Annual Rep

NATIONAL LEAD

for Fiscal Year

December 31,

Principal Office:

1 Exchange Place, Jersey C

Executive Office

111 Broadway, New

National Lead Company

1 Exchange Place, Jersey City, N. J.

Report to be Presented to the Stockholders at their Twenty-Third Annual Meeting, April 15, 1915, for the Fiscal Year Ending December 31, 1914.

To the Stockholders of National Lead Company—

The following Balance Sheet shows the condition of the Company on December 31, 1914:

ASSETS

Plant Investment		$23,768,788.95
Other Investments:		
Stocks and Bonds of Insurance Fund	$640,327.10	
Stocks and Bonds of Companies not entirely owned by National Lead Co.	911,424.77	
Stocks and Bonds of Subsidiary Companies	15,411,965.75	16,963,717.62
Current Assets:		
Stock on hand, manufactured, in process and raw	$7,164,475.22	
Cash in Banks	1,387,754.76	
Customers' Accounts	2,084,328.70	
Advances to Subsidiary Companies	845,000.00	
Other Notes Receivable	150,000.00	11,631,558.68
		$52,364,065.25

LIABILITIES

Capital Stock:			
Common		$20,655,400.00	
Preferred		24,367,600.00	
Insurance Fund		1,000,000.00	
Accounts Payable:			
Audited but not due	$319,806.21		
Subsidiary Companies	669,028.77	988,834.98	
Surplus, December 31, 1914		5,352,230.27	$52,364,065.25

1,705,732
770,561
619,662
150,891

STATEMENT OF NET EARNINGS AND DISPOSITION OF SAME

Surplus, December 31, 1913		$5,201,331.62
Net Earnings after Deductions for Maintenance, Repairs, etc.		2,476,292.65
		$7,677,624.27
Less Dividends:		
Dividends on Preferred Stock, 7%	$1,705,732.00	
Dividends on Common Stock, 3%	619,662.00	2,325,394.00
Surplus, December 31, 1914		$5,352,230.27

A comparison with the preceding year is given in the following Statement:

ASSETS

	Dec. 31, 1913	Dec. 31, 1914	Increase	Decrease
Plant Investment	$23,528,175.28	$23,768,788.95	$240,613.67	....
Other Investments	16,821,015.12	16,963,717.62	142,702.50	....
Stock on hand	7,259,043.54	7,164,475.22	....	$94,568.32
Cash in Banks	337,813.98	1,387,754.76	1,049,940.78	....
Customers' Accounts	2,258,972.34	2,084,328.70	....	174,643.64
Subsidiary Companies	1,360,000.00	845,000.00	....	515,000.00
Other Notes Receivable	180,000.00	150,000.00	....	30,000.00
	$51,745,020.26	$52,364,065.25	$1,433,256.95	$814,211.96

LIABILITIES

	Dec. 31, 1913	Dec. 31, 1914	Increase	Decrease
Common Stock	$20,655,400.00	$20,655,400.00	....	....
Preferred Stock	24,367,600.00	24,367,600.00	....	....
Insurance Fund	1,000,000.00	1,000,000.00	....	....
Accounts Payable	200,599.93	319,806.21	$119,206.28	....
Subsidiary Companies	320,088.71	669,028.77	348,940.06	....
Surplus	5,201,331.62	5,352,230.27	150,898.65	....
	$51,745,020.26	$52,364,065.25	$619,044.99	....

The results shown in the foregoing statements have been reached, after the deduction of liberal allowances for maintenance and repairs.

Inventories have been taken on our usual conservative basis. The addition to the Plant Account represents the completion of an entirely new plant in course of construction during the past two years.

The increase in other investments is accounted for by the purchase of certain securities for the account of the Insurance Fund and the redemption of certain bonds of a subsidiary company in fulfillment of contract connected with its purchase.

The decrease in the item Stock on Hand represents a lower range of values now existing, rather than a decrease in the tonnage of the stock on hand: the tonnage being considerably greater than at the close of the preceding year.

The increase in Cash in Banks and the decrease in Advances to Subsidiary Companies taken together explain these changes for the most part.

To the Surplus Fund has been added $150,898.65.

The usual dividends of 7% on the Preferred Stock and 3% on the Common Stock have been paid, amounting to $2,325,394.00.

Volume of Business

All departments of the business have suffered losses in volume compared with last year. In some departments the diminution has been serious, in others less so. Those departments whose business lies largely with railroad and manufacturing companies have suffered the greatest losses.

Conditions Affecting Profits

Considering what has been stated in the preceding paragraph regarding the losses in volume of business, it is gratifying to your Directors to again call attention to the wisdom of the Company's established policy in diversifying its interests. Notwithstanding the losses in volume reported above, substantial profits in certain departments have offset the losses in profits by reason of decreased tonnage in others. The net result shows that in this period of hard conditions your Company as a whole continues to prosper and to continue its regular returns to stockholders.

Competition

We continue to encounter vigorous competition in all fields. We have endeavored by example to induce on the part of competitors their abandonment of practices generally considered in the commercial world as unwise and unnecessary: in this we have attained a certain degree of success, although much is yet to be desired. Generally speaking, a higher tone prevails in all the various trades in which we have a place. It is gratifying to record this fact.

Financial Policy

Statements made in former reports as to the Company's financial policy are reaffirmed and may properly be repeated here.

We consider it our first duty to maintain our plants at the highest point of efficiency. All reconstructions, repairs, maintenance and improvements are paid for out of earnings and are charged to maintenance and repairs.

Only the cost of absolutely new plants is added to Plant Account, and such cost is paid for out of earnings.

During the past year, beyond the necessary expenditures for maintenance, no new construction has been begun, but what has been underway from the preceding year has been completed.

The Company's banks have supplied such funds as were required during the first seven months of the year, but for the last five months of the year the Company was not a borrower.

The Magnus Company, Incorporated

Under this title has been reorganized, as a corporation of the State of New York, The Magnus Metal Company, of New Jersey.

The object of this reorganization was to make more compact in form and efficient in operation the business conducted under this name. The business of the Magnus Company, being altogether with railroad companies, has suffered very materially during the year by loss both of tonnage and profits. We confidently hope that, with an enlightened public sentiment towards the railroads, permitting them to make such earnings as are necessary to maintain and increase their equipment, this branch of your Company's business may share in their prosperity when it arrives.

Safety and Health of Workmen

In the report of the year 1912 there was given to our stockholders a full account with numerous illustrations (a copy of this report may be obtained on request) of the elaborate arrangements established at our plants to safeguard the health of our workmen. It is gratifying to report that in this important matter the results are extremely satisfactory. In the field of safety from accident eternal vigilance is employed and a constant study of the environment of our workmen has reduced the percentage of accidents to almost nothing.

In all these matters we are pleased to record an increasing and commendable spirit of watchfulness and co-operation on the part of our workmen.

Compensation for Injuries

As previously stated, where there are no state laws in existence to cover compensation for injuries and disability, the Company voluntarily assumes such duties and performs them in a liberal and humane spirit.

Pension System

Our pension system for the benefit of those whose age compels their retirement from active duties continues to be administered and receives the appreciation of those whose long and faithful service has earned an honorable retirement.

Officers and Employees

In each annual report under this heading reference has been made to the remarkable *esprit de corps* that exists among the men and women who are charged with the conduct of the Company's affairs and to whom is confided the conservation of the Company's interests and the expansion of its business. It matters little where this spirit is sought for: it finds its expression in different parts of the land from those who sell our products; it is in our mines, our factories, our offices. Wherever the name of the National Lead Company is found, there it exists.

While suitable mention is made in each annual report of this spirit of hearty co-operation, your Directors have long wished to express to this body of employees in some more lasting, more permanent and more substantial way their appreciation.

With this thought in mind, at the close of the year 1914, each man and woman employed in our managerial, advertising, selling, clerical and supervising force, was presented with a policy in the Equitable Life Assurance Society, under the terms of which in the event of the death of such employee while in our service, there is to be paid to his or her beneficiary a sum equal to a year's salary. The intent of your Board of Directors is to convey the idea that our relation to those comprising our official family is not ended when the day's work is done or life's work is over, but extends to those dependent upon them.

This act is the Board's expression of loyalty to those whom it trusts. We have intentionally withheld any public mention of this matter: it is not a public matter and not a matter for advertisement. But we mention it here, confidently believing that it will meet with the unqualified approval of our stockholders. We believe that our stockholders should be advised of the sentiments that actuate the managers of their property in their relations to all who are employees of our Company.

Stockholders

The total number of stockholders as shown by the Company's records on December 31, 1914, was 6,859.

Of this number 48 per cent. are women, being 3,287 in number. With the exception of stock held as investments by philanthropic and charitable corporations there are no stockholders who have exceptionally large holdings.

Respectfully submitted,

William W. Lawrence,
President.

Directors

National Lead Company

EDWARD F. BEALE,	Philadelphia
GEO. O. CARPENTER,	St. Louis, Mo.
FRED M. CARTER,	Chicago, Ill.
R. R. COLGATE,	New York City
E. J. CORNISH,	New York City
G. D. DORSEY,	Madison, N. J.
CHAS. E. FIELD,	Chicago, Ill.
GEO. W. FORTMEYER,	E. Orange, N. J.
E. C. GOSHORN,	Cincinnati, O.
WILLIAM W. LAWRENCE,	New York City
A. J. MEIER,	St. Louis, Mo.
R. P. ROWE,	Brooklyn, N. Y.
W. N. TAYLOR,	Pittsburgh, Pa.
WALTER TUFTS,	Boston, Mass.
J. R. WETTSTEIN,	Mt. Vernon, N. Y.

Executive Committee

WILLIAM W. LAWRENCE, *Chairman.*

E. F. BEALE	E. J. CORNISH
R. P. ROWE	R. R. COLGATE

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Executive Officers

National Lead Company

President
WILLIAM W. LAWRENCE

Vice-Presidents
GEO. O. CARPENTER
R. P. ROWE
E. J. CORNISH

Secretary
CHARLES DAVISON

Treasurer
M. D. COLE

Assistant Treasurer
FRED R. FORTMEYER

General Counsel
ALEXANDER & GREEN
165 Broadway, New York City

Registrar of Stocks
BANKERS TRUST CO.
14 Wall St., New York City

Departments

National Lead Company

Manufacturing Committee
C. P. TOLMAN, Chairman
L. T. BEALE
H. P. CAVARLY
EVANS McCARTY
G. W. THOMPSON

Laboratory
G. W. THOMPSON, Chief Chemist
A. H. SABIN, Consulting Chemist

Advertising Department
O. C. HARN, Manager

Metal Department
A. B. HALL, Manager

Flaxseed Department
CHAS. T. NOLAN, Manager

Insurance Department
I. M. STETTENHEIM, Manager

Traffic Department
GEORGE A. MUIR, Manager

Branches

National Lead Company

ATLANTIC BRANCH, R. P. ROWE, Manager,	New York City 111 Broadway
BUFFALO BRANCH, SHELDON THOMPSON, Manager,	Buffalo, N. Y. Cor. Clinton and Oak Streets
CLEVELAND BRANCH, C. C. FOERSTNER, Manager,	Cleveland, Ohio Champlain Avenue and Canal Road
CINCINNATI BRANCH, E. C. GOSHORN, Manager,	Cincinnati, Ohio Freeman Avenue, cor. Seventh Street
CHICAGO BRANCH, CHAS. E. FIELD, Manager,	Chicago, Ill. 900 West Eighteenth Street
ST. LOUIS BRANCH, GEO. O. CARPENTER, Manager,	St. Louis, Mo. 722 Chestnut Street
JOHN T. LEWIS & BROS. CO., EDWARD F. BEALE, Pres.,	Philadelphia, Pa. Lafayette Bldg., cor. Fifth and Chestnut Sts.
NATIONAL LEAD & OIL CO., OF PENNSYLVANIA, W. N. TAYLOR, President,	Pittsburgh, Pa. Commonwealth Building, 316 Fourth Avenue
NATIONAL LEAD CO., OF MASSACHUSETTS, WALTER TUFTS, Treasurer,	Boston, Mass. Board of Trade Building, 131 State Street
NATIONAL LEAD CO., OF CALIFORNIA, JAS. B. KEISTER, Vice-President,	San Francisco, Cal. Merchants Exchange Building
ST. LOUIS SMELTING & REFINING CO., A. J. MEIER, 2d Vice-Pres. & Gen. Mgr.,	St. Louis, Mo. 722 Chestnut Street

Local Offices

National Lead Company

DETROIT, MICH.,	Corner Howard and Tenth Streets
MILWAUKEE, WIS.,	52 Second Street
ST. PAUL, MINN.,	354-360 East Sixth Street
OMAHA, NEB.,	1426 Woodmen Building
KANSAS CITY, MO.,	1406-1408 West Thirteenth Street
LOUISVILLE, KY.,	202 Equitable Bldg., Fourth and Jefferson Sts.
NASHVILLE, TENN.,	225 Tenth Avenue, South
NEW ORLEANS, LA.,	513 South Peters Street

John T. Lewis & Bros. Company

BALTIMORE, MD.,	1015 East Fayette Street

Corporations in Which This Company is Interested

CARTER WHITE LEAD COMPANY, FRED. M. CARTER, President.	Chicago and Omaha
HEATH & MILLIGAN MANUFACTURING CO., NORRIS B. GREGG, President.	Chicago
THE MAGNUS COMPANY, INCORPORATED, H. H. HEWITT, President.	New York
MATHESON LEAD CO., W. J. MATHESON, President.	Long Island City
UNITED LEAD COMPANY, J. R. WETTSTEIN, President.	New York
UNITED STATES CARTRIDGE COMPANY, PAUL BUTLER, Treasurer.	Lowell, Mass.
BAKER CASTOR OIL CO., F. C. MARSH, President.	New York

Products Manufactured by National Lead Company

Painters' Materials

White Lead, Dry
White Lead in Oil
Red Lead, Dry
Red Lead in Oil
Colors, Dry and in Oil
Linseed Oil, American and Calcutta, Raw, Boiled, Refined, Varnishmakers'

Bearing Metals

Phœnix Metal
Babbitt Metals
Pressure Die Castings

Plumbers' Materials

Lead Pipe
Block Tin Pipe
Tin-lined Lead Pipe
Leadamant Pipe
Lead Traps and Bends
Solder
Soldering Flux

Printers' Metals

Linotype Metal
Monotype Metal
Stereotype Metal
Electrotype Metal

Canners' Materials

Bar Solder
Wire Solder
Ribbon Solder
Triangular Solder
Soldering Flux

Lead Oxides

Red Lead
Litharge
Orange Mineral
Glassmakers' Oxides
Colormakers' Oxides
Rubbermakers' Oxides
Varnishmakers' Oxides
Enamelmaker's Oxides
Potters' Oxides
Accumulator Oxides

Miscellaneous Lead Products

Sheet Lead
Glaziers' Lead
Bar Lead
Lead Wire
Lead Sash Weights
Piano Key Leads

General Products

Brown Sugar of Lead
White Sugar of Lead
Linseed Oil Cake and Meal
Castor Oil

National Lead Company Brands
Pure White Lead

(Dutch Boy Painter Trade-Mark)

Anchor	Cornell	Salem
Armstrong & McKelvy	Davis-Chambers	Selby
Atlantic	Fahnestock	Shipman
Beymer-Bauman	Jewett	Southern
Bradley	Lewis	Sterling
Brooklyn	Morley	Ulster
Collier	Phœnix (Eckstein)	Union
	Red Seal	