Annual Report

NATIONAL LEAD COMPANY

for Fiscal Year Ending

December 31, 1928

Principal Office:
15 Exchange Place, Jersey City, N. J.

Executive Offices:
111 Broadway, New York City

National Lead Company

15 Exchange Place, Jersey City, N. J.

Report to be Presented to the Stockholders at their Thirty-seventh Annual Meeting, April 18, 1929, for the Fiscal Year ending December 31, 1928

To the Stockholders of National Lead Company:

The following consolidated Balance Sheet shows the condition of the Company on December 31, 1928:

ASSETS

Plant Investment		$61,645,304.94	
Less Depreciation and Depletion of Reserves		22,722,458.04	
			$ 38,922,846.90
Other Investments:			
U. S. Government Securities		$ 3,720,825.16	
Bonds		867,324.90	
Stocks of Companies not entirely owned		8,439,853.95	
			13,028,004.01
Current Assets:			
Inventories		$18,192,403.87	
Accounts Receivable	$23,704,275.52		
Less Bad Debt Reserve	519,916.81		
		23,184,358.71	
Notes Receivable		1,212,210.04	
Cash		6,454,735.59	
			49,043,708.21
Total Assets			$100,994,559.12

LIABILITIES

Capital Stock:			
Preferred—Class "A"	$24,367,600.00		
Preferred—Class "B"	10,327,700.00		
Common	30,983,100.00		
		$65,678,400.00	
Insurance Reserve		4,522,547.45	
Employers' Liability Reserve		363,700.32	
Plant Reserve		2,500,000.00	
Promotion Reserve		1,500,000.00	
Metal Reserve		1,000,000.00	
Tax Reserve		4,981,057.49	
Dividend Payable on Class "B" Preferred Stock, February 1, 1929		154,915.50	
Accounts Payable, audited but not due		5,050,701.35	
Notes Payable		....	
Surplus, December 31, 1928		15,243,237.01	
Total Liabilities			$100,994,559.12

STATEMENT OF NET EARNINGS AND DISPOSITION OF SAME

Surplus, December 31, 1927		$13,245,289.78
Net Earnings for 1928, after deducting all Expenses, Reserves, etc.		5,872,496.23
		$19,117,786.01
Less Dividends Paid:		
Class "A" Preferred Stock at rate of 7%	$1,705,732.00	
Class "B" Preferred Stock at rate of 6%	464,746.50	
Common Stock at rate of 5%	1,549,155.00	
	$3,719,633.50	
Class "B" Preferred Dividend Payable February 1, 1929, at rate of 6%	154,915.50	
		3,874,549.00
Surplus, December 31, 1928		$15,243,237.01

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

ASSETS

	Dec. 31, 1928	Dec. 31, 1927	Increase	Decrease
*Plant Investment	$ 38,922,846.90	$ 40,182,556.83	$	$1,259,709.93
Other Investments	13,028,004.01	16,156,521.21		3,128,517.20
Inventories	18,192,403.87	17,255,549.24	936,854.63	
Accounts Receivable	23,184,358.71	22,531,707.99	652,650.72	
Notes Receivable	1,212,210.04	257,210.04	955,000.00	
Cash	6,454,735.59	5,831,864.65	622,870.94	
Total Assets	$100,994,559.12	$102,215,409.96	$3,167,376.29	$4,388,227.13

*Net.

LIABILITIES

	Dec. 31, 1928	Dec. 31, 1927	Increase	Decrease
Pfd. St'k, Class A.	$ 24,367,600.00	$ 24,367,600.00	$	$
Pfd. St'k, Class B.	10,327,700.00	10,327,700.00		
Common Stock	30,983,100.00	30,983,100.00		
Bonds of Subsid'r's		5,171,000.00		5,171,000.00
Insurance Reserve.	4,522,547.45	4,228,479.83	294,067.62	
Emp. Lia. Reserve	363,700.32	349,902.80	13,797.52	
Plant Reserve	2,500,000.00	2,500,000.00		
Promotion Reserve	1,500,000.00	1,500,000.00		
Metal Reserve	1,000,000.00	1,000,000.00		
Tax Reserve	4,981,057.49	4,135,993.85	845,063.64	
Dividends Payable.	154,915.50	154,915.50		
Accounts Payable	5,050,701.35	4,251,428.20	799,273.15	
Surplus	15,243,237.01	13,245,289.78	1,997,947.23	
Total Liabilities	$100,994,559.12	$102,215,409.96	$3,950,149.16	$5,171,000.00

DETAIL OF PLANT INVESTMENT

	Dec. 31, 1928	Dec. 31, 1927	Increase	Decrease
Gross Property	$ 61,645,304.94	$ 61,149,831.20	$ 495,473.74	$
Less Depreciation and Depletion Reserves	22,722,458.04	20,967,274.37	1,755,183.67	
Net Property	$ 38,922,846.90	$ 40,182,556.83		$1,259,709.93

The foregoing is a consolidated statement of the National Lead Company and all its subsidiary companies in which it owns all of the capital stock, for the year ending December 31, 1928, following the form of and based upon the consolidated report for 1917 and subsequent years.

Business Conditions

With the exception of White Lead-in-Oil, the sales of which (in pounds) have declined compared with previous years, the business of the Company has been very satisfactory. Sales of babbitt, solder, type metals, sheet lead, lead pipe and all of the specialties show a satisfactory increase.

The earnings of subsidiary corporations are equally satisfactory; all of which is reflected in increased net earnings, as shown in the foregoing statement.

Earnings of Mining Properties

In the report for 1924, stockholders were advised that the dividends being received from tin mining companies were being charged against the original cost thereof in lieu of a depletion charge, to the end that when such mines are ultimately exhausted there will be no capital loss. You are now advised that, having reduced the cost of said properties on our books to a sum that needs in our opinion no further depletion or depreciation, all of the dividends in said companies are being included in the net earnings and reflected in the foregoing statement as earnings.

United Lead Company

John R. Wettstein, President of the United Lead Company, resigned on his sixty-first birthday to enjoy the fruits of his labors, the pleasures of travel and the comforts of home, unattended by the confinement and anxiety of business. During the twenty-one years that he was president of the United Lead Company, it paid the interest on its bonds outstanding, retired a portion of the bonds each year and created a sinking fund sufficient to retire all the bonds. For much of the success of the United Lead Company credit must be given to the ability and efficiency of Mr. Wettstein, whose retirement at an age when his associates considered him most useful is sincerely regretted. Following his retirement, the bonds outstanding were called and paid. There then seemed to be no good reason for continuing the United Lead Company as an active operating company. Its plants and sales organization, therefore, were consolidated with those of the National Lead Company.

By reason of the fact that a large number of the bonds of the United Lead Company had been bought by the National Lead Company twenty-odd years ago at less than par and retained on the books of the National Lead Company at cost, a book profit of approximately $140,000 appears in Net Earnings. With the redemption of the bonds the creation of a sinking fund was discontinued, permitting earnings theretofore reserved for that purpose to appear as Current Profits.

Insurance Reserves

The increase is the usual increase in these reserves in the absence of serious losses.

Tax Reserve

The price of metals on December 31, 1927, was very much lower than the price of the same metals on January 1, 1927. This decline in market prices caused a decrease in taxable income for the year 1927, as reported to the Bureau of Internal Revenue in March, 1928, of several million dollars, as compared to the income under the Normal Stock System of valuing inventories which is used by the management from month to month in creating a tax reserve. Hence it followed that the tax paid to the Federal Government during the year 1928 was proportionately reduced below the amount reserved from month to month for that purpose.

As stated in previous reports, in the long run the taxable income will be the same under the Normal Stock System of valuing inventories as under the system required by the Bureau of Internal Revenue.

The books of the Company have been audited by the Bureau of Internal Revenue up to the end of the year 1925. It is believed that the amount of the Tax Reserve exceeds probable needs by more than $2,000,000. When convenient and definitely ascer-

tainable, the excess in this fund will be used to create a fund to pay losses under the Group Life Insurance that the Company is now taking over.

Employees' Group Life Insurance

The Company concluded to carry its own Group Life Insurance for its employees. Each employee who has been in the employ of the Company more than one year is insured by the Company in an amount equal to one year's salary or wage, with a limitation that no one shall be insured for more than $5,000. It is quite proper that an insurance reserve should be created for the purpose of meeting this liability; but inasmuch as the Tax Reserve is perhaps excessive, it has been concluded that the creation of such a new reserve will be delayed for the present.

Titanium Pigments

The plant at Leverkusen, near Cologne, Germany, which is being built by the Titangesellschaft M. B. H., is completed and in operation. Our specialists who have been assisting in the preparation of plans for this plant commend most highly the efficiency of our associate in this enterprise, the I. G. Farbenindustrie Aktiengesellschaft of Germany, which has had the construction of the plant in charge. They report that the plant has been constructed very substantially, and includes many technical improvements resulting from the intimate knowledge of such work by our associates.

Stockholders should again be advised that this pigment is new. The public must be educated to its use and virtues. Distributing agencies must be established. Promotion work is necessary.

New Officers

JAMES A. CASELTON was elected a member of the Board of Directors to fill the vacancy created by the resignation of Mr. Wettstein. Mr. Caselton began service with the Company in the year 1906, as a clerk in the office of the St. Louis Smelting & Refining Company. For several years he has been the Assistant Manager and Second Vice-President of the St. Louis Smelting & Refining Company, having general supervision of all of the mining and smelting activities of the Company and also the manufacture of basic lead sulphate.

Stock Holdings in National Lead Company

December 31, 1928

	*Number of Holders	Stock Held Common	Class B Preferred	Class A Preferred	Per Cent of Holders	Per Cent of Stock
Owners of 1000 shares or more	42	33,027	15,039	40,852	.43	13.54
Owners of 500 and less than 1,000 shares	83	36,506	5,735	10,573	.85	8.04
Owners of more than 100 and less than 500 shares	863	92,839	20,379	60,676	8.82	26.48
Owners of 100 shares	493	8,600	9,900	30,800	5.04	7.51
Owners of less than 100 shares	8,035	52,219	31,395	79,166	82.12	24.78
Corporations owning stock	268	86,640	20,829	21,609	2.74	19.65
Totals	9,784	309,831	103,277	243,676	100.00	100.00

Average Holdings Common Stock.......... 73 Shares
Average Holdings Class B Preferred Stock.......... 30 Shares
Average Holdings Class A Preferred Stock.......... 51 Shares
Average Holdings All Stock.......... 53 Shares

The number of women owning stock is as follows:

	*Number of Holders	Number of Shares	Average Holdings
Common	1,152	71,066	62 Shares
Preferred (Class B)	979	30,206	31 Shares
Preferred (Class A)	2,758	103,661	38 Shares
Total	4,889	204,933	42 Shares
Per Cent of Total Stockholders			49.97%
Per Cent of Outstanding Stock			31.20%

The number of accounts closed and opened during year 1928 were as follows:

	Total	Common	Class B Pfd.	Class A Pfd.
Closed	1,815	742	334	739
Opened	1,381	794	209	378

* Where the same person owns more than one class of stock, there is a duplication in the number of holders.

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Conclusion

I again have great pleasure in assuring the stockholders of the continued loyalty and high efficiency of all in the service of the Company.

Respectfully submitted,

EDWARD J. CORNISH,

President.

Directors

EDWARD F. BEALE, Philadelphia, Pa.
W. C. BESCHORMAN, New York, N. Y.
ALFRED H. BRODRICK, Newton, Mass.
GEORGE O. CARPENTER, St. Louis, Mo.
FRED M. CARTER, New York, N. Y.
JAMES A. CASELTON, St. Louis, Mo.
EDWARD J. CORNISH, New York, N. Y.
W. H. CROFT, Chicago, Ill.
GRAFTON D. DORSEY, St. Petersburg, Fla.
CHARLES E. FIELD, Chicago, Ill.
EVANS McCARTY, New York, N. Y.
FLETCHER W. ROCKWELL, Greenwich, Conn.
HENRY G. SIDFORD, Maplewood, N. J.
WILLIAM N. TAYLOR, Pittsburgh, Pa.
GUSTAVE W. THOMPSON, Brooklyn, N. Y.

Executive Committee

EDWARD J. CORNISH, Chairman
EDWARD F. BEALE
W. C. BESCHORMAN
FRED M. CARTER
EVANS McCARTY
FLETCHER W. ROCKWELL
HENRY G. SIDFORD
GUSTAVE W. THOMPSON

Executive Officers

President
EDWARD J. CORNISH

Vice-Presidents
GEO. O. CARPENTER
E. F. BEALE
EVANS McCARTY
FRED M. CARTER
W. C. BESCHORMAN

Secretary
M. DOUGLAS COLE

Assistant Secretary
HENRY O. BATES

Comptroller
H. T. WARSHOW

Treasurer
CHARLES SIMON

Assistant Comptrollers
HARRY W. DICKERSON
HENRY O. BATES

Stock Transfer Agent
THE SEABOARD NATIONAL BANK
115 Broadway, New York, N. Y.

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

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

Departments

Advertising....WM. KNUST, Manager
Flaxseed....CHAS. T. NOLAN, Manager
Insurance....HAMLIN & CO., Managers
Laboratory....G. W. THOMPSON, Chief Chemist
Manufacturing....F. W. ROCKWELL, Production Manager
Metal....A. B. HALL, Manager
Traffic....D. R. NORRIS, Manager

Committees

Metal Committee
W. C. BESCHORMAN, Chairman
L. T. BEALE
A. H. BRODRICK
W. A. COWAN
W. A. DAIL
E. A. de CAMPI
C. A. GEATTY
E. T. MERRICK
E. A. MUELLER
F. W. ROCKWELL
H. G. SIDFORD
W. H. TAYLOR
L. T. WILSON
G. H. WORRALL
H. W. DICKERSON, Secretary

Manufacturing Committee
F. W. ROCKWELL, Production Mgr.
L. T. BEALE
H. P. CAVARLY
EVANS McCARTY
G. W. THOMPSON
H. O. BATES, Secretary

Foreign Exchange Committee
H. T. WARSHOW, Chairman
A. B. HALL
EVANS McCARTY
C. T. NOLAN
CHARLES SIMON
G. W. THOMPSON

Sales Committee
F. M. CARTER, Chairman
L. T. BEALE
W. G. BISBEE
A. F. CURTIS
W. A. DAIL
C. C. FOERSTNER
O. H. GREENE
F. A. GREGORY, JR.
R. L. HALLETT
J. G. C. McNAIR
W. R. MELVILLE
S. F. REEVES
A. W. SCOTT
W. H. TAYLOR
A. B. TIBBETS, Secretary

Pension Board
G. W. THOMPSON, Chairman
F. M. CARTER
F. W. ROCKWELL
M. D. COLE, Secretary

Branches

National Lead Company

ATLANTIC BRANCH, — New York, N. Y.
H. G. SIDFORD, Manager, — 111 Broadway

BALTIMORE BRANCH, — Baltimore, Md.
C. E. McPHAIL, Manager, — 214 West Henrietta Street

BUFFALO BRANCH, — Buffalo, N. Y.
W. R. MELVILLE, Manager, — 116 Oak Street

CLEVELAND BRANCH, — Cleveland, Ohio
C. C. FOERSTNER, Manager, — 820 West Superior Avenue

CINCINNATI BRANCH, — Cincinnati, Ohio
W. A. DAIL, Manager, — 659 Freeman Avenue

CHICAGO BRANCH, — Chicago, Ill.
CHARLES E. FIELD, Manager, — 900 West Eighteenth Street

ST. LOUIS BRANCH, — St. Louis, Mo.
GEO. O. CARPENTER, Manager, — 722 Chestnut Street

HIRST & BEGLEY LINSEED WORKS, — Chicago, Ill.
J. L. REQUE, Manager, — 2013 Mendel Street

ST. LOUIS SMELTING & REFINING WORKS, — St. Louis, Mo.
J. A. CASELTON, Asst. Manager, — 722 Chestnut Street

E. W. BLATCHFORD CO. — Chicago, Ill.
CHAS. N. RISLER, Manager — 608 South Dearborn Street

E. W. BLATCHFORD CO. — New York, N. Y.
JOHN J. NICKELS, Manager, — 63 Park Row

JOHN T. LEWIS & BROS. CO., — Philadelphia, Pa.
EDWARD F. BEALE, President, — Widener Bldg., South Penn Square

NATIONAL LEAD & OIL CO. OF PENNA., — Pittsburgh, Pa.
W. N. TAYLOR, President, — Commonwealth Bldg., 316 Fourth Avenue

NATIONAL-BOSTON LEAD CO., — Boston, Mass.
A. H. BRODRICK, President, — 800 Albany Street

NATIONAL LEAD CO. OF CALIFORNIA, — San Francisco, Cal.
JAS. B. KEISTER, Vice-President, — 235 Montgomery Street

NATIONAL LEAD CO. OF ARGENTINA, — Buenos Aires
M. L. SHOEMAKER, Vice-President, — Calle San Martin 235

Local Offices

National Lead Company

CHARLESTON, S. C., — Myers, Charleston Co., S. C.
DETROIT, MICH., — Corner Howard and Tenth Streets
KANSAS CITY, MO., — 1406-1408 West Thirteenth Street
LOUISVILLE, KY., — Stark Building
MILWAUKEE, WIS., — 52 Second Street
NASHVILLE, TENN., — 303-305 Tenth Avenue, South
NEW ORLEANS, LA., — 519 South Peters Street
OMAHA, NEB., — 2810 A Street
ST. PAUL, MINN., — 102 West Fairfield Avenue

National Lead Co. of California

LOS ANGELES, CAL., — 2416 Enterprise Street
SEATTLE, WASH., — 84 Columbia Street

Corporations in which National Lead Company Is Interested Through Ownership of All or Part of the Capital Stock

BAKER CASTOR OIL COMPANY, — New York
F. C. MARSH, President
Manufacturers of Castor Oil

BASS-HUETER PAINT COMPANY, — San Francisco, Cal.
E. H. DYER, President
Manufacturers of Mixed Paints, Varnishes and Paint Specialties

CARTER WHITE LEAD COMPANY, — Chicago and Omaha
J. J. MORSMAN, President
White Lead Corroders

CINCH EXPANSION BOLT & ENGINEERING COMPANY, — New York
GRAFTON D. DORSEY, President
Manufacturers of Expansion Bolts

GEORGIA LEAD COMPANY, — Atlanta, Ga.
C. F. EVANS, Treasurer
Manufacturers of Sheet Lead, Pipe and Alloys

HOYT METAL COMPANY OF CANADA, LTD., — Toronto, Canada
G. F. ALLEN, Vice-President
Manufacturers of Lead Products, Brass and Bronze, Dross Smelters

MAGNUS COMPANY, INCORPORATED, — New York
W. H. CROFT, Vice-President
Brass Founders

METALLURGICAL AND CHEMICAL CORPORATION, — Matawan, N. J.
E. J. CORNISH, President
Producers and Refiners of White Metals

NATIONAL PIGMENTS & CHEMICAL COMPANY, — St. Louis
EVANS McCARTY, President
Miners and Manufacturers of Barytes

NEWTON DIE CASTING CORPORATION, — New Haven, Conn.
W. G. NEWTON, President
Manufacturers of Pressure Die Castings

ST. LOUIS SMELTING & REFINING COMPANY, — St. Louis
J. A. CASELTON, 2nd Vice-President and Secretary
Miners, Smelters and Refiners of Lead

SOCIETE INDUSTRIELLE DU TITANE, — Paris, France
DR. G. JEBSEN, President
Manufacturers and Distributors of Titanium Oxide Pigments

TITAN CO. A/S, — Fredriksstad, Norway
DR. G. JEBSEN, Managing Director
Manufacturers of Titanium Oxide Pigments

TITANGESELLSCHAFT M. B. H., — Leverkusen, Germany
Manufacturers of Titanium Oxide Pigments

TITANIUM PIGMENT COMPANY, INC. — New York
WILLIAM F. MEREDITH, President
Manufacturers of Titanium Oxide Pigments

UNITED LEAD COMPANY, — New York
E. J. CORNISH, President
Manufacturers of all Products of Lead, Smelters of Drosses and Residues

UNITED STATES CARTRIDGE COMPANY, — New York
EVANS McCARTY, Vice-President
Manufacturers of Metallic and Sporting Ammunition and Extruded Copper Radiator Tubes

WILLIAMS, HARVEY & COMPANY, LIMITED, — Liverpool, Eng.
ERNEST V. PEARCE, General Manager
Smelters and Refiners of Tin

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

Products Manufactured by National Lead Company

Painters' Materials

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

Flatting Oil

Bearing Metals

Babbitt Metals	Pressure Die Castings

Frary Metal

Plumbers' Materials

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

Soldering Flux

Printers' Metals

Linotype Metal	Stereotype Metal
Monotype Metal	Electrotype Metal

Canners' Materials

Bar Solder	Ribbon Solder
Wire Solder	Triangular Solder

Soldering Flux

Lead Oxides

Red Lead	Rubbermakers' Oxides
Litharge	Varnishmakers' Oxides
Orange Mineral	Enamelmakers' Oxides
Glassmakers' Oxides	Potters' Oxides
Colormakers' Oxides	Storage Battery Oxides

Miscellaneous Lead Products

Sheet Lead	Lead Wool
Glaziers' Lead	Lead Wire
Bar Lead	Lead Sash Weights
Antimonial Lead Products	Piano Key Leads
Lead Lined Valves	Cinch Expansion Bolts

Lead for Architectural Purposes

General Products

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