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WHITE LEAD vs. PAINT CODE.

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Speaking on behalf of the White Lead in Oil Manufacturers of the United States, the Lead Industries Association desires to record its firm opposition to the inclusion of White Lead in Oil in the Paint Code and respectfully submits the following data in support of its opposition.

The Lead Industries Association, founded in 1928, comprises lead mining, smelting and manufacturing companies, closely knit into an organization, which has, as one of its prime objects, the widening of the market for lead--- incidentally, a sound method for increasing employment. The White lead industry cannot look to the paint industry for help in accomplishing that object, because paint manufacturers are interested primarily in compounding paint to suit their own market requirements--- the actual pigments used may or may not contain lead. In fact, white lead being one of the more expensive pigments, the natural tendency is to use as little as possible of it in paint.

White lead manufacturing companies represented in the Association account for 100% of the domestic production. They are the following:

Anasconda Lead Products Company

Eagle Finer Lead Company

Easton Lead Company

H. P. Fuller and Company

National Lead Company

Sherrin-Williams Company

Wetherill & Son.

The white lead industry furnishes one of the important basic ingredients of paint, but it does not market paint as such. To show the

features distinguishing the white lead in oil business from that of the paint business in general, we would like to point out:

1. That paint is sold as a liquid ready for the brush or immediate use, whereas white lead in oil is sold in paste form, being mixed only with a small amount of linseed oil and has to be thinned and formulated by the painter to be prepared for use.
2. White lead in oil is sold by weight - paint is sold by volume.
3. White lead in oil is a product designed especially for the professional painter, whereas ready mixed paints are designed for universal application by any one desiring to paint.
4. White lead in oil is essentially a semi-finished material from which paint may be made. Paint is a finished product and may contain white lead, and/or a multitude of other solid materials, often unknown to the consumer, whereas white lead in oil contains only one pigment - white lead. This distinguishing characteristic has an important bearing on the dealer's ability to sell both products, as explained later.

In substantiation of our contention that dry white lead and lead-in-oil deserve separate consideration by the U.R.A., apart from the Paint Code, we would like to call attention to the fact that the Treasury Department has long treated dry white lead and lead-in-oil as commodities distinct from paint. In the Tariff Act of 1930, and in preceding Tariff acts, white lead and the lead pigments have been given tariff rates separate from those of paint.*

It is just as logical to include white lead in the Paint Code as it would be to group brass pipe, galvanized iron pipe and other pipe materials

*Paragraphs 65 and 66 of the Act of 1930, refers to paint, whereas paragraph 72 refers to Lead-in-oil paints.

under one code, calling it a Pipe Code; or to group copper wire, aluminum wire and galvanized iron wire under a Wire Code, or to group sheet copper, galvanized sheet iron and sheet tin under a Sheet Metal Code. We do not believe it was the intent of the Act to group industries producing inherently different products under one code, just because they happen to compete for the same type of business. It is noticeable that coal and oil were not placed under one fuel code. Linseed oil, an important component in most paints, has a code of its own.

If the white lead industry were to function under the Paint and Varnish Code, it would be subject to the dominance of an industry which has always followed a path separated from that of white lead corroders, with which it has been in competition since the inception of the mixed paint industry and with which there is a clashing of interest. The inevitable result is the drafting of a Paint and Varnish Code of competition which interferes with the normal development of white lead sales through natural channels.

White lead is the most important outlet today for the lead mining industry in the United States and promises to be so until there is a distinct revival in the capital goods industries. There is, therefore, deep concern on the part of the lead mining companies over any situation, affecting the major outlet for metal. If rules and regulations were to be established, which, in any way damage or hamper the white lead industry in the sale of the product, the result would be reflected in the employment given to the lead miners in the United States and in the development of one of our greatest natural resources. The white lead-in-oil industry in the United State can not afford to place its destiny in the hands of manufacturers making a different product, and must be given leeway to work out legitimately

its future in a manner best suited to the intensive cultivation of a market.

White lead is a well known product and is so widely sold that it may be compared in some respects to a staple, such as sugar and other products handled in every grocery store. Without restrictions of any sort, it has been marketed for years through all jobbers and dealers who desire to sell it, whereas ready mixed paints are sold almost entirely on exclusive agency terms.

With such agencies, the practice is common of paying a rebate at the end of a year to dealers who concentrate on one manufacturer's line and attain a predetermined volume of purchases. This practice tends to erect an artificial barrier to the natural flow of commerce and frequently obstructs the sale of lead in oil.

The intimate connection between white lead manufacturing and lead mining, smelting and refining is shown by the fact that many white lead plants are built alongside lead smelters in the United States and operate under labor conditions which apply to several branches of the lead industry. Chicago, Perth Amboy and Joplin are some of the points where this condition exists.

The white lead industry represents an important section of the Lead Industries Association which, as shown above, is fully representative of the mining, smelting and fabricating of lead and its products. In the production of lead-in-oil, a product of which dry white lead is the principal component, it represents well up to 100%.

Because there has always been a distinct cleavage in the conduct and operation of the paint and varnish industry and the white lead industry, each occupying a field distinctly competitive with the other, the white lead industry has not participated in the preparation of, or in any manner endorsed the Paint Code. We are convinced that not only will the interest of white lead and the lead industry as a whole be best served by a continuation of this separation

of association, but also that no injury will be done to the paint industry. Such continuation is merely a prolongation of existing competitive conditions, to which all elements in both industries have long since been habituated.

It is only by permitting the white lead industry full latitude through its own organization and association to determine its own competitive rules and regulations under the Recovery Act, that a healthy and vigorous white lead industry, prepared to assume its role in the employment of American labor, is assured.

Speaking on behalf of the White Lead-in Oil Manufacturers of the United States, the Lead Industries Association desires to record its firm opposition to the inclusion of White Lead-in-Oil in the Paint Code and respectfully submits the following data in support of its opposition.

The Lead Industries Association, founded in 1908, comprises lead mining, smelting and manufacturing companies, closely knit into an organization, which has, as one of its prime objects, the widening of the market for lead -- incidentally, a sound method for increasing employment. The White lead industry cannot look to the paint industry for help in accomplishing that object, because paint manufacturers are interested primarily in compounding paint to suit their own market requirements -- the actual pigments used may or may not contain lead. In fact, white lead being one of the more expensive pigments, the natural tendency is to use as little as possible of it in paint.

White lead manufacturing companies represented in the Association account for 100% of the domestic production. They are the following:

Amesbury Lead Products Company
 Eagle-Picher Lead Company
 Eastern Lead Company
 W. P. Fuller and Company
 National Lead Company
 Sherwin-Williams Company
 Vothrill & Bro.

The white lead industry furnishes one of the important basic ingredients of paint, but it does not market paint as such. To show the features distinguishing the white lead-in-oil business from that of the paint business in general, we would like to point out:

1. That paint is sold as a liquid ready for the brush or immediate use, whereas white lead-in-oil is sold in paste form, being mixed only with a small amount of linseed oil and has to be thinned and formulated by the painter to be prepared for use.
2. White lead-in-oil is sold by weight - paint is sold by volume.
3. White lead-in-oil is a product designed especially for the professional painter, whereas ready mixed paints are designed for universal application by any one desiring to paint.
4. White lead-in-oil is essentially a semi-finished material from which paint may be made. Paint is a finished product and may contain white lead, and/or a multitude of other solid materials, often unknown to the consumer, whereas white lead-in-oil contains only one pigment - white lead. This distinguishing characteristic has an important bearing on the dealer's ability to sell both products, as explained later.

In substantiation of our contention that dry white lead and lead-in-oil deserve separate consideration by the U.S.A., apart from the Paint Code, we would like to call attention to the fact that the Treasury Department has long treated dry white lead and lead-in-oil as commodities distinct from paint. In the Tariff Act of 1900, and in preceding Tariff acts, white lead and the lead pigments have been given tariff rates separate from those of paint.*

- * Paragraphs 65 and 66 of the Act of 1900, refers to paint, whereas paragraph 78 refers to lead-in-oil paints.

It is just as logical to include white lead in the Paint Code as it would be to group brass pipe, galvanized iron pipe and other pipe materials under one code, calling it a Pipe Code; or to group copper wire, aluminum wire and galvanized iron wire under a Wire Code, or to group sheet copper, galvanized sheet iron and sheet tin under a Sheet Metal Code. We do not believe it was the intent of the Act to group industries producing inherently different products under one code, just because they happen to compete for the same type of business. It is noticeable that coal and oil were not placed under one fuel code. Linseed oil, an important component in most paints, has a code of its own.

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With such agencies, the practice is common of paying a rebate at the end of a year to dealers who concentrate on one manufacturer's line and attain a predetermined volume of purchases. This practice tends to erect an artificial barrier to the natural flow of commerce and frequently obstructs the sale of lead-in-oil.

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