Annual Report

NATIONAL LEAD COMPANY

For Fiscal Year Ending

December 31, 1895

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 at their Fourth Annual Meeting, February 20, 1896, for the Fiscal Year Ending December 31, 1895.

To the Stockholders of National Lead Company:
The following Balance Sheet shows the condition of the Company on December 31, 1895:

ASSETS

Plant Investment..........................		$23,613,465.65
Other Investments..........................		435,663.48
Stock on Hand, manufactured, in process and raw..........................		4,801,231.33
Treasury Stock-Common..........	$94,600.00	
-Preferred........	96,000.00	190,600.00
Cash in Banks..........................		338,209.52
Notes Receivable..........................		217,857.93
Accounts Receivable..........................		1,281,838.98
Total Assets..........................		$30,878,866.89

LIABILITIES

Capital Stock-Common........	$15,000,000.00	$
-Preferred......	15,000,000.00	30,000,000.00
Surplus, December 31, 1895..........................		761,099.82
Mortgages..........................		12,603.25
Accounts Payable..........................		105,163.82
Total Liabilities..........................		$30,878,866.89

In order that stockholders may conveniently compare the condition of the Company with that of 1894, the following comparative sheet is presented herewith:

ASSETS

	Dec. 31, 1894	Dec. 31, 1895	Increase	Decrease
Plant Investment........	$23,629,022.98	$23,613,465.65	$	$ 15,557.33
Other Investments.......	425,703.91	435,663.48	9,959.57	....
Stock on Hand...........	4,465,396.44	4,801,231.33	335,834.89	....
Treasury Stock..........	190,600.00	190,600.00	....	....
Cash in Banks...........	692,294.32	338,209.52	....	354,084.80
Notes Receivable........	320,497.76	317,857.93	....	2,639.83
Accounts Receivable.....	1,186,562.16	1,281,838.98	95,276.82	....
Total Assets............	$30,810,077.57	$30,878,866.89	$441,071.28	$372,281.96

LIABILITIES

	Dec. 31, 1894	Dec. 31, 1895	Increase	Decrease
Capital Stock...........	$30,000,000.00	$30,000,000.00	....	....
Surplus.................	672,172.28	761,099.82	$ 88,927.54	....
Mortgages...............	12,603.25	12,603.25	....	....
Accounts Payable........	125,302.04	105,163.82	....	$ 20,138.22
Total Liabilities.......	$30,810,077.57	$30,878,866.89	$ 88,927.54	$ 20,138.22

RECAPITULATION

Assets Increased..	$441,071.28
Liabilities Decreased.........;................................	20,138.22
	$461,209.50
Assets Decreased..	372,281.96
Surplus Increased during 1895...........................	$ 88,927.54

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SURPLUS ACCOUNT

Surplus, December 31, 1894...	$ 672,172.28
Net Earnings during 1895..	1,281,261.54
	$1,953,433.82

DIVIDENDS PAID DURING 1895

On Preferred Stock

March 15...........	Dividend No. 13	$260,820.00		
June 15...........	" No. 14	230,820.00		
Sept. 16...........	" No. 15	260,820.00		
Dec. 16...........	" No. 16	260,820.00	$1,043,280.00	

On Common Stock

Oct. 17...........	Dividend No. 6		149,054.00	1,192,334.00
Surplus, December 31, 1895....................................				$ 761,099.82

The year 1895 was one of slow awakening from the two years of depression which proceded it. Manufacturing interests have only partially adjusted themselves to the conditions brought about by a tariff revolution and meanwhile enterprise has been stimulated and the volume of trade maintained or increased only by prices so low as to give but small returns to capital. Slightly increased importations of all the products we manufacture have been made and in some minor articles the competition thus created has resulted in a decreased tonnage sold without profit.

The enforced economies of the two former years had, however, left the country bare of lead products and this condition coupled with inviting prices and strenuous efforts to sell, resulted in the distribution of a greater aggregate tonnage of our goods in any year since the organization of the company, but at the lowest margin of profit per ton.

Under all the circumstances it is gratifying to be able to report an increase in the net earnings of $69,003.07 over the previous year. The net earnings are shown after charging to expense account over $116,000.00 expended in repairs and betterments.

The usual quarterly dividends on preferred and one dividend of one per cent. on common stock were declared and paid during the year, the aggregate amounting to $1,192,334.00 which deducted from the net earnings left $88,927.54 to be added to Surplus Account, which is thereby increased to $761,099.92 and actively employed.

The financial statement shows an increase in the value of stocks on hand, and they are the largest in the history of the company. All Inventories have been taken at cash values for raw material and actual cost for manufactured goods. We cannot expect lower prices for raw material and have a reasonable hope of increased profits on the business of the present year.

The general financial condition of the company is fully set forth in the several statements. The working capital is ample for present needs, enabling us to pay cash for all we buy without borrowing. The accounts payable of $105,163.82 represent current matters in process of payment. The mortgage of $13,603.25, as explained in last report, we cannot pay off during the life of the holder.

The policy of the management has been to modernise the factories, with a view to reducing cost and improving the quality of manufactured products. Each year has shown progress and in the one we are entering further advances in these directions will be made. The conditions prevailing with the smelting and refining interests have not warranted active conduct of that feature of our business in the period under review.

Our relations to the trade are increasingly harmonious. We have studied the wants and cultivated the friendship of both the consuming and distributing interests. Having acquired at great cost the best established brands and factories in the United States, we have legitimately succeeded to the business which they had enjoyed, and are expanding it with the growth of the country by all proper means. That business it will be our first duty to foster and defend. The first six weeks of this year's business show a large increase over the same time in 1895 and with a continuance of peaceful conditions we may take a hopeful view of the future. The late months of 1895 were below the average and promptly showed the sensitiveness of trade to financial fears. At this writing a bettered feeling in this respect is quickly reflected by the renewed confidence of our customers.

On February 3, 1896, we sustained a great loss in the death of President William P. Thompson. The National Lead Company is the creature of his conception, and its foundations were laid on solid rock. He designed and finished on this foundation a superstructure which is self-contained and self-supporting. All the high qualities of character, which he possessed, were prodigally exercised in its behalf, and the company stands an enduring monument to his memory.

The concluding paragraph of President Thompson's last annual report expressed then, as it does now, the views of the management and reads as follows, viz:

"The policy of this company remains precisely as it has been since its inauguration, and is very simple.

First, the unqualified protection of the property in all its departments and in its business, and Second, to make fair and reasonable profits, and distribute same among its shareholders whenever deemed wise and prudent to do so."

Respectfully,

L. A. Cole,

Vice-President.