

LEAD INDUSTRIES ASSOCIATION, INC.

292 MADISON AVENUE

NEW YORK 17, N. Y.

November 19, 1962

SUBJECT: 1963 L.I.A. BUDGET

To Members of the Industry Development Committee:

As decided last year the Ordinary Fund and Industry Development Fund Budgets have been incorporated into a single Combined Budget to cover all L.I.A. expenses for administration, technical service, publications, advertising and other forms of promotion and industry development, including health and safety work. However, the Expanded Research Program's Budget for administration and research is not included and is forthcoming from the Research Director. This report therefore applies to all L.I.A. activities other than research.

In 1962 total subscriptions amounted to about \$474,000, of which about \$38,000 came from membership subscriptions contributed by all members and \$436,000 from pig lead producers only based on their pig lead sales in the United States. Regular membership subscriptions were at the rate of 16¢ per ton of lead mined, 4¢ per ton of lead smelted or refined, 4¢ per ton of lead manufactured, and 2¢ per ton of lead consumed in assembled articles such as batteries, cable and ammunition. Subscriptions on pig lead sold in the United States were at a rate of 65¢ per ton.

On the basis of figures estimated as of November 1, 1962, it is anticipated that the same subscription rates would yield about \$8,000 less in 1963 or a total of \$466,000. The following tabulation shows the budget approved for 1962, the estimated actual performance under that budget, and recommendations for 1963. In examining these figures please bear in mind that rather substantial approved expenditures for publications in 1962 were not made because insufficient data were available, but it is expected they will be published in 1963. Therefore these have been set up as reserves out of the 1962 budget to be spent for specific purposes in 1963. Also, as directed by the Industry Development Committee, an initial reserve for a motion picture has been set up in the 1963 budget which it is not expected will be spent in that year. Furthermore, certain expenditures out of general reserves are suggested in 1963 because these reserves appear to be more than adequate and the time right to use some of them. Receipts for 1963 are based on the same subscription rates as in 1962.

L.I.A. COMBINED BUDGET
(Except Expanded Research Program)

	Approved 1962	Estimated Actual 1962	Suggested 1963
<u>Administrative & Technical Service:</u>			
Salaries, incl. Payroll Taxes	\$154,000	\$150,500	\$160,000
Insurance	1,300	2,200	2,500
Furniture, Fixtures & Equipment	2,000	2,000	2,000
Rent & Light	16,000	14,500	14,500
Travel	22,500	22,500	22,500
Entertainment & Lunches	3,500	3,500	3,500
Meetings	4,000	4,000	4,000
Office Supplies	3,500	3,500	3,500
Mailing	3,400	4,500	5,000
Telephones & Telegraph	3,500	3,400	3,500
Printing	500	400	500
Association Dues	1,350	1,000	1,200
Books & Subscriptions	1,300	1,300	1,300
Transfer to Pension Fund	11,000	11,400	16,000
Test Programs	4,000	3,000	4,000
Legal & Consulting Fees	1,500	1,500	2,000
Abstracting Service	3,750	4,500	8,000
Miscellaneous	7,000	5,000	6,000
Total Administrative & Technical Service	244,100	238,700	260,000
<u>Publications:</u>			
Lead	23,000	20,000	27,000
Reprints	4,000	4,000	5,000
Construction & Architectural Flyers	5,000	3,500	3,500
Ceramic Supplements	2,000b	-	-
Sweet's Catalogs	13,500	13,500	13,500
Pigment Manual	7,000b	-	-
Anti-Vibration Report	4,000b	600	-
Monograph	1,500	1,500	1,500
Noise Control Manual	25,000ab	-	-
Delivery Truck Brochure	- e	-	4,000
Cable Handbook	3,000b	-	-
Motive Power Batteries	2,000	2,000	-
Roofing Handbook	-	-	5,000
Total Publications	90,000	43,100	59,500
<u>Advertising:</u>			
Architectural & Construction	26,600	35,000	15,995
Design	19,000	19,000	18,244
Ceramics	10,300	10,300	10,266
Pigments	6,000	6,000	12,708
Cable	6,500	6,500	6,480
Management	8,150	8,150	-
Batteries	-	-	36,004e
Vibration Control	-	-	7,608g
Plumbing	-	-	6,740
Production	20,250	17,500	24,355
Miscellaneous	2,000	2,000	2,000
Total Advertising	98,800	104,450	160,000

	Approved 1962	Estimated Actual 1962	Suggested 1963
<u>Miscellaneous Promotion:</u>			
Conventions & Exhibits	\$ 16,500	\$ 15,000	\$ 16,500
Apprentice Contest	000	650	650
Seminars	-	-	6,000
Product Development & Contingencies	11,000d	3,000	25,000
Total Miscellaneous Promotion	<u>27,500</u>	<u>18,650</u>	<u>48,150</u>
Grand Total	\$461,000	\$406,900	\$507,650

	Estimated 1962	Estimated 1963
Balance, beginning of year	\$180,000	\$206,000
Receipts	474,000	466,000
	<u>654,000</u>	<u>672,000</u>
Expenditures	407,000	507,500
Balance, end of year	<u>247,000</u>	<u>164,500</u>
Special reserves	41,000g	25,000h
Uncommitted balance, end of year	\$206,000	\$139,500

- a. Includes \$14,000 transferred from Contingencies Fund and \$4,000 from Delivery Truck Brochure, as approved.
- b. Set up as Special Reserves for publication of same items in 1963.
- c. \$4,000, already approved, transferred to Noise Control Manual.
- d. \$14,000 transferred to Noise Control Manual.
- e. Partly included under Management in 1962.
- f. Included under Architectural and Construction in 1962.
- g. See footnote (b).
- h. For future use in motion picture production.

The following notes present additional data and information in explanation of the expenditures and suggestions covered by the foregoing detailed budget, which embraces major promotional efforts in eight specific areas of lead consumption or potential consumption and certain activities that cut horizontally across all lead applications.

Technical Service. The technical service performed by the staff for lead users and potential users applies to all lead markets. No changes are suggested either in the staff itself or in their duties in this respect. Some increase in cost is anticipated mainly to keep salaries in line with comparable positions elsewhere.

"Lead." This quarterly eight-page publication, with a circulation of over 50,000 lead users and potential users, applies also to all lead markets and has proved invaluable in its more than 30 years of publication. No major increase in the mailing

list is recommended at this time, but the staff is turning up so much good material for publication that some increase in its size seems warranted. It is suggested that it either be continued as a quarterly but increased to 12 pages or that it be continued as eight pages but publication increased to six times a year. The suggested budget provides for the former increase as the cheaper although somewhat less effective alternative. The latter would add another \$5,000 to \$7,000 to the cost.

Storage Batteries. It is estimated that batteries for motive power in industrial vehicles and for portable tools now consume about 15,000 tons of lead a year and that this could be increased to some 30,000 tons by increasing lead batteries' share of the market. An L.I.A. brochure on lift trucks published several years ago has now been circulated to about 100,000 people, has been translated into two foreign languages, and is still popular. This year it was supported with a modest advertising campaign in "Factory," and publication of a new brochure on miscellaneous motive power applications for batteries. It is suggested that in 1963 a third brochure, on battery powered street trucks, be issued and that the advertising in "Factory" be supported with a very modest campaign to top management in "Business Week" and a campaign in a strictly materials handling publication "Materials Handling Engineer." It is further intended to solicit more support from industrial truck manufacturers and industrial battery makers through one or more seminars with them acquainting them fully with our activities and outlining areas in which they can assist.

Vibration Control. This market, although currently small and confined largely to building foundations, has grown rapidly in the last two or three years. Also, the use of lead for this purpose has been slowly spreading to machinery foundations like printing presses, cooling towers and laundry machinery. The machinery market, if properly cultivated, could potentially mean lead tonnage well in five figures. It is recommended that full engineering data be published as soon as available from the research contractor. Also that modest advertising of case histories be continued in "Factory," "Progressive Architecture" and "Engineering News-Record" to increase the ever-growing interest in lead for this application. At least two leading acoustical consultants have recommended lead for this purpose to architects after field tests, one for three different buildings in three different cities accounting for the use of over 100 tons of lead on those three jobs alone.

Ceramics. This market now accounts for some 30,000 tons of lead a year with a 5-year potential increase to 50,000 tons. The increase since our campaign started about five years ago has been between 5,000 and 10,000 tons. We suggest continuation of our space advertising and publication of supplements to our ceramics manual.

Pigments. The current market for lead in metal primers and traffic marking paint is about 11,000 tons with a 5-year potential of about 25,000 tons, the increase being about equally divided between the two types of paint. At this time it appears that technical work with highway engineers can best benefit traffic marking paint. However, metal protective paints are highly competitive and, although lead pigments are giving a good account of themselves, they need promotional support. Our Pigment Committee has had a manual on lead pigments in preparation for about a year and feels it will be ready for publication in 1963. The Committee also feels that we should return to an advertising schedule in "Engineering News-Record" and "Marine Engineering/Log" which, although highly successful, was suspended a couple of years ago for internal reasons which we now believe can be resolved. Also a slightly smaller schedule in paint magazines is suggested by dropping one publication with overlapping circulation.

Cable Sheathing. The purpose of this campaign, started a year ago, is mainly to defend the 60,000 tons of lead now being used and strive for some moderate increase. No change is suggested in the space advertising. Also work has been in progress on a cable sheathing brochure, which was authorized this year, and it is suggested that the money already approved for this be set aside in reserve for its publication early in 1963.

Architectural and Construction. This embraces a number of uses such as roofing, flashing, pool linings and other waterproofing, calking lead and plumbing. The roofing and flashing market has been largely confined to monumental buildings but although architects often favor lead they are misinformed about its cost, weight, etc. Also contractors are not familiar with lead and resist its use even though specified by architects. This use is currently small, perhaps, 500 tons a year, but it appears to have a potential of many times this amount in five years. It is suggested that a handbook of detailed drawings be published for architects and contractors and that this be supported with a continued small campaign in "Progressive Architecture" and "Engineering News-Record." This should be accompanied with an educational campaign to contractors to remove their fears of handling lead.

Plumbing. This is discussed separately from the foregoing because of its size, 60,000 tons a year, about 2/3 of which is in calking lead, the use of which is currently being threatened by other kinds of joints in cast-iron pipe. It would appear wise to tell our story to plumbing contractors and consulting engineers, on whom architects generally depend for advice on plumbing, and to keep the use of this material before architects occasionally.

Design. We have been conducting a modest campaign in the design field for several years and it appears to have created considerable new interest in lead. No change in this schedule is suggested.

Noise Control. A subcommittee has been appointed to investigate this field. Therefore no major recommendations are made here, pending a later report from this group. Meanwhile, funds already approved for a manual or other publications on this subject are set up as a reserve for use in 1963. Also some of our advertising space in the design field could be used for case histories, particularly on leaded vinyls or similar products now available on the market. It is also planned to prepare detailed case history reports on all lead soundproofing jobs of an experimental nature that have been done so far.

Conventions and Exhibits. In support of all the foregoing we recommend continuation of our exhibits at the Design Engineering Show, the Chemical Show, the American Institute of Architects Show, the Plumbers Show, the National Association of Home Builders, and the Acoustical Society Show.

Seminars. This is a new item in this year's budget. Half of it has already been committed to joint sponsorship of one on lead intoxication at the Kettering Laboratories next February. The balance is for such other group sessions as suggested with battery and industrial truck makers.

Sweet's Catalogs. No change is suggested in this part of the program which will support our catalogs in Sweet's in 1964 but must be prepared in 1963.

Abstracting Service. The abstracting service performed for us by the L.D.A.-Z.D.A. in London and jointly financed by them, L.I.A., A.Z.I. and E.R.P., will be considerably more expensive next year, we are informed. This is reflected in the budget.

Product Development and Contingencies. This item is the same as in the 1962 budget. We believe it very reasonable in relationship to the total budget, but it offers some flexibility to take care of unforeseen opportunities and to foster test installations or experimental use of lead.

Respectfully submitted,


Executive Vice President

RLZ:mk