoning and enabled the doctors who faced the problem every day to exchange helpful views. A transcript of the meeting was prepared and circulated to all our members.

An investigation of the lead content of evaporated milk, sponsored jointly by the Evaporated Milk Association, the International Tin Research and Development Council, and the Lead Industries Association, was concluded in 1937 by Dr. Fairhall and his findings published in the November, 1937 issue of the "Journal of Industrial Hygiene and Toxicology". The investigation gave solder, as used in sealing evaporated milk cans, a clean bill of health, greatly relieving the anxiety of the evaporated milk producers and helping to dispel for all time the efforts which are made periodically to discredit the use of one drop of solder for the purpose.

We also assisted in a revision of the paper prepared by Dr. Sidney Hogue of the University of Virginia, for use by the American Water Works Association, on the "Physiological Aspects of Mineral Salts in Public Water Supplies". Our contribution consisted in providing the author with up-to-the-minute data on lead so that the accuracy of his presentation, as it affected our metal, was improved. From our own experience, we know how important it is to see that health comments about lead products are within the facts.

Secretary's Report

- 5 -

RESEARCH

We have supplied lead discs for the American Leather Chemists Association, who are making a study of the corrosion-resisting qualities of various materials serving the tanning industry. We expect to receive a report of their investigation for distribution to our members after it has been completed.

CONCLUSION

All the activities of the Lead Industries Association remain fundamental in scope. They deal with vital subjects of trade information, legislation, trade promotion and health, that can not be maintained as economically or efficiently by individual members as they can collectively. With the growing complexity of business and the multiplication of problems every company has to meet, not to mention inter-industry competition, it does appear as if the trade association has become an indispensable agency of industry, performing a function that it alone can best discharge.

Respectfully submitted,

R. W. Damsch
Secretary.

LIA21963

The Treasurer respectfully submits the report on the audit of the accounts of the Association as of December 31, 1937, by Haskins & Sells, as follows:

Haskins & Sells
Certified Public Accountants

22 East 40th Street
New York

ACCOUNTANTS' CERTIFICATE

Lead Industries Association:

We have made an examination of the balance sheet of Lead Industries Association as of December 31, 1937, and of its statement of income and expenses for the year ended that date. In connection therewith, we made a review of the accounting methods and examined or tested accounting records of the Association and other supporting evidence in a manner and to the extent which we considered appropriate in view of the system of internal accounting control.

In our opinion, based upon such examination, the accompanying balance sheet, with the footnote thereon, and statement of income and expenses, fairly present, in accordance with accepted principles of accounting, the financial condition of the Association at December 31, 1937, and the results of its operations for the year ended that date.

(Signed) Haskins & Sells

New York,
February 26, 1938.

LEAD INDUSTRIES ASSOCIATION
Balance Sheet, December 31, 1937

ASSETS

CASH	\$30,722.95
DUE FROM MEMBERS	1,825.00
ADVANCES FOR TRAVELING EXPENSES	950.00
TOTAL	<u>\$33,497.95</u>

LIABILITIES
AND RESERVES

ACCUMULATED SOCIAL SECURITY TAXES	\$ 762.70
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RESERVES:

Ordinary Fund	\$ 16,647.13
Lumber Products-Better Paint Campaign	846.48
Plumbing Promotion Fund	12,239.64
Sheet Lead Promotion Fund	<u>3,002.00</u>

Total reserves	<u>32,735.25</u>
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TOTAL	<u>\$33,497.95</u>
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Note: The cost of furniture, fixtures, and equipment has been written off to expense.

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LEAD INDUSTRIES ASSOCIATION
STATEMENT OF INCOME AND EXPENSES
FOR THE YEAR ENDING DECEMBER 31, 1937

	TOTAL	ORDINARY FUND	LUMBER PRODUCTS- SINKER PAINT CAMPAIGN	PLUMBING PROMOTION	SECRET LEAD PROMOTION
INCOME - Members'					
assessments.....	\$115,001.00	\$50,080.00	\$25,721.00	\$36,198.00	\$3,002.00
EXPENSES:					
Salaries.....	\$ 43,444.16	\$24,609.16	\$10,560.00	\$ 8,275.00	
Travel expense.....	17,892.57	1,309.05	8,722.30	7,861.22	
Medical research - payment to Harvard Medical School.....	4,000.00	4,000.00			
Advertising and in- dustrial exhibits..	8,074.73		3,533.74	4,540.99	
Printing and illus- tration.....	7,827.12	8,077.59	461.52	2,296.01	
Mailing expenses.....	5,168.20	4,022.53	351.49	794.18	
Rent and light.....	2,790.42	2,790.42			
Telephone and tele- graph.....	563.51	563.51			
Association dues.....	301.20	187.20		114.00	
Stationery and office supplies.....	652.08	652.08			
Social security taxes	1,114.09	1,114.09			
Books and subscrip- tions.....	404.35	404.35			
Entertainment, luncheons, etc.....	898.34	112.66	73.10	712.58	
Professional services	115.00	115.00			
Expenses of annual meeting.....	32.43	32.43			
Furniture and fixtures	215.07	215.07			
Premium on treasurer's bond.....	25.00	25.00			
Miscellaneous.....	3,120.18	655.36	1,540.54	924.28	
Total expenses.....	\$96,638.45	\$45,885.50	\$25,242.69	\$25,510.26	
NET INCOME FOR THE					
YEAR.....	\$18,362.55	\$ 4,194.50	\$ 478.31	\$10,687.74	\$3,002.00
RESERVES AT BEGINNING					
OF YEAR.....	14,372.70	12,452.63	368.17	1,551.90	
RESERVES AT END OF					
YEAR.....	\$32,735.25	\$16,647.13	\$ 846.48	\$12,239.64	\$3,002.00