Annual Report

NATIONAL LEAD COMPANY

for Fiscal Year Ending

December 31, 1913

Principal Office:

1 Exchange Place, Jersey City, New Jersey

Executive Offices:

111 Broadway, New York City

National Lead Company

1 Exchange Place, Jersey City, N. J.

Report Presented to the Stockholders at their Twenty-Second Annual Meeting, April 15, 1914, for the Fiscal Year Ending December 31, 1913.

To the Stockholders of National Lead Company—

The following Balance Sheet shows the condition of the Company on December 31, 1913:

ASSETS

Plant Investment		$23,528,175.28
Other Investments:		
Stocks and Bonds of Insurance Fund	$565,724.60	
Stocks and Bonds of Companies not entirely owned by National Lead Co.	905,324.77	
Stocks and Bonds of Subsidiary Companies	15,349,965.75	16,821,015.12
Current Assets:		
Stock on hand, manufactured, in process and raw	$7,259,043.54	
Cash in Banks	337,813.98	
Customers' Accounts	2,258,972.34	
Advances to Subsidiary Companies	1,360,000.00	
Other Notes Receivable	180,000.00	11,395,829.86
		$51,745,020.26

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	$200,599.93		
Subsidiary Companies	320,088.71	520,688.64	
Surplus, December 31, 1913		5,201,331.62	$51,745,020.26

STATEMENT OF NET EARNINGS AND DISPOSITION OF SAME

Surplus, December 31, 1912		$5,068,419.91
Net Earnings after Deductions for Maintenance, Repairs, Insurance Fund, etc.		2,458,305.71
		$7,526,725.62
Less Dividends:		
Dividends on Preferred Stock, 7%	$1,705,732	
Dividends on Common Stock, 3%	619,662	2,325,394.00
Surplus, December 31, 1913		$5,201,331.62

Before the results shown in the foregoing statements have been reached, there have been deducted liberal allowances for maintenance and repairs. An amount has been appropriated and added to the Insurance Fund, which, with the earnings of the fund itself, now stands at one million dollars: this amount, in the judgment of your directors, is sufficient for the needs of the Company in carrying out its settled policy, and results have amply justified the wisdom of this policy. Only part of this fund, as indicated in the statement, is invested, the remainder being liquid capital employed by the Company to supplement its working capital. The Insurance Fund, not heretofore shown in the Company's statement, is now included.

The Company closed the year with no borrowed money and without indebtedness except as indicated in connection with current business.

Additions to the Plant Account amounting to $488,469.37 have been made covering the cost of new construction during the year. This is independent of the deductions made for maintenance and repairs.

To the Surplus Fund has been added $132,911.71.

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

A comparison with the statement of last year is omitted because of rearrangement of several important accounts which would make a comparison misleading. Briefly, the statement shows the Company's affairs to be in a healthy condition, and stockholders are to be congratulated on that fact, at the close of a year full of disturbing and trying conditions.

Volume of Business

Some departments of the business have suffered very serious losses in volume as compared with previous years, but happily those losses have been offset by substantial gain in tonnage of other departments; so that the net total diminution of the volume of business as compared with the preceding year is only one-third of one per cent.

Conditions Affecting Profits

The expenses of conducting business continue to increase. Your Company has met all the requirements which are demanded by the laws regarding sanitation and health, and irrespective of legal requirements have placed its operations in all respects beyond the field of criticism.

In the last report our position in these matters and what we have accomplished was explained in detail under the following heads:

1. Safety and Health of Workmen.
2. Pension System.

Where no laws have been enacted covering compensation for injuries and disability, the Company has voluntarily established such a system and it is in operation. Necessarily, and properly, in our opinion, these improvements add to the cost of production.

Competition

We have, as always, vigorous competition in all fields. When it is intelligent we welcome it and believe it is a healthy condition and would not have it otherwise. A practical illustration of your Company's position on this important subject is to be found in the following incident:

On February 11, 1914, the plant of one of our most important competitors in the White Lead business was completely destroyed by fire. Coming as it did at the opening of the spring trade, it meant for this competitor loss of their entire business, as it would require fully a year's time to replace their plant and bring it to a point of actual production. We did not rejoice in this misfortune, but on the contrary placed in our competitor's possession one of our surplus plants, so that they could at once continue in business and supply their trade.

The occasion is opportune to state that this Company's policy is always in the direction of fostering and extending the industries in which we are engaged, and it is our hope that this position is recognized by our competitors.

Financial Policy

In last year's report a statement was made of your Company's policy regarding the maintenance of its properties, reconstruction of its plants, requirements of working capital for subsidiary companies, and method of financing for such needs. This statement is now reaffirmed. It is our policy to build up from their own earnings the needed working capital of such of our subsidiary companies as came to us not sufficiently provided for, and, pending this operation, not to pay dividends to the parent company, all earnings remaining undistributed as working capital. Those companies that have passed this point, contribute to the parent company such dividends as their earnings justify. The amount of advances to the subsidiary companies, shown by the statement of December 31, 1913, to be $1,360,000, is the smallest amount so employed for a number of years and we look forward to a constant reduction of this item.

For the last four months of the past year, the Company was not a borrower, but during the first eight months of the year large amounts were required, which were easily procured from the Company's bankers.

Subsidiary Companies

Taken as a whole, these various companies have made satisfactory progress both in volume and profits.

Stockholders

The total number of stockholders as shown by the Company's records on December 31, 1913, was 6,752.

Of this number 47 per cent. are women, being 3,197 in number.

Officers and Employees

The policy of your Company in its relations to its employees, its customers and its competitors is broad, fair and liberal. The successful working of that policy is due to the intelligence, the loyalty and the hearty co-operation of all concerned. Your managers record with pleasure their appreciation of the efficient and faithful services rendered.

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

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 Secretary
JOHN B. FROTHINGHAM

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

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, JOHN P. NEVILLE, Vice-President,	San Francisco, Cal. 840 Merchants Exchange Building
ST. LOUIS SMELTING & REFINING CO., A. J. MEIER, 2d Vice-Pres. & Gen. Mgr.,	St. Louis, Mo. 722 Chestnut Street

Warehouses

National Lead Company

BALTIMORE, MD.	1015 E. Fayerte Street
ST. PAUL, MINN.,	354 to 360 East Sixth Street
DETROIT, MICH.,	Corner Fourth and Larned Streets
OMAHA, NEB.,	1426 Woodmen Building
KANSAS CITY, MO.,	1406 and 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

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
MAGNUS METAL COMPANY, 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
Enamelmakers' 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	