Annual Report

NATIONAL LEAD COMPANY

For Fiscal Year Ending

December 31, 1892

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 of National Lead Company at their First Annual Meeting, February 16, 1893, for the Fiscal Year Ending December 31, 1892

To the Stockholders of National Lead Company:

On the 7th day of December, 1891, this Company was organized for the purpose of taking over all of the assets of The National Lead Trust.

The National Lead Trust had acquired properties the value of which was, as originally assessed, $22,356,025. upon which they had issued certificates on the basis of four for one of real values, amounting to $89,424,100.00. The net earnings of the Trust up to the first day of January, 1892 (when the properties were assumed by National Lead Company), after payment of the expenses of the Trustees, and the reorganization expenses, and deducting the distributions that had been made to certificate holders, increased the value of the Net Assets to $24,938,001.53, as follows:

ASSETS

Plant Investment........................		$18,081,472.77
Other Investments.......................		406,821.33
Stock on Hand, manufactured, in process, and raw...................		5,468,170.88
Cash in Banks...........................		285,920.46
Notes Receivable........................		339,916.45
Accounts Receivable.....................		1,414,229.48
Total Assets........................		$25,996,531.37

LIABILITIES

Accounts Payable..............	$707,165.59	
Mortgages.....................	351,364.25	1,058,529.84
Total Net Assets....................		$24,938,001.53

By the terms of the agreement between the shareholders of the National Lead Trust, the capital of National Lead Company was authorized to be $30,000,000 ($15,000,000 each of Common and Preferred) the shareholders surrendering six shares of The National Lead Trust Certificates for one each of Common and Preferred Stock, which produced..................298,081 shares
In addition there were sold for cash.... 13 "
making a total issue of................298,094 shares

Divided and representing values as follows:

149,040	shares	Preferred Stock, par value....	$14,904,000
149,054	"	Common " " "	14,905,400
		Total..............................	$29,809,400

The issue of the remaining shares each Common and Preferred to make the total of $30,000,000.00 and their sale for cash, was authorized, but it being unnecessary to dispose of them, they remain in the treasury.

A revaluation of the Plant Investment was made to adjust values to the authorized issue of $30,000,000 of Stock of National Lead Company, which revaluation increased the Plant Investment by $4,870,098.47, as appears by the initial Balance Sheet of National Lead Company of the date it commenced business, January 1, 1892, as follows:

ASSETS

Plant Investment........................		$22,951,571.24
Other Investments........................		406,821.33
Stock on Hand, manufactured, in process, and raw....................		5,468,170.88
Treasury Stock-Common......$	94,600.00	
-Preferred...	96,000.00	190,600.00
Cash in Banks...........................		287,220.46
Notes Receivable........................		339,916.45
Accounts Receivable.....................		1,414,229.48
Total Assets......................		$31,058,529.84

LIABILITIES

Capital Stock-Common....................	$15,000,000.00
-Preferred................	15,000,000.00
Mortgages...............................	351,364.25
Accounts Payable........................	707,165.59
Total Liabilities.................	$31,058,529.84

The following is a statement of the Profit and Loss Account for the year 1892:

Net Earnings..........................		$1,906,986.36
Out of which were paid four quarterly dividends as follows:		
Preferred Dividend No.1.......	$260,820.00	
" " No.2.......	260,820.00	
" " No.3.......	260,820.00	
" " No.4.......	260,820.00	1,043,280.00
Leaving a balance to the credit of Profit and Loss Account of..........		$ 863,706.36

At the close of the fiscal year, or on January 1, 1893, the financial condition of the Company is shown by the following Balance Sheet:

ASSETS

Plant Investment, Jan.1,1892.	$22,951,571.24	
Construction during year 1892	290,349.34	$23,241,920.58
Other Investments....................		431,526.40
Stock on Hand, manufactured, in process, and raw....................		5,492,999.54
Treasury Stock-Common........	$ 94,600.00	
-Preferred.....	96,000.00	190,600.00
Cash in Banks..........................		444,140.57
Notes Receivable......................		202,849.18
Accounts Receivable....................		1,287,262.42
Total Assets..........................		$31,291,298.69

LIABILITIES

Capital Stock-Common.........	$15,000,000.00	
-Preferred......	15,000,000.00	$30,000,000.00
Surplus, 1892..........................		863,706.36
Mortgages..............................		153,728.25
Accounts Payable.......................		273,864.08
Total Liabilities......................		$31,291,298.69

It will be noted that the Mortgage Account, which at the inception of the business was $351,364.25, has been reduced by payments amounting during the year 1892 to $197,636, and on January 1, 1893, but $153,728.25 of this account remained unpaid.

Authority was given by the shareholders to the Directors to issue $3,000,000 of Debenture Bonds "for the purpose of providing for the redemption of $371,364.35 mortgages on different parts of the real estate, $149,487.36 to be used to re-imburse the Trustees for cash moneys paid for properties acquired since the organization of the Trust, and the balance to be held in the treasury of the New Jersey Corporation, to be disposed of to acquire additional capital for carrying on the various businesses."

So far it has not been deemed expedient or necessary to issue any portion of these bonds, the better conditions prevailing in the present form of management rendering it unnecessary to use additional amounts of capital. It was also concluded that it would be better to pay off the mortgages gradually.

The company is to be congratulated on the liquidation of the very large indebtedness of The National Lead Trust during its existence. The Accounts Payable of this Company January 1, 1893, practically represents ore, bullions and supplies of various kinds, in transit.

The volume of business for the year exhibits a gratifying increase over the preceding years. A large amount of money was expended by The National Lead Trustees and since by the National Lead Company, in perfecting the smelting and refining interests, practically rebuilding all its great furnaces. White Lead factories disadvantageously located, or unable, from any cause, to make their goods satisfactory, and on an economic basis, have been discontinued, while other have been greatly enlarged, so that the capacity for production of all classes of goods manufactured by the Company has been decidedly increased. The progress of improvement in perfecting machinery to produce better goods on a cheaper basis has been continued, and is meeting with most gratifying results.

The entire country has been redistricted and placed in charge of thoroughly competent managers, trade has been solicited and cared for by experienced salesmen, the relations between the Company and its customers have been most kindly. Prices have been equitable, both to the Company and its customers, and the progress in all directions has been thoroughly satisfactory.

Having smelters in New Mexico, Colorado and Missouri, factories for manufacture in all the great cities and commercial points, forming a continuous chain through the country from St. Louis and Chicago to New York and Boston, we are advantaged by each locality and can deliver our goods at a minimum of expense for transportation and other charges.

There has been and always will be competition in each class of goods manufactured by this Company. It does not aim to obtain monopoly. By continuous efforts for improvement in quality of goods, economies in manufacture and distribution, earnest zeal in aiding our customers, uniform and fair prices, large stocks of material on hand (constantly improving with age)to meet every emergency of trade, gradual assimilation of other branches to fully round up our manufacturing interests, the better understanding by the public of the superiority of our manufacture over that possible by others by reason of the association in this business of the best trained talent in friendly rivalry to secure the very best results, we believe we have passed the period of hazard, and feel assured of maintaining our strong position, and can reasonably expect increased business with commensurate profits.

No longer menaced by hostile legislation, the attention of the officers of the company can be directed to further economies, and to the commercial expansion of the business on the lines already laid down, which cannot fail, under the improved discipline and energetic direction of the managers of the different branches throughout the country, to produce continuing favorable results.

I am gratified to be able to state to the stockholders that all the old certificate holders of the National Lead Trust have converted their certificates into stock of the National Lead Company, excepting 3,720 shares, or four-tents of one per cent.

The large proportion of Cash Assets, as shown by the Balance Sheet, will undoubtedly give great satisfaction to the shareholders, being quite one-fourth of the entire Capital Stock.

Respectfully,

W. P. Thompson,

President.