SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 - For the quarter ended March 31, 1995

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.)

Two Greenspoint Plaza, 16825 Northchase Dr., Suite 1200, Houston, TX 77060-2544
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (713) 423-3300

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) had been subject to such filing requirements for the past 90 days. Yes X No

Number of shares of common stock outstanding on May 3, 1995: 51,053,783

NL INDUSTRIES, INC. AND SUBSIDIARIES

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NL INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In thousands)

ASSETS	December 31, 1994	March 31, 1995
Current assets:		
Cash and cash equivalents	$ 131,124	$ 107,486
Marketable securities	25,165	26,516
Accounts and notes receivable	137,753	180,285
Refundable income taxes	1,162	3,478
Inventories	185,173	199,533
Prepaid expenses	3,878	8,160
Deferred income taxes	2,177	2,098
Total current assets	486,432	527,556
Other assets:		
Marketable securities	21,329	21,875
Investment in joint ventures	187,480	189,718
Prepaid pension cost	19,329	21,191
Deferred income taxes	2,746	1,262
Other	37,267	37,536
Total other assets	268,151	271,582
Property and equipment:		
Land	20,665	22,624
Buildings	147,370	159,534
Machinery and equipment	582,138	626,658
Mining properties	87,035	92,951
Construction in progress	9,579	19,579
	846,787	921,346
Less accumulated depreciation and depletion	438,960	477,191
Net property and equipment	407,827	444,155
	$1,162,410	$1,243,293

NL INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (CONTINUED)

(In thousands)

LIABILITIES AND SHAREHOLDERS' DEFICIT	December 31, 1994	March 31, 1995
Current liabilities:		
Current maturities of long-term debt	$ 42,887	$ 40,550
Accounts payable and accrued liabilities	168,327	185,885
Payable to affiliates	11,348	10,727
Income taxes	20,762	25,442

Deferred income taxes	1,590	1,678
Total current liabilities	244,914	264,282
Noncurrent liabilities:		
Long-term debt	746,762	774,153
Deferred income taxes	178,332	195,102
Accrued pension cost	76,242	82,740
Accrued postretirement benefits cost	65,299	64,454
Other	141,518	147,801
Total noncurrent liabilities	1,208,153	1,264,250
Minority interest	2,425	2,724
Shareholders' deficit:		
Common stock	8,355	8,355
Additional paid-in capital	759,281	759,281
Adjustments:		
Currency translation	(125,494)	(133,534)
Pension liabilities	(1,635)	(1,635)
Marketable securities	(12)	80
Accumulated deficit	(567,041)	(553,979)
Treasury stock	(366,536)	(366,531)
Total shareholders' deficit	(293,082)	(287,963)
	$1,162,410	$1,243,293

Commitments and contingencies (Note 13)

NL INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

Three months ended March 31, 1994 and 1995

(In thousands, except per share data)

	1994	1995
Revenues and other income:		
Net sales	$201,849	$250,875
Other, net	23,014	2,894
	224,863	253,769
Costs and expenses:		
Cost of sales	146,956	169,768
Selling, general and administrative	56,011	44,172
Interest	21,065	20,676
	224,032	234,616
Income before income taxes and minority interest	831	19,153
Income tax expense	6,949	5,746
Income (loss) before minority interest	(6,118)	13,407
Minority interest	249	345
Net income (loss)	$ (6,367)	$ 13,062
Net income (loss) per share of common stock	$ (.12)	$ .26
Weighted average common and common equivalent shares outstanding	50,965	51,176

NL INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF SHAREHOLDERS' DEFICIT

Three months ended March 31, 1995

(In thousands)

	Common stock	Additional paid-in capital	Adjustments Currency translation	Pension liabilities	Marketable securities
Balance at December 31, 1994	$8,355	$759,281	$(125,494)	$(1,635)	$ (12)
Net income	-	-	-	-	-
Adjustments	-	-	(8,040)	-	92
Treasury stock reissued	-	-	-	-	-
Balance at March 31, 1995	$8,355	$759,281	$(133,534)	$(1,635)	$ 80

	Accumulated deficit	Treasury stock	Total
Balance at December 31, 1994	$(567,041)	$(366,536)	$(293,082)
Net income	13,062	-	13,062
Adjustments	-	-	(7,948)
Treasury stock reissued	-	5	5
Balance at March 31, 1995	$(553,979)	$(366,531)	$(287,963)

NL INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Three months ended March 31, 1994 and 1995

(In thousands)

	1994	1995
Cash flows from operating activities:		
Net income (loss)	$ (6,367)	$ 13,062
Depreciation, depletion and amortization	8,464	9,326
Noncash interest expense	4,465	4,646
Deferred income taxes	4,935	3,286
Other, net	(162)	(603)
	11,335	29,717
Change in assets and liabilities:		
Accounts and notes receivable	(29,639)	(31,375)
Inventories	869	(2,115)
Prepaid expenses	(3,993)	(3,491)
Accounts payable and accrued liabilities	(9,385)	5,587
Income taxes	(1,164)	129
Other, net	10,072	(29)
Marketable trading securities, net	(870)	(762)
Net cash used by operating activities	(22,775)	(2,339)
Cash flows from investing activities:		
Capital expenditures	(7,248)	(12,382)
Investment in joint ventures, net	2,027	(2,371)
Other, net	283	12
Net cash used by investing activities	(4,938)	(14,741)

NL INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

Three months ended March 31, 1994 and 1995

(In thousands)

	1994	1995
Cash flows from financing activities:		
Indebtedness:		
Borrowings	$ 14,049	$ 2,095
Principal payments	(7,900)	(12,543)
Other, net	(190)	5
Net cash provided (used) by financing activities	5,959	(10,443)
Cash and cash equivalents:		
Net change from:		
Operating, investing and financing activities	(21,754)	(27,523)
Currency translation	861	3,885
Balance at beginning of period	106,593	131,124
Balance at end of period	$ 85,700	$107,486
Supplemental disclosures - cash paid for:		
Interest, net of amounts capitalized	$ 10,603	$ 4,958
Income taxes	3,277	2,188

NL INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION:

NL Industries, Inc. conducts its operations primarily through its wholly-owned subsidiaries, Kronos, Inc. (titanium dioxide pigments, or "TiO2") and Rheox, Inc. (specialty chemicals). Valhi, Inc. and Tremont Corporation, each affiliates of Contran Corporation, hold 53% and 18%, respectively, of NL's outstanding common stock. Contran holds, directly or indirectly, approximately 90% of Valhi's and 44% of Tremont's outstanding common stock. Together, Tremont and Valhi may be deemed to control NL.

The consolidated balance sheet of NL Industries, Inc. and Subsidiaries (collectively, the "Company") at December 31, 1994 has been condensed from the Company's audited consolidated financial statements at that date. The consolidated balance sheet at March 31, 1995 and the consolidated statements of operations, shareholders' deficit and cash flows for the interim periods ended March 31, 1994 and 1995, have been prepared by the Company, without audit. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the consolidated financial position, results of operations and cash flows have been made. The results of operations for the interim periods are not necessarily indicative of the operating results for a full year or of future operations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. Certain prior year amounts have been reclassified to conform to the 1995 presentation. The accompanying consolidated financial statements should be read in conjunction with the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 1994 (the "1994 Annual Report").

NOTE 2 - INCOME (LOSS) PER SHARE OF COMMON STOCK:

Income (loss) per share of common stock is based on the weighted average number of common shares outstanding. Outstanding common stock options are excluded from the computation when the effect of their assumed exercise is antidilutive.

NOTE 3 - BUSINESS SEGMENT INFORMATION:

The Company's operations are conducted in two business segments - TiO2 conducted by Kronos and specialty chemicals conducted by Rheox.

	Three months ended March 31, 1994	1995
	(In thousands)	
Net sales:		
Kronos	$174,260	$217,328
Rheox	27,589	33,547
	$201,849	$250,875
Operating income:		
Kronos	$ 15,359	$ 32,453
Rheox	6,954	9,515
	22,313	41,968
General corporate income (expense):		
Securities earnings, net	201	2,469
Expenses, net	(618)	(4,608)
Interest expense	(21,065)	(20,676)
	$ 831	$ 19,153

NOTE 4 - INVENTORIES:

	December 31, 1994	March 31, 1995
	(In thousands)	
Raw materials	$ 30,118	$ 38,399
Work in process	7,655	9,483
Finished products	112,410	114,230
Supplies	34,990	37,421
	$185,173	$199,533

NOTE 5 - MARKETABLE SECURITIES AND SECURITIES TRANSACTIONS:

	December 31, 1994	March 31, 1995
	(In thousands)	
Current - U.S. Treasury securities:		
Unrealized losses	$(1,124)	$ (433)
Cost	26,289	26,949
Aggregate market	$25,165	$26,516
Noncurrent - marketable equity securities:		
Unrealized gains	$ 3,357	$ 3,997
Unrealized losses	(3,374)	(3,874)
Cost	21,346	21,752
Aggregate market	$21,329	$21,875

The Company has classified its U.S. Treasury securities as trading securities and its marketable equity securities as available-for-sale.

Net gains and losses from securities transactions are composed of:

	Three months ended March 31, 1994	1995
	(In thousands)	
Unrealized gains (losses)	$(388)	$ 692
Realized losses	(413)	(103)
	$(801)	$ 589

NOTE 6 - INVESTMENT IN JOINT VENTURES:

	December 31, 1994	March 31, 1995
	(In thousands)	
TiO2 manufacturing joint venture	$185,122	$187,493
Other	2,358	2,225
	$187,480	$189,718

NOTE 7 - OTHER NONCURRENT ASSETS:

	December 31, 1994	March 31, 1995
	(In thousands)	
Intangible assets, net	$13,957	$14,677
Deferred financing costs, net	16,079	15,961
Other	7,231	6,898
	$37,267	$37,536

NOTE 8 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

	December 31, 1994	March 31, 1995
	(In thousands)	
Accounts payable	$ 74,903	$ 78,713
Accrued liabilities:		
Employee benefits	34,209	33,657
Environmental costs	10,433	10,433
Interest	6,485	17,539
Miscellaneous taxes	7,336	3,558
Other	34,961	41,985
	93,424	107,172
	$168,327	$185,885

NOTE 9 - OTHER NONCURRENT LIABILITIES:

	December 31, 1994	March 31, 1995
	(In thousands)	
Environmental costs	$ 93,655	$100,542
Deferred technology fee income	18,305	16,765
Insurance claims and expenses	14,716	14,554
Employee benefits	12,322	13,535
Other	2,520	2,405
	$141,518	$147,801

NOTE 10 - LONG-TERM DEBT:

	December 31, 1994	March 31, 1995
	(In thousands)	
NL Industries:		
11.75% Senior Secured Notes	$250,000	$250,000
13% Senior Secured Discount Notes	116,409	120,091
	366,409	370,091
Kronos:		
DM bank credit facility (DM 397,610 and DM 397,610)	255,703	286,239
Joint venture term loan	88,715	84,858
Other	10,507	13,473
	354,925	384,570
Rheox:		
Bank term loan	67,500	59,263
Other	815	779
	68,315	60,042
	789,649	814,703
Less current maturities	42,887	40,550
	$746,762	$774,153

NOTE 11 - INCOME TAXES:

The difference between the provision for income tax expense attributable to income before income taxes and minority interest and the amount that would be expected using the U.S. federal statutory income tax rate of 35% is presented below.

	Three months ended March 31, 1994	1995
	(In thousands)	
Expected tax expense	$ 291	$ 6,704
Non-U.S. tax rates	(1,824)	(1,045)
Incremental tax on income of companies not included in NL's consolidated U.S. federal income tax return	606	1,320
Valuation allowance	7,722	(1,276)
U.S. state income taxes	128	216
Other, net	26	(173)
Income tax expense	$ 6,949	$ 5,746

NOTE 12 - OTHER INCOME, NET:

	Three months ended March 31, 1994	1995
	(In thousands)	
Securities earnings:		
Interest and dividends	$ 1,002	$ 1,880
Securities transactions	(801)	589
	201	2,469
Litigation settlement gain	20,040	-
Technology fee income	2,409	2,586

Currency transaction losses, net	(136)	(2,633)
Disposition of property and equipment	(987)	(794)
Royalty income	426	-
Other, net	1,061	1,266
	$23,014	$ 2,894

NOTE 13 - COMMITMENTS AND CONTINGENCIES:

For descriptions of certain legal proceedings, income tax and other commitments and contingencies related to the Company, reference is made to (i) Part II, Item 1 -"Legal Proceedings" and (ii) the 1994 Annual Report.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

The Company's chemical operations are conducted in two business segments - TiO2 conducted by Kronos and specialty chemicals conducted by Rheox. The Company's results improved significantly during the first three months of 1995, as discussed below, and the Company expects to remain profitable for the year as a result of improved TiO2 prices and demand.

	Three months ended March 31,		% Change
	1994	1995	
	(In millions)		
Net sales:			
Kronos	$174.2	$217.3	+25%
Rheox	27.6	33.6	+22%
	$201.8	$250.9	+24%
Operating income:			
Kronos	$ 15.3	$ 32.5	+111%
Rheox	7.0	9.5	+37%
	$ 22.3	$ 42.0	+88%
Percent changes in TiO2:			
Sales volume			+9%
Average selling prices (in billing currencies)			+11%

Kronos' TiO2 operating income in the first quarter of 1995 increased from the first quarter of 1994 due to higher average selling prices and higher sales and production volumes. As a result of increased pricing in all major markets, Kronos' average TiO2 selling prices in the first quarter of 1995 were 11% higher than the first quarter of 1994 and were 5% higher than year-end 1994. TiO2 sales volumes increased in both Europe and North America. Rheox's operating results for the first quarter of 1995 improved compared to the first quarter of 1994 primarily as a result of higher sales volumes. A significant amount of sales are denominated in currencies other than the U.S. dollar, and fluctuations in the value of the U.S. dollar relative to other currencies increased the dollar value of sales for the first quarter of 1995 by $13 million compared to the first quarter of 1994.

The following table sets forth certain information regarding general corporate income (expense).

	Three months ended March 31,		Difference
	1994	1995	
	(In millions)		
Securities earnings	$ .2	$ 2.5	$ 2.3
Corporate expenses, net	(.6)	(4.6)	(4.0)
Interest expense	(21.1)	(20.7)	.4

	$(21.5)	$(22.8)	$(1.3)

Corporate expenses, net were higher as lower provisions for environmental remediation and other costs in the first quarter of 1995 were more than offset by the effect of the $20 million gain related to the first-quarter 1994 settlement of the Company's lawsuit against Lockheed Corporation. Interest expense was slightly lower due to the lower level of debt partly offset by higher variable U.S. interest rates and the impact of changes in currency exchange rates.

The Company's operations are conducted on a worldwide basis. In 1994, the Company's income tax expense was impacted by losses in certain countries for which no current benefit was available and for which the Company believes recognition of a deferred tax asset was not currently appropriate.

LIQUIDITY AND CAPITAL RESOURCES

The Company's consolidated cash flows from operating, investing and financing activities for the three months ended March 31, 1994 and 1995 are presented below.

	Three months ended March 31,	
	1994	1995
	(In millions)	
Net cash provided (used) by:		
Operating activities	$(22.8)	$ (2.3)
Investing activities	(4.9)	(14.7)
Financing activities	5.9	(10.5)
Net cash used by operating, investing and financing activities	$(21.8)	$(27.5)

The TiO2 industry is cyclical, with the previous peak in selling prices in early 1990 and the latest trough in the third quarter of 1993. The Company's cash flows from operations improved during the first quarter of 1995, primarily due to increased TiO2 selling prices and demand. Changes in the Company's inventories, receivables and payables (excluding the effect of currency translation) used cash in both periods.

Certain of the Company's income tax returns in various U.S. and non-U.S. jurisdictions, including Germany, are being examined and tax authorities have proposed tax deficiencies. Additional substantial German proposed tax deficiency assessments are expected. Although the Company believes that it will ultimately prevail, the Company has granted a DM 100 million ($72 million at March 31, 1995) lien on its Nordenham, Germany TiO2 plant and may be required to provide additional security in favor of the German tax authorities until the assessments proposing tax deficiencies are resolved. The Company believes that it has adequately provided accruals for additional income taxes and related interest expense which may ultimately result from all such examinations and believes that the ultimate disposition of such examinations should not have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity.

Repayments of indebtedness in the first three months of 1995 include payments of $8.3 million on the Rheox bank term loan and $3.9 million on the joint venture term loan. The Company reduced its "net debt" (notes payable and long-term debt less cash, cash equivalents and securities) by $87 million during the last twelve months.

At March 31, 1995, the Company had cash, cash equivalents and current marketable securities aggregating $134 million (36% held by non-U.S. subsidiaries) including restricted cash, cash equivalents and current marketable securities of $16 million. The Company's subsidiaries had $232 million available for borrowing under existing credit facilities, of which $90 million is available only for (i) permanently reducing the DM term loan or (ii) paying future German income tax assessments, as described above. In April 1995, the Company borrowed $11 million under existing credit facilities.

The Company has been named as a defendant, potentially responsible party ("PRP"), or both, in a number of legal proceedings associated with environmental matters, including waste disposal sites or facilities currently or formerly owned, operated or used by the Company, many of which disposal sites or facilities are on the U.S. Environmental Protection Agency's (the "U.S. EPA") Superfund National Priorities List or similar state lists. The Company believes it has adequate accruals ($92 million at March 31, 1995) for reasonably estimable costs of such matters. It is not possible to estimate the range of costs for certain sites. The Company has estimated that the upper end of the range of reasonably possible costs to the Company for sites for which it is possible to estimate costs is approximately $166 million. No assurance can be given that actual costs will not exceed accrued amounts or the upper end of the range for sites for which estimates have been made, and no assurance can be given that costs will not be incurred with respect to sites as to which no estimate presently can be made. Further, there can be no assurance that additional environmental matters will not arise in the future.

The Company is also a defendant in a number of legal proceedings seeking damages for personal injury and property damage arising from the sale of lead pigments and lead-based paints. Based on, among other things, the results of such litigation to date, the Company believes that the pending lead pigment litigation is without merit and has not accrued any amounts for such pending lead pigment litigation. The Company currently believes the disposition of all claims and disputes, individually and in the aggregate, should not have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity. There can be no assurance that additional matters of these types will not arise in the future. In addition, various legislation and administrative regulations have, from time to time, been enacted or proposed at the state, local and federal levels that seek to impose various obligations on present and former manufacturers of lead pigment and lead-based paint with respect to asserted health concerns associated with the use of such products and to effectively overturn court decisions in which the Company and other pigment manufacturers have been successful.

The Company periodically evaluates its liquidity requirements, capital needs and availability of resources in view of, among other things, its debt service requirements, capital expenditure requirements and estimated future operating cash flows. As a result of this process, the Company has in the past and may in the future seek to refinance or restructure indebtedness, raise additional capital, restructure ownership interests, sell interests in subsidiaries, marketable securities or other assets, or take a combination of such steps or other steps to increase its liquidity and capital resources.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Reference is made to the 1994 Annual Report for descriptions of certain previously-reported legal proceedings.

Wright (Alvin) and Wright (Allen) v. Lead Industries, et al. In April 1995, the Company answered the complaint in this case denying liability.

Wagner, et al. v. Anzon, Inc. and NL Industries, Inc. In April 1995, plaintiffs' post-trial motions in this case were denied. The time for plaintiffs' to appeal has not yet expired.

The Company has been named as a defendant in various lawsuits alleging personal injuries as a result of exposure to asbestos in connection with formerly-owned operations. To date, the Company has always been dismissed from such actions prior to trial without payment of any money in judgment or settlement. Various of these actions remain pending. One such case, In re: Asbestos III, 92-C-8888 (Circuit Court of Kanawha County, West Virginia), involving approximately 4,500 plaintiffs, is scheduled to begin trial in July 1995. The Company intends to defend the case vigorously.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) EXHIBITS

10.1 - Intercorporate Service Agreement by and between Valhi, Inc. and the Registrant effective as of January 1, 1995.

10.2 - Intercorporate Service Agreement by and between Contran Corporation and the Registrant effective as of January 1, 1995.

10.3 - Description of terms of an executive severance agreement between the Registrant and Lawrence A. Wigdor - incorporated by reference to the last paragraph on page 16 entitled "Employment Agreements" of the Registrant's definitive proxy statement dated March 29, 1995.

27.1 - Financial Data Schedule for the three-month period ended March 31, 1995.

(b) REPORTS ON FORM 8-K

Reports on Form 8-K for the quarter ended March 31, 1995 and for the month of April 1995:

January 30, 1995 - reported Items 5 and 7.

April 25, 1995 - reported Items 5 and 7.

SIGNATURES

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

NL INDUSTRIES, INC.
(Registrant)

Date: May 3, 1995

By /s/ Joseph S. Compofelice
Joseph S. Compofelice
Vice President and
Chief Financial Officer

Date: May 3, 1995

By /s/ Dennis G. Newkirk
Dennis G. Newkirk
Vice President and Controller
(Principal Accounting Officer)

<ARTICLE> 5
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The schedule contains summary financial information extracted from NL Industries Inc.'s consolidated financial statements for the three months ended March 31, 1995, and is qualified in its entirety by reference to such consolidated financial statements.
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EXHIBIT 10.1

INTERCORPORATE SERVICES AGREEMENT

This INTERCORPORATE SERVICES AGREEMENT (the "Agreement"), effective as of January 1, 1995, amends and supersedes that certain Intercorporate Services Agreement dated as of January 1, 1994 by and between VALHI, INC. ("Valhi"), a Delaware corporation, and NL INDUSTRIES, INC. ("NL"), a New Jersey corporation.

W I T N E S S E T H:

WHEREAS, employees and agents of Valhi and affiliates of Valhi perform management, financial and administrative functions for NL without direct compensation from NL; and

WHEREAS, NL does not separately maintain the full internal capability to perform all necessary management, financial and administrative functions which NL requires; and

WHEREAS, the cost of maintaining the additional personnel necessary to perform the functions provided for by this Agreement would exceed the fee set forth in Section 3 of this Agreement and that the terms of this Agreement are no less favorable to NL then could otherwise be obtained from a third party for comparable services; and

WHEREAS, NL desires to continue receiving the management, financial and administrative services presently provided by Valhi and affiliates of Valhi and Valhi is willing to continue to provide such services under the terms of this Agreement; and

WHEREAS, Valhi desires to have the services of certain personnel of NL and NL is willing to provide such services under the terms of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual premises, representations and covenants herein contained, the parties hereto mutually agree as follows:

1. Valhi Services to be Provided. Valhi agrees to make available to NL, upon request, the following services (the "Valhi Services") to be rendered by the internal staff of Valhi and affiliates of Valhi:

   (a) Consultation and assistance in the development and implementation of NL's corporate business strategies, plans and objectives.

   (b) Consultation and assistance in management and conduct of corporate affairs and corporate governance consistent with the Articles of Incorporation and By-Laws of NL.

   (c) Consultation and assistance in maintenance of financial records and controls, including preparation and review of periodic financial statements and reports to be filed with public and regulatory entities and those required to be prepared for financial institutions or pursuant to indentures and credit agreements.

   (d) Consultation and assistance in cash management and in arranging financing necessary to implement the business plans of NL.

   (e) Consultation and assistance in tax management and administration including; preparation and filing of tax returns, tax reporting, examinations by government authorities and tax planning.

   (f) Such other services as may be requested by NL or deemed necessary and proper from time to time.

2. Miscellaneous Services. It is the intent of the parties hereto that Valhi provide only the Valhi Services requested by NL in connection with routine management, financial and administrative functions related to the ongoing

operations of NL and not with respect to special projects, including corporate investments, acquisitions and divestitures. The parties hereto contemplate that the Valhi Services rendered in connection with the conduct of NL's business will be on a scale compared to that existing on the date of this Agreement, adjusted for internal corporate growth or contraction, but not for major corporate acquisitions or divestitures, and that adjustments may be required to the terms of this Agreement in the event of such major corporate acquisitions, divestitures or special projects. NL will continue to bear all other costs required for outside services including, but not limited to, the outside services of attorneys, auditors, trustees, consultants, transfer agents and registrars, and it is expressly understood that Valhi assumes no liability for any expenses or services other than those stated in Section 1. In addition to the fee paid to Valhi by NL for the Valhi Services provided pursuant to this Agreement, NL will pay to Valhi the amount of out-of-pocket costs incurred by Valhi in rendering such Valhi Services.

3. NL Services to be provided. NL agrees to make available the services of Joseph S. Compofelice to act as Executive Vice President of Valhi and to continue to devote such time to matters related to Valhi and affiliates of Valhi as has been allocated in the past and is currently being devoted to such matters (the "NL Services").

4. Net Fee for Services. NL agrees to pay to Valhi a net fee of $20,000.00 quarterly, commencing as of January 1, 1995, pursuant to this Agreement, which net fee includes reimbursements of $25,000.00 for NL Services performed in 1994.

5. Original Term. Subject to the provisions of Section 6 hereof, the original term of this Agreement shall be from January 1, 1995 to December 31, 1995.

6. Extensions. This Agreement shall be extended on a quarter- to-quarter basis after the expiration of its original term unless written notification is given by Valhi or NL thirty (30) days in advance of the first day of each successive quarter or unless it is superseded by a subsequent written agreement of the parties hereto.

7. Limitation of Liability. In providing Valhi Services or NL Services hereunder, Valhi and NL shall each have a duty to act, and to cause its respective agents to act, in a reasonably prudent manner, but neither Valhi nor NL nor any officer, director, employee or agent of Valhi or NL or their respective affiliates shall be liable to the other party hereunder for any error of judgment or mistake of law or for any loss incurred by such party in connection with the matter to which this Agreement relates, except a loss resulting from willful misfeasance, bad faith or gross negligence on the part of Valhi or NL, respectively.

8. Indemnification. Each party hereunder shall indemnify and hold harmless the other party, its affiliates and their respective officers, directors and employees from and against any and all losses, liabilities, claims, damages, costs and expenses (including attorneys' fees and other expenses of litigation) to which such party may become subject to arising out of the corresponding Valhi Services or NL Services provided by Valhi or by NL hereunder, provided that such indemnity shall not protect any such party against any liability to which such person would otherwise be subject to by reason of willful misfeasance, bad faith or gross negligence on the part of Valhi or NL, respectively.

9. Further Assurances. Each of the parties will make, execute, acknowledge and deliver such other instruments and documents, and take all such other actions, as the other party may reasonably request and as may reasonably be required in order to effectuate the purposes of this Agreement and to carry out the terms hereof.

10. Notices. All communications hereunder shall be in writing and shall be addressed, if intended for Valhi, to Three Lincoln Centre, 5430 LBJ Freeway, Suite 1700, Dallas, Texas 75240, Attention: President, or such other address as it shall have furnished to NL in writing, and if intended for NL, to Two Greenspoint Plaza, 16825 Northchase Drive, Suite 1200, Houston, Texas 77060, Attention: President, or such other address as it shall have furnished to Valhi in writing.

11. Amendment and Modification. Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated other than by agreement in

writing signed by the parties hereto.

12. Successor and Assigns. This Agreement shall be binding upon and inure to the benefit of Valhi and NL and their respective successors and assigns, except that neither party may assign its rights under this Agreement without the prior written consent of the other party.

13. Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Texas.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first above written.

VALHI, INC.

By:_____________________________
Steven L. Watson
Vice President

NL INDUSTRIES, INC.

By:_____________________________
J. Landis Martin
President and Chief
Executive Officer

EXHIBIT 10.2

INTERCORPORATE SERVICES AGREEMENT

This INTERCORPORATE SERVICES AGREEMENT (the "Agreement"), effective as of January 1, 1995, amends and supersedes that certain Intercorporate Services Agreement dated as of January 1, 1994 by and between CONTRAN CORPORATION ("Contran"), a Delaware corporation, and NL INDUSTRIES, INC. ("Recipient"), a New Jersey corporation.

W I T N E S S E T H:

WHEREAS, Harold C. Simmons, an employee of Contran and a director and the Chairman of the Board of Recipient, performs certain advisory functions for Recipient, which functions are unrelated to his function as a director and the Chairman of the Board of Recipient, without direct compensation from Recipient; and

WHEREAS, Recipient does not separately maintain the full internal capability to perform all necessary advisory functions which Recipient requires; and

WHEREAS, the cost of engaging the advisory services of someone possessing Mr. Simmons expertise and the cost of maintaining the personnel necessary to perform the functions provided for by this Agreement would exceed the fee set forth in Section 3 of this Agreement and the terms of this Agreement are no less favorable to Recipient than could otherwise be obtained from a third party for comparable services; and

WHEREAS, Recipient desires to continue receiving the advisory services of Harold C. Simmons and Contran is willing to continue to provide such services under the terms of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual premises, representations and covenants herein contained, the parties hereto mutually agree as follows:

1. Services to be Provided: Contran agrees to make available to Recipient, upon request, the following services (the "Services") to be rendered by Harold C. Simmons:

   (a) Consultation and assistance in the development and implementation of Recipient's corporate business strategies, plans and objectives.

   (b) Such other services as may be requested by Recipient or deemed necessary and proper from time to time.

   (c) This Agreement does not apply to and the Services provided for herein do not include any services which Harold C. Simmons may provide to Recipient in his role as a director on Recipient's Board of Directors, as Chairman of such Board of Directors or any other activity related to such Board of Directors.

2. Miscellaneous Services: It is the intent of the parties hereto that Contran provide only the Services requested by Recipient in connection with routine functions related to the ongoing operations of Recipient and not with respect to special projects, including corporate investments, acquisitions and divestitures. The parties hereto contemplate that the Services rendered in connection with the conduct of Recipient's business will be on a scale compared to that existing on the date of this Agreement, adjusted for internal corporate growth or contraction, but not for major corporate acquisitions or divestitures, and that adjustments may be required to the terms of this Agreement in the event of such major corporate acquisitions, divestitures or special projects. Recipient will continue to bear all other costs required for outside services including, but not limited to, the outside services of attorneys, auditors, trustees,

consultants, transfer agents and registrars, and it is expressly understood that Contran assumes no liability for any expenses or services other than those stated in Section 1. In addition to the fee paid to Contran by Recipient for the Services provided pursuant to this Agreement, Recipient will pay to Contran the amount of out-of-pocket costs incurred by Contran in rendering such Services.

3. Fee for Services: Recipient agrees to pay to Contran $100,000.00 quarterly, commencing as of January 1, 1995, pursuant to this Agreement.

4. Original Term: Subject to the provisions of Section 5 hereof, the original term of this Agreement shall be from January 1, 1995 to December 31, 1995.

5. Extensions. This Agreement shall be extended on a quarter- to-quarter basis after the expiration of its original term unless written notification is given by Contran or Recipient thirty (30) days in advance of the first day of each successive quarter or unless it is superseded by a subsequent written agreement of the parties hereto.

6. Limitation of Liability. In providing its Services hereunder, Contran shall have a duty to act, and to cause its agents to act, in a reasonably prudent manner, but neither Contran nor any officer, director, employee or agent of Contran or its affiliates shall be liable to Recipient for any error of judgment or mistake of law or for any loss incurred by Recipient in connection with the matter to which this Agreement relates, except a loss resulting from willful misfeasance, bad faith or gross negligence on the part of Contran.

7. Indemnification of Contran by Recipient. Recipient shall indemnify and hold harmless Contran, its affiliates and their respective officers, directors and employees from and against any and all losses, liabilities, claims, damages, costs and expenses (including attorneys' fees and other expenses of litigation) to which such party may become subject to arising out of the Services provided by Contran to Recipient hereunder, provided that such indemnity shall not protect any such party against any liability to which such person would otherwise be subject to by reason of willful misfeasance, bad faith or gross negligence.

8. Further Assurances. Each of the parties will make, execute, acknowledge and deliver such other instruments and documents, and take all such other actions, as the other party may reasonably request and as may reasonably be required in order to effectuate the purposes of this Agreement and to carry out the terms hereof.

9. Notices. All communications hereunder shall be in writing and shall be addressed, if intended for Contran, to Three Lincoln Centre, 5430 LBJ Freeway, Suite 1700, Dallas, Texas 75240, Attention: President, or such other address as it shall have furnished to Recipient in writing, and if intended for Recipient, to Two Greenspoint Plaza, 16825 Northchase Drive, Suite 1200, Houston, Texas 77060, Attention: President or such other address as it shall have furnished to Contran in writing.

10. Amendment and Modification. Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated other than by agreement in writing signed by the parties hereto.

11. Successor and Assigns: This Agreement shall be binding upon and inure to the benefit of Contran and Recipient and their respective successors and assigns, except that neither party may assign its rights under this

Agreement without the prior written consent of the other party.

12. Governing Law: This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Texas.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first above written.

CONTRAN CORPORATION

By:_____________________________
Steven L. Watson

Vice President

NL INDUSTRIES, INC.

By:_____________________________
J. Landis Martin
President and
Chief Executive Officer