

TRUST AND BUSINESS AFFAIRS - ADDITIONAL QUESTIONS FROM OUR FILES

Q. Understand Monsanto is getting out of the polystyrene chloride market. That you have sold your PVC business to Jordan. That you are shutting down your Springfield, Mass., PVC facilities. Correct?

A. As part of his long-range plan, Monsanto had decided to withdraw from the U.S. PVC business. We have signed an agreement with Jordan for the licensing of our patents and technology relating to polystyrene chloride resins. Jordan has also signed a sales agreement for the purchase of our entire PVC resins from the Springfield plant, effective Feb. 1.

Q. Is the sales agreement exclusive?

A. Monsanto will no longer be a U.S. merchant supplier of PVC resins, since Jordan will purchase all of our output.

Q. What about the rest of your PVC line such as Ultron film and Vyron rigid compound?

A. Monsanto has elected to withdraw from the PVC film and compound business around July 1.

Q. We have you listed with 150 million pounds of PVC capacity at Springfield. Will this now be lower?

A. The 120 million pounds of resin capacity will continue to operate.

Q. What does withdrawal from film and compound do to your employment at Springfield?

A. We will be closing two production units. This will require layoff of some people in the summer, with the possibility of some seasonal work in the fall. The exact number affected is yet to be determined, depending upon other activity there.

Q. How long will the sales agreement with Jordan run? What happens to your PVC resin units after that?

A. The sales agreement runs through 1975. After that time, the U.S. market will run on a competitive basis with other producers. Future use of sales units will be decided at that time.

BUSINESS PRESS QUESTIONS - (CONTINUED)

Q. Why did Monsanto decide on these prices? Aren't things much better now in PVC. Isn't there a shortage?

A. PVC consumption is up considerably. But our role in these particular market segments has been small. Also, we ended our U.S. manufacture of vinyl chloride monomer several years ago. We decided we had much more attractive opportunities in other plastics areas -- such as polystyrene and ABS.

Q. Why did Borden decide to buy your technology?

A.

Q. Will Borden incorporate your line of PVC resins into its announced expansion of 230 million pounds at Illiopolis, Ill.?

A.

Q. Borden has said the Illiopolis expansion would be completed during the first quarter of 1975. Will your remaining units at Springfield be shut down then?

A. Future use of the Springfield resin facilities will depend upon Borden's and Monsanto's needs.

Q. Where else does Monsanto manufacture and market PVC?

A. We have interests in Mexico, Spain, Japan and Canada. Our PVC activity outside the U.S. is considerably larger.

Q. How much money is involved in the licensing agreement?

A. Sorry, the exact figure is confidential.

SPRINGFIELD AREA - POLYMER PLANTATIONS FACT FOR 1966

- Q. Understand you are leaving off a substantial number of people at the Springfield plant. (Inter 1077)
- A. As a realignment of products, we are planning to close two production units at Springfield. This will require the transfer of some people to the other, with the possibility of some personnel cuts in the staff. The exact number of employees affected is not to be determined, depending upon our expansion and activity at the location.
- Q. What products are involved? Why did this occur?
- A. We are moving the manufacture of polyvinyl chloride compounds and film, due to costs and economics. We will continue to manufacture PVC resin.
- Q. We understand the remaining PVC units may run only for a few more years and then be shut down too. Correct?
- A. The market for our PVC resins has been determined and these units will continue to operate. The exact nature of our future plans depends on several factors.
- Q. Is Monsanto writing off Springfield as a location for growth and new products?
- A. No. Monsanto considers Springfield an major U.S. site for plastic manufacturing and research. Employment at our Springfield and Arizona plant places is 2,600 people. In the past few years, we have invested considerable capital here to research and expand facilities. We have other facilities at the Chicago plant. These facilities could mean added investment and will determine future personnel needs.
- Q. What are the new products? When will expansion occur?
- A. Sorry, but this information is confidential at present.