

Industry Development Committee Meeting Minutes

New York, N.Y.

November 23, 1971

A meeting of the Industry Development Committee of the Lead Industries Association, Inc. was held on November 23, 1971 in the offices of the Association in accordance with notice of Nov. 8.

Present

M. Bonyng, Chairman
E. V. Frawley
J. C. Buck
J. Walter Hurley
D. Taylor, for

E. H. Gautschi
R. A. Flake

V. E. Dorman, for

Representing

St. Joe Minerals Corp.
American Metal Climax, Inc.
American Smelting & Refining Co.
Asarco Mexicana, S.A.
The Broken Hill Assoc.
Smelters, Pty. Ltd.
(C. Tennant Sons & Co.)
Cominco, Ltd.
Dresser Minerals Div.,
Dresser Industries, Inc.
Tsumeb Corp. Ltd. (Ametalco Inc.)

Guests

J. Graham
P. V. Higgins
R. Rogers
C. Thompson

Lieberman Harrison, Inc.
" " "
Hill & Knowlton, Inc.
" " "

Staff

J. L. Kimberley, Executive Vice President
J. F. Smith, Manager
T. D. Agne
C. A. Baker
E. D. Martin
D. Lynam, LIA/ILZRO

- (1) The Chairman called the meeting to order at 9:40 A.M. A quorum was present.
- (2) The minutes of the previous meeting of November 2, 1970 were approved as circulated.
- (3) 1972 Proposed Budget Presentation

a) The Executive Vice President reported that LIA's proposed 1972 budget, sent to the Committee November 8, 1971, contained what, at the time, was the best estimate of assessment income for the year 1972. Since that date, additional members have reported their assessment tonnage, and a more accurate figure was available. In addition, three Member companies have resigned, with the result that the figure for projected 1972 income as estimated in the proposal was about \$40,000 too high. Income is expected to be about \$717,000, rather than \$760,000.

In addition, he reported that the Executive Committee of the Board of Directors had, on September 20, 1971, stipulated that LIA assessment rates should remain the same for 1972 as in 1971. The net effect of these two events, i.e. lower assessment tonnage due to resignations and use of the same assessment rates, would be to lower the total income available to LIA for 1972 by approximately \$265,000 as compared with 1971. He pointed out that in the best judgment of the staff, the required reduction could most easily be accomplished by elimination, at least on a temporary bases, of the long standing space advertising program. In 1971 this program amounted to approximately \$240,000.

Other economies to be effected by the proposed 1972 budget were mentioned by Mr. Kimberley and later discussed in more detail.

b) The Chairman than stated that it was in order to review the proposed 1972 budget in detail.

c) The Executive Vice President and the Manager, calling where appropriate on representatives from Hill & Knowlton (LIA's Counselors in Environmental Affairs) and Lieberman Harrison (LIA's Advertising and Publicity Agency), discussed current programs and recommendations for the coming year.

Publicity

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After a review of the current publicity program, the Committee expressed its approval with the impressive results. In view of the major cutback involving space advertising, the Staff recommended, with the Committee concurring, that the publicity pro-

gram be increased to \$75,000 for 1972. As a part of this overall increased publicity effort, the Staff also recommended maintaining the budget for "Reprinting of Technical Articles" at \$10,000. This would help in supplying needed backup material for direct mail efforts and fill to some extent the void created when space advertising ceases.

Space Advertising

The current 1971 space advertising program was reviewed briefly, and tear sheets of all the ads were shown. It was announced that the current publicity and advertising programs together will generate over 14,000 inquiries to LIA in 1971. The Committee felt this to be a very respectable showing, and there was some discussion concerning the possibility of reinstating a portion of the advertising program for 1972.

Lieberman Harrison, though not prepared to offer details, estimated that approximately \$100,000 would be necessary to establish a suitable program for the two most promising fields of interest, Batteries and Sound. It was noted that, on the basis of present tonnage estimates, to fund such a program would require an additional 14 cents in assessment. The Committee observed that such an additional burden was not likely to be accepted during this lean time for the industry. The Exec. V.P. stated that in view of LIA's major curtailment in advertising, he sincerely hoped the members would correspondingly expand their own efforts in this field, at least for the period in which LIA is cut back.

Conventions and Exhibits

While it was recommended that Conventions and Exhibits be discontinued, it was noted by the Executive Vice President that the Association had signed contracts to exhibit in three shows during 1972, and had made deposits on the contract. He expressed the belief that while approximately \$1,400 had been committed, the Association will not be obligated to pay the additional \$2,600 if the space can be resold. Negotiations are underway to that end, and to recover as much deposit money as possible.

Lead Monograph

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Roughly 80% of the manuscript for a Monograph has been assembled with updating since 1968. However, great difficulty has been experienced in obtaining the remaining manuscripts, and to avoid having these (existing) informative and well-written articles become outdated, it is proposed to submit as many manuscripts as

possible for publication in interested magazines and journals as a part of the expanded publicity program. Subsequently, reprints could be bound to produce a book, as sufficient articles appear.

Lead Abstracts

One of the major contributors, ILZRO, has withdrawn support of the Abstracts, and in order to keep the Abstracts operational at the 1971 level, LDA/ZDA had asked LIA and the ZI to contribute an additional \$2,500 each towards the support of this program (over and above the present sum of \$12,500.) After some discussion, the Committee unanimously held that it would not be advisable at this time to increase the amount contributed to the Lead Abstracts. The Executive Vice President noted the Abstracts will continue, but probably at a slightly reduced level - possibly 4 times per year.

Health & Safety Program

The Executive Vice President and representatives of Hill and Knowlton discussed health and safety activities for the past year. One activity said to be especially effective was the Seminars for Science Writers entitled: "Lead in the Environment." The Committee felt this program to be very productive and worthwhile and urged its continuation. It was pointed out that there are plans to produce at least 3 and perhaps 5 such Seminars around the country in 1972, with particular emphasis on California and New York where much environmental activity has occurred concerning lead.

The Executive Vice President stated that health and safety activities had been more or less arbitrarily reduced to \$125,000 from the current 1971 estimate of approximately \$160,000. He indicated that he was going to continue working on the "lead in gasoline" problem for 1972 as a consultant to the Lead Industries Association, and felt that some flexibility should be maintained in the program to react to emergencies that may arise.

d) Budget Recommendation

After some further discussion, a motion was made and passed to adopt the 1972 budget as proposed by the Staff, with the recommendation that the Board of Directors consider, as necessary, a slight increase in assessments to accommodate a possible difference between the amount proposed (760,000 including one month's operating reserve), and the expected income of approximately \$717,000, based on 1971 assessment rates.

e) Other Business

A motion was made and passed to have the Industry Development Committee meet again in April during the LIA Annual Meeting.

In recognition of his impending retirement, the committee expressed its appreciation to Mr. John L. Kimberley, Executive Vice President, for his years of service to the Lead Industries Association and to the lead industry.

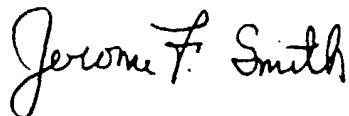
Before adjournment, the Committee was informed of the serious illness of Mr. David M. Borcina and a moment of silent prayer was observed to ask for his recovery.

f) Tables I,II,III & IV summarize pertinent data.

g) Adjournment

There being no further business, the meeting adjourned at 12:00 Noon.

Respectfully,



Jerome F. Smith
Secretary Protem

JFS:so

Att:

Table I

A - Gross Budget, Income, Expenditures, Reserves -- 1961 - 1971

	<u>Approved Budget</u>	<u>Assessments</u>	<u>INCOME</u>			<u>Expenditures</u>	<u>Operating Reserve Year-End</u>
			<u>Other</u>	<u>Total</u>			
1961	\$369,350	\$340,545	\$ 4,460	\$345,005	\$319,624	\$179,766	
1962	461,000	471,560	4,660	476,220	412,133	243,853	
1963	483,125	391,248	6,141	397,389	459,477	181,765	
1964	622,700	515,169	6,033	521,202	567,754	135,213	
1965	699,162	643,345	5,371	648,716	685,139	98,790	
1966	826,650	812,896	12,899	825,795	739,739	184,846	
1967	913,700	878,340	17,574	895,914	753,253	327,507	
1968	841,905	623,852	31,519	655,371	818,402	164,476	
1969	924,675	806,629	12,343	818,972	843,220	140,228	
1970	954,460	985,416	7,831	993,247	984,146	149,329	
1971	918,000	827,800	8,500	836,300	918,364	67,266 (Est)	

Of income, the special assessment for Health and Safety accounted for \$96,657 in 1966 and \$206,087 in 1967.

B - Rates in ¢ per ton

	<u>Membership</u>						<u>Industry Development</u>			
	<u>Mining</u>		<u>Smelt. & Refin.</u>		<u>Manufacturing</u>		<u>Assembled Articles</u>	<u>Pig Lead Sales</u>		
	<u>Regular</u>	<u>H & S</u>	<u>Regular</u>	<u>H & S</u>	<u>Regular</u>	<u>H & S</u>	<u>Regular</u>	<u>H & S</u>		
1961	12¢		3¢		3¢		14¢		\$.52	
1962	16		4		4		2		.65	
1963	16		4		4		2		.54	
1964	16		4		4		2		.80	
1965	16		4		4		2		1.05	
1966	16	2.4¢	4	.6¢	4	.6¢	2	.3¢	1.10	15¢
1967	16	4.28	4	1.2	4	1.2	2	.6	.91	28
1968	16	-	4	-	4	-	2	-	.90	-
1969	20	-	5	-	5	-	2½	-	1.17	-
1970	21	-	9	-	9	-	5	-	1.05	-
1971	17	-	7	-	7	-	4	-	.84	-

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Table II - Summarized Performance for 1971 - Proposal for 1972

Assessment income for 1972 calculated on same rates as for 1971
per Executive Committee Meeting, September 20, 1971.

<u>A. Reserve and Income</u>	<u>1971</u> <u>12 Mo. Estimate</u>	<u>1972</u> <u>Proposal</u>
1. Operating Reserve Start of Year	\$149,000	\$ 67,000
2. Assessments Pig Lead Sales	621,500	457,800
3. Assessments - Other	206,300	185,900
4. Miscellaneous Income	8,500	7,000
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5. Total Available	\$985,300	\$717,700
<u>B. Disbursements and Reserve</u>		
1. Essentially Fixed	{ 15,000 owed \$359,000	\$381,000
2. Promotion & Development		
a) Ads	223,000	--- (Note 2)
b) Publicity	35,000	75,000 (Note 3)
c) Health & Safety	162,000	125,000
d) Other	124,000	119,000
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3. Total Disbursed	\$918,000	\$700,000
4. Reserve for 1/1/72	\$ 67,300	1/1/73 - \$ 60,000

Note 1 - Assessment items for 1972 include influence of losing Bunker Hill, Cerro Sales and U.S. Smelting; and gaining Cominco American.

Note 2 - The approach to achieving the required balance is most practically accomplished by temporarily--at least--dropping the long standing space advertising program.

Note 3 - Lieberman Harrison, Inc. (now handling both ads and publicity) are judged to have accomplished much during 1971. More writing and placing of articles is proposed.

Note 4 - Promotion and Development programs--other than paid space and publicity--have been pared down as far as practical. See Table IV for detail.

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LEAD INDUSTRIES ASSOCIATION, INC.
STATEMENT OF ADMINISTRATIVE DISBURSEMENTS

Table III

<u>ADMINISTRATIVE DISBURSEMENTS</u>	1971 ESTIMATED 12 MONTHS <u>DISBURSEMENTS</u>	1971 BUDGET	PROPOSED 1972 BUDGET
1. Salaries:			
a. Gross Payroll	\$187,850	{ \$210,000	{ \$175,000
b. Temporary Help	600		
c. Employment Agency Fees	600		
d. Blue Cross & Blue Shield	3,000		
2. Payroll Taxes	6,500	9,000	8,000
3. Pension Premium (Bankers Life Co.)	15,350	18,000	16,000
4. Business Insurance:			
a. General	{ 1,500	{ 1,200	{ 1,000
b. N.Y. Disability			
5. Group Insurance	3,300	3,200	3,000
6. Rent	27,000	27,000	27,000
7. Travel and Expense	34,000	40,000	40,000
8. ILZRO Health & Safety Admin. Costs	39,000 (2)	(3)	45,000
9. Meeting Expenses:			
a. Annual Meeting	1,900	{ 5,000	2,000
b. All Other	300		
10. Professional Fees:			
a. Auditing	1,200		1,000
b. Legal	1,500	{ 4,000	2,000
c. Consulting	{ 3,700		25,000
c. All Other			6,000
11. Printing & Office Supplies	5,400	6,000	6,000
12. Telephone & Telegrams	6,700	6,000	7,000
13. Postage and Express	10,000	9,000	10,000
14. Subscription - Books and Periodicals	800	800	
15. Furniture and Equipment	600	2,000	1,000
16. Office Services	6,500	8,500	7,000
17. Technical Association Dues	500	700	
18. Miscellaneous	1,400	1,000	1,000
TOTAL	<u>\$359,302</u>	<u>\$351,400</u>	<u>\$381,000</u>

(2) Administrative spending is over the budget due to this "Unbudgeted" item!

(3) 1971 Budget, as approved, anticipated Health & Safety salaries and travel continued in for \$250,000. The alternate (and approved) arrangement involving ILZRO proved somewhat (Items 1 + 7 + 8 for \$265,000).

Table IV

LEAD INDUSTRIES ASSOCIATION, INC.
STATEMENT OF PROMOTION & DEVELOPMENT DISBURSEMENTS

<u>PROMOTION & DEVELOPMENT DISBURSEMENTS:</u>	<u>ESTIMATED 12 MONTHS '71 DISBURSEMENTS</u>	<u>1971 BUDGET</u>
1. <u>Publicity:</u>		
a. Agency Fees	\$ 75,000.00	\$ 70,000)
b. Out-of-pocket Agency Expenses	6,500.00	5,000)
2. <u>Space Advertising:</u>		
a. Space	157,986.00	160,000)
b. Misc. & Production Costs	18,500.00	20,000)
3. <u>Conventions & Exhibits:</u>		
a. Plant Engineering & Maintenance Show		(
b. Design Engineers Show		(
c. Chemical Show	6,300.00	5,000
d. National Plumbing Exposition		(
e. Miscellaneous		(
4. New Literature & Booklets	3,000.00	5,000
5. Lead Monograph	--	8,000
6. Corrosion Handbook	--	4,000
7. Annual Review	1,455.60	2,000
8. <u>Existing Literature Expenses:</u>		
a. Lead Magazine		
1. Printing Costs	38,000.00	(45,000
2. Mailing Costs		(
3. Mailing List Maintenance		(
b. Lead Abstracts	13,000.00	13,000
c. Misc. Literature	2,000.00	3,000
9. Reprinting Technical Articles	6,000.00	10,000
10. Test Programs	500.00	5,000
11. Illustrative and Photographic Expenses	1,300.00	2,000
12. <u>Motion Picture "The Lead Matrix":</u>		
a. General Distribution	9,500.00	10,600
b. U.S. Bureau of Mines	2,000.00	2,000
13. Apprentice Contest	1,250.75	1,500
14. <u>Contribution to Technical Societies:</u>		
a. National Shooting Sports Foundation	650.00	(
b. Steel Structures Painting Council	1,000.00	3,400
c. Electric Vehicle Council	1,000.00	(
d. ANSI	750.00	(
15. Zinc & Lead International Service	29,100.00	29,100
16. <u>Health & Safety Program:</u>		
a. Hill & Knowlton - Regular	161,600.00	(
b. Hill & Knowlton - Lead & Gasoline		(
c. Lead in Pediatrics		152,000
d. Lettering Abstracts		(
e. Miscellaneous		(
17. Contingency Material From ILZRO	5,500.00	10,000
18. Contingency: Miscellaneous Promotion	2,271.00	3,000
TOTAL	<u>\$544,164.15</u>	<u>\$568,600</u>