Annual Rep

NATIONAL LEAD

for Fiscal Year

December 31,

Principal Office:

1 Exchange Place, Jersey Cit

Executive Offices:

111 Broadway, New Y

National Lead Company

1 Exchange Place, Jersey City, N. J.

Report to be Presented to the Stockholders at their Twenty-Sixth Annual Meeting, April 18, 1918, for the Fiscal Year Ending December 31, 1917.

To the Stockholders of National Lead Company—

The following Balance Sheet shows the condition of the Company on December 31, 1917:

ASSETS

Plant Account		$26,892,753.74	
Less Depreciation and Depletion Reserves		1,663,081.65	$25,229,672.09
Other Investments:			
Stocks and Bonds of Insurance Fund		$1,400,000.00	
Stocks and Bonds of Companies not entirely owned by National Lead Company and Other Investments		3,353,555.37	
Stocks and Bonds of Subsidiary Companies		14,000,212.99	18,753,768.36
Current Assets:			
Inventories		$8,222,782.05	
Cash		942,149.95	
Customers' Accounts	$3,804,363.48		
Less Bad Debt Reserve	76,520.01	3,727,843.47	
Advances to Subsidiary Companies		1,096,414.54	
Other Notes Receivable		750,000.00	14,739,190.01
			$58,722,630.46

LIABILITIES

Capital Stock:			
Preferred		$24,367,600.00	
Common		20,655,400.00	
Insurance Fund		1,400,000.00	4,200,000
Metal Reserve		300,000.00	
Plant Reserve		2,500,000.00	
Tax Reserve		493,240.92	
Accounts Payable:			
Audited but not due	$571,987.98		
Subsidiary Companies	92,837.83	664,825.81	
Surplus, December 31, 1917		8,341,563.73	$58,722,630.46

STATEMENT OF NET EARNIN OF SAM

Surplus, December 30, 1916............
Net Earnings for 1917, after deductio for Maintenance, Repairs, etc. ......

Less Dividends:

Dividends on Preferred Stock, 7%...
Dividends on Common Stock, 4%....
Red Cross Extra Dividend on Comm Stock, 1% ....

Surplus, December 31, 1917 ....

A comparison with the preceding y Statement:

ASSETS

	Dec. 31, 1917	Dec. 30, 1
Plant Investment	$25,229,672.09	$23,805,23
Other Investments	18,753,768.36	17,980.30
Inventories	8,222,782.05	7,320,17
Cash	942,149.95	1,283,51
Customers' Accts	3,727,843.47	3,813,62
Other Notes Receivable	750,000.00	125,00
Subsidiary Cos..	1,096,414.54	836,04
	$58,722,630.46	$55,163,90

LIABILITIE

	Dec. 31, 1917	Dec. 30, 19
Preferred Stock.	$24,367,600.00	$24,367,60
Common Stock.	20,655,400.00	20,655,40
Insurance Fund	1,400,000.00	1,200,00
Metal Reserve...	300,000.00	300,00
Plant Reserve...	2,500,000.00	400,00
Tax Reserve ...	493,240.92	....
Accounts Payable	571,987.98	435,056
Subsidiary Cos..	92,837.83	1,622,731
Surplus	8,341,563.73	6,183,112
	$58,722,630.46	$55,163,900

CONSOLIDATED STATEMENT

In this Statement the Assets and Liabilities of the Subsidiary Companies in which the National Lead Company owns ALL of the Capital Stock have been consolidated with the National Lead Company instead of appearing under the heading OTHER INVESTMENTS.

ASSETS

Plant Account		$43,911,300.22	
Less Depreciation and Depletion Reserve		2,353,336.51	$41,557,963.71
Other Investments:			
Stocks and Bonds of Insurance Fund		$1,400,000.00	
Stocks and Bonds of Companies not entirely owned by National Lead Company and Other Investments		7,102,635.33	8,502,635.33
Current Assets:			
Inventories		$14,138,222.13	
Cash		1,702,083.79	
Customers' Accounts	$12,875,297.30		
Less Bad Debt Reserve	194,343.89	12,680,953.41	
Other Notes Receivable		2,132,000.70	30,653,260.03
			$80,713,859.07

LIABILITIES

Capital Stock		
Preferred	$24,367,600.00	
Common	20,655,400.00	
Bonds of Subsidiary Companies	10,051,000.00	
Insurance Fund	1,400,000.00	
Metal Reserve	300,000.00	
Plant Reserve	2,500,000.00	
Tax Reserve	1,698,713.87	
Accounts Payable Audited but not due	4,725,720.27	
Surplus, December 31, 1917	15,015,424.93	$80,713,859.07

The first of the foregoing statements follows the form of statement as reported to stockholders since the organization of the Company in 1892. It is and always has been a consolidated statement of the National Lead Company (a New Jersey Corporation) and the following subsidiary corporations:—National Lead Company of Massachusetts, John T. Lewis & Bros. Company, National Lead & Oil Company of Pennsylvania and National Lead Company of California. Under the heading "Other Investments" has always been reported, at the cost thereof to the National Lead Company, all other investments made by the Company, including stocks and bonds in other corporations. Only the dividends actually declared and paid by these last corporations have been reported as a part of the earnings of the National Lead Company. Among the companies, the stock in which has all been

owned by the National Lead Compar
& Refining Company. The mining an
National Lead Company and also th
sulphate have been carried on by
The recent high price of pig lead h
profits and at the same time has che
factured lead products. There is
different departments should be kep
organizations. Therefore in the latt
St. Louis Smelting & Refining Comp
erties, excepting the Smelting Work
Plant and some minor properties, to
at what was considered their fair v
surplus in dividends. It then reduce
000,000 to $500,000 and declared a ca
The properties, securities and cash re
Company in the transaction are distri
the several appropriate headings.
Smelting & Refining Company forme
the National Lead Company at the c
now carried at $500,000. The surplu
& Refining Company declared in divi
148.35, necessarily appears on the b
Company as a part of its earnings
represents the accumulated earnings,
the St. Louis Smelting & Refining Co
All of the capital necessary to the
acquired from the St. Louis Smeltin
be necessary to the operation of the
ment of the National Lead Company

The increase in the Plant Reserve
reconstruction of the Atlantic Plant a
constructed by the John T. Lewis &

The item "Depreciation" appears i
time. Previous to 1916 it was the
charge new construction and better
count in lieu of depreciation. In 19
the properties was adopted to confor
the United States Government for t
ent provision has been made for the
properties owned by the Company.

A Bad Debt Reserve is shown in
a new account but heretofore has bee
Accounts, only the remainder being
ported, $76,520.01, is the accumulatio
represents the amount remaining afte
all bad debts.

Consolidated Statement

Subsidiary Corporations

It has been the policy of the Company to build up all new properties coming into its ownership and incorporate them into the Parent Company by natural growth. To that end the earnings of all subsidiary corporations have been habitually applied first to new construction and improvement of such subsidiary companies—second to supplying them with sufficient working capital and third to the declaration of dividends which when received were reported as a part of the earnings of the National Lead Company. The second of the foregoing statements is a consolidated statement of the National Lead Company and all its subsidiary companies in which it owns ALL of the capital stock. In making up this consolidated statement the assets of the several subsidiary companies have been determined by valuing the properties of such subsidiaries at the time they were acquired by the National Lead Company at their book value in all cases where the price paid therefor was more than the book value of such assets. In cases where the price actually paid for properties has been less than the book value thereof, as appearing upon the books of the companies so acquired, the assets have been depreciated to conform to the price actually paid therefor by the National Lead Company. Under the heading "Other Investments" is included Government and other securities and also stock in the following corporations in which the National Lead Company owns only a part of the outstanding stock, viz—United States Cartridge Company, Baker Castor Oil Company, River Smelting & Refining Company, Williams Harvey Company, Limited, of England, Williams Harvey Corporation of New York, Cinch Expansion Bolt & Engineering Company. The values placed on such "Other Investments" are the actual cost thereof to the National Lead Company. The increase in surplus as shown in the second statement as compared with the first represents the accumulated earnings not declared in dividends since the acquisition of the subsidiary companies in which the National Lead Company owns all of the capital stock.

It is believed that in both statements all of the personal property has been inventoried conservatively. In the "Plant Account" of both the National Lead Company and its subsidiaries there has never been any separation of "Good Will" and lands, buildings and machinery. At this late date no such division can be made, based on original cost. It is a conservative statement to say that at the present time the physical value of the assets owned by the National Lead Company, exclusive of good will and intangible assets, exceeds the amount of the capital stock outstanding, both preferred and common.

Divide

The dividends on both the pr
1917 were declared and paid out c
always been the practice of the Na
be continued in the future unless t
the contrary.

The Company declared an ex
denominated Red Cross Extra D
advised by its counsel that the co
porate power to make donations to
similar funds; that the officers of
agents clothed only with such pow
of Incorporation gave them, amon
generous with the stockholders' e
sumably reserving that power to
request of the gentlemen promoting
dividend of 1% on the common sto
holders receiving such dividends w
tation upon the officers of the co
themselves performing the moral
this most worthy cause. We hav
what extent our stockholders we
directly or indirectly the greater
found its way into the Red Cross F

At the February 1918 meeting
dividend of 1¼% on the commo
declared, thus placing the common
annum basis. It is believed that t
tained. As stated in the report o
that the Company should keep its
difficulties and losses, if any, at
normal conditions after the war a

Trade Con

The cost of raw materials co
to war conditions. The market
linseed oil treble its normal value.
have doubled. The cost of fuel,
freights, cartage and everything
manufacturing and marketing o
creased. In obedience to natural l
fallen off while in other lines, wh
indirectly by war conditions and
capacity of your Company.

Williams Harvey Company, Limited, of England
Williams Harvey Corporation, of New York

The tin smelting works being constructed in Brooklyn by the Williams Harvey Corporation are nearing completion. There have been delays due to war conditions but operations are expected to begin in July. The National Lead Company and the former owners of the Williams Harvey Company, Limited, of England, have sold one-third of the outstanding capital stock of both the English and American Corporations to Mr. Simon I. Patino, the largest individual tin mine owner in Bolivia. Under the present stock ownership in both companies the miner, smelter and distributor are equally interested in the success of the enterprise.

National Lead Company of Argentina

During the past year we have organized a South American Company incorporated under the laws of the Republic of Argentina. Its name is National Lead Company. Its office and factory are situated at No. 2469 Tres Esquinas Street, Buenos Aires.

The high duty imposed on alloys of lead, tin and antimony under the Argentine tariff laws has prevented us from obtaining any mixed metal business in that country. This obstacle could only be overcome by manufacturing in Argentina. A local company will also be able to secure and care for all our South American business more efficiently and with greater convenience to customers than is possible when operating from the United States.

The new company is manufacturing mixed metals and will draw its supplies of pig tin from the Williams Harvey Company, Limited, Liverpool. This will be a new market for the English Company and the business thus obtained will serve to offset the loss of tonnage it will sustain by reason of the smelting operations of the Williams Harvey Corporation in the United States.

United States Cartridge Company

Inquiries are frequently made regarding the affairs of the United States Cartridge Company. As stated in previous reports the National Lead Company owns one-half of the outstanding capital stock of that Company of the par value of $400,000. That Company has declared no dividends and has made no statements other than those required by the Government of the United States and the State of Massachusetts. Its new buildings are on leased ground. Its equipment for making rifle ammunition will probably be of little value after the war. Such profits as it makes will be subject to taxation in an amount that

cannot now be foretold. It expect
proportion to its capital stock and v
tion to its volume of business. At
capital it has in its business. It is s
facture in which it can utilize a po
the war, in addition to its manufac
may need additional capital for this
dividend declared by that Company

Charles W. Fe

Charles W. Ferguson of Webster
ruary 13, 1918, at the age of 69 year
the Company and its predecessors f
clerk, later as the Superintendent
Southern White Lead Company at S
tion of the National Lead Company
sistant Manager of the St. Louis Br
facturing operations in that city. I
man of the Manufacturing Commi
Company with an office in New Y
health compelled him to retire fro
tinued in the employ of the Company
death. He survived three President
pany, all of whom gave him their c
his counsel. The writer acknowled
the education received in factory op
tion derived from Mr. Ferguson's l

Stockhold

The Company's records show the
December 3, 1917, as compared to th

	1916
Common Only	1,594
Preferred Only	4,632
Both (Com. & Pfd.)	414
Total	6,640

The number of women owning st

Common Only	
Preferred Only	
Both (Com. & Pfd.)	
Total	

The number of accounts closed a
1917 are as follows:

Closed	
Opened	

In view of the disturbed financial conditions and wide fluctuations in the market value of stocks, the small number of stockholders whose names have been dropped from our books is interpreted by the management as an expression of confidence and an approval of the conservative policy of the Company.

War Service

The Company has tendered the services of all its officers, laboratories, plants and experts to the Government. Two assistant managers, two superintendents, one engineer, and many skilled mechanics are now in the active service of the Government. The National Lead Company has promised them re-employment after the war and by the courtesy of the Equitable Life Assurance Society is carrying at its expense insurance upon their lives equal to one year's salary, not exceeding $5,000, payable in case of death to the dependents named by them.

The Company and its subsidiaries have subscribed liberally to the several war bond issues.

In the sale of merchandise either to the Government or to its contractors the Company has habitually charged prices lower than those quoted to its largest and most valued private customers and at the risk of great disturbance to its general business has given to the Government and its contractors special service in the matter of deliveries.

Conclusion

The operative departments have been working under the most trying conditions. Common laborers have been scarce; skilled mechanics, experienced accountants, trusted foremen have left the Company in large numbers, either to enter the Government service or accept positions with others more important than any the Company could give. Increased costs and diminishing sales have tended to discourage the manufacturing, sales and accounting departments of the Company. Delays in transportation have frequently resulted in closing the plants for want of raw material or needed supplies. I cannot too strongly commend the loyalty and resourcefulness of our officers and employees under these trying circumstances. As necessity required they have taken on additional work. Those promoted to fill vacancies have measured up to the standard required. New employees have been quickly educated to the work required of them. On the whole satisfactory working conditions have been maintained. I take pleasure in calling these facts to the attention of the stockholders and also to express to the officers and employees the appreciation of the management for their loyalty and efficiency.

Respectfully submitted,

Edward J. Cornish,
President.

Director

EDWARD F. BEALE,
GEORGE O. CARPENTER,
FRED M. CARTER,
R. R. COLGATE,
EDWARD J. CORNISH,
GRAFTON D. DORSEY,
CHARLES E. FIELD,
GEORGE W. FORTMEYER,
EDWIN C. GOSHORN,
NORRIS B. GREGG,
REGINALD P. ROWE,
WILLIAM N. TAYLOR,
GUSTAVE W. THOMPSON,
WALTER TUFTS,
JOHN R. WETTSTEIN,

Executive Con

EDWARD J. CORNIS

E. F. BEALE
R. P. ROWE

Executive Officers

President
EDWARD J. CORNISH

Vice-Presidents
GEO. O. CARPENTER
R. P. ROWE
N. B. GREGG

Assistant to the President
M. D. COLE

Secretary
CHARLES DAVISON

Assistant Secretary
STRATFORD A. MILLER

Treasurer
FREDERICK R. FORTMEYER

Assistant Treasurer
CHARLES SIMON

——— : ———

General Counsel
ALEXANDER & GREEN
120 Broadway, New York, N. Y.

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

Departments

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

Supervisor of Manufacturing
CHARLES W. FERGUSON

Sales Committee
O. C. HARN, Chairman
L. T. BEALE
C. C. FOERSTNER
O. H. GREENE
W. N. TAYLOR

Advertising Department
O. C. HARN, Manager

Metal Committee
E. J. CORNISH, Chairman
S. A. MILLER, Secretary
W. H. BAKER
L. T. BEALE
W. C. BESCHORMAN
A. F. CURTIS
G. D. DORSEY
C. E. LINDSLEY
H. J. McBIRNEY
SHELDON THOMPSON
C. F. WELLS, Jr.
J. R. WETTSTEIN

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

Departments (C

Metal Departm
A. B. HALL, M

Flaxseed Depar
CHAS. T. NOLAN

Insurance Depa
I. M. STETTENHEI

Traffic Depart
W. S. MELLEN,

Branche

National Lead Co

ATLANTIC BRANCH,
R. P. ROWE, Manager,

BUFFALO BRANCH,
SHELDON THOMPSON, Manager,

CLEVELAND BRANCH,
C. C. FOERSTNER, Manager,

CINCINNATI BRANCH,
E. C. GOSHORN, Manager, F

CHICAGO BRANCH,
CHAS. E. FIELD, Manager,

ST. LOUIS BRANCH,
GEO. O. CARPENTER, Manager,

JOHN T. LEWIS & BROS. CO.,
EDWARD F. BEALE, Pres., Lafayette

NATIONAL LEAD & OIL CO., OF PE
W. N. TAYLOR, President, Common

NATIONAL LEAD CO., OF MASSAC
WALTER TUFTS, Treasurer, Board

NATIONAL LEAD CO., OF CALIFO
JAS. B. KEISTER, Vice-President,

NATIONAL LEAD CO. OF ARGENT
G. D. DORSEY, President,

Local Offices

National Lead Company

DETROIT, MICH.,	Corner Howard and Tenth Streets
MILWAUKEE, WIS.,	52 Second Street
ST. PAUL, MINN.,	404 Willius Street
OMAHA, NEB.,	1104 Woodmen Building
KANSAS CITY, MO.,	1406-1408 West Thirteenth Street
LOUISVILLE, KY.,	Stark Building
NASHVILLE, TENN.,	303-305 Tenth Avenue, South
NEW ORLEANS, LA.,	513 South Peters Street

John T. Lewis & Bros. Company

BALTIMORE, MD.,	1015 East Fayette Street

Corporations in Which the Na Is Interested Through Ow Part of the Capit

BAKER CASTOR OIL COMPANY,
F. O. MARSH, President.
Manufacturers of Castor Oil.

BASS-HUETER PAINT COMPANY,
NORRIS B. GREGG, President.
Manufacturers of Mixed Paints, Varnishes ar

CARTER WHITE LEAD COMPANY,
FRED. M. CARTER, President.
White Lead Corroders.

CINCH EXPANSION BOLT AND ENG
GRAFTON D. DORSEY, President.
Manufacturers of Expansion Bolts.

HEATH & MILLIGAN MANUFACTUR
NORRIS B. GREGG, President.
Manufacturers of Paints and Colors.

MAGNUS COMPANY, INCORPORATE
H. H. HEWITT, President.
Brass Founders.

MATHESON LEAD COMPANY,
W. J. MATHESON, President.
White Lead Corroders and Manufacturers of

RIVER SMELTING AND REFINING C
EDWARD J. CORNISH, President.
Smelters and Refiners of Zinc.

ST. LOUIS SMELTING AND REFININ
J. A. CASELTON, 2nd Vice-President ar
Miners, Smelters and Refiners of Lead.

UNITED LEAD COMPANY,
J. R. WETTSTEIN, President.
Manufacturers of all Products of Lead, Smel

UNITED STATES CARTRIDGE COMP
PAUL BUTLER, Treasurer.
Manufacturers of Metallic and Sporting Am

WILLIAMS HARVEY & COMPANY, L
RICHARD F. PEARCE, Managing Direct
Smelters and Refiners of Tin.

WILLIAMS HARVEY CORPORATION
EDWARD J. CORNISH, President.
Smelters and Refiners of Tin.

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

Babbitt Metals
Pressure Die Castings
Ulco Hard Metal

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
Antimonial Lead Products

Lead Wool
Lead Wire
Lead Sash Weights
Piano Key Leads

Cinch Expansion Bolts

General Products

Brown Sugar of Lead
White Sugar of Lead

Linseed Oil Cake and Meal
Castor Oil

Plastic Moulding Materials