

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, 1997

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 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 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 18, 1998, 51,290,614 shares of common stock were outstanding. The aggregate market value of the 12,381,624 shares of voting stock held by nonaffiliates as of such date approximated \$203 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, 1997 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, 1997 (filed as an amendment to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1997).

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 29, 1998

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, 1997

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-18

Exhibit I - 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/ Susan E. Alderton
Susan E. Alderton
PEBCO Committee Member

June 29, 1998

NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

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

December 31, 1997

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, 1996 and 1997	F-3 to F-6
Statements of Changes in Net Assets Available for Benefits with Fund Information - Years ended December 31, 1996 and 1997	F-7 to F-10
Notes to Financial Statements	F-11 to F-16
Supplemental Schedules:	
Item 27a - Schedule of Assets Held for Investment Purposes - December 31, 1997	F-17
Item 27d - Schedule of Reportable Transactions - Year ended December 31, 1997	F-18

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

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, 1996 and 1997, 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, 1996 and 1997, 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 22, 1998

NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS WITH FUND INFORMATION

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 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 benefits	<u>\$ 226,707</u>	<u>\$ 367,830</u>	<u>\$ 502,925</u>

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 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 benefits	<u>\$ 2,435,220</u>	<u>\$ 491,385</u>	<u>\$ 5,608</u>	<u>\$38,896,838</u>

NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

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

December 31, 1997

	Fund Information			
	MFS Emerging Growth Fund	Templeton World Fund	AIM International Equity Fund	AIM Value Fund
Investments at fair value:				
Common stock	\$ --	\$ --	\$ --	\$ --
Other securities	1,752,287	1,709,815	358,685	2,339,828
Employer contributions receivable .	124,285	73,966	63,591	109,733
Cash	--	--	--	--
Net assets available for benefits	<u>\$1,876,572</u>	<u>\$1,783,781</u>	<u>\$ 422,276</u>	<u>\$2,449,561</u>

	Fund Information		
	MFS Government Securities Fund	ML Equity Index Trust	ML Global Allocation Fund, Inc.
Investments at fair value:			
Common stock	\$ --	\$ --	\$ --
Other securities	412,430	1,471,539	581,012
Employer contributions receivable .	23,007	99,692	49,464
Cash	--	--	--
Net assets available for benefits	<u>\$ 435,437</u>	<u>\$1,571,231</u>	<u>\$ 630,476</u>

NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

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

December 31, 1997 (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	559,444	5,280,559	4,553,826	18,770,319	572,120
Employer contributions receivable	44,877	226,750	233,642	425,833	431
Cash	--	--	--	--	--
Net assets available for benefits	<u>\$ 604,321</u>	<u>\$ 5,507,309</u>	<u>\$ 4,787,468</u>	<u>\$19,196,152</u>	<u>\$ 572,551</u>

Fund Information (Continued)

Common Stock Funds				
	NL	Dresser/ Tremont	Cash Fund	Total
Investments at fair value:				
Common stock	\$ 2,922,905	\$ 641,313	\$ --	\$ 3,564,218
Other securities	--	--	--	38,361,864
Employer contributions receivable	119,072	--	--	1,594,343
Cash	--	--	67,673	67,673
Net assets available for benefits	<u>\$ 3,041,977</u>	<u>\$ 641,313</u>	<u>\$ 67,673</u>	<u>\$43,588,098</u>

See accompanying notes to financial statements.

NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

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

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 benefits	1,105,313	511,165	428,876	758,612
Net assets available for 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 benefits	226,707	367,830	502,925
Net assets available for benefits:			
Beginning of year	--	--	--
End of year	\$ 226,707	\$ 367,830	\$ 502,925

NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

STATEMENTS OF CHANGES IN NET 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 benefits	2,220	316,596	726,050	(1,660,094)	(184,708)
Net assets available for 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 benefits	(626,919)	99,366	1,579	2,575,518

Net assets available for 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
=====				

NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

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

Year ended December 31, 1997

	Fund Information			
	MFS Emerging Growth Fund	Templeton World Fund	AIM International Equity Fund	AIM Value Fund
Investment income:				
Dividend income:				
Dresser Corporation	\$ --	\$ --	\$ --	\$ --
Other	16,432	194,010	--	236,781
Interest income	--	--	--	--
Total investment income	16,432	194,010	--	236,781
Net appreciation (depreciation) in the fair value of investments ...	233,438	(31,852)	22,165	(8,813)
Contributions:				
Participants	169,064	89,722	70,688	91,659
Employer	124,450	74,021	63,646	109,788
Total contributions	293,514	163,743	134,334	201,447
Total income and contributions .	543,384	325,901	156,499	429,415
Net interfund transfers	260,066	974,423	(120,241)	1,296,437
Distributions:				
Benefit payments	32,384	27,722	42,872	34,962
Less forfeitures	(193)	(14)	(14)	(59)
Total distributions	32,191	27,708	42,858	34,903
Net change in net assets available for benefits	771,259	1,272,616	(6,600)	1,690,949
Net assets available for benefits:				
Beginning of year	1,105,313	511,165	428,876	758,612
End of year	\$ 1,876,572	\$ 1,783,781	\$ 422,276	\$ 2,449,561

Fund Information

	MFS Government Securities Fund	ML Equity Index Trust	ML Global Allocation Fund, Inc.
Investment income:			
Dividend income:			
Dresser Corporation	\$ --	\$ --	\$ --
Other	16,123	--	74,407
Interest income	--	--	--
Total investment income	16,123	--	74,407
Net appreciation (depreciation) in the fair value of investments ...	7,213	271,995	(20,570)
Contributions:			
Participants	42,494	119,406	58,203
Employer	23,171	99,802	49,627
Total contributions	65,665	219,208	107,830
Total income and contributions .	89,001	491,203	161,667
Net interfund transfers	132,763	740,130	27,597
Distributions:			
Benefit payments	13,044	28,066	61,842
Less forfeitures	(10)	(134)	(129)
Total distributions	13,034	27,932	61,713
Net change in net assets available for benefits	208,730	1,203,401	127,551
Net assets available for benefits:			
Beginning of year	226,707	367,830	502,925
End of year	\$ 435,437 =====	\$ 1,571,231 =====	\$ 630,476 =====

NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

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

Year ended December 31, 1997 (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:					
Dresser Corporation	\$ --	\$ --	\$ --	\$ --	\$ --
Other	57,617	446,830	332,407	--	67,211
Interest income	--	--	--	1,295,411	--
Total investment income	57,617	446,830	332,407	1,295,411	67,211
Net appreciation (depreciation) in the fair value of investments	21,707	515,983	625,862	--	(28,063)
Contributions:					
Participants	45,653	191,718	191,096	321,954	--
Employer	45,039	229,886	236,587	426,045	--
Total contributions	90,692	421,604	427,683	747,999	--
Total income and contributions	170,016	1,384,417	1,385,952	2,043,410	39,148
Net interfund transfers	(215,293)	(216,751)	342,202	(3,048,845)	(64,341)
Distributions:					
Benefit payments	11,049	303,714	106,654	2,793,481	3,841
Less forfeitures	(267)	(1,033)	(891)	(1,237)	--
Total distributions	10,782	302,681	105,763	2,792,244	3,841
Net change in net assets available for benefits	(56,059)	864,985	1,622,391	(3,797,679)	(29,034)
Net assets available for benefits:					
Beginning of year	660,380	4,642,324	3,165,077	22,993,831	601,585
End of year	\$ 604,321	\$ 5,507,309	\$ 4,787,468	\$ 19,196,152	\$ 572,551

Fund Information (Continued)

Common Stock Funds				
	NL	Dresser/ Tremont	Cash Fund	Total

Investment income:				
Dividend income:				
Dresser Corporation	\$ --	\$ 8,817	\$ --	\$ 8,817
Other	--	--	3,213	1,445,031
Interest income	--	--	--	1,295,411

Total investment income	--	8,817	3,213	2,749,259

Net appreciation (depreciation) in the fair value of investments	626,051	176,448	--	2,411,564

Contributions:				
Participants	91,379	--	--	1,483,036
Employer	119,073	--	--	1,601,135

Total contributions	210,452	--	--	3,084,171

Total income and contributions	836,503	185,265	3,213	8,244,994

Net interfund transfers	(164,438)	(2,561)	58,852	--

Distributions:				
Benefit payments	65,395	32,776	--	3,557,802
Less forfeitures	(87)	--	--	(4,068)

Total distributions	65,308	32,776	--	3,553,734

Net change in net assets available for benefits	606,757	149,928	62,065	4,691,260

Net assets available for benefits:				
Beginning of year	2,435,220	491,385	5,608	38,896,838

End of year	\$ 3,041,977	\$ 641,313	\$ 67,673	\$ 43,588,098
=====				

See accompanying notes to financial statements.

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 (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, if any, 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.

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, 1997 there were 288 active participants (participants currently employed by the Company) and 728 total participants. Active participants may make basic contributions of between 0% 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 1997). 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 to their investment account of 3% of their eligible compensation, subject to IRS limitations on eligible compensation, which currently is \$160,000. 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.

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,	
	1996	1997
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.	368	350
Merrill Lynch Basic Value Fund, Inc. - Class A Shares - managed with the objective of seeking capital appreciation and, secondarily, income.	163	184
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.	82	97
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.	184	200
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.	59	52
NL Stock Fund - invested in NL common stock.	500	478
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	121
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	98

	Number of participants at December 31,	
	-----	-----
	1996	1997
	----	----
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	73
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	111
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	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	87
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	78

In addition to the funds listed above, the Dresser/Tremont Stock Fund holds investments in Dresser Industries for 47 participants and Tremont Corporation common stock for 40 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.

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. Distributions may be in the form of lump sums, installments, annuities, or combinations thereof, or distributions of 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, 1996 and 1997 were as follows:

Fund description	1996		1997	
	Historical cost	Fair value	Historical cost	Fair value
Merrill Lynch Retirement Preservation Trust	\$22,758,005	\$22,758,005	\$18,770,319	\$18,770,319
Merrill Lynch Basic Value Fund, Inc. - Class A Shares	2,564,065	3,057,100	3,490,890	4,553,826
Merrill Lynch Federal Securities Trust - Class D Shares	648,231	645,236	552,463	559,444
Merrill Lynch Capital Fund, Inc. - Class A Shares	4,043,712	4,531,774	4,381,559	5,280,559
Merrill Lynch Global Holdings, Inc. - Class A Shares	550,799	601,585	555,820	572,120
MFS Emerging Growth Fund - Class A Shares	1,059,235	1,053,576	1,534,538	1,752,287
Templeton World Fund - Class I Shares ...	465,233	476,472	1,740,237	1,709,815
AIM International Equity Fund - Class A Shares	386,506	405,674	332,296	358,685
AIM Value Fund - Class A Shares	686,839	725,427	2,314,305	2,339,828
MFS Government Securities Fund - Class A Shares	210,926	215,693	400,192	412,430
Merrill Lynch Equity Index Trust	309,021	346,379	1,179,269	1,471,539
Merrill Lynch Global Allocation Fund, Inc. - Class A Shares	481,896	477,894	605,829	581,012
NL Stock Fund	2,790,711	2,388,253	2,768,830	2,922,905
Dresser/Tremont Stock Fund:				
Dresser Common Stock	138,847	392,719	130,237	510,016
Tremont Common Stock	22,601	98,666	20,693	131,297
	-----	-----	-----	-----
	\$37,116,627	\$38,174,453	\$38,777,477	\$41,926,082
	=====	=====	=====	=====

At June 22, 1998, the market value of the shares of NL, Dresser and Tremont stock held at December 31, 1997 was \$3,901,674, \$522,927 and \$135,524, respectively.

Concentration of credit risk

During 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, 1997, 76% 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, 1996 and 1997 was as follows:

	Purchases -----	Sales and distributions, at cost -----	Realized gain -----
Year ended December 31, 1996:			
NL common stock	\$554,224	\$749,643	\$201,758
Tremont common stock	--	3,215	8,893
Year ended December 31, 1997:			
NL common stock	407,357	429,237	70,581
Tremont common stock	--	1,908	7,101

Note 5 - Tax status:

The Plan, as amended, 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 March 5, 1998, 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.

Note 6 - Subsequent Event:

The specialty chemical business of Rheox, Inc., a wholly-owned subsidiary of the Company, was sold to Elementis plc for \$465 million in January 1998, including \$20 million attributable to a five-year agreement by the Company not to compete in the rheological products business. At December 31, 1997 68% of the active participants in the Plan were Rheox employees.

SUPPLEMENTAL SCHEDULES

NL INDUSTRIES, INC. RETIREMENT SAVINGS PLAN

ITEM 27a - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

December 31, 1997

Employer Identification No. 13-5267260

Plan No. 003

	Cost	Fair value
	-----	-----
Merrill Lynch Retirement Preservation Trust	\$18,770,319	\$18,770,319
Merrill Lynch Basic Value Fund, Inc. - Class A Shares	3,490,890	4,553,826
Merrill Lynch Federal Securities Trust - Class D Shares	552,463	559,444
Merrill Lynch Capital Fund, Inc. - Class A shares	4,381,559	5,280,559
Merrill Lynch Global Holdings, Inc. - Class A shares	555,820	572,120
MFS Emerging Growth Fund - Class A Shares	1,534,538	1,752,287
Templeton World Fund - Class I Shares	1,740,237	1,709,815
AIM International Equity Fund - Class A Shares	332,296	358,685
AIM Value Fund - Class A Shares	2,314,305	2,339,828
MFS Government Securities Fund - Class A Shares	400,192	412,430
Merrill Lynch Equity Index Trust	1,179,269	1,471,539
Merrill Lynch Global Allocation Fund, Inc.- Class A Shares	605,829	581,012
* NL Stock Fund - Common Stock	2,768,830	2,922,905
Dresser/Tremont Stock Fund - Common Stock:		
Dresser Industries	130,237	510,016
* Tremont Corporation	20,693	131,297
	-----	-----
	\$38,777,477	\$41,926,082
	=====	=====

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.

NL INDUSTRIES, INC.

RETIREMENT SAVINGS PLAN

ITEM 27d - SCHEDULE OF REPORTABLE TRANSACTIONS

Year ended December 31, 1997

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	129	\$2,172,387	\$ --	\$2,172,387	\$2,172,387	\$--
Sales	108	--	6,160,073	6,160,073	6,160,073	--

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 22, 1998, on our audits of the statements of net assets available for benefits of the NL Industries, Inc. Retirement Savings Plan as of December 31, 1996 and 1997 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 22, 1998

