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 June 30, 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: (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 July 31, 1996: 51,118,014

NL INDUSTRIES, INC. AND SUBSIDIARIES

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NL INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In thousands)

ASSETS	December 31, 1995	June 30, 1996
Current assets:		
Cash and cash equivalents	$ 141,333	$ 120,094
Accounts and notes receivable	147,428	179,690
Refundable income taxes	4,941	2,042
Inventories	251,630	232,241
Prepaid expenses	3,217	6,223
Deferred income taxes	2,522	2,126
Total current assets	551,071	542,416
Other assets:		
Marketable securities	20,944	23,064
Investment in joint ventures	185,893	184,382
Prepaid pension cost	22,576	23,500
Deferred income taxes	788	910
Other	31,165	26,577
Total other assets	261,366	258,433
Property and equipment:		
Land	22,902	21,930
Buildings	166,349	163,083
Machinery and equipment	648,458	640,792
Mining properties	97,190	95,630
Construction in progress	11,187	16,496
	946,086	937,931
Less accumulated depreciation and depletion	486,870	482,115
Net property and equipment	459,216	455,816
	$1,271,653	$1,256,665

NL INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (CONTINUED)

(In thousands)

LIABILITIES AND SHAREHOLDERS' DEFICIT	December 31, 1995	June 30, 1996
Current liabilities:		
Notes payable	$ 39,247	$ 26,268

Current maturities of long-term debt	43,369	73,489
Accounts payable and accrued liabilities	165,985	147,616
Payable to affiliates	10,181	9,831
Income taxes	40,088	39,384
Deferred income taxes	3,555	2,902
Total current liabilities	302,425	299,490
Noncurrent liabilities:		
Long-term debt	740,334	742,919
Deferred income taxes	157,192	148,101
Accrued pension cost	69,311	60,623
Accrued postretirement benefits cost	60,235	58,816
Other	148,511	136,197
Total noncurrent liabilities	1,175,583	1,146,656
Minority interest	3,066	251
Shareholders' deficit:		
Common stock	8,355	8,355
Additional paid-in capital	759,281	759,281
Adjustments:		
Currency translation	(126,934)	(124,027)
Pension liabilities	(1,908)	(1,908)
Marketable securities	(525)	853
Accumulated deficit	(481,432)	(466,290)
Treasury stock	(366,258)	(365,996)
Total shareholders' deficit	(209,421)	(189,732)
	$1,271,653	$1,256,665

Commitments and contingencies (Note 13)

NL INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	1995	1996	1995	1996
Revenues and other income:				
Net sales	$283,474	$263,162	$534,349	$503,602
Other, net	6,121	10,329	9,015	20,877
	289,595	273,491	543,364	524,479
Costs and expenses:				
Cost of sales	187,896	194,794	357,664	364,610
Selling, general and administrative	50,448	43,148	94,620	86,039
Interest	21,052	18,516	41,728	37,655
	259,396	256,458	494,012	488,304
Income before income taxes and minority interest	30,199	17,033	49,352	36,175
Income tax expense	9,056	5,114	14,802	10,854
Income before minority interest	21,143	11,919	34,550	25,321
Minority interest	141	-	486	(42)
Net income	$ 21,002	$ 11,919	$ 34,064	$ 25,363

Net income per share of

common stock	$ .41	$ .23	$ .66	$ .49
Weighted average common and common equivalent shares outstanding	51,552	51,493	51,469	51,499

NL INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF SHAREHOLDERS' DEFICIT

Six months ended June 30, 1996

(In thousands)

	Common stock	Additional paid-in capital	Adjustments Currency translation	Pension liabilities	Marketable securities
Balance at December 31, 1995	$8,355	$759,281	$(126,934)	$(1,908)	$ (525)
Net income	-	-	-	-	-
Dividends	-	-	-	-	-
Adjustments	-	-	2,907	-	1,378
Treasury stock reissued	-	-	-	-	-
Balance at June 30, 1996	$8,355	$759,281	$(124,027)	$(1,908)	$ 853

	Accumulated deficit	Treasury stock	Total
Balance at December 31, 1995	$(481,432)	$(366,258)	$(209,421)
Net income	25,363	-	25,363
Dividends	(10,221)	-	(10,221)
Adjustments	-	-	4,285
Treasury stock reissued	-	262	262
Balance at June 30, 1996	$(466,290)	$(365,996)	$(189,732)

NL INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Six months ended June 30, 1995 and 1996

(In thousands)

	1995	1996
Cash flows from operating activities:		
Net income	$ 34,064	$ 25,363
Depreciation, depletion and amortization	19,291	20,076
Noncash interest expense	9,547	10,250
Deferred income taxes	16,259	(3,496)
Other, net	(5,073)	(8,746)
	74,088	43,447

Change in assets and liabilities:		
Accounts and notes receivable	(37,759)	(37,852)
Inventories	3,053	10,168
Prepaid expenses	(5,151)	(3,390)
Accounts payable and accrued liabilities	(7,013)	(13,554)
Income taxes	(22,447)	3,620
Other, net	(606)	(8,033)
Marketable trading securities, net	23,943	-
Net cash provided (used) by operating activities	28,108	(5,594)
Cash flows from investing activities:		
Capital expenditures	(26,200)	(31,358)
Purchase of minority interest	-	(5,168)
Investment in joint ventures, net	1,486	1,632
Other, net	33	110
Net cash used by investing activities	(24,681)	(34,784)

NL INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

Six months ended June 30, 1995 and 1996

(In thousands)

	1995	1996
Cash flows from financing activities:		
Indebtedness:		
Borrowings	$ 25,839	$ 64,712
Principal payments	(27,326)	(33,112)
Dividends	-	(10,221)
Other, net	102	(202)
Net cash provided (used) by financing activities	(1,385)	21,177
Cash and cash equivalents:		
Net change from:		
Operating, investing and financing activities	2,042	(19,201)
Currency translation	4,098	(2,038)
Balance at beginning of period	131,124	141,333
Balance at end of period	$137,264	$120,094
Supplemental disclosures - cash paid for:		
Interest, net of amounts capitalized	$ 28,273	$ 27,591
Income taxes	21,296	10,702

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 55% and 18%, respectively, of NL's outstanding common stock. Contran holds, directly or through subsidiaries, approximately 91% of Valhi's and 44% of Tremont's outstanding common stock.

The consolidated balance sheet of NL Industries, Inc. and Subsidiaries (collectively, the "Company") at December 31, 1995 has been condensed from the Company's audited consolidated financial statements at that date. The consolidated balance sheet at June 30, 1996 and the consolidated statements of operations, shareholders' deficit and cash flows for the interim periods ended June 30, 1995 and 1996, 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 1996 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, 1995 (the "1995 Annual Report").

NOTE 2 - NET INCOME PER SHARE OF COMMON STOCK:

Net income per share of common stock is based on the weighted average number of common shares and equivalents outstanding. Common stock equivalents, consisting of nonqualified stock options, are excluded from the computation when their effect 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 June 30,		Six months ended June 30,	
	1995	1996	1995	1996
	(In thousands)			
Net sales:				
Kronos	$249,393	$228,229	$466,721	$434,597
Rheox	34,081	34,933	67,628	69,005
	$283,474	$263,162	$534,349	$503,602
Operating income:				
Kronos	$ 47,100	$ 25,443	$ 79,553	$ 54,915
Rheox	10,449	10,655	19,964	23,121
	57,549	36,098	99,517	78,036
General corporate income (expense):				
Securities earnings, net	1,926	1,134	4,395	2,441
Expenses, net	(8,224)	(1,683)	(12,832)	(6,647)
Interest expense	(21,052)	(18,516)	(41,728)	(37,655)
	$ 30,199	$ 17,033	$ 49,352	$ 36,175

NOTE 4 - INVENTORIES:

	December 31, 1995	June 30, 1996
	(In thousands)	
Raw materials	$ 35,075	$ 34,680
Work in process	9,132	8,439
Finished products	172,330	153,779
Supplies	35,093	35,343
	$251,630	$232,241

NOTE 5 - MARKETABLE SECURITIES AND SECURITIES TRANSACTIONS:

	December 31, 1995	June 30, 1996
	(In thousands)	

Available-for-sale securities - noncurrent marketable equity securities:		
Unrealized gains	$ 1,962	$ 3,573
Unrealized losses	(2,770)	(2,261)
Cost	21,752	21,752
Aggregate market	$20,944	$23,064

Net gains and losses from trading securities transactions are composed of:

	Three months ended June 30, 1995	1996	Six months ended June 30, 1995	1996
	(In thousands)			
Unrealized gains	$422	$ -	$1,115	$ -
Realized gains	154	-	50	-
	$576	$ -	$1,165	$ -

NOTE 6 - INVESTMENT IN JOINT VENTURES:

	December 31, 1995	June 30, 1996
	(In thousands)	
TiO2 manufacturing joint venture	$183,129	$181,772
Other	2,764	2,610
	$185,893	$184,382

NOTE 7 - OTHER NONCURRENT ASSETS:

	December 31, 1995	June 30, 1996
	(In thousands)	
Intangible assets, net	$11,803	$ 9,624
Deferred financing costs, net	13,199	11,410
Other	6,163	5,543
	$31,165	$26,577

NOTE 8 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

	December 31, 1995	June 30, 1996
	(In thousands)	
Accounts payable	$ 68,734	$ 57,147
Accrued liabilities:		
Employee benefits	49,884	33,926
Environmental costs	6,000	6,000
Interest	6,633	7,045
Miscellaneous taxes	2,557	2,257
Other	32,177	41,241
	97,251	90,469
	$165,985	$147,616

NOTE 9 - OTHER NONCURRENT LIABILITIES:

	December 31, 1995	June 30, 1996
	(In thousands)	
Environmental costs	$112,827	$107,684
Insurance claims and expenses	12,088	11,532
Employee benefits	13,148	12,163
Deferred technology fee income	8,456	3,041
Other	1,992	1,777
	$148,511	$136,197

NOTE 10 - NOTES PAYABLE AND LONG-TERM DEBT:

	December 31, 1995	June 30, 1996
	(In thousands)	
Notes payable - Kronos (DM 56,000 and DM 40,000, respectively)	$ 39,247	$ 26,268
Long-term debt:		
NL Industries:		
11.75% Senior Secured Notes	$250,000	$250,000
13% Senior Secured Discount Notes	132,034	140,616
	382,034	390,616
Kronos:		
DM bank credit facility (DM 397,609 and DM 490,609, respectively)	276,895	322,134
Joint venture term loan	73,286	65,572
Other	13,672	11,699
	363,853	399,405
Rheox:		
Bank term loan	37,263	25,909
Other	553	478
	37,816	26,387
	783,703	816,408
Less current maturities	43,369	73,489
	$740,334	$742,919

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.

	Six months ended June 30, 1995	1996
	(In thousands)	
Expected tax expense	$17,273	$12,661
Non-U.S. tax rates	(2,263)	(1,954)
Incremental tax on income of companies not included in NL's consolidated U.S. federal income tax return	1,124	789
Valuation allowance	(2,479)	(1,098)
U.S. state income taxes	538	1,138
Other, net	609	(682)

Income tax expense	$14,802	$10,854

NOTE 12 - OTHER INCOME, NET:

	Three months ended June 30, 1995	1996	Six months ended June 30, 1995	1996
	(In thousands)			
Securities earnings:				
Interest and dividends	$1,350	$ 1,134	$ 3,230	$ 2,441
Securities transactions	576	-	1,165	-
	1,926	1,134	4,395	2,441
Pension curtailment gain	-	-	-	4,791
Technology fee income	2,719	2,593	5,305	5,674
Litigation settlement gain	-	2,756	-	2,756
Currency transaction gains, (losses), net	716	2,821	(1,917)	3,867
Other, net	760	1,025	1,232	1,348
	$6,121	$10,329	$ 9,015	$20,877

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," (ii) the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1996, and (iii) the 1995 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.

	Three months ended June 30, 1995	1996	% Change	Six months ended June 30, 1995	1996	% Change
	(In millions)			(In millions)		
Net sales:						
Kronos	$249.4	$228.3	-8%	$466.7	$434.6	-7%
Rheox	34.1	34.9	+2%	67.6	69.0	+2%
	$283.5	$263.2	-7%	$534.3	$503.6	-6%
Operating income:						
Kronos	$ 47.1	$ 25.4	-46%	$ 79.5	$ 54.9	-31%
Rheox	10.4	10.7	+2%	20.0	23.1	+16%
	$ 57.5	$ 36.1	-37%	$ 99.5	$ 78.0	-22%
Percent changes in TiO2:						
Sales volume			+4%			-4%
Average selling prices (in billing currencies)			-7%			-2%

Kronos' TiO2 operating income in the second quarter and first half of 1996 decreased from the comparable periods in 1995 due to lower average TiO2 selling prices and lower production volumes. Kronos' average TiO2 selling prices for the second quarter of 1996 were 7% lower than the second quarter of 1995 and 6% lower than the first quarter of 1996. Selling prices at the end of the second quarter of 1996 were 2% lower than the average for the quarter. Kronos' second quarter sales volumes increased 4% compared with the second quarter of 1995 due to improved U.S. sales volumes. Sales volumes in the first half of 1996 decreased 4% compared to the year-earlier period.

Rheox's operating income for the second quarter of 1996 was slightly higher than the year-earlier period primarily due to higher sales volumes. Rheox's operating income in the first half of 1996 includes a first-quarter $2.7 million gain related to the curtailment of certain U.S. employee pension benefits.

Based on the continuing decline in TiO2 selling prices during the second quarter and the current TiO2 industry pricing outlook, the Company expects its earnings for the third and fourth quarters of 1996 will be significantly lower than the Company's earnings for the second quarter.

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 decreased the dollar value of sales for the second quarter and first half of 1996 by $10 million and $4 million, respectively, compared to the comparable 1995 periods.

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

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	Three months ended June 30, 1995	Three months ended June 30, 1996	Difference	Six months ended June 30, 1995	Six months ended June 30, 1996	Difference
Securities earnings	$ 2.0	$ 1.1	$(.9)	$ 4.4	$ 2.4	$(2.0)
Corporate expenses, net	(8.2)	(1.7)	6.5	(12.8)	(6.6)	6.2
Interest expense	(21.1)	(18.5)	2.6	(41.7)	(37.7)	4.0
	$(27.3)	$(19.1)	$8.2	$(50.1)	$(41.9)	$ 8.2

Securities earnings were lower due to lower average balances available for investment. Net corporate expenses were lower in the second quarter and first half of 1996 compared to the same periods in 1995 due to lower environmental remediation costs and to a $2.8 million gain recognized in the second quarter of 1996 related to the settlement of certain litigation in which the Company was a plaintiff. Interest expense was lower primarily due to lower variable interest rates.

LIQUIDITY AND CAPITAL RESOURCES

The Company's consolidated cash flows from operating, investing and financing activities for the six months ended June 30, 1995 and 1996 are presented below.

	Six months ended June 30, 1995	Six months ended June 30, 1996
	(In millions)	
Net cash provided (used) by:		
Operating activities	$ 28.1	$ (5.6)
Investing activities	(24.7)	(34.8)
Financing activities	(1.4)	21.2
Net cash provided (used) by operating, investing and financing activities	$ 2.0	$(19.2)

The TiO2 industry is cyclical and changes in economic conditions within the industry can significantly impact the earnings and operating cash flows of the Company. Although selling prices are significantly above the trough that occurred in the third quarter of 1993, prices began to decline during the last half of 1995. The Company's cash flows from operations declined during the first half of 1996 compared to the first half of 1995 primarily due to lower earnings and relative changes in the Company's working capital, excluding the effect of currency translation.

Certain of the Company's income tax returns in various U.S. and non-U.S. jurisdictions are being examined and tax authorities have proposed or may propose tax deficiencies. The Company has reached an agreement in principle with the German tax authorities regarding examinations which will resolve certain significant tax contingencies for years through 1990. The Company expects to finalize assessments and pay tax deficiencies during 1996 of approximately DM 50 million ($33 million at June 30, 1996), including interest, in settlement of these issues. Certain other German tax contingencies remain outstanding and will continue to be litigated. Although the Company believes that it will ultimately prevail, the Company has granted a DM 100 million ($66 million at June 30, 1996) lien on its Nordenham, Germany TiO_2 plant in favor of the German tax authorities until the litigation is resolved. No assurance can be given that this litigation will be resolved in the Company's favor in view of the inherent uncertainties involved in court rulings. 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.

Rheox acquired the minority interests of its non-U.S. subsidiaries for $5.2 million in the first quarter of 1996.

The Company borrowed DM 95 million ($64 million when borrowed) under its DM credit facility during the first half of 1996. Repayments of indebtedness in the same period included payments of $11.4 million on the Rheox bank term loan, DM 16 million ($10.4 million when repaid) on DM-denominated notes payables and $7.7 million on the joint venture term loan.

In the second quarter of 1996, the Company paid a quarterly dividend of $.10 per share to shareholders aggregating $5.1 million. Dividends paid during the first half of 1996 totalled $10.2 million. In July 1996, the Company's Board of Directors declared a quarterly dividend of $.10 per share to be paid in September 1996. The indentures governing the Company's Senior Notes contain minimum interest coverage requirements and other covenants that restrict the Company's ability to pay dividends. The indentures also limit the cumulative dividends paid since the issuance of the Senior Notes to no more than one-half of the Company's aggregate consolidated net income, as defined, during the same period. There can be no assurance that the Company will continue to meet these requirements in the future.

At June 30, 1996, the Company had cash and cash equivalents aggregating $120 million (32% held by non-U.S. subsidiaries) including restricted cash and cash equivalents of $11 million. The Company's subsidiaries had $5 million and $121 million available for borrowing at June 30, 1996 under existing U.S. and non-U.S. credit facilities, respectively, of which $82 million of the non-U.S. amount is available only for (i) permanently reducing the DM term loan or (ii) paying future German income tax assessments, as described above.

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. On a quarterly basis, the Company evaluates the potential range of its liability at sites where it has been named as a PRP or defendant. The Company believes it has adequate accruals ($114 million at June 30, 1996) 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 $175 million. The Company's estimates of such liabilities have not been discounted to present value, and the Company has not recognized any potential insurance recoveries. 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. Although no assurance can be given that the Company will not incur future liability in respect of this litigation, based on, among other things, the results of such litigation to date, the Company believes that the pending lead pigment and paint litigation is without merit. The Company has not accrued any amounts for such pending litigation. Liability that may result, if any, cannot be reasonably estimated. In addition, various legislation and administrative regulations are, from time to time, enacted or proposed at the state, local and federal levels seeking 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 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.

The Company periodically evaluates its liquidity requirements, alternative uses of capital, capital needs and availability of resources in view of, among other things, its debt service and 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 reduce, refinance, repurchase or restructure indebtedness, raise additional capital, modify its dividend policy, restructure ownership interests, sell interests in subsidiaries or other assets, or take a combination of such steps or other steps to manage its liquidity and capital resources. In the normal course of its business, the Company may also review opportunities for acquisitions or other business combinations in the chemicals industry. In the event of any such transaction, the Company may consider using available cash, issuing equity securities or increasing its indebtedness to the extent permitted by the agreements governing the Company's existing debt.

The statements contained in this Report on Form 10-Q ("Quarterly Report") which are not historical facts, including, but not limited to, statements found under the captions "Results of Operations" and "Liquidity and Capital Resources" above, are forward-looking statements that involve a number of risks and uncertainties. The actual results of the future events described in such forward-looking statements in this Quarterly Report could differ materially from those stated in such forward-looking statements. Among the factors that could cause actual results to differ materially are the risks and uncertainties discussed in this Quarterly Report and in the 1995 Annual Report, including, without limitation, the portions of such reports under the captions referenced above, and the uncertainties set forth from time to time in the Company's filings with the Securities and Exchange Commission, and other public statements.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Reference is made to the 1995 Annual Report and the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1996 for descriptions of certain previously-reported legal proceedings.

The City of New York, et al. v. Lead Industries Association, Inc., et al. (No. 89-4617). In June 1996, the appeals court reversed the trial court's dismissal of plaintiffs' restitution and indemnification claims. The time in which defendants may request permission to appeal has not yet expired.

Wright, et al. v. Lead Industries Association, Inc., et al. (Nos. 94-363042 and 94-363043). In June 1996, the trial court granted defendants' motions for summary judgment and dismissed the Company and certain other defendants from the cases. The time in which plaintiffs may appeal has not yet expired.

Jefferson v. Lead Industries Association, Inc., et al. (No. 95-2835). In June 1996, the trial court granted defendants' motions to dismiss the complaints and entered judgment in favor of all defendants. Plaintiffs have filed a notice of appeal and the appeal is pending.

German, et al. v. Federal Home Loan Mortgage Corp., et al. (No 93 Civ. 6491). In May 1996, the Company and the other former manufacturers of lead pigments filed motions to dismiss the intervenors' complaint. The motions are pending.

Pedricktown, New Jersey smelter site. In May 1996, certain PRPs, but not the Company, entered into an administrative consent order with the U.S. EPA to perform the remedial design aspects of the selected remedy.

Granite City, Illinois smelter site. In June 1996, the City of Granite

City brought a motion for a preliminary injunction against the U.S. EPA seeking to enjoin certain aspects of the cleanup after the U.S. EPA recommenced the cleanup of residential yard soils. The Company and the other PRPs joined in the City's motion. The court has not yet ruled on the motion.

Flacke v. NL Industries, Inc. et al. (Nos. 1842-80 and 3131-92). In June 1996, the previously-reported appeals of the Company and the State of New York were both denied.

In re: Monangalia Mass II (Nos. 93-C-362, et al.). The Company has been served with asserted claims on behalf of approximately 2,800 plaintiffs.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Company held its Annual Meeting of Shareholders on May 8, 1996. All the nominees for director were elected with the voting results for each as follows:

Director	Shares For	Shares Withheld
Joseph S. Compofelice	47,515,680	501,746
J. Landis Martin	47,513,235	504,191
Kenneth R. Peak	47,568,716	448,710
Glenn R. Simmons	47,509,644	507,782
Harold C. Simmons	47,508,973	508,453
Lawrence A. Wigdor	47,504,825	512,601
Admiral Elmo R. Zumwalt, Jr.	47,563,541	453,885

The Company's shareholders also approved the following two proposals with the voting results for each as follows:

	Shares For	Shares Against	Shares Abstained
(a) Approval of the Company's proposed Variable Compensation Plan	42,774,928	889,454	134,793
(b) Approval of proposed amendments to the Company's 1989 Long Term Performance Incentive Plan	45,937,514	1,896,135	183,777

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) EXHIBITS

10.1 - NL Industries, Inc. Variable Compensation Plan - incorporated by reference to Exhibit A of the Registrant's Proxy Statement on Schedule 14A for the annual shareholders meeting held May 8, 1996.

10.2 - 1989 Long Term Performance Incentive Plan of NL Industries, Inc. - incorporated by reference to Exhibit B of the Registrant's Proxy Statement on Schedule 14A for the annual shareholders meeting held May 8, 1996.

27.1 - Financial Data Schedule for the six-month period ended June 30, 1996.

(b) REPORTS ON FORM 8-K

Reports on Form 8-K for the quarter ended June 30, 1996 and through the date of this report:

April 19, 1996 - reported Items 5 and 7.
May 8, 1996 - reported Items 5 and 7.
July 25, 1996 - 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: July 31, 1996

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

Date: July 31, 1996

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

<ARTICLE> 5
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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM NL INDUSTRIES INC.'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 1996, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH CONSOLIDATED FINANCIAL STATEMENTS.
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