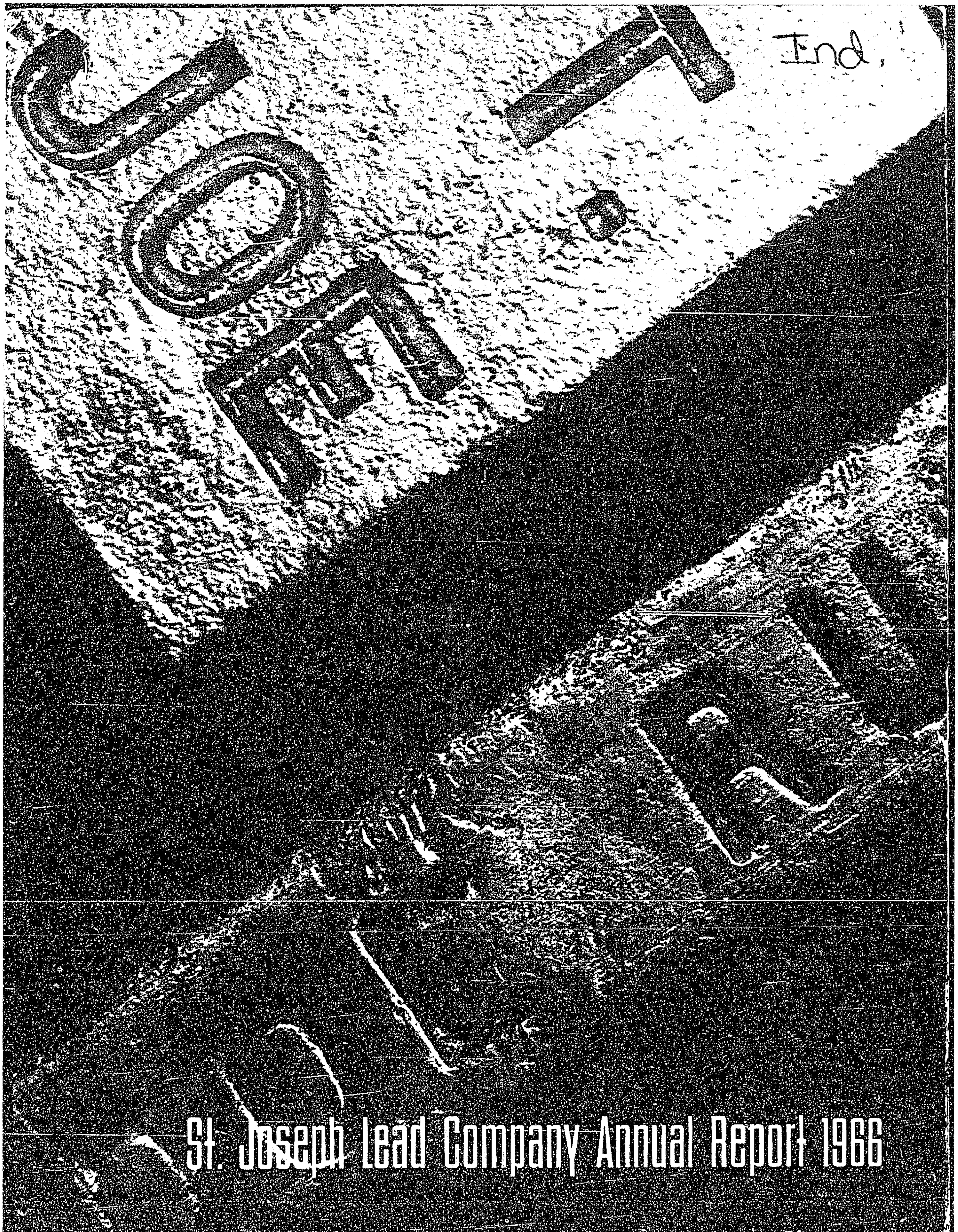
Ind.
St. Joseph Lead Company Annual Report 1966

## ST. JOSEPH LEAD COMPANY

During the past 103 years, St. Joseph Lead Company has grown from a small lead mining operation in Southeast Missouri into the largest lead miner in the United States. It has also grown into one of the largest domestic producers of zinc. Its operations today range from Upstate New York to southern Argentina, and beyond the lead and zinc pictured on the cover of this Report. It markets such other products and by-products as sulfuric acid, zinc oxide, cadmium, silver, copper concentrates, and agricultural limestone.

Through a joint venture with Bethlehem Steel, St. Joe mines iron ore and produces the high-quality iron ore pellets, also shown on the cover, that aid in efficient modern steelmaking processes.

This growth reflects the achievements of skilled and capable people—St. Joe's greatest asset. It is these people, some of whom are pictured in this Report, who provide the important foundation for further expansion and with whom St. Joe confidently looks ahead.

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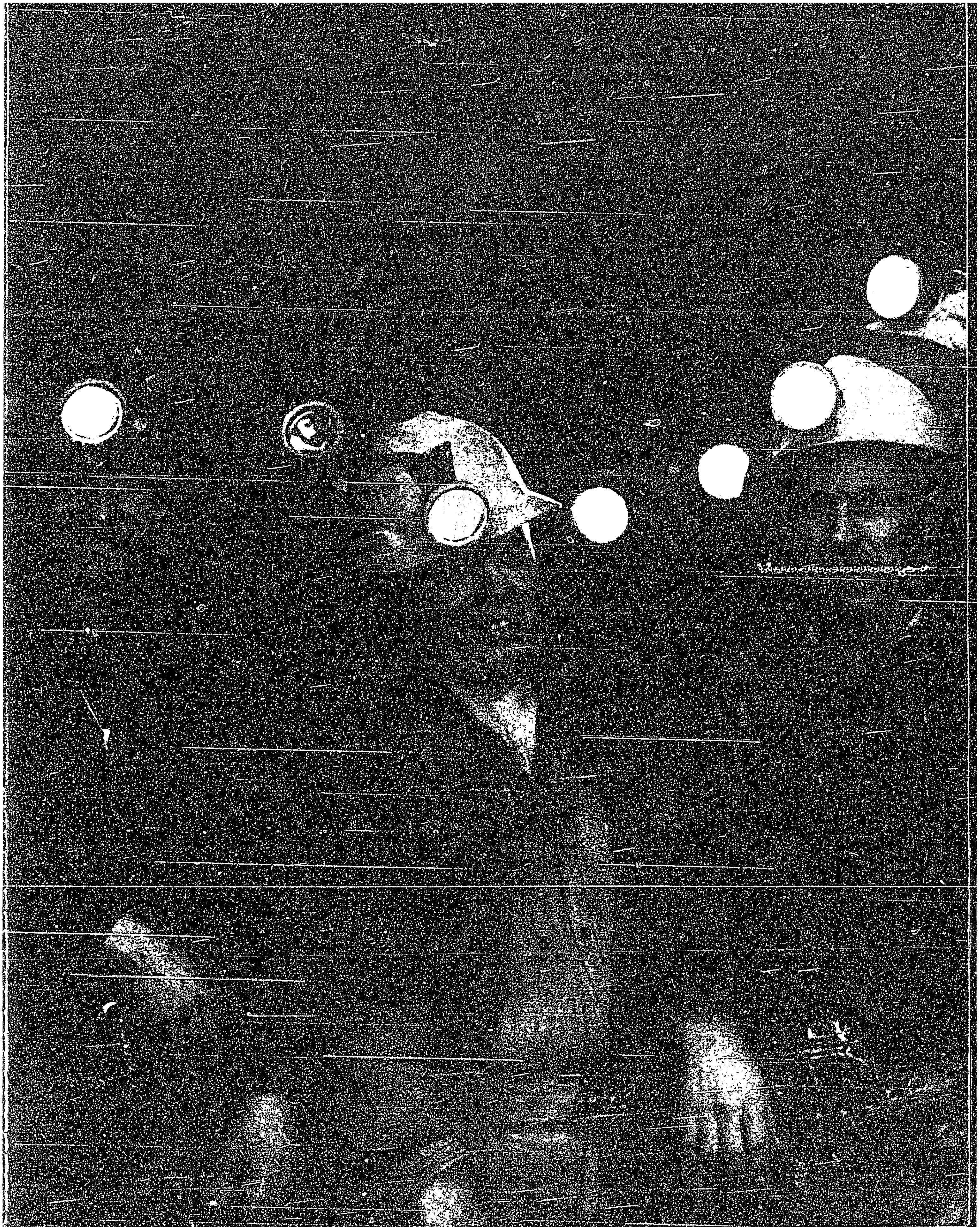
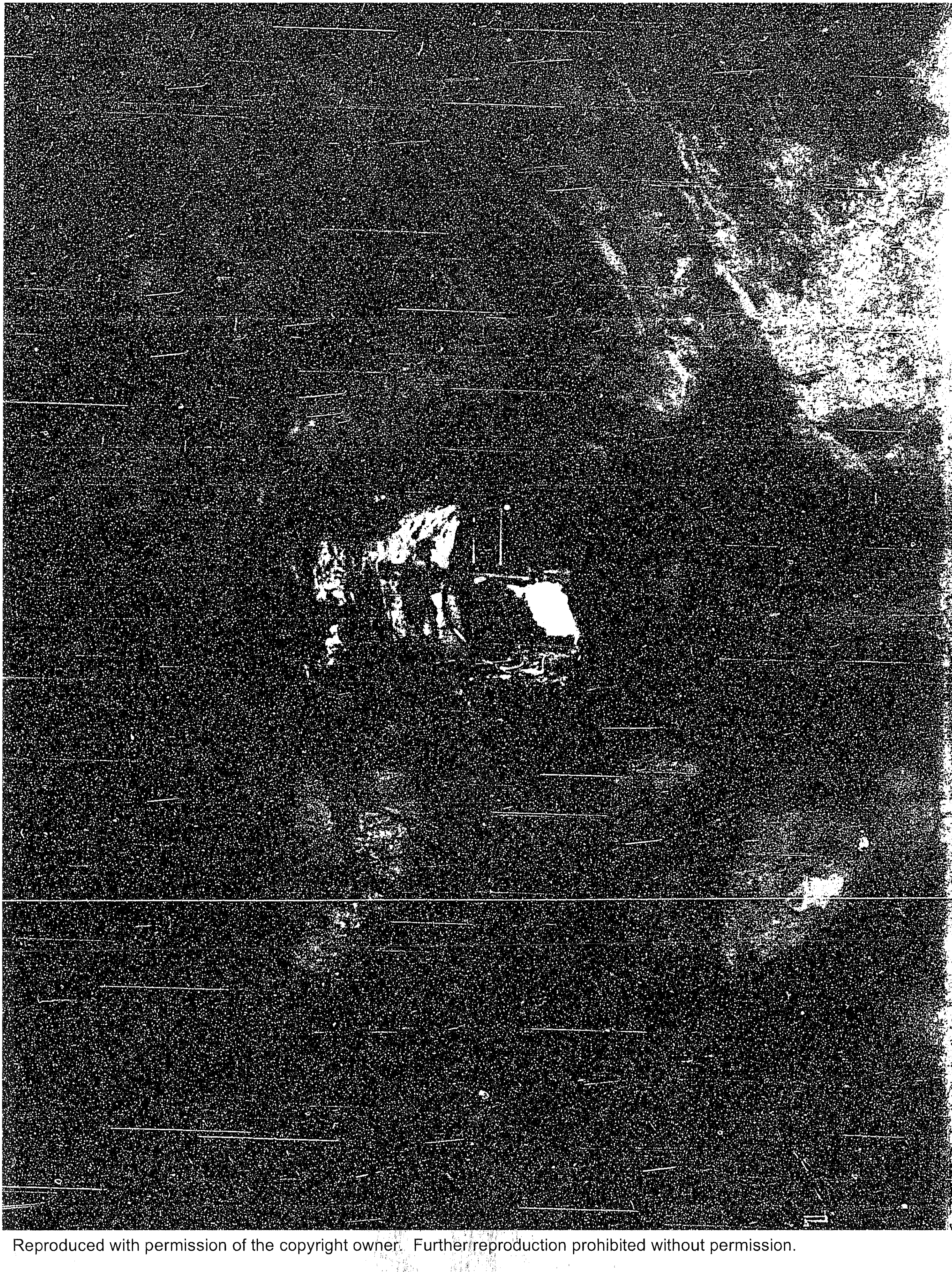




## TO THE STOCKHOLDERS:

St. Joseph Lead Company's 1966 sales advanced to $145,109,767 from $136,156,901 in 1965. Net income, at $22,717,454, was largely unchanged from the prior year while earnings per share rose slightly to $5.05 from $4.98 in 1965, reflecting the Company's purchase during the year of 76,550 of its own shares for internal use.

The quarterly dividend was increased from 65 cents to 70 cents a share in December, bringing total 1966 payments to $2.65.

The major accomplishment of the year was laying the foundation for substantially expanded output and improved efficiency for the years ahead by completing work on two major capital investment projects in Missouri. These projects are the new Fletcher lead mine and mill and the expanded Herculaneum lead smelter, both of which came into operation early in 1967; earnings this year should reflect these additions to productive capacity. Expenses capitalized in 1966 amounted to $15,711,952 and are estimated at $11,700,000 for 1967.

The 1966 earnings were affected by several factors: by the necessity of making large purchases of lead to meet customer requirements, by the closing of the Herculaneum Smelter for the month of December to com-

| HIGHLIGHTS OF THE 103rd YEAR | 1966 | 1965 |
|---|---|---|
| Sales of metals, etc. | $145,109,767* | $136,156,901* |
| Federal and state income taxes | $ 8,826,341 | $ 11,887,303 |
| Net income | $ 22,717,454 | $ 22,781,108 |
| Dividends paid | $ 12,050,896 | $ 10,503,786 |
| Shares of capital stock outstanding | 4,496,267 | 4,570,564.5 |
| Per share on capital stock: | | |
| Net earnings | $5.05 | $4.98 |
| Dividends | $2.65 | $2.30 |
| Ratio of current assets to current liabilities | 3.87 to 1 | 4.34 to 1 |
| Number of employees | 3,986 | 3,820 |
| Number of stockholders | 16,204 | 11,792 |
| Stockholders' Investment (Book Value): | | |
| Total | $125,171,922 | $117,290,252 |
| Per Share | $27.84 | $25.66 |

*Sales and cost of sales include purchases of lead and zinc from U S Government stockpiles on which by law no profit was earned totalling $20,819,015 in 1966 and $8,657,384 in 1965

Zinc miner Alton D. Gibson, left, drills a 50-foot "longhole round" in the No. 3 mine at Balmat, N.Y. in preparation for blasting. Gibson has been with St. Joe 15 years.

plete work on the expansion project, and by reductions of 1 cent per pound in the price of lead in May and October. However, operations St. Joe has established in South America were unusually strong and dividends from the Company's foreign investments increased. In addition, Meramec Mining Company, St. Joe's joint venture for production of premium quality iron ore pellets, increased both production and earnings.

The new Fletcher mine and mill, designed to add 60,000 tons of lead equivalent annually to St. Joe's output, is believed to be among the most efficient in the world. Its new methods and techniques will substantially increase output per man employed.

The expanded and modernized Herculaneum Smelter brings the Company's potential output of finished lead to more than 200,000 tons a year and will increase the efficiency of the smelter operations.

In addition, St. Joe stepped up research and development programs, especially those designed to open new markets for Company products. One of these products brought to market in 1966 was St. Joe's photosensitive zinc oxide, which has found wide acceptance in coating paper for use with office copying machines.

St. Joe also increased exploration for new ore bodies, especially in Missouri and South America, and initiated new zinc capital programs, including expansion of the Josephtown Smelter and development of the Balmat ore extension.

The reduction in lead prices reflected in St. Joe's 1966 operating results was in response to increased pressure from imports following elimination of import quotas on lead and zinc in late 1965 and the subsequent softening of demand in overseas markets. To insure the maintenance of reasonably competitive conditions in the United States lead and zinc industries, your Management strongly favors legislation, already proposed, that would authorize flexible quotas on the import of lead and zinc during periods of surplus foreign production.

Domestic demand for both lead and zinc was unusually strong in 1966 and remained so as the new year began. Zinc prices remained firm in 1966 and the increased output of zinc at the Josephtown Smelter meant increased zinc sales for the Company.

St. Joe's cash reserves, while enabling the Company to avoid curtailment of expansion in tight-money times, also provide an important resource for additional growth.

The Company explored several possibilities for such growth in 1966 and will continue its careful search for investment opportunities.

A new St. Joe subsidiary, Missouri Clay Products Company, has been established to explore development of bentonite deposits discovered by the Company in Missouri. Bentonite is an important binding agent in pelletizing and is also a carrier agent for pesticides and other products of the petrochemical industry.

The planned construction of a sulfuric acid plant at Herculaneum will open further opportunities in the domestic acid market.

The Company announces with regret the death, in 1966, of George I. Brigden, retired Vice President and Treasurer of St. Joe and a member of its Board of Trustees since 1944. His contributions to St. Joe, over a period of 50 years, were most constructive and his counsel will be greatly missed.

Mark E. Riley, formerly Assistant Division Manager of Balmat-Edwards, was named Division Manager, succeeding Marshall G. Jones, who has retired after many years of valued service.

The number of St. Joe shareholders increased during 1966 to 16,204 from 11,792 at the beginning of the year. This demonstration of interest in the Company is gratifying and your Management greatly appreciates the continuing strong support of the Company shareholders. Largely as a result of this shareholder increase, the Company has retained Bankers Trust Company of New York as its Transfer Agent to handle stock transfer operations previously performed by the Company.

The year 1967 finds both ore reserves and financial resources at excellent levels. Operations have been streamlined and further efficiencies are planned. In sum, St. Joe is well prepared for the opportunities that are ahead.

Chairman

President

## REVIEW OF OPERATIONS

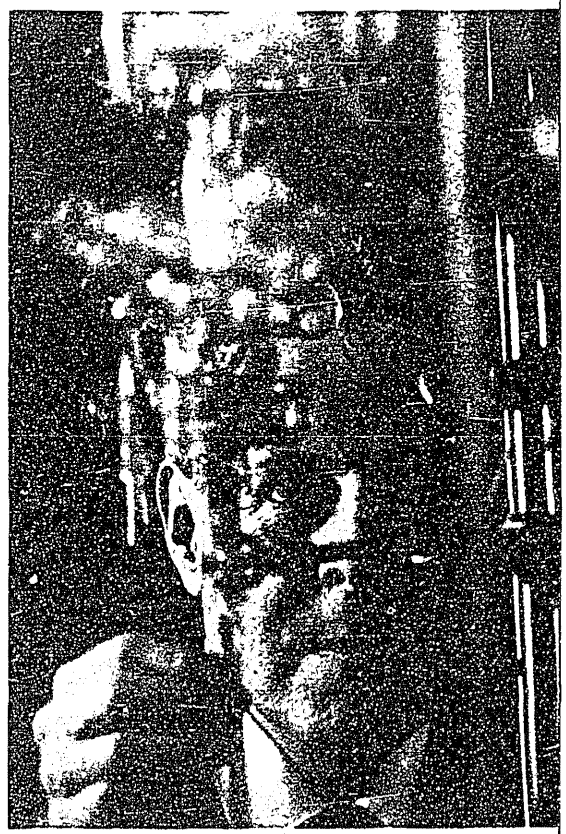
**Research and Development** St. Joseph Lead Company increased its direct and indirect investment in this important activity to more than $2.5 million in 1966 and plans further advances this year. This outlay is in addition to the Company's growing investment in exploration for new ore deposits.

In the past, St. Joe has largely concentrated its research on improving mining, milling, and metal-extraction operations. In mid-1965, the Company initiated its first product research program at expanded facilities at the Josephtown Smelter and laboratories at the Mellon Institute in Pittsburgh.

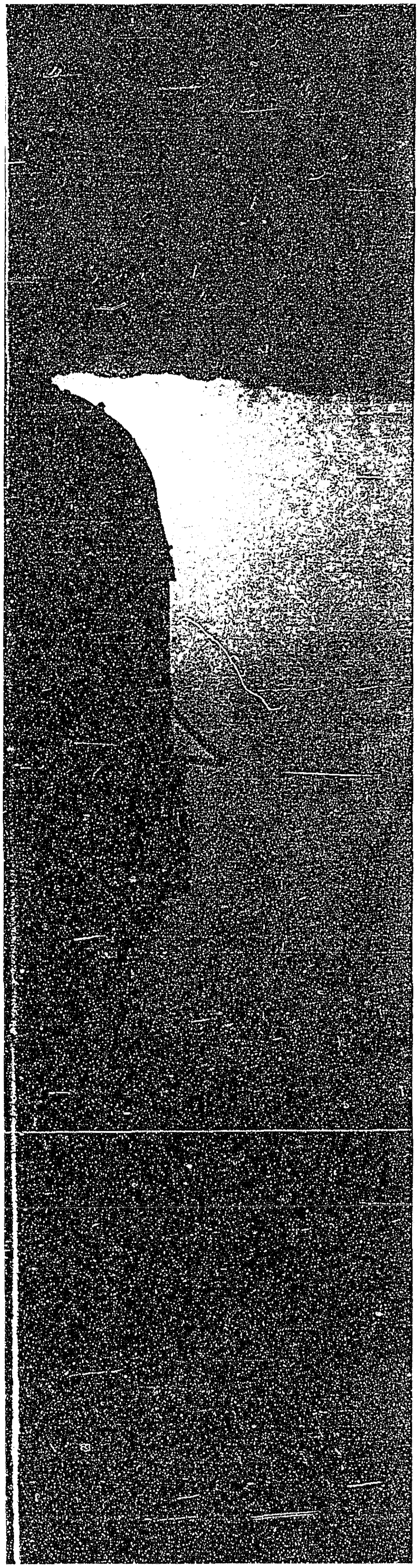
Significant results from these new programs included development and successful marketing of a photosensitive zinc oxide to coat paper used in many office copying machines. The quick success of this product, which is finding an expanding market, helped boost St. Joe's 1966 zinc oxide sales over 15%, well ahead of the industry as a whole.

St. Joe research has developed and is currently testing a new zinc oxide for use in exterior paints. This should further increase sales of zinc oxide to the outdoor paint market.

Dispersion strengthened lead, an improved form of lead that reduces "creep," adds strength, and modifies other inherent characteristics of lead, is another important development. Since it eliminates the need for alloying agents in the lead used in lead-acid batteries—agents that now mean the batteries must be ventilated and receive regular service—dispersion strengthened lead makes possible the development of lighter,



St. Joe research develops new uses for products as well as improved quality and production methods. Dr. Carleton C. Long, above, is Director of Research at the Josephtown Smelter in Pennsylvania. At left, Richard H Mattern works at a combustion chamber in which zinc vapor is burned to make photosensitive zinc oxide, an important new product for St. Joe.



completely self-contained, service-free batteries for automobiles and other uses. This new lead metal is currently being produced in pilot plant quantities for evaluation by the battery industry and has additional potential in industrial and residential construction.

Research at Meramec Mining, the iron ore and pelletizing facility St. Joe operates in joint venture with Bethlehem Steel, has developed a new high-quality iron oxide for use in the ceramic-ferrite industry. This industry's products are widely used in fractional horsepower motors, television sets and other appliances. A new processing facility to produce this material will start commercial production in the second half of 1967. Additionally, Meramec has been exploring the possibility of altering its concentrating plant and pelletizing furnaces to process the large amount of high-grade hematite ore encountered at Meramec in addition to the magnetite ore that makes up the basic ore body. Experiments with hematite were conducted during 1966, and plans for the required changes are currently under study.

St. Joe's research outlay also includes its contribution to the International Lead-Zinc Research Organization, Inc., an industry-wide group.

**Zinc Mining** St. Joe's zinc mining produced 147,860 tons of zinc concentrate in 1966, up from 140,284 tons the prior year. The increase in zinc resulted primarily from a full year's operation of the expanded Edwards zinc mine completed in mid-1965. Operations throughout the year were on a six-day-week basis.

St. Joe's zinc-mining operations in Upstate New York are currently being expanded. During 1966 Mark E. Riley, above, was appointed Division Manager of Balmat-Edwards, which embraces these activities. Left, Dean F. Carr, 18 years with St. Joe, operates a jackleg drill at Balmat No. 3 mine.

The new shaft at Balmat, begun in 1966, will double the potential output of the Balmat operation. It is scheduled for completion in early 1970, and will both improve efficiency of operation at the existing mine and open for development a new ore body to the northwest that contains large quantities of high grade zinc ore.

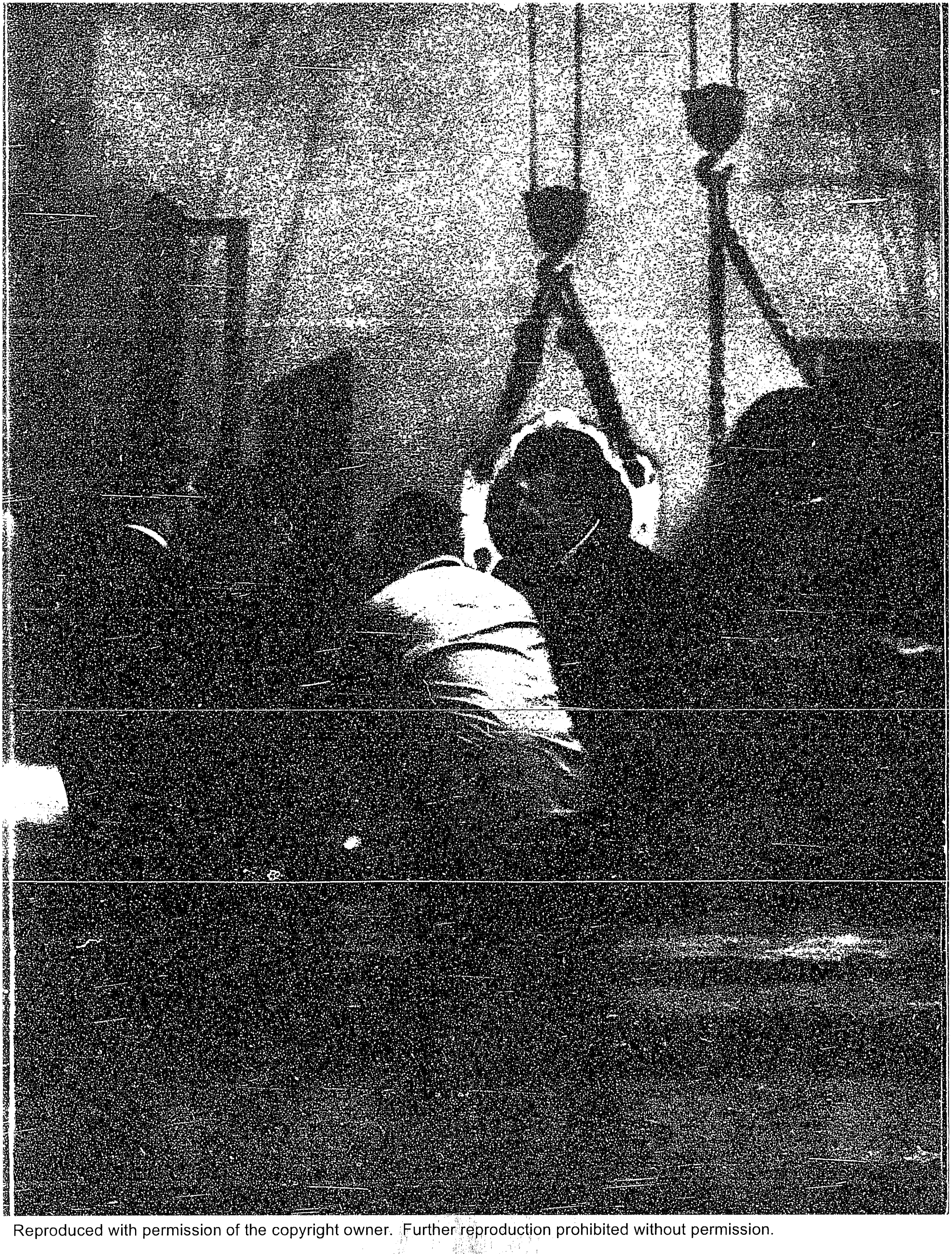
In the early 1970s, Balmat-Edwards will be able to supply as much as 70% of the zinc concentrates currently used at the Company's Josephtown Smelter. St. Joe's U.S. mines now provide about 45% of the Smelter's requirements, so the new mine will increase appreciably the overall profitability of the Company's zinc operations.

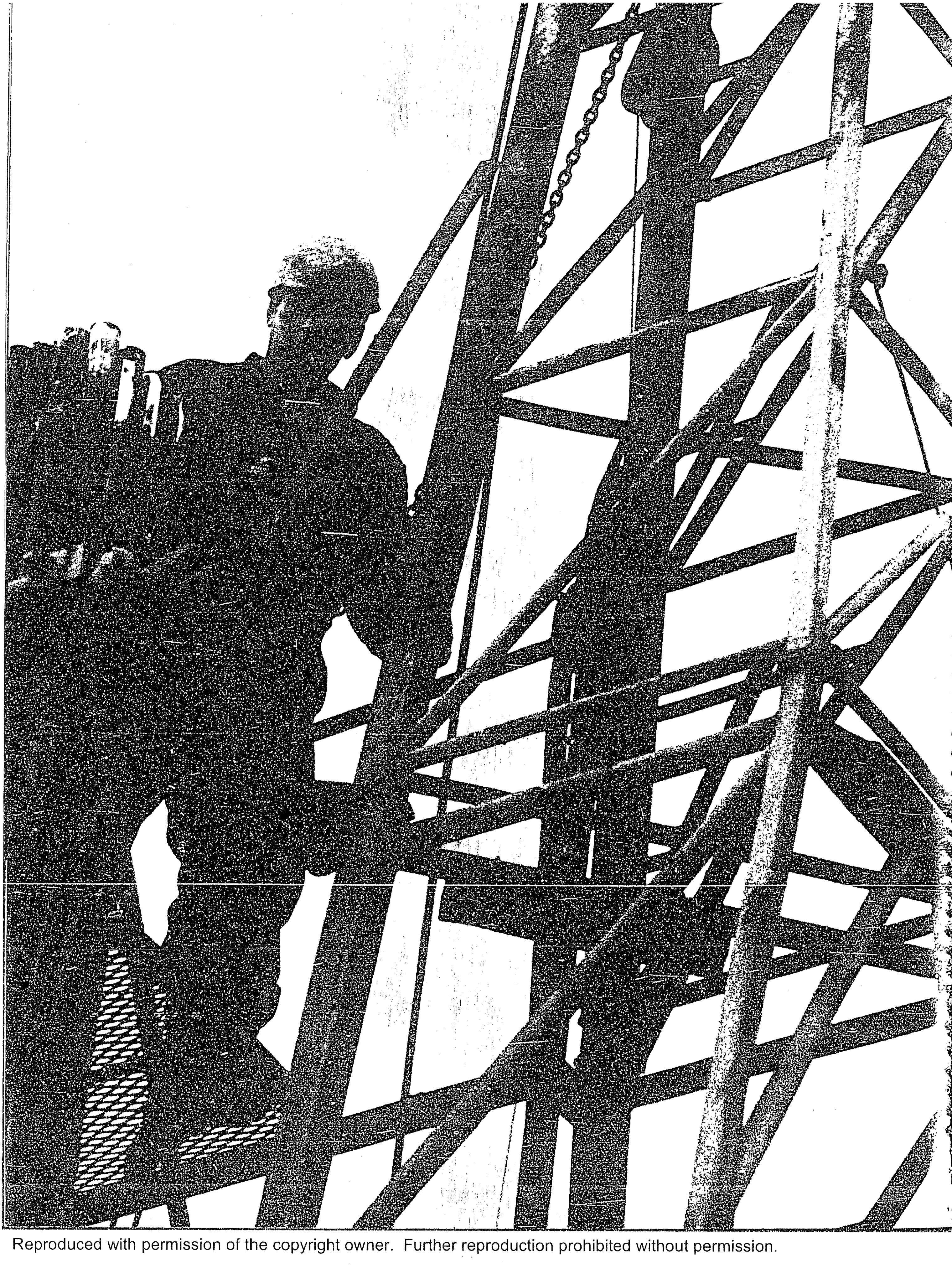
**Zinc Smelting** St. Joe's Josephtown Smelter increased its output of zinc equivalent in 1966 to a record 216,910 tons from 202,657 in 1965. Slab zinc production advanced to 193,301 tons from 182,249 tons, and zinc oxide sales rose to $7,903,257 from $6,760,492 in 1965.

Industry use of zinc in brass and galvanizing increased. Zinc die castings, rugged and corrosion resistant, form increasingly intricate and precise parts that are used in growing quantities in automobiles, vacuum cleaners, electric typewriters, appliances, and a wide variety of industrial parts.

Galvanizing, which provides a zinc skin on steel for many years of maintenance-free protection, has recently been adopted in bridge construction. The first such bridge in the United States was built last year in Ottawa County, Michigan, and 30 to 40 more are planned over the

Technical service is an important St. Joe strength. Here, William Tunney, right, a Manager of Technical Services at St. Joe, and Richard E. Jordan, left, Assistant Sales Manager, discuss process improvements at Gregory Galvanizing & Processing Company's Canton, Ohio, plant. A steel tower section is just being removed from the zinc galvanizing bath in background. Charles D. Henderson, pictured above, is Division Manager in charge of the Josephtown Smelter.





country this year. An indication of the capability of this corrosion-protective method is St. Joe's own use of galvanized steel in its new Balmat mine shaft. This shaft, which will run to a depth of 3,180 feet, will use 1,075 tons of galvanized steel.

The Josephtown Smelter, which operated at capacity throughout the year, increased that capacity in late March with installation of a new furnace able to produce 100 tons of zinc metal per 24-hour period. Zinc oxide production facilities were also increased, and the Company developed a new method for shipping zinc oxide in airtight, five-ton-capacity rubber containers, ensuring purity of the product on delivery. A new 250-ton-per-day sulfuric acid unit, to replace one of the original ones, is now under construction.

St. Joe has invested much time and effort in recent years building up its important customer-service organization, and the Company is proud of the reputation it has earned for helping solve problems and meeting new needs of its customers. During 1966, St. Joe stepped up these activities and effectively participated in a variety of industrial and engineering seminars. The close relationship between the sales and service staffs has proved to be particularly valuable in broadening zinc product applications.

**Exploration** St. Joe's broad exploration activities have led in recent years to such important discoveries as the "New Lead Belt" in Missouri, where the Company's Viburnum and Fletcher mines are located, and

Exploration to open new ore bodies and effectively mine existing ones is carried on by St. Joe in the U.S. and South America. Norman H. Donald, Jr., above, is Manager of Explorations for St. Joe. He is pictured near the new Balmat shaft in Upstate New York. At left, a diamond drill helper on the "crow's nest" of a truck-mounted exploration drill pulls drill rods prior to changing the diamond bit.

zinc deposits at Balmat in Upstate New York, where a new shaft is in the process of being sunk.

Extensive surveys will be made this year in Peru and Argentina in addition to stepped-up exploration near existing St. Joe mining operations in the United States.

The extent of St. Joe's exploration operations in 1966 is indicated by the amount of drilling done during the year. Drilling designed to establish the proper geographical location for potential mining operations totaled 300,000 feet; underground drilling to determine the specific scope and method of operation accounted for another 100,000 feet. This was done employing new and effective exploration techniques and with extensive use of computers in evaluating exploration data, estimating ore reserves, processing drilling results, and interpreting surveys.

**Lead Mining** Lead concentrate production from Company mines, which in 1966 equaled the 1965 output of about 189,000 tons, is expected to increase substantially with the opening of the Fletcher mine.

Copper concentrate output increased to 14,116 tons from 8,684 tons the prior year.

The new Fletcher mill includes such innovations as an on-line X-Ray Analyzer, which performs in minutes an analytical operation that previously took a day of laboratory work. This and other such new equipment and methods will enable Fletcher to operate at a high level of efficiency, in terms of output per man.

Using rubber-tired machinery in mines increases flexibility and cuts costs. At right, Harold W Landolt, with St. Joe for almost 30 years, operates a "scooptram," introduced in 1966 in Viburnum, Missouri, mine No. 27. Above, Elmer A Jones, Division Manager of Southeast Missouri operations, stands before the head frame of the new Fletcher mine.

The new shaft at Goose Creek, which was begun in October 1966, provides access to new reserves north of the Indian Creek Mine, extending the productive life of that area.

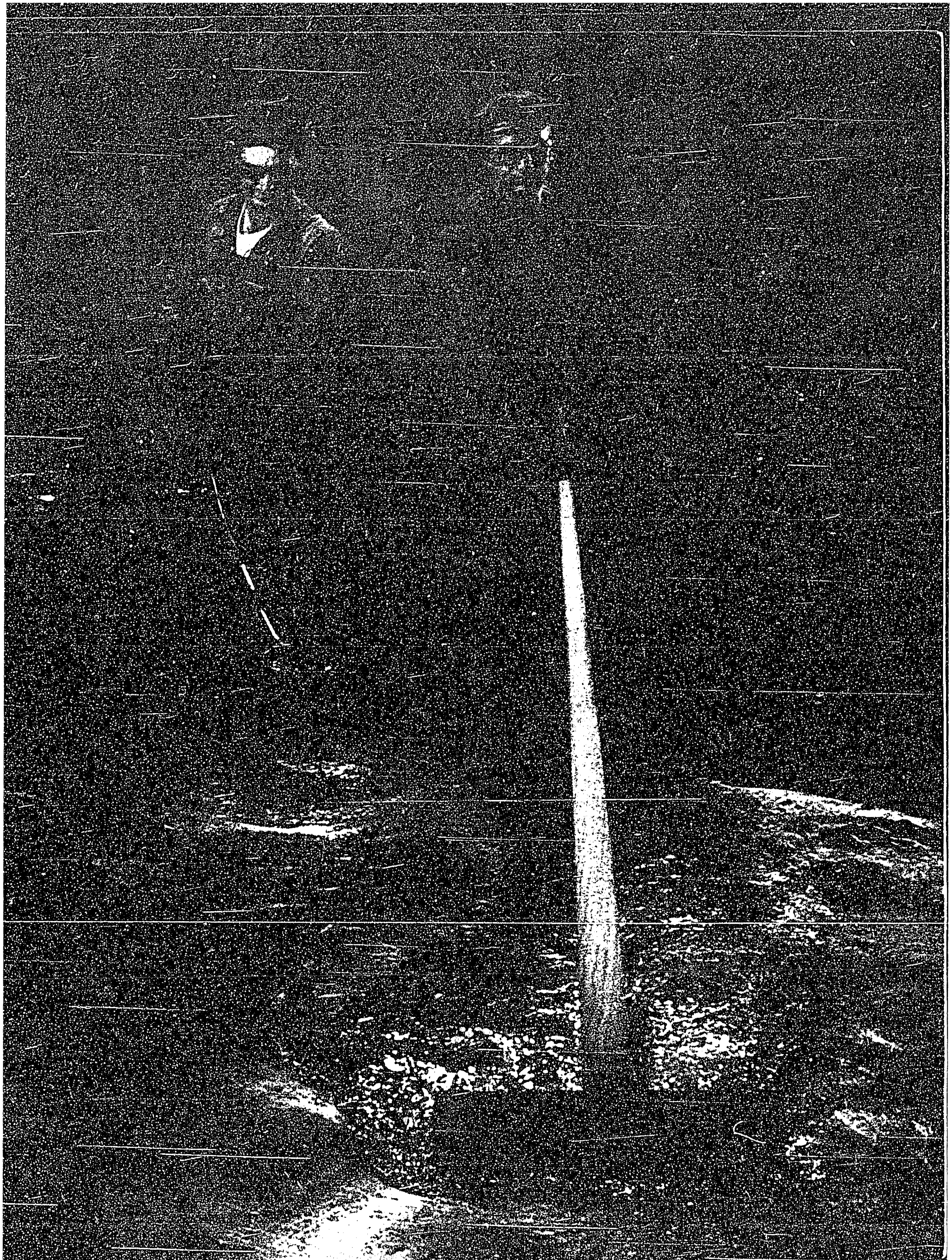
A 42-mile extension of the St. Louis-San Francisco Railway line to Viburnum, which is expected to be completed this year, will eliminate trucking of concentrates.

**Lead Smelting** The Herculaneum Smelter's 1966 pig lead production was reduced to 90,729 tons from 105,799 tons in 1965 as a result of the major expansion there. As planned, only about one month's production was lost during the construction period, although pig lead sales by the Company increased from 142,243 tons in 1965 to 175,762 tons in 1966. In anticipation of its expanded 1967 productive capacity, St. Joe purchased a large proportion of its requirements from the government stockpile to fill customers' orders during 1966. As required by law, no profit was made on the stockpile transactions.

The Herculaneum expansion will increase potential pig lead capacity of the smelter to over 200,000 tons a year, enabling St. Joe to increase sales with its own output. The increased efficiency of operation enhances St. Joe's flexibility in responding to changing market conditions.

St. Joe's markets for lead are growing. Traditional uses, as in gasoline additives, automobile batteries, glass, paint, and ammunition, continue to expand while new uses are being made possible by such developments as dispersion strengthened lead.

St. Joe's greatly expanded Herculaneum Smelter in Missouri will increase the Company's lead output. At right, Subforeman Larry J. Pettus scoops a sample from a 250-ton kettle of molten lead at the new drossing plant. William Drummonds works a "drossing rake" to assist in the quality control operation. John W. Sherman, pictured above, is Division Manager of Herculaneum.



Construction of a new sulfuric acid plant at Herculaneum is planned to begin later this year, increasing the Company's capacity to produce this product. The new plant will have a potential capacity of approximately 100,000 tons of sulfuric acid annually.

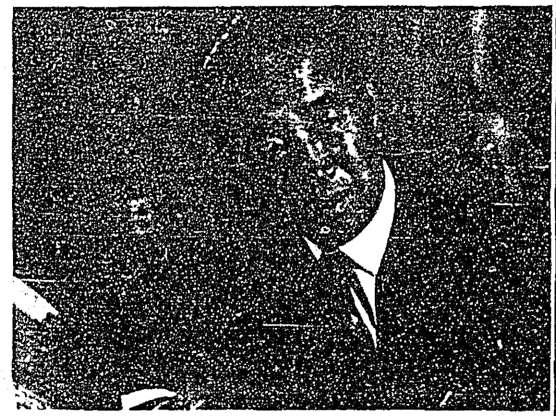
**Foreign Operations** St. Joe's primary foreign investments consist of mining companies and related facilities in Argentina and Peru.

The Argentina company, Cia. Minera Aguilar, S.A., increased production in 1966 in response to increased lead and zinc demand there. Aguilar plans a major expansion of its facilities starting later this year with a potential 70% increase in capacity of mine and mill. Some $4 million will be spent in Argentina on this project, and all the additional lead and zinc will be smelted and used in that country.

Aguilar has investment in an electrothermic smelter, and an electrolytic zinc plant and sulfuric acid plant in Argentina. These companies, Cia. Metalurgica Austral and Cia. Sulfacid, S.A., continue to operate satisfactorily, and expansion of Sulfacid's operations is being considered.

Development of an underground mine by St. Joe's Compania Minerales Santander, Inc., in the Andes Mountains of Peru started in 1966. Completion of this mine is scheduled for late 1968; it will replace the existing open-pit operation. Production of both lead and zinc at this operation increased in 1966, as did Santander's earnings.

Continuing exploration activities indicate St. Joe's confidence in the future of both countries.



South American operations are an important part of St Joe's activities, and exploration to expand those operations continues Left, Mine Surveyor Hernan Cristobal takes a reading at Compania Minerales Santander, which St Joe established in Peru Above are Wing L. Lew, top, Managing Director of Cia. Minera Aguilar in Argentina, and Clinton L Miller, Santander's Vice President and General Manager

**ST. JOSEPH LEAD COMPANY AND CONSOLIDATED SUBSIDIARIES**

| ASSETS | 1966 | 1965 |
|---|---|---|
| **Current Assets:** | | |
| Cash | $ 4,366,160 | $ 3,935,327 |
| Marketable securities (at cost) | 26,584,285 | 43,211,538 |
| Accounts receivable—trade | 15,201,512 | 12,191,583 |
| Other accounts receivable | 1,511,856 | 1,203,286 |
| Inventories (Note 1): | | |
| Lead, zinc, etc. | 13,806,052 | 7,440,362 |
| Materials and supplies | 7,344,787 | 6,365,253 |
| **Total Current Assets** | 68,814,652 | 74,347,349 |
| **Investments and Advances** (Note 2) | 16,942,835 | 18,077,125 |
| **Property, Plant and Equipment** (Note 3) | 168,175,847 | 153,916,527 |
| Less accumulated depreciation and depletion | 100,224,325 | 97,041,384 |
| **Property, Plant and Equipment—Net** | 67,951,522 | 56,875,143 |
| **Other Assets:** | | |
| Securities on deposit with Governmental agencies | 963,048 | 963,429 |
| Cash and marketable securities—Fire Insurance Fund (see contra) | 370,544 | 360,574 |
| **Total Other Assets** | 1,333,592 | 1,324,003 |
| **Deferred Charges:** | | |
| Deferred shaft sinking and development expenditures (Note 4) | 7,802,679 | 6,290,119 |
| Other deferred charges | 1,643,062 | 1,819,561 |
| **Total Deferred Charges** | 9,445,741 | 8,109,680 |
| **Total** | $164,488,342 | $158,733,300 |

See Notes to Financial Statements.

**CONSOLIDATED BALANCE SHEET DECEMBER 31, 1966 AND 1965**

| LIABILITIES AND STOCKHOLDERS' EQUITY | 1966 | 1965 |
|---|---|---|
| **Current Liabilities:** | | |
| Accounts payable and accrued liabilities | $ 11,696,407 | $ 9,333,008 |
| Long-term debt due within one year (Note 5) | 1,000,000 | 1,425,000 |
| Federal income taxes | 5,071,964 | 6,371,007 |
| **Total Current Liabilities** | 17,768,371 | 17,129,015 |
| **Long-Term Debt** (Note 5) | 15,666,669 | 19,216,669 |
| **Deferred Federal Income Taxes**—related to accelerated amortization and depreciation | 4,666,134 | 3,874,050 |
| **Reserves:** | | |
| Injury claims and workmen's liability insurance | 607,012 | 612,679 |
| Employees life insurance and retirement | 237,690 | 250,061 |
| Fire insurance (see contra) | 370,544 | 360,574 |
| **Total Reserves** | 1,215,246 | 1,223,314 |
| **Stockholders' Equity** (Note 6): | | |
| Capital stock, par value $10 per share: Authorized—10,000,000 shares Outstanding—1966, 4,496,267 shares; 1965, 4,570,564.5 shares (after deducting shares in treasury, 1966, 97,936.35, 1965, 21,386.35 shares) | 44,962,670 | 45,705,645 |
| Other Capital—representing principally excess of amount of stock dividends over par value of capital stock | 21,015,379 | 23,057,292 |
| Retained Earnings | 59,193,873 | 48,527,315 |
| **Total Stockholders' Equity** | 125,171,922 | 117,290,252 |
| **Total** | $164,488,342 | $158,733,300 |

See Notes to Financial Statements.

**ST. JOSEPH LEAD COMPANY AND CONSOLIDATED SUBSIDIARIES STATEMENT OF CONSOLIDATED INCOME FOR THE YEARS ENDED DECEMBER 31, 1966 AND 1965**

| | 1966 | 1965 |
|---|---|---|
| **Net Sales** | $145,109,767 | $136,156,901 |
| **Cost of Sales** | 112,595,456 | 96,979,226 |
| | 32,514,311 | 39,177,675 |
| **Other Income:** | | |
| Dividends on: | | |
| Foreign investments | 5,393,778 | 1,815,760 |
| Domestic investments | 166,553 | 166,793 |
| Interest | 1,953,295 | 1,945,655 |
| Royalty, Meramec Mining Company | 1,250,000 | 1,250,000 |
| Sundry—net | 527,264 | 354,680 |
| **Total** | 41,805,201 | 44,710,563 |
| **Deduct:** | | |
| Selling, general and administrative expenses | 2,954,896 | 2,629,666 |
| Research expenses | 777,246 | 695,363 |
| Shaft sinking and development expenses (Note 4) | 760,767 | 365,850 |
| Other exploration and development expenses | 487,884 | 229,546 |
| Past service annuities | — | 153,581 |
| Depreciation | 4,010,790 | 4,343,765 |
| Depletion | 415,917 | 517,069 |
| Interest on indebtedness | 853,906 | 1,121,922 |
| **Total Deductions** | 10,261,406 | 10,056,762 |
| **Income Before Income Taxes and Extraordinary Items** | 31,543,795 | 34,653,801 |
| **Federal and State Income Taxes** | 8,826,341 | 11,887,303 |
| **Net Income Before Extraordinary Items** | 22,717,454 | 22,766,498 |
| **Extraordinary Items—Net (Less Applicable Tax)** | — | 14,610 |
| **Net Income for the Year** | $ 22,717,454 | $ 22,781,108 |
| **Per Share** (1966, 4,496,267 shares; 1965, 4,570,564.5 shares) | $5.05 | $4.98 |

**STATEMENT OF CONSOLIDATED RETAINED EARNINGS FOR THE YEARS ENDED DECEMBER 31, 1966 AND 1965**

| | 1966 | 1965 |
|---|---|---|
| **Retained Earnings at Beginning of the Year** | $ 48,527,315 | $ 36,249,993 |
| **Net Income for the Year** | 22,717,454 | 22,781,108 |
| **Total** | 71,244,769 | 59,031,101 |
| **Dividends Paid:** | | |
| Cash (1966, $2.65 per share; 1965, $2.30 per share) | 12,050,896 | 10,503,786 |
| **Retained Earnings at End of the Year** | $ 59,193,873 | $ 48,527,315 |

See Notes to Financial Statements.

**1. Inventories**

Inventories of lead, zinc, etc. (finished, in process,and concentrates) are valued at cost (not in excess of market), determined substantially on the last-in, first-out (LIFO) method. Materials and supplies are valued at average cost.

**2. Investments and Advances**

The carrying values of investments in the consolidated balance sheet, which are stated at cost, except as noted below, do not indicate the current value of such investments. The following is a summary of investments and advances:

| | |
|---|---|
| Subsidiaries not Consolidated: | |
| Compania Minera Aguilar S.A.—99.9% owned, (capital stock nominal value) (note 9) . . . . . | $ 1 |
| Compania Minerales Santander, Inc.—wholly owned (capital stock $899,071 and debentures $1,030,536) . . . . | 1,929,607 |
| Fifty-Percent Owned Companies: | |
| Meramec Mining Company (capital stock $2,500 and advances, net $14,951,995) . . | 14,954,495 |
| Mine La Motte Corporation (capital stock nominal value) . . | 1 |
| Other Securities, Loans, etc.: | |
| North Africa Investments: | |
| Societe des Mines de Zellidja (at less than cost) . . . . . . | 52,115 |
| Societe Nouvelles des Mines D'Ain-Arko (nominal value) . . | 1 |
| Sundry securities, loans, etc. . . . | 6,615 |
| | $16,942,835 |

The net assets of Compania Minerales Santander, Inc. and its liability to the Company on debentures, totaled $5,529,419 at December 31, 1966 and its net income for the year then ended was $1,553,268 after provision for interest on indebtedness to the Company, depreciation and depletion of $62,361, $322,523, and $59,084, respectively. Development costs for 1966 were $56,820, which were charged against income.

During the year 1966, Bethlehem Steel Corporation and the Company each reimbursed Meramec Mining Company to the extent of $9,453,240 for expenditures made by it. Of this amount, $167,805 was recorded in the Company's accounts as additional investment in that 50% owned Company, and $9,285,435 as the cost of production.

For financial accounting purposes, depreciation is provided in the accounts of the Company on its share of the depreciable property of Meramec Mining Company over twenty years, but for Federal income tax purposes on the declining balance method over ten years. Depreciation was provided in 1966, in the amounts of $899,113 and $2,133,431, for book and tax purposes, respectively and deferred U.S. income taxes of $592,472, based on current tax rates, applied to the difference in the depreciation amounts, were charged against income. The Company's equity in the net assets of Mine La Motte Corporation at December 31, 1966, was $252,075 and its equity in the corporation's net income for the year then ended, was $12,564.

**3. Property, Plant and Equipment**

All properties are stated at cost except for $17,000,000 of mining properties and mineral rights stated at appraised values, for which full allowances for depletion have been provided. The net amount of property, plant and equipment as shown in the consolidated balance sheet does not indicate the present value of these assets, as such value could be arrived at only by current estimates which would vary from time to time depending on the price of metals, rate of production, cost of labor, and other factors.

**4. Shaft Sinking and Development Expenditures**

In 1963 the Company adopted the practice of capitalizing for financial accounting purposes, shaft sinking and development expenditures reduced by amounts equal to the current tax reductions. The amounts so capitalized are to be written off over the life of the property or the lives of the related mine equipment. The expenditures for 1966 related to Fletcher, Goose Creek and Balmat Projects.

**5. Long-Term Debt**

Long-term debt at December 31, 1966, exclusive of amounts due within one year, comprises 4½% Notes Payable to Bethlehem Steel Corporation, aggregating $15,666,669 due March 31, 1984. Under its Credit Agreement with Bethlehem Steel Corporation, the Company has assigned royalties to be received from Meramec Mining Company, up to $1,000,000 annually, as collateral security for the Notes.

**6. Stock Option Incentive Plan**

Under the Stock Option Incentive Plan approved by the stockholders in 1958, 130,000 shares of the Company's unissued stock was reserved for issuance and sale to officers and other key employees under 60 years of age, at a price not less than the market price at the time the options are granted. Due to the 10% stock dividend in 1962 and the three-for-two stock split declared in 1964, the total amount of shares so reserved was increased to 189,589 after the elimination of 49,403 shares applicable to options exercised.

The options may be exercised in equal annual instalments on the anniversary date of each grant and any part of an option not exercised at the end of five years from the date of the grant becomes void and available for future grants.

During the year 1966, options for 42,200 shares were granted at $37.625 per share, and options for 2,253 shares were exercised. The excess of the aggregate option price over the par value of 2,253 shares issued upon exercise of options in 1966, which amounted to $49,063, was credited to Other Capital.

Outstanding options at December 31, 1966 adjusted to reflect the 10% stock dividend and the three-for-two stock split, both in the number of shares and the option prices, are as follows:

| Date of Grant | Number of Shares | Option Price |
|---|---|---|
| January 10, 1964 | 43,816 | $35.5833 |
| July 8, 1965 | 32,350 | 41.25 |
| September 14, 1966 | 42,200 | 37.625 |
| | 118,366 | |

At December 31, 1966, there remained available for future grants, 5,080 shares.

In 1966 Other Capital was reduced by $2,090,976 representing the excess of cost over par value of 76,550 shares of treasury stock acquired for future issuance under the Stock Option Incentive Plan.

**7. Retirement and Pension Plans**

The Company and its consolidated subsidiaries have a Retirement Plan for Salaried Employees and a Pension Plan for Payroll Employees, covered either by a contract with an insurance company or by funds deposited with a Trustee. The assets of the Plans are not included in the accompanying consolidated balance sheet. Both Plans are non-contributory and all past service costs have been funded. At December 31, 1966, the deferred past service costs were $1,377,755, which amount is to be amortized over the period as allowed by the Internal Revenue Code. Current service costs of both the Retirement Plan and Pension Plan aggregated $1,095,971 in 1966.

**8. Income**

Sales and cost of sales for the year ended December 31, 1966, include $20,819,015 for lead and zinc sold from the Government stockpile on which, by law, no profit was realized.

**9. Compania Minera Aguilar, S.A.**

A balance sheet of Compania Minera Aguilar, S.A. as of December 31, 1966, and a related statement of income for the year then ended, both in summary form and stated in Argentine pesos, follow:

| BALANCE SHEET | Argentine Pesos* |
|---|---|
| Current Assets | 2,256,947,810 |
| Investments (at cost) | 201,160,072 |
| Capital Assets | 610,000,763 |
| Deferred Charges | 16,758,316 |
| Total Assets | 3,084,866,961 |
| Current Liabilities | 346,804,224 |
| Reserves | 1,060,588,520 |
| Stockholders' Equity | 1,677,474,217 |
| Total Liabilities and Stockholders' Equity | 3,084,866,961 |

**ST. JOSEPH LEAD COMPANY AND CONSOLIDATED SUBSIDIARIES NOTES TO FINANCIAL STATEMENTS**

STATEMENT OF INCOME

| | Argentine Pesos* |
|---|---|
| Gross Profit on Sales | 1,734,579,630 |
| Other Income | 230,861,606 |
| Total | 1,965,441,236 |
| Expenses, Other Taxes, Depreciation and Depletion and Other Deductions | 242,546,799 |
| Argentine Income and Emergency Taxes, net | 556,674,953 |
| Special Appropriation for Replacement of Capital Assets | 113,779,193 |
| Total | 913,000,945 |
| Net Income for the Year | 1,052,440,291 |

*The quoted free rate of exchange for a peso was approximately $.0040 at December 31, 1966.

The above financial statements are in conformity with accounting principles generally accepted in Argentina, which differ in respect to the accounting for capital assets and related depletion and depreciation and for special appropriations out of income for the replacement of capital assets, from that generally accepted in the United States of America.

The dividend received from the Argentine subsidiary in 1966 exceeded the equity of the Company in Compania Minera Aguilar's net income for the year, by 5,484,036 pesos. Dividends received are recorded as they are converted into U.S. dollars or U.S. dollar bonds of the Argentine government.

**ACCOUNTANTS' OPINION**

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS

TWO BROADWAY
NEW YORK 10004

To the Stockholders of St. Joseph Lead Company:

We have examined the consolidated balance sheet of St. Joseph Lead Company and its consolidated subsidiaries as of December 31, 1966 and the related statements of consolidated income and consolidated retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and statements of consolidated income and retained earnings present fairly the financial position of St. Joseph Lead Company and its consolidated subsidiaries at December 31, 1966 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

HASKINS & SELLS

February 21, 1967

**ST. JOSEPH LEAD COMPANY AND CONSOLIDATED SUBSIDIARIES COMPARATIVE FINANCIAL REVIEW 1957-1966**

| Average Metal Prices (Cents per pound) | 1966 | 1965 | 1964 |
|---|---|---|---|
| Lead, New York | 15.100 | 16.000 | 13.596 |
| Zinc, St. Louis | 14.500 | 14.500 | 13.568 |
| **Sales** | $145,109,767 | $136,156,901 | $109,509,039 |
| Cost of Sales | 112,595,456 | 96,979,226 | 83,481,096 |
| Gross profit on sales | 32,514,311 | 39,177,675 | 26,027,943 |
| **Other Income:** | | | |
| Dividends | 5,560,331 | 1,982,553 | 4,455,494 |
| Interest and other (net) | 2,480,559 | 2,300,335 | 1,779,855 |
| Royalty—Meramec Mining Company | 1,250,000 | 1,250,000 | 1,250,000 |
| Total | 41,805,201 | 44,710,563 | 33,513,292 |
| **Deduct:** | | | |
| Selling, general administrative, research, etc. | 3,732,142 | 3,478,610 | 3,209,101 |
| Strike and shutdown expense | — | — | — |
| Shaft sinking, development and exploration | 1,248,651 | 595,396 | 718,666 |
| Depreciation and depletion | 4,426,707 | 4,860,834 | 4,551,255 |
| Interest on indebtedness | 853,906 | 1,121,922 | 1,378,073 |
| U.S. and foreign income taxes | 8,826,341 | 11,887,303 | 5,744,418 |
| Total Deductions | 19,087,747 | 21,944,065 | 15,601,513 |
| **Net Income Before Extraordinary Items** | 22,717,454 | 22,766,498 | 17,911,779 |
| **Extraordinary Items** | — | 14,610 | 2,332,715 |
| **Net Income** | $ 22,717,454 | $ 22,781,108 | $ 20,244,494 |
| **Per Share Outstanding At End of Year*** | $5.05 | $4.98 | $4.44 |
| **Percent Gross Profits on Sales Applicable to:** | | | |
| Lead | 36 | 50 | 41 |
| Zinc | 52 | 43 | 59 |
| Iron | 12 | 7 | — |
| Total Assets | $164,488,342 | $158,753,300 | $153,707,601 |
| Current Assets | 68,814,652 | 74,347,349 | 70,071,803 |
| Current Liabilities | 17,768,371 | 17,129,015 | 14,222,293 |
| Current Ratio (to 1) | 3.87 | 4.34 | 4.93 |
| **Stockholders' Equity:** | | | |
| Amount | $125,171,922 | $117,290,252 | $104,778,131 |
| Per share outstanding at end of year* | $27.84 | $25.66 | $22.98 |

*Adjusted to reflect the 10% stock dividend paid December 21, 1962, and the three-for-two stock split effected September 30, 1964.

| 1963 | 1962 | 1961 | 1960 | 1959 | 1958 | 1957 |
|---|---|---|---|---|---|---|
| 11.137 | 9.631 | 10.871 | 11.948 | 12.211 | 12.109 | 14.658 |
| 11.997 | 11.625 | 11.542 | 12.946 | 11.448 | 10.309 | 11.399 |
| $ 75,598,525 | $ 67,981,883 | $ 71,008,301 | $ 79,970,908 | $ 86,611,677 | $ 76,075,865 | $107,473,568 |
| 57,932,666 | 58,106,248 | 58,063,668 | 69,062,502 | 72,804,292 | 67,370,230 | 92,042,828 |
| 17,665,859 | 9,875,635 | 12,944,633 | 10,908,406 | 13,807,385 | 8,705,635 | 15,430,740 |
| 2,613,188 | 3,588,027 | 1,634,422 | 1,991,830 | 2,276,864 | 2,762,943 | 2,042,879 |
| 781,304 | 952,053 | 2,493,264 | 551,587 | 732,196 | 321,775 | 639,177 |
| 1,250,000 | 729,166 | — | — | — | — | — |
| 22,310,351 | 15,144,881 | 17,072,319 | 13,451,823 | 16,816,445 | 11,790,353 | 18,112,796 |
| 2,657,207 | 2,542,330 | 2,272,135 | 2,322,476 | 2,355,219 | 2,310,268 | 2,468,540 |
| 1,566,461 | 1,844,107 | — | — | 316,272 | — | — |
| 1,657,847 | 2,770,751 | 2,304,202 | 2,880,829 | 1,850,551 | 1,522,462 | 561,676 |
| 3,897,981 | 3,538,848 | 3,180,607 | 3,766,920 | 3,334,648 | 2,754,733 | 2,935,632 |
| 975,111 | 1,142,997 | 1,136,735 | 1,172,042 | 1,154,307 | 513,973 | 118,833 |
| 1,651,971 | 518,216 | 1,846,444 | 337,488 | 1,542,372 | 702,037 | 4,001,842 |
| 12,406,578 | 12,357,249 | 10,740,123 | 10,479,755 | 10,553,369 | 7,803,473 | 10,086,523 |
| 9,903,773 | 2,787,632 | 6,332,196 | 2,972,068 | 6,263,076 | 3,986,880 | 8,026,273 |
| — | 1,532,241 | — | — | — | — | — |
| $ 9,903,773 | $ 4,319,873 | $ 6,332,196 | $ 2,972,068 | $ 6,263,076 | $ 3,986,880 | $ 8,026,273 |
| $2.18 | $.96 | $1.41 | $.66 | $1.40 | $.89 | $1.79 |
| 29 | 6 | 26 | 26 | 42 | 33 | 42 |
| 71 | 94 | 74 | 74 | 58 | 67 | 58 |
| — | — | — | — | — | — | — |
| $123,611,533 | $117,897,308 | $120,298,163 | $116,545,876 | $117,549,738 | $107,679,085 | $ 94,327,695 |
| 45,422,385 | 46,823,524 | 54,787,270 | 45,178,167 | 50,098,983 | 45,791,438 | 42,707,719 |
| 11,352,128 | 8,753,333 | 11,276,912 | 7,485,650 | 7,456,767 | 5,786,183 | 9,148,775 |
| 4.00 | 5.35 | 4.86 | 6.04 | 6.72 | 7.91 | 4.67 |
| $ 91,795,960 | $ 84,578,891 | $ 82,967,539 | $ 79,349,540 | $ 79,064,194 | $ 75,517,340 | $ 74,246,682 |
| $20.21 | $18.86 | $18.50 | $17.70 | $17.64 | $16.85 | $16.57 |

**ST. JOSEPH LEAD COMPANY AND CONSOLIDATED SUBSIDIARIES WORKING CAPITAL ANALYSIS AND GENERAL STATISTICS 1957-1966**

| WORKING CAPITAL | 1966 | 1965 | 1964 |
|---|---|---|---|
| **Source** | | | |
| Earnings | **$ 22,717,454** | $ 22,781,108 | $ 20,244,494 |
| Provision for Depreciation and Depletion | **4,426,707** | 4,860,834 | 4,551,255 |
| Long-term Borrowings | **—** | — | 18,000,000 |
| Sale of Investments | **4,000** | 5,724,028 | 197,213 |
| Other, net | **1,066,522** | 551,519 | 1,773,262 |
| Total | **$ 28,214,683** | $ 33,917,489 | $ 44,766,224 |
| **Use** | | | |
| Dividends Paid: | | | |
| Shares outstanding at end of year | **4,496,267** | 4,570,565 | 4,560,078 |
| Per share | **$2.65** | $2.30 | $1.66 |
| Amount | **$ 12,050,896** | $ 10,503,786 | $ 7,588,828 |
| Capital Expenditures | **15,711,952** | 10,265,587 | 8,314,200 |
| Investments | **217,411** | 607,863 | 2,376,800 |
| Repayment of Debt | **3,550,000** | 11,171,429 | 4,707,143 |
| Purchase of Company stock for stock options | **2,856,476** | — | — |
| Other, Net | **—** | — | — |
| Total | **$ 34,386,735** | $ 32,548,665 | $ 22,986,971 |
| **Working Capital at End of Year** | **$ 51,046,282** | $ 57,218,334 | $ 55,849,510 |

| GENERAL STATISTICS | 1966 | 1965 | 1964 |
|---|---|---|---|
| Number of Stockholders | **16,204** | 11,792 | 9,107 |
| United States Employees: | | | |
| Number | **3,986** | 3,820 | 3,769 |
| Salary and wage costs | **$ 30,098,896** | $ 27,900,722 | $ 24,926,760 |
| Pension and Retirement Plans: | | | |
| Members | **2,910** | 2,911 | 2,788 |
| Contributions | **$ 1,154,212** | $ 2,384,779 | $ 1,314,415 |
| Pensioners | **1,081** | 1,047 | 1,023 |
| Pension Payments | **$ 624,676** | $ 606,841 | $ 537,621 |
| Deferred Profit Sharing Plan: | | | |
| Eligible employees | **675** | 666 | 669 |
| Contributions | **$ 679,585** | $ 636,135 | $ 590,768 |

| 1963 | 1962 | 1961 | 1960 | 1959 | 1958 | 1957 |
|---|---|---|---|---|---|---|
| $ 9,903,773 | $ 4,319,873 | $ 6,332,196 | $ 2,972,068 | $ 6,263,076 | $ 3,986,880 | $ 8,026,273 |
| 3,897,981 | 3,538,848 | 3,180,607 | 3,766,920 | 3,334,648 | 2,754,733 | 2,935,632 |
| — | 3,000,000 | — | — | 5,000,000 | 15,000,000 | 8,500,000 |
| — | — | 8,549,758 | — | — | — | — |
| — | — | 179,429 | — | 1,509,628 | 1,108,897 | 399,130 |
| $ 13,801,754 | $ 10,858,721 | $ 18,241,990 | $ 6,738,988 | $ 16,107,352 | $ 22,850,510 | $ 19,861,035 |
| 3,028,217 | 2,989,382 | 2,717,322 | 2,717,222 | 2,716,222 | 2,716,222 | 2,716,222 |
| $1.25 | $1.00 | $1.00 | $1.00 | $1.00 | $1.00 | $2.00 |
| $ 3,763,404 | $ 2,717,622 | $ 2,717,247 | $ 2,717,222 | $ 2,716,222 | $ 2,716,222 | $ 5,432,486 |
| 3,186,963 | 3,750,014 | 2,445,243 | 5,912,656 | 9,283,290 | 11,830,509 | 15,017,048 |
| 5,866,947 | 4,634,987 | 3,554,516 | 1,891,994 | 620,879 | 1,857,468 | 4,094,470 |
| 4,290,476 | 4,290,476 | 3,707,143 | 850,000 | 850,000 | — | — |
| — | — | — | — | — | — | — |
| 693,897 | 905,790 | — | 316,815 | — | — | — |
| $ 17,801,687 | $ 16,298,889 | $ 12,424,149 | $ 11,688,687 | $ 13,470,391 | $ 16,404,199 | $ 24,544,004 |
| $ 34,070,257 | $ 38,070,190 | $ 43,510,358 | $ 37,692,517 | $ 42,642,216 | $ 40,005,255 | $ 33,558,944 |
| 8,772 | 8,986 | 9,740 | 10,651 | 11,812 | 13,315 | 14,267 |
| 3,621 | 3,774 | 3,871 | 4,171 | 4,263 | 4,581 | 5,076 |
| $ 20,813,527 | $ 19,781,411 | $ 22,598,389 | $ 24,803,687 | $ 22,670,522 | $ 23,755,404 | $ 27,832,266 |
| 2,628 | 2,777 | 2,789 | 2,690 | 2,622 | 2,448 | 2,582 |
| $ 814,733 | $ 939,017 | $ 944,152 | $ 1,049,557 | $ 780,000 | $ 826,198 | $ 800,928 |
| 937 | 920 | 886 | 819 | 822 | 780 | 710 |
| $ 496,194 | $ 457,701 | $ 434,517 | $ 355,782 | $ 331,550 | $ 303,019 | $ 276,461 |
| 687 | 683 | 702 | 698 | 682 | 693 | 685 |
| $ 297,113 | — | $ 189,966 | — | $ 187,892 | — | $ 240,788 |

## UNITED STATES LEAD STATISTICS IN SHORT TONS

| | 1966 (Estimated) | 1965 (Final) |
|---|---|---|
| **Current Supply:** | | |
| Recoverable U. S. mine production | **321,000** | 301,000 |
| From U. S. stockpile | **75,000** | 37,000 |
| From scrap | **550,000** | 543,000 |
| Imports of concentrates and bullion (lead content) | **130,000** | 128,000 |
| Metal imports (net) | **278,000** | 214,000 |
| Total Lead Equivalent Available | **1,354,000** | 1,223,000 |
| **Consumption:** | | |
| Batteries | **440,000** | 429,000 |
| Ethyl gasoline | **243,000** | 225,000 |
| Cables | **63,000** | 60,000 |
| Construction | **112,000** | 116,000 |
| Pigments | **122,000** | 109,000 |
| Other uses | **320,000** | 303,000 |
| Total Consumption | **1,300,000** | 1,242,000 |
| **Apparent Surplus (Deficit)** | **54,000** | (19,000) |

## UNITED STATES ZINC STATISTICS IN SHORT TONS

| | 1966 (Estimated) | 1965 (Final) |
|---|---|---|
| **Current Supply:** | | |
| Recoverable U. S. mine production | **605,000** | 611,000 |
| Less—used to make pigments | **96,000** | 99,000 |
| Recoverable domestic zinc available to metal smelters | **509,000** | 512,000 |
| From U. S. stockpile | **95,000** | 170,000 |
| From scrap | **72,000** | 84,000 |
| Imports of concentrates (recoverable zinc content) | **500,000** | 401,000 |
| Imports of slab zinc | **285,000** | 154,000 |
| Total Zinc Equivalent Available | **1,461,000** | 1,321,000 |
| **Consumption:** | | |
| Galvanizing | **498,000** | 482,000 |
| Zinc-base alloys | **622,000** | 638,000 |
| Brass | **185,000** | 127,000 |
| Rolled zinc | **52,000** | 46,000 |
| Oxides | **31,000** | 26,000 |
| Other | **29,000** | 35,000 |
| Total Consumption | **1,417,000** | 1,354,000 |
| Exports | **2,000** | 6,000 |
| Total Zinc Metal Consumed and Exported | **1,419,000** | 1,360,000 |
| **Apparent Surplus (Deficit)** | **42,000** | (39,000) |

**ST. JOSEPH LEAD COMPANY LEAD STATISTICS IN SHORT TONS**

| Year | Lead Concentrates Produced from Company's Mines | Net Lead Raw Materials Purchased | Pig Lead Production | Pig Lead Purchased | Pig Lead Sales Including 1957-1960 Sales Under Agency Contracts |
|---|---|---|---|---|---|
| 1957 ....... | 163,079 | 46,309 | 137,940 | 62,392 | 183,942 |
| 1958 ....... | 149,624 | 25,102 | 116,799 | 51,569 | 139,131 |
| 1959 ....... | 143,167 | 8,300 | 101,478 | 50,306 | 164,084 |
| 1960 ....... | 147,879 | 13,656 | 98,447 | 33,209 | 131,852 |
| 1961 ....... | 139,817 | 4,927 | 116,148 | 17 | 108,447 |
| 1962 ....... | 86,375 | 4,453 | 77,156 | — | 112,857 |
| 1963 ....... | 113,801 | 2,773 | 81,319 | 10,357 | 96,692 |
| 1964 ....... | 170,704 | 3,528 | 117,643 | 8,724 | 125,177 |
| 1965 ....... | 189,962 | 4,086 | 133,601 | 9,135 | 142,243 |
| 1966 ....... | 189,225 | 4,796 | 118,354 | 69,201 | 175,762 |

**ST. JOSEPH LEAD COMPANY ZINC STATISTICS IN SHORT TONS**

| Year | Zinc Concentrates Produced from Company's Mines | Net Zinc Raw Materials Purchased | Slab Zinc Equivalent of Smelter Production | Purchased Zinc | Slab Zinc Equivalent of Sales | Sulphuric Acid Sales |
|---|---|---|---|---|---|---|
| 1957 ... | 123,417 | 129,847 | 151,554 | 56,613 | 192,112 | 204,255 |
| 1958 ... | 99,523 | 110,182 | 122,774 | 46,453 | 174,083 | 171,938 |
| 1959 ... | 81,292 | 121,611 | 128,670 | 44,334 | 179,478 | 176,607 |
| 1960 ... | 128,762 | 166,613 | 148,788 | 26,730 | 158,276 | 186,722 |
| 1961 ... | 111,598 | 123,882 | 141,209 | 8,511 | 162,005 | 194,327 |
| 1962 ... | 104,080 | 170,281 | 153,968 | 4,709 | 152,258 | 189,866 |
| 1963 ... | 99,914 | 153,053 | 174,089 | 6,726 | 178,515 | 211,930 |
| 1964 ... | 117,473 | 214,772 | 193,444 | 15,538 | 211,731 | 243,920 |
| 1965 ... | 140,284 | 229,958 | 202,657 | 21,058 | 221,329 | 237,305 |
| 1966 ... | 147,860 | 150,413 | 216,910 | 9,874 | 214,189 | 252,987 |

**IRON ORE PELLET STATISTICS IN LONG TONS (ST. JOE SHARE)**

| Year | |
|---|---|
| 1964 ..... | 407,814 |
| 1965 ..... | 791,439 |
| 1966 ..... | 869,239 |

## ST. JOSEPH LEAD COMPANY

Incorporated March 25, 1864, under the laws of the State of New York
**Executive Office** 250 Park Avenue, New York, N. Y. 10017

**BOARD OF TRUSTEES**
(Year Elected)

Andrew Fletcher*, *Chairman (1921)*
Francis Cameron*, *President (1953)*
Bernard F Desloge, *Vice President, Minerva Oil Co., St. Louis, Missouri (1953)*
Eli Whitney Debevoise*, *Debevoise, Plimpton, Lyons & Gates, New York, N. Y. (1954)*
James W. McAfee, *Chairman, Union Electric Company, St. Louis, Missouri (1954)*
David R. Calhoun, *President, St. Louis Union Trust Company (1957)*
Joseph Pursglove, Jr., *Vice President, Consolidation Coal Co., Pittsburgh, Pa. (1959)*
Plato Malozemoff*, *President and Chairman, Newmont Mining Corporation (1961)*
Guido F. Verbeck, Jr., *Senior Vice President, Morgan Guaranty Trust Company of New York (1961)*
Elmer A Jones, *Division Manager (1963)*
Lawrason Riggs III*, *Vice President (1963)*
Robert H Ramsey, *Vice President (1964)*

*Member of Executive Committee

**EXECUTIVE OFFICERS**

Andrew Fletcher
*Chairman*

Francis Cameron
*President*

Malcolm Bonynge
*Vice President—Sales*

John R. Englehorn
*Vice President*

Robert H. Ramsey
*Vice President*

Lawrason Riggs III
*Vice President*

James G. Colvin
*Vice President and Treasurer*

D. Broward Craig
*Secretary*

William L. Murphy, Jr.
*Comptroller & Assistant Secretary*

Edward P. Merrell
*Assistant Treasurer*

Frank J. Reidy
*Assistant Comptroller*

**MANAGER OF EXPLORATIONS**

Norman H. Donald, Jr.

**UNITED STATES DIVISION MANAGERS**

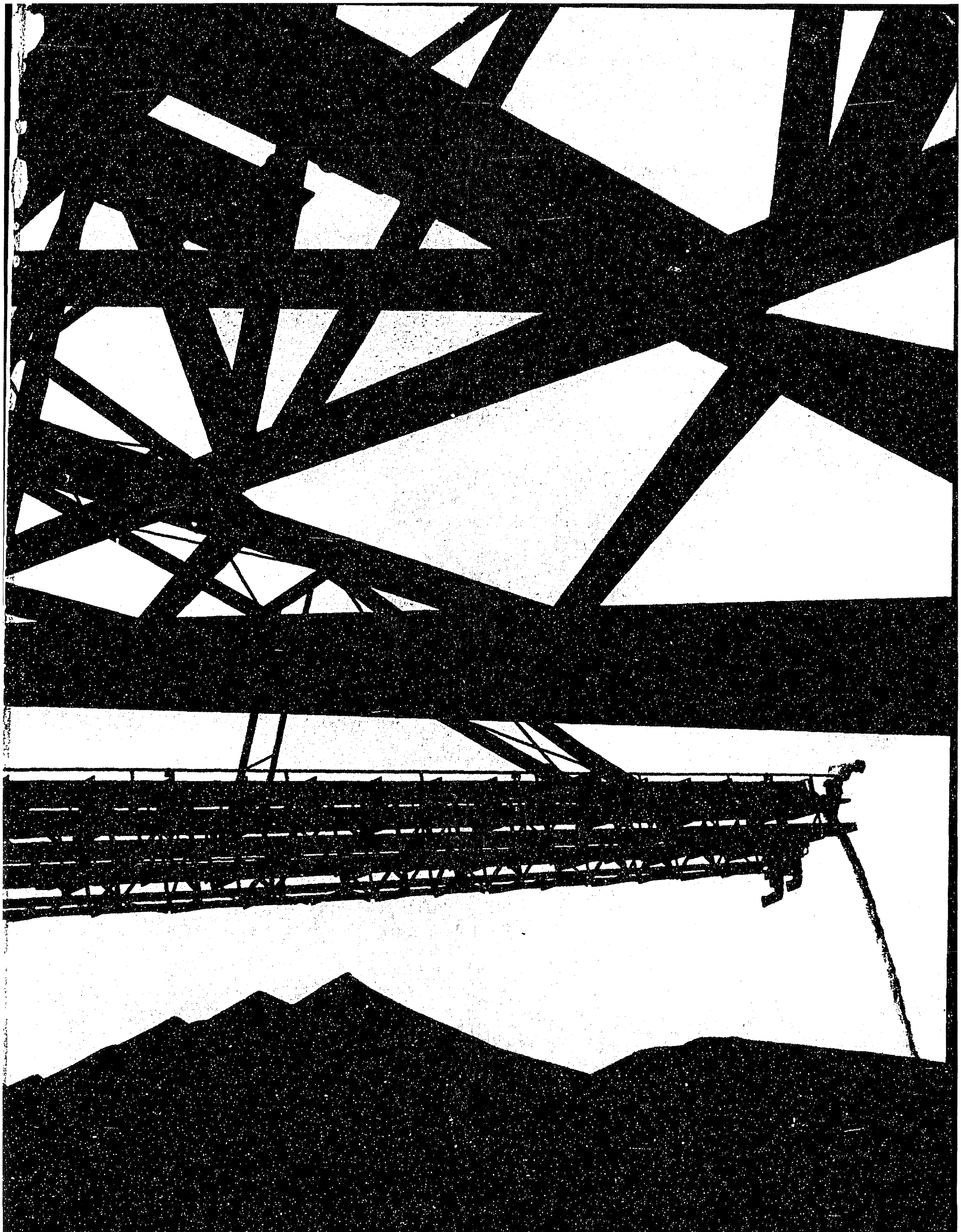
**Mines**
Elmer A. Jones, *Southeast Missouri*
Mark E. Riley, *Balmat-Edwards, N. Y.*

**Smelters**
John W. Sherman, *Herculaneum, Missouri*
Charles D. Henderson, *Josephtown, Pennsylvania*

**Cia. Minera Aguilar, S. A., Argentina** — Wing L. Lew, *Managing Director*
**Cia. Minerales Santander, Inc., Peru** — Clinton L. Miller, *Vice President & General Manager*
**Meramec Mining Company** — Robert G. Peets, *Resident Manager*
**General Counsel** — Debevoise, Plimpton, Lyons & Gates, *320 Park Avenue, New York, N. Y. 10022*

**Transfer Agent** — Bankers Trust Company, *16 Wall Street, New York, N. Y. 10015*
**Auditors** — Haskins & Sells, *Two Broadway, New York, N. Y. 10004*
**Registrar** — The First National City Bank, *55 Wall Street, New York, N. Y. 10005*

Meramec Mining Company is St. Joe's joint venture with Bethlehem Steel for production of the iron ore pellets pictured at right. The Meramec operation had increases in both production and earnings in 1966.



ST. JOE

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