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Memorandum of Meeting, headquarters of
Office of Price Administration
Washington, D.C.

May 10, 1946 - 2:00 P.M.

From Lead Industries Association:

O. Hense	Eagle-Picher Company
W.F. Murdock	Eagle-Picher Company
A.R. Knight	Euston Lead Company
L.Halpern	Federated Metals Division of American Smelting & Refining Co.
K. Nibecker	Imperial Type Metal Company
F.O. Case	International Smelting & Refining Co.
C.A. Geatty	National Lead Co.
S.B. Coolidge, Jr.	Sherwin-Williams Co.
W.H. Street	United American Metals Corp.

F.E. Wormser, Secretary-Treasurer

From Office of Price Administration:

Karl L. Anderson	Office of Deputy Administration
George W. Strasser	Chemicals Division
Milton H. Heyman	Building Supply Division
Warren M. Huff	Price Executive, Metals Price Branch

Mr. Anderson presided.

Mr. Anderson in opening the meeting said this was a purely informal meeting on some industry problems which would be brought about if there were an upward change in the ceiling price of pig lead. He said he could well understand that some increases might completely wipe out the narrow profit margin of the manufacturers. He felt it was necessary for the OPA to become familiar with the cost and profit position and viewpoints of the manufacturers at this time.

He said that another point was the importance of simultaneous action on ceilings for manufactured lead products should the ceiling price of pig lead be advanced by the OPA, to avoid any period of confusion among the manufacturers.

Some of the manufacturers present indicated that in so far as they personall were concerned, they could not absorb any increase in the price of pig lead.

Mr. Anderson said it would be necessary for the OPA to obtain data to substantiate the position of the manufacturers, with which he sympathized. He wondered what range of lead products it would be necessary to cover. It was explained to him that the Committee represented a cross section of manufacturers of metallic lead products such as lead pipe, sheet, solder, bearing metals, type metals and other lead-tin alloys, also the manufacturers of lead pigments such as white lead, red lead, litharge, orange mineral, sublimed blue lead and the lead chromates.

Mr. Geatty asked whether it would be possible for the OPA to permit an increase in OPA ceilings for manufactured products pending a final determination of the proper ceilings. He pointed out that the manufacturers would be operating under chaotic conditions unless the OPA made some practical ruling on the subject at the time the price of pig lead advanced.

Mr. Anderson said he hoped to have the necessary background studies on established ceilings for all manufactured lead products so that upward changes would appear simultaneously with any increase in the ceiling price of pig lead.

Mr. Coolidge inquired as to whether t ere would be any prejudice to asking for an increase in the price of white lead as some of the producers were desirous of petitioning for an increase badly needed today by the white lead industry because it was operating on such a greatly curtailed volume of production, a volume established by the rulings of the OPA.

Mr. Anderson recommended concentration on the problem of ceiling price adjustments of manufactured products necessitated by any ceiling adjustment in the price of pig lead and divorcing other appeals from that situation.

Mr. Case asked if there was any change in the OPA policy on the overall profit position of companies making a multiple line of products requiring some cost absorption in unprofitable lines.

Mr. Anderson said that the general OPA standard would apply. He indicated that the OPA policy was to return to industry not less in profits than it earned in a base period but that each line should return at least its out-of-pocket cost.

Mr. Coolidge said they were not permitted currently to include sales expenses in cost determinations.

It developed later that the OPA had recently adopted an amendment to its regulations which will permit selling expenses to be included in cost determinations leaving it to the discretion of the OPA.

Mr. Halpern urged prompt attention to developing some method of passing on any prospective increase in ceiling price of pig lead, which is a matter of life and death to the industry.

Mr. Anderson indicated that questionnaires would be distributed to selected industry companies in order to get a representative sample of their costs for a base period and probably the last quarter of 1945 and indicated that the industry would be divided into two groups, (1) metallic products manufacturers and (2) pigment manufacturers. He thought that data from three or four independent companies and one or two integrated companies would be sufficient and said a questionnaire would be prepared at once for circulation to a selected group. The OPA representatives indicated that they were all seriously shorthanded. The industry volunteered to provide the necessary assistance if requested.

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Mr. Anderson indicated that if long studies had to be made some temporary price relief action would be given.

Mr. Case inquired as to the position of the OPA if losses were prevalent in a base year.

Mr. Anderson said that the loss year would be considered as "0" in averaging a base period. Mr. Anderson indicated that they would start immediately on procuring the necessary background cost information and urged each representative present to get in touch with his OPA representative that afternoon, if possible, to begin work.

Meeting adjourned at 3:30 P.M.