

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K / A-1

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934 - For the fiscal year ended December 31, 1996

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

Commission file number 1-640

NL INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

New Jersey	13-5267260
----- (State or other jurisdiction of incorporation or organization)	----- (IRS Employer Identification No.)
16825 Northchase Drive, Suite 1200, Houston, Texas	77060-2544
----- (Address of principal executive offices)	----- (Zip Code)

Registrant's telephone number, including area code: (281) 423-3300

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
-----	-----
Common stock (\$.125 par value)	New York Stock Exchange Pacific Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

As of March 20, 1997, 51,144,014 shares of common stock were outstanding. The aggregate market value of the 13,662,324 shares of voting stock held by nonaffiliates as of such date approximated \$149 million.

Documents incorporated by reference:

The information required by Part III is incorporated by reference from the Registrant's definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this report.

The undersigned Registrant hereby amends the following items, financial statements, exhibits or other portions of its Annual Report on Form 10-K for the year ended December 31, 1996 as set forth below and in the pages attached hereto:

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES,

AND REPORTS ON FORM 8-K.

Exhibit No. 99.1, Annual Report of NL Industries, Inc. Retirement Savings Plan on Form 11-K for the year ended December 31, 1996 (filed as an amendment to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1996).

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this amendment to be signed on its behalf by the undersigned, thereunto duly authorized.

NL INDUSTRIES, INC.
(Registrant)

Dated: June 20, 1997

By: /s/ Dennis G. Newkirk

Dennis G. Newkirk
Vice President
and Controller

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

Annual Report Pursuant to Section 15(d) of the
Securities Exchange Act of 1934

Annual report pursuant to Section 15(d) of the Securities Exchange Act of
1934 - for the year ended December 31, 1996

OR

Transition report pursuant to Section 15(d) of the Securities Exchange
Act of 1934

For the transition period from to

Commission file number 1-640

A. Full title of the plan and the address of the plan, if different
from that of the issuer named below:

NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the
address of its principal executive office:

NL INDUSTRIES, INC.
16825 Northchase Drive, Suite 1200
Houston, Texas 77060-2544

NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

INDEX

	Page
Signature Page	2
Financial Statements and Supplemental Schedules with Report of Independent Accountants	F-1 to F-16
Exhibit 1 - Consent of Independent Accountants	

SIGNATURE

Pursuant to the requirements of the Securities Act of 1934, the Administrator has duly caused this Annual Report to be signed by the undersigned thereunto duly authorized.

NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

By: NL INDUSTRIES, INC.
PENSION AND EMPLOYEE
BENEFITS COMMITTEE,
Administrator of
NL Industries, Inc.
Retirement Savings Plan

By: /s/ Edward J. Zadzora
Edward J. Zadzora
Chairman

June 20, 1997

- 2 -

NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

FINANCIAL STATEMENTS, FUND INFORMATION AND SUPPLEMENTAL SCHEDULES
WITH REPORT OF INDEPENDENT ACCOUNTANTS

December 31, 1996

NL INDUSTRIES INC.
RETIREMENT SAVINGS PLAN

INDEX

	Page
Report of Independent Accountants	F-2
Financial Statements:	
Statements of Net Assets Available for Benefits, with Fund Information - December 31, 1995 and 1996	F-3 to F-5
Statements of Changes in Net Assets Available for Benefits, with Fund Information - Years ended December 31, 1995 and 1996	F-6 to F-8
Notes to Financial Statements	F-9 to F-14
Supplemental Schedules:	

Item 27a - Schedule of Assets Held for Investment Purposes
- December 31, 1996

F-15

Item 27d - Schedule of Reportable Transactions
- Year ended December 31, 1996

F-16

All other schedules are omitted because they are not applicable or not required.

F-1

REPORT OF INDEPENDENT ACCOUNTANTS

To the Pension and Employee Benefits Committee of
NL Industries, Inc.:

We have audited the accompanying statements of net assets available for benefits of the NL Industries, Inc. Retirement Savings Plan as of December 31, 1995 and 1996, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of NL's Pension and Employee Benefits Committee. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by NL's Pension and Employee Benefits Committee, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the NL Industries, Inc. Retirement Savings Plan as of December 31, 1995 and 1996, and the changes in net assets available for benefits for the years then ended in conformity with generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules, as listed on the accompanying index, are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The fund information in the statements of net assets available for benefits and the statements of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the net assets available for benefits and changes in net assets available for benefits of each fund. The supplemental schedules and fund information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

COOPERS & LYBRAND L.L.P.

Houston, Texas
June 12, 1997

F-2

NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS,
WITH FUND INFORMATION

December 31, 1995

	Fund Information				
	ML Federal Securities Trust	ML Capital Fund, Inc.	ML Basic Value Fund	ML Retirement Preservation Trust	ML Global Holdings, Inc.
Investments at fair value:					
Common stock	\$ --	\$ --	\$ --	\$ --	\$ --
Other securities	635,644	4,182,517	2,290,572	24,364,863	726,896
Employer contributions receivable	22,516	143,211	148,455	289,062	59,397
Cash	--	--	--	--	--
Net assets available for plan benefits	\$ 658,160	\$ 4,325,728	\$ 2,439,027	\$ 24,653,925	\$ 786,293

	Fund Information			
	Common Stock Funds			Total
	NL	Dresser/Tremont	Cash Fund	
Investments at fair value:				
Common stock	\$ 2,966,120	\$ 392,019	\$ --	\$ 3,358,139
Other securities	--	--	--	32,200,492
Employer contributions receivable	96,019	--	--	758,660
Cash	--	--	4,029	4,029
Net assets available for plan benefits	\$ 3,062,139	\$ 392,019	\$ 4,029	\$ 36,321,320

F-3

NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS,
WITH FUND INFORMATION (CONTINUED)

December 31, 1996

Fund Information

	MFS Emerging Growth Fund	Templeton World Fund	AIM International Equity Fund	AIM Value Fund
Investments at fair value:				
Common stock	\$ --	\$ --	\$ --	\$ --
Other securities	1,053,576	476,472	405,674	725,427
Employer contributions receivable	51,737	34,693	23,202	33,185
Cash	--	--	--	--
Net assets available for plan benefits	<u>\$1,105,313</u>	<u>\$ 511,165</u>	<u>\$ 428,876</u>	<u>\$ 758,612</u>

Fund Information

	MFS Government Securities Fund	ML Equity Index Trust	ML Global Allocation Fund, Inc.
Investments at fair value:			
Common stock	\$ --	\$ --	\$ --
Other securities	215,693	346,379	477,894
Employer contributions receivable	11,014	21,451	25,031
Cash	--	--	--
Net assets available for plan benefits	<u>\$ 226,707</u>	<u>\$ 367,830</u>	<u>\$ 502,925</u>

F-4

NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS,
WITH FUND INFORMATION (CONTINUED)

December 31, 1996 (Continued)

Fund Information (Continued)

	ML Federal Securities Trust	ML Capital Fund, Inc.	ML Basic Value Fund	ML Retirement Preservation Trust	ML Global Holdings, Inc.
Investments at fair value:					
Common stock	\$ --	\$ --	\$ --	\$ --	\$ --
Other securities	645,236	4,531,774	3,057,100	22,758,005	601,585
Employer contributions receivable	15,144	110,550	107,977	235,826	--
Cash	--	--	--	--	--
Net assets available for plan benefits	<u>\$ 660,380</u>	<u>\$ 4,642,324</u>	<u>\$ 3,165,077</u>	<u>\$22,993,831</u>	<u>\$ 601,585</u>

Fund Information (Continued)

Common Stock Funds				
	NL	Dresser/ Tremont	Cash Fund	Total
Investments at fair value:				
Common stock	\$ 2,388,253	\$ 491,385	\$ --	\$ 2,879,638
Other securities	--	--	--	35,294,815
Employer contributions receivable	46,967	--	--	716,777
Cash	--	--	5,608	5,608
Net assets available for plan benefits	\$ 2,435,220	\$ 491,385	\$ 5,608	\$38,896,838

See accompanying notes to financial statements.
F-5

NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

STATEMENTS OF CHANGES IN ASSETS AVAILABLE FOR BENEFITS,
WITH FUND INFORMATION

Year ended December 31, 1995

Fund Information					
	ML Federal Securities Trust	ML Capital Fund, Inc.	ML Basic Value Fund	ML Retirement Preservation Trust	ML Global Holdings, Inc.
Investment income:					
Dividend income:					
Dresser Corporation	\$ --	\$ --	\$ --	\$ --	\$ --
Other	30,096	428,859	101,067	--	38,299
Interest income	--	--	--	1,518,710	--
Total investment income	30,096	428,859	101,067	1,518,710	38,299
Net appreciation (depreciation) in the fair value of investments	30,007	591,021	420,509	--	58,011
Contributions:					
Participants	51,497	238,841	192,109	544,341	91,965
Employer	22,516	143,211	148,455	289,062	59,397
Total contributions	74,013	382,052	340,564	833,403	151,362
Total income and contributions	134,116	1,401,932	862,140	2,352,113	247,672
Net interfund transfers	198,320	27,097	139,605	(893,413)	27,659
Distributions:					
Benefit payments	12,096	281,081	69,324	2,615,395	67,623
Less forfeitures	(182)	(494)	(815)	(2,135)	(631)
Total distributions	11,914	280,587	68,509	2,613,260	66,992

Net change in net assets available for plan benefits	320,522	1,148,442	933,236	(1,154,560)	208,339
Net assets available for plan benefits:					
Beginning of year	337,638	3,177,286	1,505,791	25,808,485	577,954
	-----	-----	-----	-----	-----
End of year	\$ 658,160	\$ 4,325,728	\$ 2,439,027	\$ 24,653,925	\$ 786,293
	=====	=====	=====	=====	=====

Fund Information

	Common Stock Funds			

	NL	Dresser/ Tremont	Cash Fund	Total
	-----	-----	-----	-----
Investment income:				
Dividend income:				
Dresser Corporation	\$ --	\$ 9,868	\$ --	\$ 9,868
Other	--	--	--	598,321
Interest income	--	--	1,705	1,520,415
	-----	-----	-----	-----
Total investment income	--	9,868	1,705	2,128,604
	-----	-----	-----	-----
Net appreciation (depreciation) in the fair value of investments	(167,245)	90,951	--	1,023,254
	-----	-----	-----	-----
Contributions:				
Participants	160,265	--	--	1,279,018
Employer	96,019	--	--	758,660
	-----	-----	-----	-----
Total contributions	256,284	--	--	2,037,678
	-----	-----	-----	-----
Total income and contributions	89,039	100,819	1,705	5,189,536
	-----	-----	-----	-----
Net interfund transfers	512,367	(11,635)	--	--
	-----	-----	-----	-----
Distributions:				
Benefit payments	107,149	23,074	--	3,175,742
Less forfeitures	(229)	--	--	(4,486)
	-----	-----	-----	-----
Total distributions	106,920	23,074	--	3,171,256
	-----	-----	-----	-----
Net change in net assets available for plan benefits	494,486	66,110	1,705	2,018,280
Net assets available for plan benefits:				
Beginning of year	2,567,653	325,909	2,324	34,303,040
	-----	-----	-----	-----
End of year	\$ 3,062,139	\$ 392,019	\$ 4,029	\$ 36,321,320
	=====	=====	=====	=====

NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

STATEMENTS OF CHANGES IN ASSETS AVAILABLE FOR BENEFITS,
WITH FUND INFORMATION (CONTINUED)

Year ended December 31, 1996

	Fund Information			
	MFS Emerging Growth Fund	Templeton World Fund	AIM International Equity Fund	AIM Value Fund
Investment income:				
Dividend income:				
NL Industries, Inc.	\$ --	\$ --	\$ --	\$ --
Dresser Corporation	--	--	--	--
Other	12,370	31,535	10,357	34,248
Interest income	--	--	--	--
	-----	-----	-----	-----
Total investment income	12,370	31,535	10,357	34,248
	-----	-----	-----	-----
Net appreciation (depreciation) in the fair value of investments	(20,966)	10,822	20,990	38,049
	-----	-----	-----	-----
Contributions:				
Participants	66,794	41,172	36,106	50,186
Employer	51,737	34,693	23,202	33,185
	-----	-----	-----	-----
Total contributions	118,531	75,865	59,308	83,371
	-----	-----	-----	-----
Total income and contributions	109,935	118,222	90,655	155,668
	-----	-----	-----	-----
Net interfund transfers	1,001,104	393,871	338,741	606,950
	-----	-----	-----	-----
Distributions:				
Benefit payments	5,726	928	520	4,006
Less forfeitures	--	--	--	--
	-----	-----	-----	-----
Total distributions	5,726	928	520	4,006
	-----	-----	-----	-----
Net change in net assets available for plan benefits	1,105,313	511,165	428,876	758,612
	-----	-----	-----	-----
Net assets available for plan benefits:				
Beginning of year	--	--	--	--
	-----	-----	-----	-----
End of year	\$ 1,105,313	\$ 511,165	\$ 428,876	\$ 758,612
	=====	=====	=====	=====

Fund Information

	MFS Government Securities Fund	ML Equity Index Trust	ML Global Allocation Fund, Inc.
	-----	-----	-----
Investment income:			
Dividend income:			
NL Industries, Inc.	\$ --	\$ --	\$ --
Dresser Corporation	--	--	--
Other	7,284	--	39,571
Interest income	--	--	--
	-----	-----	-----
Total investment income	7,284	--	39,571
	-----	-----	-----
Net appreciation (depreciation) in the fair value of investments	4,759	37,376	(3,987)
	-----	-----	-----
Contributions:			
Participants	22,970	30,581	30,082
Employer	11,014	21,451	25,031
	-----	-----	-----
Total contributions	33,984	52,032	55,113
	-----	-----	-----
Total income and contributions	46,027	89,408	90,697
	-----	-----	-----
Net interfund transfers	181,284	282,463	413,140
	-----	-----	-----
Distributions:			
Benefit payments	604	4,041	912
Less forfeitures	--	--	--
	-----	-----	-----
Total distributions	604	4,041	912
	-----	-----	-----
Net change in net assets available for plan benefits	226,707	367,830	502,925
Net assets available for plan benefits:			
Beginning of year	--	--	--
	-----	-----	-----
End of year	\$ 226,707	\$ 367,830	\$ 502,925
	=====	=====	=====

F-7

NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

STATEMENTS OF CHANGES IN ASSETS AVAILABLE FOR BENEFITS,
WITH FUND INFORMATION (CONTINUED)

Year ended December 31, 1996 (Continued)

Fund Information (Continued)

	ML Federal Securities Trust	ML Capital Fund, Inc.	ML Basic Value Fund	ML Retirement Preservation Trust	ML Global Holdings, Inc.
Investment income:					
Dividend income:					
NL Industries, Inc.	\$ --	\$ --	\$ --	\$ --	\$ --
Dresser Corporation	--	--	--	--	--
Other	43,822	433,519	207,450	--	36,615
Interest income	--	--	--	1,416,181	--
Total investment income	43,822	433,519	207,450	1,416,181	36,615
Net appreciation (depreciation) in the fair value of investments	(13,887)	75,626	235,047	--	51,115
Contributions:					
Participants	44,756	265,066	267,891	423,904	44,852
Employer	15,144	110,550	107,977	235,826	--
Total contributions	59,900	375,616	375,868	659,730	44,852
Total income and contributions	89,835	884,761	818,365	2,075,911	132,582
Net interfund transfers	(52,291)	(280,470)	(46,618)	(1,865,472)	(310,057)
Distributions:					
Benefit payments	35,324	287,695	45,697	1,874,490	7,233
Less forfeitures	--	--	--	(3,957)	--
Total distributions	35,324	287,695	45,697	1,870,533	7,233
Net change in net assets available for plan benefits	2,220	316,596	726,050	(1,660,094)	(184,708)
Net assets available for plan benefits:					
Beginning of year	658,160	4,325,728	2,439,027	24,653,925	786,293
End of year	\$ 660,380	\$ 4,642,324	\$ 3,165,077	\$ 22,993,831	\$ 601,585

Fund Information (Continued)

Common Stock Funds				
	NL	Dresser/ Tremont	Cash Fund	Total
Investment income:				
Dividend income:				
NL Industries, Inc.	\$ 68,389	\$ --	\$ --	\$ 68,389
Dresser Corporation	--	8,595	--	8,595
Other	--	--	--	856,771
Interest income	--	--	1,579	1,417,760
Total investment income	68,389	8,595	1,579	2,351,515
Net appreciation (depreciation) in the fair value of investments	(180,690)	142,421	--	396,675
Contributions:				
Participants	138,757	--	--	1,463,117
Employer	46,967	--	--	716,777

Total contributions	185,724	--	--	2,179,894
Total income and contributions	73,423	151,016	1,579	4,928,084
Net interfund transfers	(621,540)	(41,105)	--	--
Distributions:				
Benefit payments	78,802	10,545	--	2,356,523
Less forfeitures	--	--	--	(3,957)
Total distributions	78,802	10,545	--	2,352,566
Net change in net assets available for plan benefits	(626,919)	99,366	1,579	2,575,518
Net assets available for plan benefits:				
Beginning of year	3,062,139	392,019	4,029	36,321,320
End of year	\$ 2,435,220	\$ 491,385	\$ 5,608	\$ 38,896,838

See accompanying notes to financial statements.
F-8

NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of significant accounting policies:

The financial statements of the NL Industries, Inc. Retirement Savings Plan formerly the "Savings Plan for Employees of NL Industries, Inc.") (the "Plan") have been prepared in accordance with generally accepted accounting principles. The following is a summary of the significant accounting policies followed by the Plan.

Investments

Investments are recorded at fair value based upon the quoted market price reported on the last trading day of the period for those securities listed on a national securities exchange. Listed securities for which no sale was reported on that date are valued at the mean between the last reported bid and ask prices. Short-term investments are stated at fair value.

Purchases and sales of investments are reflected on a trade-date basis. Gains or losses on sales of securities are based on average cost. The Plan presents in the statements of changes in net assets available for plan benefits the net appreciation (depreciation) in the fair value of its investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Contributions

Contributions from employees are recorded in the period the employer makes payroll deductions from Plan participants. Employer contributions are accrued at the end of each year and are received in the subsequent year.

Investment income

Income from investments is recorded as earned on an accrual basis. Dividend income is recorded at the ex-dividend date.

Termination of Plan

Although it has not expressed any intent to do so, NL Industries, Inc. has the right under the Plan to discontinue contributions and to terminate the Plan at any time subject to penalties set forth in the Employee Retirement Income Security Act of 1974 ("ERISA"). In the event of such a discontinuance or termination of the Plan, the net assets of the Plan would be allocated to the Plan participants as prescribed by the Plan document, ERISA, and the Internal Revenue Code.

F-9

Note 2 - Plan description:

The Plan's principal objective is to provide eligible employees of NL Industries, Inc. and its Subsidiaries (the "Company") with a convenient way to save on a regular and long-term basis. The majority of the Company's U.S. employees are eligible to voluntarily participate in the Plan after six months of employment. At December 31, 1996 there were 222 active participants and 656 total participants. Participants currently employed by the Company ("Active Participants") may make basic contributions of between 1% and 8% of their eligible compensation. Basic contributions may consist of a combination of pre-tax and after-tax earnings. Generally, pre-tax contributions are excluded from the employee's taxable income until they are distributed. Eligible employees that have elected to make the maximum basic contribution of 8% may also make a supplemental pre-tax or after-tax contribution of between 1% and 4% of their eligible compensation.

In accordance with the Tax Reform Act of 1986, participants are limited in the amount of salary reduction contributions which they may make to the Plan under Section 402(g) of the Internal Revenue Code (\$9,500 annual maximum for 1996). Highly compensated participants may be required to adjust the amount of their contributions in order to permit the Plan to satisfy the nondiscrimination requirements of Sections 401(k) and 401(m) of the Internal Revenue Code.

The Company contributes a discretionary amount of matching contributions, determined annually, based upon the attainment of certain operating income target levels approved by the Management, Development and Compensation Committee of the Board of Directors of the Company. The employer match applies only to the employee's basic contributions.

On March 31, 1996, the defined benefit plan for salaried employees of NL Industries, Inc. was amended and the pension benefits frozen for the majority of the Company's U.S. employees. Effective April 1, 1996, every employee who is eligible to participate in the Plan will receive an annual contribution into their investment account of 3% of their eligible compensation, subject to IRS limitations on eligible compensation, which currently is \$150,000. The Company will make this contribution for each eligible employee regardless of whether the employee elects to otherwise participate in the Plan. This contribution is in addition to the Company's discretionary matching contribution described above.

Employer contributions are fully vested upon death, retirement, or disability, as provided in the Plan. A participant with less than three years of service is 0% vested in employer contributions, 50% vested following three years of service, 75% vested following four years of service and fully vested in all employer contributions following five years of service. Forfeitures of employer contributions may occur if a participant terminates employment prior to the full vesting period or if a participant or beneficiary, to whom a distribution is payable, cannot be located within five years of the date on which such distribution became payable. Amounts forfeited are used in the following order: (i) to restore the accounts of reemployed participants, (ii) to restore the accounts of participants or beneficiaries who apply for forfeited benefits, and (iii) to reduce employer contributions.

F-10

Merrill Lynch Trust Company ("Merrill Lynch" or "ML") serves as trustee for the Plan.

Employees may elect to have their own contributions invested in one or more funds, whose investment objectives are as follows:

	Number of participants at December 31,	
	----- 1995	1996 -----
Merrill Lynch Retirement Preservation Trust - managed with the objective of providing preservation of capital, liquidity and current income through investments primarily in Guaranteed Investment Contracts.	381	368
Merrill Lynch Basic Value Fund, Inc. - Class A Shares - managed with the objective of seeking capital appreciation and, secondarily, income.	141	163
Merrill Lynch Federal Securities Trust - Class D Shares - managed with the objective of seeking a high current return through investments in U.S. government and government agency securities.	85	82
Merrill Lynch Capital Fund, Inc. - Class A Shares - managed with the objective of seeking the highest total investment return consistent with prudent risk, investing in equity, debt and convertible securities.	189	184
Merrill Lynch Global Holdings, Inc. - Class A Shares - managed with the objective of seeking the highest total investment return consistent with prudent risk through world-wide investment in an internationally diversified portfolio of securities.	77	59
NL Stock Fund - invested in NL common stock.	530	500

Effective April 1, 1996, seven additional mutual fund investments became available to participants.

MFS Emerging Growth Fund - Class A Shares - managed with the objective of providing long-term growth of capital by investing primarily in common stocks of small and medium-sized companies that are early in their life cycle but which have the potential to become major enterprises.	-	104
Templeton World Fund - Class I Shares - managed with the objective of seeking long-term capital growth by investing in securities of companies or governments located throughout the world. The fund's portfolio is invested in securities of both U.S. and foreign issuers.	-	78

	Number of participants at December 31,	
	----- 1995	1996 -----

AIM International Equity Fund - Class A Shares - managed with the objective of seeking long-term return of capital by investing in a diversified portfolio of international equity securities.	-	70
AIM Value Fund - Class A Shares - managed with the objective of achieving long-term growth of capital by investing primarily in equity securities judged to be undervalued relative to appraisals of the current or projected earnings of the companies issuing the securities, or relative to current market values of assets owned by the companies issuing the securities or relative to the equity market generally. Income is a secondary objective.	-	90
MFS Government Securities Fund - Class A Shares - managed with the objective of providing current income and preservation of principal by investing in Government Securities and by investing in obligations that are fully collateralized or otherwise fully secured by Government Securities.	-	49
Merrill Lynch Equity Index Trust - managed with the objective of approximating the total return of the Standard & Poor's 500 Composite Stock Index. This index is a means to measure the performance of a broad base of large U.S. corporations.	-	67
Merrill Lynch Global Allocation Fund, Inc. - Class A Shares - managed with the objective of seeking a high total investment return, consistent with the prudent risk, through a fully-managed investment policy utilizing United States and foreign equity, debt and money market securities the combination of which will be varied from time to time both with respect to types of securities and markets in response to changing market and economic trends.	-	75

In addition to the funds listed above, the Dresser/Tremont Stock Fund holds investments in Dresser Industries for 50 participants and Tremont Corporation common stock for 43 participants. Contributions or transfers into the Dresser/Tremont Stock Fund are no longer allowed. On March 31, 1996, investments in the Merrill Lynch Global Holdings fund were frozen and only transfers out of this fund are permitted. Prior to March 31, 1996, employee contributions to the fund were permitted; however, no employer matching contributions were made in 1996 to this fund.

F-12

Prior to the investment in securities of a type consistent with the objectives of any fund, cash may be temporarily invested in securities with maturities of less than one year issued or guaranteed by the U.S. government or any agency or instrumentality thereof or deposited in a bank savings account.

Interfund transfers may be made daily, except that only one transfer per participant per quarter may affect amounts in the NL Stock Fund. Only one transfer is permitted out of the Dresser/Tremont Stock Fund which must be a transfer of the total value of the participant's account in that fund.

Distributions to employees may occur during active service or upon termination and under prescribed circumstances, may be in the form of lump sums, installments, annuities or combinations thereof or employer securities.

The Company bears the responsibility of all administrative expenses of the Plan.

Note 3 - Investments:

The historical cost and fair value of each of the investments at December

31, 1995 and 1996 were as follows:

Fund description -----	1995		1996	
	Historical cost	Fair value	Historical cost	Fair value
Merrill Lynch Retirement Preservation Trust	\$24,364,863	\$24,364,863	\$22,758,005	\$22,758,005
Merrill Lynch Basic Value Fund, Inc. - Class A Shares	1,886,249	2,290,572	2,564,065	3,057,100
Merrill Lynch Federal Securities Trust - Class D Shares	626,884	635,644	648,231	645,236
Merrill Lynch Capital Fund, Inc. - Class A Shares	3,671,102	4,182,517	4,043,712	4,531,774
Merrill Lynch Global Holdings, Inc. - Class A Shares	685,081	726,896	550,799	601,585
MFS Emerging Growth Fund - Class A Shares	--	--	1,059,235	1,053,576
Templeton World Fund - Class I Shares ...	--	--	465,233	476,472
AIM International Equity Fund - Class A Shares	--	--	386,506	405,674
AIM Value Fund - Class A Shares	--	--	686,839	725,427
MFS Government Securities Fund - Class A Shares	--	--	210,926	215,693
Merrill Lynch Equity Index Trust	--	--	309,021	346,379
Merrill Lynch Global Allocation Fund, Inc. - Class A Shares	--	--	481,896	477,894
NL Stock Fund	2,986,130	2,966,120	2,790,711	2,388,253
Dresser/Tremont Stock Fund:				
Dresser Common Stock	145,727	339,796	138,847	392,719
Tremont Common Stock	25,816	52,223	22,601	98,666
	-----	-----	-----	-----
	\$34,391,852	\$35,558,631	\$37,116,627	\$38,174,453
	=====	=====	=====	=====

F-13

At June 12, 1997, the market value of the shares of NL, Dresser and Tremont stock held at December 31, 1996 was \$3,047,076, \$443,393 and \$118,807 respectively.

Concentration of credit risk

During 1995 and the first quarter of 1996, the Plan's assets were invested principally with investment funds managed by Merrill Lynch and common stock of NL, Dresser and Tremont. Beginning April 1, 1996 seven new funds were added including two that are managed by Merrill Lynch. Each of the other five funds are managed by either i) Massachusetts Financial Services ("MFS"), ii) AIM Advisors, Inc., or iii) Templeton Global Advisors Limited. At December 31, 1996, 85% of the Plan's investments were managed by Merrill Lynch.

Note 4 - Related party transactions:

The NL Stock Fund and the Dresser/Tremont Stock Fund invest in the common stock of NL and Tremont. The activity of these securities for the years ended December 31, 1995 and 1996 was as follows:

	Purchases -----	Sales and distributions, at cost -----	Realized gain -----
Year ended December 31, 1995:			
NL common stock	\$958,290	\$251,364	\$ 57,786
Tremont common stock	--	2,829	1,519
Year ended December 31, 1996:			
NL common stock	\$554,224	\$749,643	\$201,758
Tremont common stock	--	3,215	8,893

Note 5 - Tax status:

The Plan, as amended in 1994, is designed to constitute a qualified trust under Sections 401(a) and 401(k) of the Internal Revenue Code of 1986, as amended (the "Code"); as such the Plan is exempt from federal income tax, and amounts contributed by the Company will not be taxed to the participant until the participant receives a distribution from the Plan.

The Plan has received a favorable determination as of September 1995, indicating it is a "Qualified Plan" under the requirements of Sections 401(a) and 401(k) of the Code and is qualified for favorable tax treatment. The Company intends to file an application with the Internal Revenue Service for a determination of the qualified status of the Plan under Section 401(a) of the Code for all amendments made to the Plan since the last determination letter.

F-14

SUPPLEMENTAL SCHEDULES

NL INDUSTRIES, INC. RETIREMENT SAVINGS PLAN

ITEM 27a - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

December 31, 1996

Employer Identification No. 13-5267260

Plan No. 003

Cost -----	Fair value -----
---------------	---------------------

Merrill Lynch Retirement Preservation Trust	\$22,758,005	\$22,758,005
Merrill Lynch Basic Value Fund, Inc. - Class A shares	2,564,065	3,057,100
Merrill Lynch Federal Securities Trust - Class D Shares	648,231	645,236
Merrill Lynch Capital Fund, Inc. - Class A shares	4,043,712	4,531,774
Merrill Lynch Global Holdings, Inc. - Class A shares	550,799	601,585
MFS Emerging Growth Fund - Class A Shares	1,059,235	1,053,576
Templeton World Fund - Class I Shares	465,233	476,472
AIM International Equity Fund - Class A Shares	386,506	405,674
AIM Value Fund - Class A Shares	686,839	725,427
MFS Government Securities Fund - Class A Shares	210,926	215,693
Merrill Lynch Equity Index Trust	309,021	346,379
Merrill Lynch Global Allocation Fund, Inc.- Class A Shares	481,896	477,894
* NL Stock Fund - Common Stock	2,790,711	2,388,253
Dresser/Tremont Stock Fund - Common Stock:		
Dresser Industries	138,847	392,719
* Tremont Corporation	22,601	98,666
	-----	-----
	\$37,116,627	\$38,174,453
	=====	=====

Note: Cost is determined based on historical cost. Gains and losses on sales of investments are calculated based on average cost.

* Investment in a "Party-in-interest" entity, as defined by ERISA.

F-15

NL INDUSTRIES, INC.

RETIREMENT SAVINGS PLAN

ITEM 27d - SCHEDULE OF REPORTABLE TRANSACTIONS

Year ended December 31, 1996

Employer Identification No. 13-5267260

Plan No. 003

Description of Asset	Number of Transactions	Purchase price	Selling price	Cost of asset	Fair value of asset on transaction date	Net gain (loss)
-----	-----	-----	-----	-----	-----	-----
Merrill Lynch Retirement Preservation Trust: Purchases	136	\$3,209,340	\$ --	\$3,209,340	\$3,209,340	\$ --

Sales	131	--	4,816,180	4,816,180	4,816,180	--
Merrill Lynch Capital Fund Inc. - Class A Shares						
Purchases	80	1,234,657	--	1,234,657	1,234,657	--
Sales	79	--	961,025	862,047	961,025	98,978
Merrill Lynch Basic Value Fund, Inc. - Class A Shares						
Purchases	85	1,387,579	--	1,387,579	1,387,579	--
Sales	50	--	853,095	706,759	853,095	146,336

F-16

EXHIBIT I

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the:

- (i) Registration Statement No. 2-98713 on Form S-8 and related Prospectus with respect to the 1985 Long Term Performance Incentive Plan of NL Industries, Inc.;
- (ii) Registration Statement No. 33-25913 on Form S-8 and related Prospectus with respect to the Savings Plan for Employees of NL Industries, Inc.;
- (iii) Registration Statement No. 33-29287 on Form S-8 and related Prospectus, as amended, with respect to the 1989 Long Term Performance Incentive Plan of NL Industries, Inc.; and
- (iv) Registration Statement No. 33-48145 on Form S-8 and related Prospectus with respect to the 1992 Non-Employee Director Stock Option Plan of NL Industries, Inc.

of our report which is dated June 12, 1997, on our audits of the statements of net assets available for benefits of the NL Industries, Inc. Retirement Savings Plan as of December 31, 1995 and 1996 and the related statements of changes in net assets available for benefits for the years then ended, which report is included in this Annual Report on Form 11-K.

Coopers & Lybrand L.L.P.

Houston, Texas
June 20, 1997