Annual Report

NATIONAL LEAD COMPANY

For Fiscal Year Ending

December 31, 1894

Principal Office:

1 Exchange Place, Jersey City, N. J.

Executive Offices:

111 Broadway, New York City

NATIONAL LEAD COMPANY
1 Exchange Place, Jersey City, N. J.

Report Presented to the Stockholders at their Third Annual Meeting, February 21, 1895, for the Fiscal Year Ending December 31, 1894.

To the Stockholders of National Lead Company:
The following Balance Sheet shows the condition of the Company on December 31, 1894:

ASSETS

Plant Investment		$23,629,022.98
Other Investments		425,703.91
Stock on Hand, manufactured, in process and raw		4,465,396.44
Treasury Stock-Common	$ 94,600.00	
-Preferred	96,000.00	190,600.00
Cash in Banks		692,294.32
Notes Receivable		220,497.76
Accounts Receivable		1,186,562.16
Total Assets		$30,810,077.57

LIABILITIES

Capital Stock-Common	$15,000,000.00	
-Preferred	15,000,000.00	$30,000,000.00
Surplus, December 31, 1894		672,172.28
Mortgages		12,603.25
Accounts Payable		125,302.04
Total Liabilities		$30,810,077.57

In order that stockholders may conveniently compare the condition of the Company with that of 1893, the following comparative sheet is presented herewith:

ASSETS

	Dec. 30, 1893	Dec. 31, 1894	Increase	Decrease
Plant Investment.........	$23,668,144.73	$23,629,022.98	$	$ 39,121.75
Other Investments........	417,557.16	425,703.91	8,146.75	....
Stock on Hand............	4,203,043.28	4,465,396.44	262,353.16	....
Treasury Stock...........	190,600.00	190,600.00	....	....
Cash in Banks............	1,232,003.04	692,294.32	....	539,708.72
Notes Receivable.........	388,321.54	220,497.76	....	167,823.78
Accounts Receivable......	1,100,802.90	1,186,562.16	85,759.26	....
Total Assets.........	$31,200,472.65	$30,810,077.57	$356,259.17	$746,654.25

LIABILITIES

	Dec. 30, 1893	Dec. 31, 1894	Increase	Decrease
Capital Stock............	$30,000,000.00	$30,000,000.00	$	$ ....
Surplus..................	950,355.81	672,172.28		278,183.53
Mortgages................	37,603.25	12,603.25		25,000.00
Accounts Payable.........	212,513.59	125,302.04		87,211.55
Total Liabilities...	$31,200,472.65	$30,810,077.57	$	$390,395.08

SURPLUS ACCOUNT

Surplus, December 30, 1893			$ 950,355.81
Net Earnings during 1894			1,212,258.47
			$2,162,614.28

DIVIDENDS PAID DURING 1894

On Preferred Stock

March 15	Dividend No. 9	$260,820.00		
June 15	" No. 10	260,820.00		
Sept. 15	" No. 11	260,820.00		
Dec. 15	" No. 12	260,820.00	$1,043,280.00	

On Common Stock

July 2	Dividend No. 3	$149,054.00		
Oct. 1	" No. 4	149,054.00		
Dec. 31	" No. 5	149,054.00	447,162.00	1,490,442.00
Surplus, December 31, 1894				$ 672,172.28

RECAPITULATION

Assets Decreased		$746,654.25
Assets Increased	$356,259.17	
Liabilities Decreased	112,211.55	468,470.72
Surplus Decreased during 1894		$278,183.53

The profits for the year 1894 were not so large as during 1893, for the reason that the distress in the country in 1893 had been increased and accentuated in 1894. This company supplies a great number of manufacturers with its paints, oxides, linseed oil and other articles of its manufacture. During the year 1894 manufacturing interests, almost without exception, diminished their output to an extraordinary extent. Careful data show that such diminished business for the year 1894 as compared with 1893 ranged from twenty-three to seventy-four per cent., or as near as could be arrived at, an average decrease of about fifty-one per cent. Railroad, manufacturing and commercial earnings were greatly decreased in all parts of the country. Prices of grain and all commodities had so fallen as to largely reduce the purchasing power of consumers. It is needless to discuss the causes that produced these untoward conditions and results, the facts are fully understood and need no amplification.

Notwithstanding this, it is particularly gratifying to be able to state that this company had a substantial increase in its volume of business in every department except one during the year 1894 as compared with 1893. Profits were not so large, because the purchasing power of consumers having been sadly reduced and propositions for the reduction of the tariff having taken form in the early part of the year, the management decided to promptly meet these conditions by reducing prices to a basis as low as could be anticipated under the new tariff, and which would meet the prevailing necessity for cheaper goods.

It will be borne in mind that the values of substantially all merchandise were lower January 1, 1895, of lead products by quite a number of million pounds than had ever before been held, either by this company or those which it succeeded.

The untoward conditions in the smelting business, largely brought about by the silver legislation, and by the imposition of the high tariff duties on silver lead ores, which resulted in the building up of great smelting plants in Mexico to the detriment of the business in this country, have not been sufficiently modified to enable us to profitably reopen our smelters and refining plant. We are thereby deprived of profit in that direction but are not without hope that circumstances and conditions will be so ordered as to permit the resumption of these works later on.

Out mortgage indebtedness has been entirely paid off with the exception of $13,603.35, which it is impossible to pay during the lives of some who derive annuities from it. Outside of this it may be stated that the company has neither mortgages, bonds, nor indebtedness other than is shown in the statement.

The statement shows that we paid during the year regular quarterly dividends on the Preferred Stock, amounting to $1,043,280.00, and on the Common Stock three dividends of one per cent each, amounting to $447,162.00. As there was a fair surplus from previous earnings, it was deemed right that the common stockholders should share in it to the extent necessary to pay these dividends, there being ample capital to supply all needs of the company.

Taking into consideration all the circumstances and conditions by which we were surrounded during the past year, and the relative results secured by railroads, and other commercial and industrial institutions, the management desire to express their satisfaction with the results as shown by this statement, and with the remarkably solid condition of the company, and its immense resources at this time, and feel confident that with the return of general prosperity, it will be found that our foundations have been broadened and our possibilities materially enhanced.

The different plants are being maintained at a high point of mechanical excellence, and modernized where necessary. All expenditures for this purpose have been charged to repairs, and we are fully prepared to take care of all additional business that may come to us.

The policy of this company remains precisely as it has been since its inauguration, and is very simple. First, the unqualified protection of the property in all its departments and in its business, and Second, to make fair and reasonable profits, and distribute same among its shareholders whenever deemed wise and prudent to do so.

Respectfully,

W. P. Thompson,

President.