PLAINTIFF'S EXHIBIT

DOW-1490

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1959 ANNUAL REPORT

Dow

for the year ended May 31, 1959

The Dow Chemical Company

DIRECTORS AND OFFICERS

DIRECTORS

Earl W. Bennett, *Chairman*
Donald K. Ballman
A. P. Beutel
R. H. Boundy
C. B. Branch
Calvin A. Campbell
Herbert D. Doan
Leland I. Doan
Alden B. Dow
Herbert H. Dow
Carl A. Gerstacker
N. D. Griswold
Mark E. Putnam
W. H. Schuette
C. J. Strosacker

EXECUTIVE COMMITTEE

Leland I. Doan, *Chairman*
Earl W. Bennett
Calvin A. Campbell
Carl A. Gerstacker
Mark E. Putnam
C. J. Strosacker

FINANCE COMMITTEE

Earl W. Bennett, *Chairman*
Robert B. Bennett
Fred H. Brown
Calvin A. Campbell
Carl A. Gerstacker

OFFICERS AND ASSISTANT OFFICERS

Earl W. Bennett, *Chairman of the Board*
Leland I. Doan, *President*
Mark E. Putnam, *Executive Vice President*
A. P. Beutel, *Vice President, General Manager Texas Division*
R. H. Boundy, *Vice President, Director of Research*
Calvin A. Campbell, *Vice President, Secretary, General Counsel*
R. L. Curtis, *Vice President*
Carl A. Gerstacker, *Vice President, Treasurer*
J. D. Hanawalt, *Vice President*
W. H. Schuette, *Vice President, General Manager Midland Division*
C. J. Strosacker, *Vice President*
Donald Williams, *Vice President, Director of Corporate Relations*
Robert B. Bennett, *Assistant Treasurer, Assistant Secretary*
Fred H. Brown, *Assistant Treasurer, Assistant Secretary*
Leland A. Doan, *Assistant Secretary, General Manager Western Division*
Luther Evans, *Assistant Secretary, Assistant General Manager Texas Division*
W. A. Groening, Jr., *Assistant Secretary, Assistant General Counsel*
C. F. Weaver, *Auditor*

TRANSFER AGENTS

The Cleveland Trust Company
Morgan Guaranty Trust Company of New York

REGISTRARS

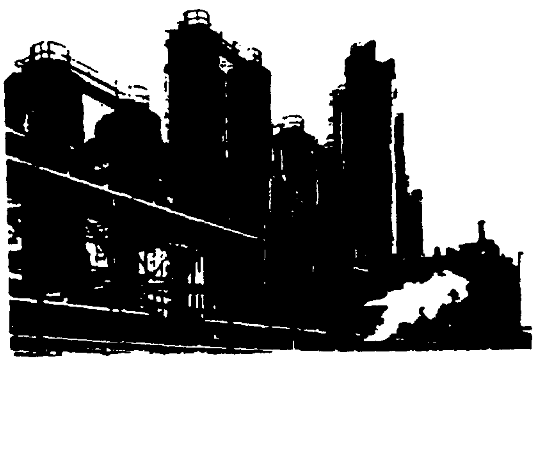
The National City Bank of Cleveland
The New York Trust Company

CERTIFIED PUBLIC ACCOUNTANTS

Haskins & Sells

THE ANNUAL MEETING

The annual meeting of stockholders will be held on Wednesday, September 16, 1959, at two o'clock in the afternoon, EST, in the auditorium of the Central Intermediate School, Rodd and Reardon Streets, Midland, Michigan. A formal notice of the meeting, together with a proxy statement and form of proxy, will be mailed to each holder of Common Stock separately from this report.



THE DOW CHEMICAL COMPANY 62nd ANNUAL REPORT 1959

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DIREC

ARL W. BENNETT
hairman of the Board
? years service

LELAND I. DOAN
President
42 years service

MARK E. PUTNAM
Executive Vice President
44 years service

CALVIN A. CAMPBELL
Vice President,
Secretary, General Counsel
24 years service

HERBERT D. DOAN
Manager,
Chemicals Department
10 years service

ALDEN B. DOW
Director
Since 1941

HERBERT H. DOW
Staff Manager,
Plastics Fabricated Products
7 years service

RECENTLY
RETIRED
FROM THE
BOARD OF
DIRECTORS

TORS

D. K. BALLMAN
Director of Sales
24 years service

A. P. BEUTEL
Vice President,
General Manager, Texas Division
43 years service

R. H. BOUNDY
Vice President,
Director of Research
33 years service

C. B. BRANCH
President,
Dow Chemical International
Limited, S.A.
22 years service

CARL A. GERSTACKER
Vice President,
Treasurer
21 years service

N. D. GRISWOLD
Assistant General Manager,
Texas Division
32 years service

W. H. SCHUETTE
Vice President,
General Manager, Midland Division
18 years service

C. J. STROSACKER
Vice President
51 years service

E. O. BARSTOW
Honorary Chairman of the Board
59 years service

R. L. CURTIS
Vice President
37 years service

OPERATIONS SUMMARY A two year comparison

	1959	1958
Net Sales	$705,442,403	$636,201,143
Total Income	713,500,598	645,161,000
Depreciation, Amortization, and Depletion	82,711,521	82,383,709
United States and Foreign Taxes on Income	53,244,000	42,421,000
Net Earnings	62,916,016	46,059,181
Earnings per Share [illegible]	2.39	1.78
Cash Dividends Declared [illegible]	31,436,875	30,847,227
[illegible]	516,806,601	463,385,928
Shares of Common Stock Outstanding	26,357,090	25,877,131
Common Stockholders	83,400	80,800

During the 1958 fiscal year the Company distributed Common Stock to its stockholders in the ratio of one share for each fifty shares held.

THE PRESIDENT'S LETTER TO THE STOCKHOLDERS

TO THE STOCKHOLDERS:

This sixty-second annual report is submitted under considerably happier circumstances than those of a year ago. The 1959 fiscal year could be characterized most accurately as a year of recovery, and it was a recovery more rapid and more vigorous than anyone could reasonably have anticipated at this time last year.

Just as the economic decline was largely responsible for our depressed sales and earnings in 1958, the upturn in the nation's economy has been a major factor in our improved performance this past year. However, much credit is due our own people for their excellent work in controlling costs, in sharpening our research, production and marketing efforts — in short, achieving greater efficiency and effectiveness in all areas of operation. The combination has served to bring us to a new high in dollar sales at $705 million and effect a marked improvement in earnings.

Thus we have reason for confidence, but cannot, however, afford any complacency. We face many immediate and long-range problems, and we are determined not only to guard jealously the progress we have made but to increase the kind of efforts that have brought it about.

With great regret we record the loss of a member of the Finance Committee, Charles Penhaligen, who died May 8, 1959. Mr. Penhaligen joined Dow in 1936 and served from 1941 as the Company Auditor and as Treasurer of Dowell from 1940. As an important member of the Finance Committee, his untiring efforts on behalf of the Company will be greatly missed.

In December two changes occurred in the Board of Directors with the retirement from the Board of Dr. E. O. Barstow and R. L. Curtis who had served as Directors since 1931 and 1948 respectively. Their long service and many contributions to the progress of the Company, both as employees and Directors, are acknowledged with deep appreciation.

Elected to replace them were Donald K. Ballman, Director of Sales, and C. B. Branch, then Manager of the Plastics Department and now President of Dow Chemical International Limited S. A. Dr. Barstow was elected Honorary Chairman of the Board and will continue to serve in an advisory capacity. Mr. Curtis remains a Vice President of the Company.

August 6, 1959

Sincerely,

Leland I. Doan
President

FINANCE AND EARNINGS

Earnings after taxes increased 37 per cent in fiscal 1959 to $63 million from $46 million in 1958. Although the first quarter, normally low, showed some effects of the recession, succeeding quarters during the year reflected better business conditions generally. While earnings per share of $2.39, up from $1.78 last year, were greatly improved they were still not equal to the high of $2.52 recorded in fiscal 1956. A cash dividend of $1.20 was paid during the year.

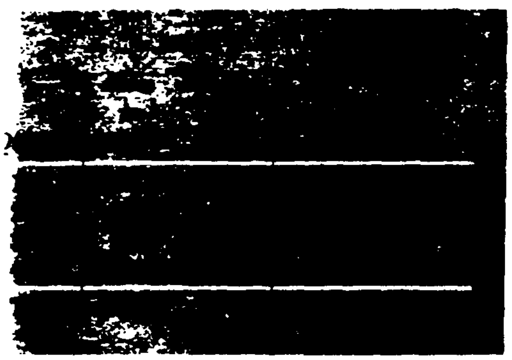
Continued organizational and promotional expenses in our textile fiber operation at Williamsburg, Virginia with only small volume in Zefran sales continue to affect earnings adversely.

Prices generally continue to be under pressure but it is our hope that they will not deteriorate further if business conditions continue at their present level.

Increased income and reduced capital expenditures during the year allowed us to substantially reduce our long-term debt including repayment of the 5% mortgage note to the Government on the Velasco magnesium plant. In addition, the 4% convertible debentures were converted and the 3% issue reduced to $43 million by conversion.

The quarterly summary at the left illustrates the effects of the recession on our sales and earnings.

QUARTERLY SUMMARY

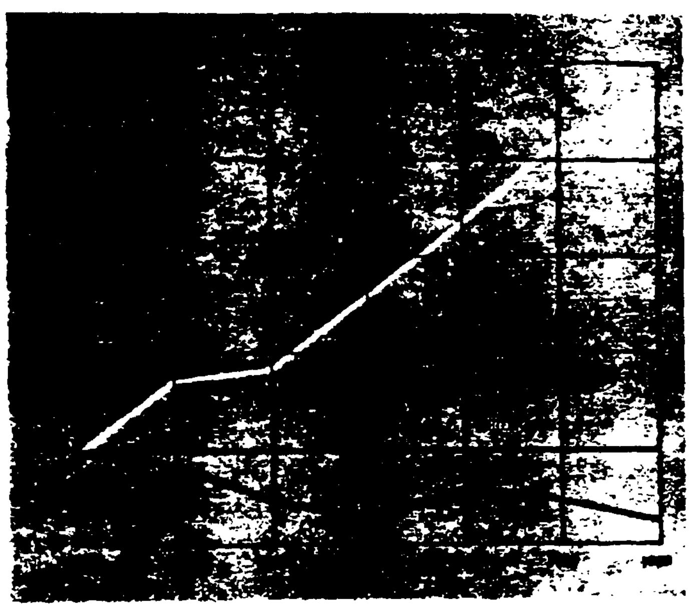


SALES

Sales reached a new high of $705 million as compared with $636 million in 1958, an increase of somewhat more than ten per cent.

TREND OF DOW WAGES AND SELLING PRICES

While the level of prices received for Dow products declined over the year, wages and salaries per employee showed an increase.



ANNUAL REPORT

The growth in physical volume was greater as pressure on prices continued throughout the year.

Our sales picture reflected very largely the upturn in the nation's economy. Increased volume was attained in each succeeding quarter with the exception of our third quarter which is seasonally lower. In the light of the prevailing economic outlook and new products which are just gaining a foothold in the market it is reasonable to anticipate continued healthy growth in the current year.

Our total sales revenue was produced by our major product categories approximately as follows:

Chemicals	51%	Magnesium	8%
Plastics	35%	Agricultural Chemicals	6%

D. K. Ballman, *Director of Sales*
W. R. Dixon, *General Sales Manager*

PRODUCTS

Chemicals

The sale of chemical products increased over last year despite the fact that we experienced increased competition both from new producers entering the market and foreign producers entering coastal markets, particularly with chlorinated solvents and chemical intermediates. We expect this situation to continue and are trying to meet it by establishing closer relations with our customers and distributors.

Such efforts in the field of chlorinated solvents, for example, resulted in increased volume in spite of the new competition.

Sales of ethylene and propylene oxide derivatives increased markedly. Ethylene diamine and related products, a relatively new group of products, showed sufficient growth to require expanded capacity. They are used in the manufacture of textile resins because they impart drip-dry characteristics to cottons and serve as intermediates in the production of a number of other industrial products.

The Dowanol products, propylene glycol and an improved Bisphenol A all enjoyed appreciable gains, and our position in the sale of phenol to the national and international phenolic resin markets was considerably improved. The rapidly growing demand for Methocel has necessitated increased facilities which will be operating this fall.

Two developments of long-term significance were the announcement that Kaiser Aluminum and Chemical Corporation would build a plant at Midland and that E. J. Lavino & Company would build a plant at Freeport. Both will utilize magnesium hydroxide from our facilities to produce magnesium oxide for use in refractory brick. The Harbison-Walker Refractories Company built a plant at Ludington about two years ago to use magnesium hydroxide production from our Ludington Division.

CHEMICAL PRODUCTS DEPARTMENT
W. C. Bauman, *Research*
J. C. VanHorn, *Technical Service and Development*
H. D. Doan, *Manager*
L. B. Grant, *Sales Manager*

This year Dow will test market its own national brand of ethylene glycol antifreeze. We have for some time been formulating and packaging antifreeze for a number of oil and automotive companies under their labels. This business will be actively supported but we feel it may be advantageous. both from our standpoint and our customers', to introduce our own brand into the market. This will also give us further entree into the automotive chemical field where we are already recognized as a major supplier of brake fluids, solvents and other industrial chemicals.

PLASTICS PRODUCTS DEPARTMENT
R. F. Boyer, *Research*
N. R. Peterson, *Coatings Development*
W. C. Goggin, *Manager*
F. J. MacRae, *Plastics Development*
G. J. Williams, *Sales Manager*

Plastics

For plastics this was a year of good business but intense competition. In many areas increases in volume were partially or totally offset by price declines and in all areas business was available only to those who sought it aggressively.

Polyethylene, styrene-butadiene latexes, Saran Wrap and building products were particularly bright spots. Our capacity for polyethylene was doubled and new plants are now under construction at our Sarnia, Bay City and Louisiana plants. Roofmate, a Styrofoam insulating board, and polyethylene film for construction uses were added to our rapidly growing line of building products.

The new television tubes which will make their appearance this fall were made possible by an epoxy resin we developed last year. Saran coating for cellophane has now become a large-volume commercial development.

Several new plastics reached the advanced stage of development and many more were born in our research laboratories. This continuing flow of new products and new applications should insure continued energetic growth of our over-all plastics business.

H. H. Lyon, *Manager Madison Plant*

Magnesium

In July 1959 the Company announced the formation of a new Division, The Dow Metal Products Company. This Division is responsible for the output of our Madison mill plus the casting and fabrication business of our foundry and fabrication shops in Bay City. It will replace the Magnesium Products Department and will facilitate a broad departure from our previous role in the metals

TEN YEAR NET SALES

field. In addition to strengthening the sales and development of magnesium. the long-range aim of this new division is to work with any metal that shows promise of increasing the division's earnings. Sales of magnesium and magnesium-alloy ingot will continue to be handled by the Sales Department.

There was a strong upswing in ingot sales during the year. particularly to the aluminum industry and other large chemical and metallurgical markets. These markets should continue to grow. particularly in aluminum because of the increased amounts of magnesium in some of the new aluminum alloys.

Alloy ingot sales to the foundry industry have shown a downward trend for some years as a result of increasing use of secondary metal and the sharp reduction of the military program.

The interest of the automotive industry in reducing car weight. the automation possible with magnesium diecasting operations, and a change in automotive engineering thinking combine to offer the possibility of expanding markets for magnesium in that industry.

In the products area the year was one of substantial recovery. with dollar sales up 30 per cent. Military use still accounts for a large share of sales and the continued growth of the missile program has increased the demand for castings and mill products of the new thorium alloys designed for use at elevated temperatures.

Commercial markets are expanding, however. The new Shwayder Silhouette luggage, made from magnesium sheet and extrusions, has had growing acceptance. Magnesium for tooling purposes is another growing market and three new tooling-plate distributors have been added.

Since we have a wide range of versatile metal-fabricating facilities and the demand for magnesium products fluctuates, we have been fabricating some aluminum and other metals. We anticipate that our production of nonmagnesium products will expand and thereby more fully utilize our facilities.

THE DOW METAL PRODUCTS COMPANY
A. W. Winston, *Assistant to the President*
D. H. Gilmore, *Sales Manager*
J. D. Hanawalt, *Vice President*
C. E. Nelson, *Research*
Hubert Fruehauf, *President*

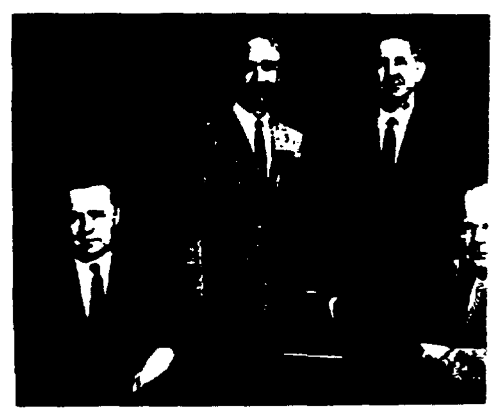
Agricultural Chemicals

The most significant trend in the Agricultural Chemicals Department is that of progress in the imaginative and orderly marketing of the products of research.

Research continues to be fruitful, especially in developing new product lines. Movement of new products into trade channels is being expedited by refinements in market planning. As an example. a complete program of research, product development and market planning is paving the way for a line of animal health products which should constitute a new market for Dow.

More and more products are undergoing market testing, assuring that they appear under the best possible circumstances.

Coordinated market planning has enabled greater versatility in market-promotion programs. For example, a program this year placed samples of Dowpon grass killer in the hands of 400.000 farmers through their local dealers. Domestic sales of Dowpon have doubled in the past year.



AGRICULTURAL CHEMICALS DEPARTMENT
J. E. Johnson, *Research*
W. W. Allen, *Sales Manager*
K. C. Barrons, *Development*
J. W. Britton, *Manager*

Textile Fibers

Ever since the consolidation of the Lurex yarns selling force with the newly established sales group for Zefran acrylic fiber last September, the company's Textile Fibers Department has been engaged in broadening the base of Dow's stake in the textile industry.

The retail launching of Zefran in selected men's, women's and children's apparel last fall was expanded during this spring to include new blends and apparel applications. Fall 1959 garment markets will find 100 per cent Zefran fabrics in exciting new women's sportswear lines as well.

A further development in early 1959 gave the department a third product, Rovana being introduced on a sales-development basis. This vinylidene chloride copolymer fiber with a flat cross section has possible application in home furnishings and accessory fabrics, as well as apparel.

TEXTILE FIBERS DEPARTMENT
A. E. Young, *Manager*
O. R. McIntire, *Technical Director*
A. L. Ruddock, *Sales Manager*

INTERNATIONAL OPERATIONS

Our foreign business during the past fiscal year was highlighted by a new record in export sales and a major reorganization aimed at expanding our overseas manufacturing operations.

Sales outside the United States and Canada handled through the two wholly owned subsidiaries, Dow Chemical International Limited S.A. and Dow Chemical Inter-American Limited, increased by 13 per cent over 1958 and accounted for about 10 per cent of our total sales. This is especially gratifying in view of the 1958 recession that generally depressed the export of U.S. chemicals.

Western Europe continues as the major outlet for our exports, closely followed by the Far East area and Central and South America.

The expansion of our overseas business and opportunities for investment abroad necessitated a reorganization of our foreign activities.

C. B. Branch was appointed President of Dow International and assigned the responsibility for the management and direction of all of Dow's foreign activities with the exception of Canada and Mexico.

New operational departments for investigation and implementation of manufacturing opportunities abroad were added to Dow International and the marketing organization was streamlined for a more direct selling to overseas customers. Formation of a new holding company, Dow Chemie A.G. in Basel, Switzerland for the financing of overseas manufacture was also announced.

C. S. Shoemaker, *President Dow Chemical Inter-American*
C. B. Branch, *President Dow Chemical International*

New offices were opened in Johannesburg, Union of South Africa and Lima, Peru, and the sales office in Caracas, Venezuela closed. Further decentralization of the European marketing setup is currently under study with the possibility of opening several new offices in Western Europe. We now have 13 foreign sales offices in twelve countries.

Other major developments in our overseas activities include the formation of Dow Agrochemicals Limited with headquarters in London and a plant, currently under construction, for the manufacture of agricultural chemicals in Norfolk, England.

A styrene monomer plant owned by the associated company, Asahi-Dow Limited, is nearing completion in Kawasaki, Japan.

All in all, either directly or in association with foreign partners we now have manufacturing or service operations in eleven foreign countries.

RESEARCH

The chief purposes of industrial research are, first, to protect the profitability and usefulness of present products and keep them competitive in existing markets and, second, to develop new products which will be the basis for profitable investment of capital and expansion into new markets.

E. B. Barnes, *Director, Organic Research, Texas Division*
C. M. Shigley, *Director, Technical Research, Texas Division*
R. G. Heitz, *Research Director, Western Division*
A. T. Maasberg, *Research Director, Midland Division*

The over-all effectiveness of research effort depends in large measure on the judgment factor as related to selectivity. We are constantly improving the selection of projects to be carried to pilot-plant stage and also experiencing continued improvement in the effectiveness of our pilot-plant efforts. As an illustration, eleven new products introduced at the Midland Division during fiscal 1957 had required an average of 92 months from beginning of research to new product status. In 1958 eight new products introduced represented an average of 73 months in development. During 1959 seven new products have been introduced having an average research span of only 42 months.

Approximately $70 million of our 1959 sales revenue was from products introduced within the past six years, and of this group 17 had sales of $1 million or more. Among the larger-volume items were methyl chloroform, a solvent; Dowpon, a selective grass killer; Separan, an industrial flocculant; saran 909, a formulation with greatly improved properties; glycerine; polyethylene and a high-temperature thorium-zirconium-magnesium alloy.

Some promising products of research currently being introduced are Rovana, a textile fiber with a flat cross section; a shrinkable form of Saran Wrap; a flexible epoxy resin; polypropylene, a new member of the plastics family; and Dowfax 2A1, a surface-active agent for detergents.

Among other developments:

Dow was selected as one of four chemical companies awarded a contract by the Advanced Research Projects Agency for the development of new higher-energy solid rocket fuels.

Dow was instrumental in developing one of the major plastic components of the Nike Zeus antimissile missile system and is one of the manufacturers of this component.

An agricultural research center has been authorized for construction near Midland which will consolidate agricultural research functions now dispersed among a number of Midland laboratories.

Dow was granted during the year 316 United States patents or six tenths of one per cent of all United States patents issued during that time, and filed 532 applications for United States patents or seven tenths of one per cent of the national total. At year end the Company owned 2221 United States patents and 2788 foreign patents.

R. Stein, *General Manager, Louisiana Division*
ther Evans, *Assistant General Manager, Texas Division*
G. Roebke, *Assistant General Manager, Texas Division*
. E. Roush, *Assistant General Manager, Texas Division*

GENERAL OPERATIONS

In general the Company's manufacturing divisions operated at increasing levels of capacity as the second half of our fiscal year in particular reflected the nation's economic recovery.

Having hit the peak of one of our cycles of expansion in 1958 our capital additions dropped to $59 million as compared with $185 million. A second polyethylene plant and a second glycerine plant were completed in Texas and expansions in ammonia, ethylene diamine and ethylene oxide derivatives are under way. New products added to the Division's product mix included anhydrous hydrochloric acid and lime slurry.

At Midland increased or new capacity was completed for several products, among the more significant being Pelaspan—Styrofoam expandable beads—Tyril plastic, phenacetin and soluble saran resin. A new $2 million waste disposal plant has also recently been completed. At nearby Bay City major new facilities are nearing completion including a plant for ethylene, propylene and butadiene, and a polyethylene plant. Pipelines have been laid to carry ethylene, benzene and propylene to the Midland operation.

Production capacity of our Western Division was increased approximately ten per cent through moderate capital expenditures and improved operating techniques. Only minor capital investments were made at Ludington and Allyn's Point.

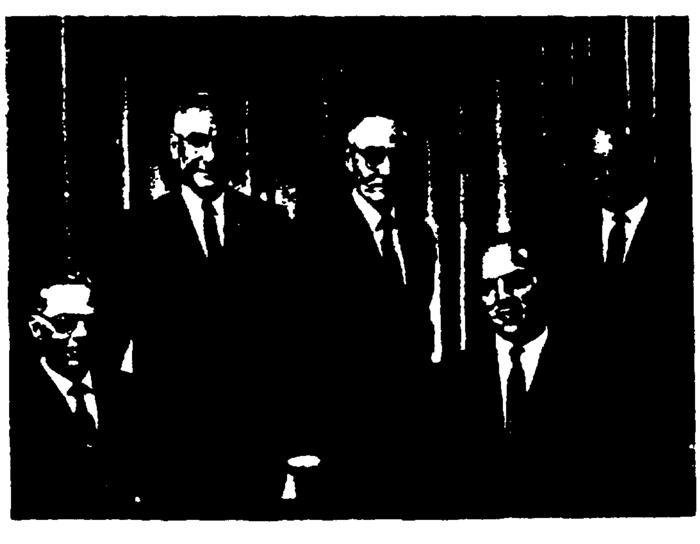
Probably the most significant event in this area was the completion and start-up of our new Louisiana Division. Vinyl chloride monomer was the first product to be produced, starting in July of 1958 and followed by chlorine, caustic soda, chlorinated solvents, light hydrocarbons and glycol at various stages through the fiscal year. This plant represents years of research and engineering experience and start-up operations went exceptionally smoothly. In addition to giving us efficient production units it assures our customers of an additional source of basic chemicals and is a shipping point of advantage to a number of major markets.

A point of major interest is the progress which has been made in cost reduction. These programs were started before the recession when it became evident that the profit squeeze was a problem demanding concerted action, but in the past fiscal year have gained sufficient momentum that definite results are apparent. They have involved study task forces, the training of supervision not only in the principles of work simplification but all areas of operations improvement, and, finally, the active participation of employees as related to their daily activities.

As a result of the formal Operations Improvement program at the Midland Division net dollar savings during calendar 1958 were estimated at more than $3 million.

This effort is not a "crash" program but a long-range objective which is firmly entrenched in the minds of our management and being brought ever more sharply into focus for all employees.

L. A. Doan, *General Manager, Western Division*
M. F. Ohman, *Manager, Pittsburg Plant*



MIDLAND DIVISION

R. F. Prescott, *Production Manager, Latex Organic Chemic[illegible]*
W. H. Williams, *Production Manager, Benzene Products*
G. F. Dressel, *Production Manager, Inorganic Chemicals*
M. Whiting, *Manager of Services*
C. Hutchenreuther, *Production Manager, Ethylene Product[illegible]*

DIVISIONAL OPERATIONS

Dobeckmun

Thomas F. Dolan, *President Dobeckmun Company*

Sales of our Dobeckmun Division showed an increase, reflecting recovery from the recession. Dobeckmun manufactures a broad line of packaging materials. Lurex metallic yarns and other specialty products. It has been a pioneer in laminated and extruded products and this represents its largest product category.

Two new products introduced during the year were Saran Wrap-S and Metalflake. Saran Wrap-S is a shrinkable saran film usually supplied in the form of bags for the "skintight" packaging of poultry and other food products. Metalflake is a sparkling metallic flake used for decorative purposes. It has found its first volume market in tile and linoleum floor coverings; it is also used in counter top materials, wallpaper, gift wrappings and greeting cards.

Our new Trycite—polystyrene film—plant at Cleveland began production in February. Already well accepted, its potential may well be increased by means of coatings which will add heat sealability and moistureproofness to the material. It is an exceptionally sparkling, clear and economical packaging film.

Polyethylene film has shown an encouraging sales gain both in roll stock and custom forms. Its use for packaging food, clothing and other items is growing rapidly. Frozen vegetables packaged in

W. D. Sweeny, *Executive Vice President*
L. D. Reinbolt, *Vice President and General Manager*

Dobeckmun polyethylene bags were introduced on the West Coast and found good market reception.

An interesting item introduced during the year was laminated precision punch tapes and punch cards for use in highly automated data-processing equipment. These tapes and cards can be rerun many thousands of times.

Dowell

Dowell, for many years a wholly owned subsidiary, began operating as a Division of the parent company on June 1, 1958. This Division offers a variety of services to the oil industry, including acidizing, fracturing and cementing, as well as a chemical cleaning service for industrial equipment.

Dowell's over-all business held about even with 1958 although the industrial service was somewhat expanded. This was partially due to the increasing need for chemical cleaning of missile-launching equipment. Special field research and development has been necessary to meet the rigid cleaning specifications for missile-launching equipment and Dowell has performed work at Cape Canaveral. Florida; Red Stone. Alabama; McGuire. New Jersey and Vandenberg, California.

An interesting project during the year was the acidizing of the world's deepest well at 25.304 feet where the unusually high temperatures and pressures required ultraheavy equipment and the use of special inhibitors.

Several contributions to the art of recovering oil were made, including Frac Guide, a technique which has greatly improved the results of Dowell's fracturing operations.

The outstanding minority interest in United Oilwell Service, S.A., of Caracas. Venezuela was purchased and the business now operates as a Division of Dow Chemical International Limited S.A. In Argentina a Dowell Division of Dow Quimica Argentina S.A. was established for servicing of oil and gas wells.

J. O. Staudt, *Executive Vice President, Dowell*

Bay Refining

The last fiscal year covered a period of oversupply and reduced earnings for the petroleum industry. Bay was no exception, but crude oil and pipeline tariff reductions coupled with completion of new topping and alkylation facilities and integration with the new petrochemical plant should improve Bay's position in the coming year.

SUBSIDIARIES

Dow Chemical of Canada, Limited had a good year, with sales some 10 per cent over the previous high in fiscal 1958. This was in part attributable to the introduction of several products which heretofore have not been produced in Canada, including methyl chloride, methylene chloride and polystyrene foam. These are now produced at Sarnia.

Late in the fiscal year Dow's first high-density polyethylene plant commenced production at Sarnia. About the same time the thorium plant at Elliot Lake, Ontario, jointly owned by Dow Canada and the Rio Tinto Mining Company of Canada, Limited and its associates, commenced production.

L. C. Smithers, *President*
Dow Chemical of Canada

During the year 650 acres of property were purchased at Fort Saskatchewan, near Edmonton, in Alberta and options were taken on property near Vancouver, British Columbia. Engineering now nearing completion will determine to what extent Dow Canada undertakes immediate chemical production in Canada's fast-developing West.

Sales offices were opened this year in Saint John, New Brunswick and Vancouver, British Columbia. Dow is now able to give good customer service in every province in Canada.

We have four other domestic subsidiaries operating in rather specialized fields. Cliffs Dow Chemical Company of Marquette, Michigan, in which we hold a two-thirds interest, is a large manufacturer of wood distillation products including Cliffchar briquets, a popular charcoal product. Adams Paper Company of Wells River, Vermont, as its name implies, manufactures paper, and Ben-Mont Papers, Inc. of Bennington, Vermont is a converter producing various gift-wrapping materials. Extruders, Inc. of Hawthorne, California produces polyethylene film. A new plant is being built at Fresno and upon its completion this operation will relocate there. The latter three companies are wholly owned.

We have numerous foreign subsidiaries which, to the extent appropriate, are reported under International Operations.

ASSOCIATED COMPANIES

Dow Corning Corporation, which we own jointly with Corning Glass Works, continued its 16-year growth and its sales surpassed those of any previous year.

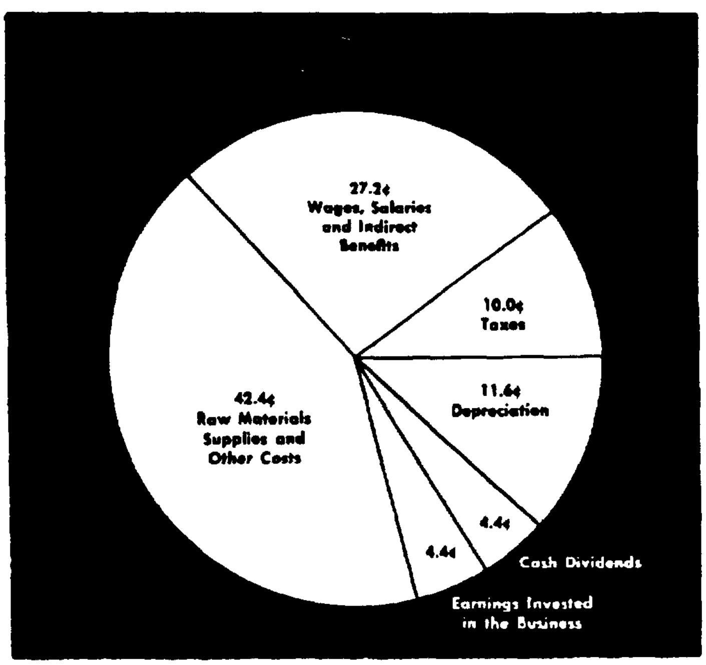
Silastic, the group of rubbery silicones used for such applications as electrical insulation and heat-resistant gaskets, continues as one of the leading product groups. As in the past, existing forms have been improved and new forms developed, one of the most interesting being RTV—room-temperature vulcanizing silastic.

Because of their chemical inertness and lack of toxicity silicones are rapidly finding use in medical research. Silastic has been used in a large variety of heart valves, brain valves, tubes and coatings. Silastic drainage valves have been the key to more than 4,000 successful operations on hydrocephalic children.

Dow Corning has taken a license for manufacturing ultrapure silicon metal under the Siemens and Westinghouse know-how. This material is used in the electronics industry for power rectifiers, transistors and other semiconductor devices.

The sales of Ethyl-Dow Chemical Company remained about on a par with last year. This company, which we own jointly with

DISTRIBUTION OF DOW'S INCOME DOLLAR



Ethyl Corporation, extracts bromine from sea water at Freeport, Texas, and manufactures ethylene dibromide for use in antiknock gasoline fluids.

A new associated company, Dow Badische Chemical Company, was formed during the year and is currently building a plant adjacent to our Texas Division to manufacture acrylic acid as well as methyl, ethyl, butyl and other acrylic esters. Its production will be sold through Dow. This company is owned jointly with BASF Overzee N.V., a subsidiary of Badische Anilin- & Soda-Fabrik AG of Ludwigshafen, Germany.

We have sold our 50 per cent interest in The Saran Yarns Company of Odenton, Maryland to The National Plastics Products Company, the other shareholder.

INDUSTRIAL RELATIONS

F. C. Peterson, *Director Industrial Relations*

Another year without any work stoppage at any location was experienced, keynoted by an apparent growing maturity in relationships with the various union organizations. Thirteen new contracts were negotiated involving 22 union groups. Several other contracts provided wage reopenings and all were amicably settled.

Personnel of the company and its subsidiaries increased slightly totaling 27,100 at year end compared with 26,600 at the end of the preceding year.

The accident frequency rate for the company as a whole increased to 2.41 disabling injuries per million man-hours. While this still compares favorably with the chemical industry average of 3.55 it represents a 37 per cent increase over our 1958 rate. Several of our divisions, however, have compiled outstanding safety records. Our Allyn's Point Division completed 8½ years without a disabling injury, our Ludington Division 6 years. Our Rocky Flats plant completed 5 million man-hours without a disabling injury—a new record for a Dow installation. Another safety milestone was reached when more than 11,000 employees at the Midland location achieved a record low-frequency rate of .95 for calendar 1958.

The tenth offering since 1948 of Dow Common Stock to employees for purchase by payroll deduction resulted in 10,812 employees subscribing for 120,917 shares. This represented 39 per cent of those eligible. Directors of the parent company are not eligible to participate in these plans.

At year end our noncontributory retirement plans covered 12,250 employees and 179 employees retired under the plans during the year. Among the assets of the plans were 51,448 shares of Dow Common Stock, of which 11,403 shares were purchased during the year. Among benefits paid out to retirees were 1,437 shares.

Our broad program of aid to education was continued and 194 students in 55 colleges and universities were Dow scholars or fellows during the academic year. Under the Dow matching grant plan 949 employee contributions were matched, an increase of 50 per cent over the preceding year, and to date 246 educational institutions in 43 states have benefited from this cooperative program.

SHAREHOLDERS

The chart showing the classification of ownership of Common Stock as of the record date, July 29, 1959, will appear in the postmeeting report which will be mailed to stockholders.

The number of shareholders at the end of the fiscal year increased to 83,400. The number of shares outstanding at May 31 increased from 25,877,131 to 26,357,090. This increase resulted from:

Sales to Employees	190,830
Conversion of 3% Debentures	205,009
Conversion of 4% Debentures	84,120

INCOME AND INVESTMENT

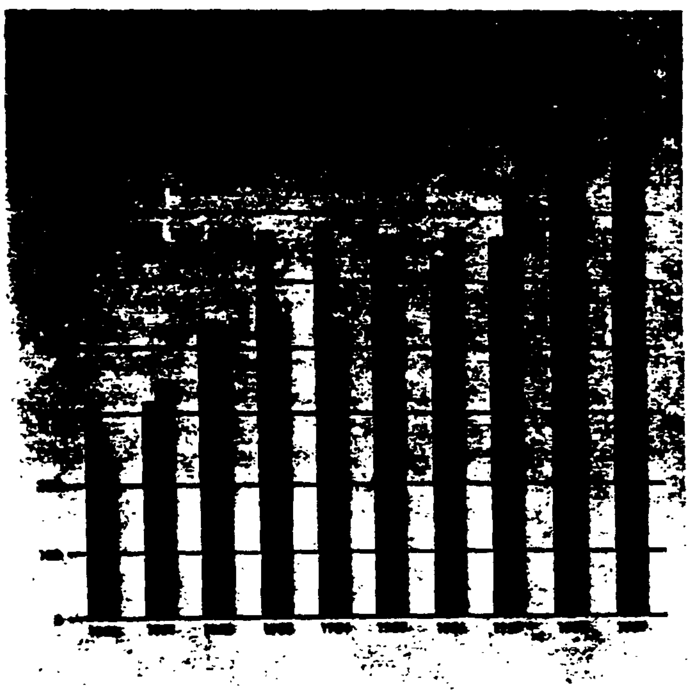
The provision for depreciation and amortization of property amounted to $82.7 million for the year ending May 31, 1959. The Company uses the declining balance method of computing depreciation wherever applicable.

Our expenditures for plant and property additions for the past ten years are as follows:

1950	$ 29,000,000	1955	$ 49,000,000
1951	91,000,000	1956	59,000,000
1952	145,000,000	1957	162,000,000
1953	94,000,000	1958	185,000,000
1954	59,000,000	1959	59,000,000

In the accompanying chart, "investment" is essentially net property plus working capital as more fully set forth on page 26.

INCOME AND INVESTMENT



REPORT OF INDEPENDENT ACCOUNTANTS

HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

RESIDENT PARTNERS
HAROLD W. SCOTT, C. P. A.
E. ROBERT BILLINGS, C. P. A.
CHAUNCEY A. NORTON, C. P. A.
ROLAND E. KING, C. P. A.

THE NATIONAL BANK BUILDING
DETROIT 26

THE DOW CHEMICAL COMPANY:

We have examined the consolidated balance sheet of The Dow Chemical Company and its subsidiary companies as of May 31, 1959 and the related statements of consolidated earnings and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and statements of consolidated earnings and surplus present fairly the financial position of the companies at May 31, 1959 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

July 28, 1959

HASKINS & SELLS

CONSOLIDATED BALANCE

ASSETS

	May 31 1959	May 31 1958
CURRENT ASSETS:		
Cash	$ 33,744,236	$ 33,274,267
United States Government securities—at cost	12,648,658	11,499,158
Accounts and notes receivable:		
Trade, less reserve for doubtful accounts	95,122,037	74,824,651
Miscellaneous	11,684,520	11,068,510
Inventories—at lower of cost or market	146,116,416	159.706.655
	$ 299,315,867	**$ 290,373,241**
INVESTMENTS AND NON-CURRENT RECEIVABLES:		
Notes and accounts receivable and capital stock (at cost) of associated companies (Note B)	$ 5,540,413	$ 6,131.437
Non-current notes and accounts receivable and sundry investments (less reserve for loss, 1959, $470,128; 1958, $5,772,359)	9,027,386	7,771,080
	$ 14,567,799	**$ 13,902,517**
PROPERTY — At cost:		
Plants and other properties	$ 1,065,841,206	$ 1,038,412,683
Less—Accumulated depreciation, amortization, and depletion	528,697,900	474,450.205
	$ 537,143,306	**$ 563,962,478**
PATENTS — At cost or nominal value, less accumulated amortization	**$ 2,135,713**	**$ 2,079,582**
PREPAID EXPENSES AND DEFERRED CHARGES	**$ 5,918,656**	**$ 4,694,612**
TOTAL	**$ 859,081,341**	**$ 875,012,430**

See notes to financial statements on page 24.

SHEET

THE DOW CHEMICAL COMPANY AND SUBSIDIARY COMPANIES

LIABILITIES

	May 31 1959	May 31 1958
CURRENT LIABILITIES:		
Notes payable	$ 55,532,713	$ 31,477,207
Installments on long-term debt due within one year (Note D)	2,500,000	4,800,000
Accounts payable	33,599,147	35,496,316
United States and foreign taxes on income	37,996,563	26,730,049
Accrued and other current liabilities	38,934,818	36,346,290
	$168,563,241	**$134,849,862**
LONG-TERM DEBT (Note D):		
Promissory notes, 2.7%	$ 12,000,000	$ 13,000,000
Promissory notes, 3.25%	42,000,000	43,500,000
Debentures, 2.35%	14,892,000	14,892,000
Debentures, subordinate 3% convertible	43,428,000	52,512,000
Debentures, subordinate 4% convertible		4,000,000
Notes payable—banks	60,000,000	135,000,000
Mortgage note, 5%—Velasco Magnesium Plant		10,350,000
Notes payable—other		1,315,789
	$172,320,000	**$274,569,789**
MINORITY INTERESTS IN SUBSIDIARY COMPANIES	**$ 1,391,499**	**$ 2,206,851**
STOCKHOLDERS' INTEREST:		
Common Capital Stock (outstanding, 26,357,090 shares) (Note E)	$ 131,785,452	$ 129,385,653
Capital surplus	295,789,345	276,247,612
Earned surplus	89,231,804	57,752,663
	$516,806,601	**$463,385,928**
TOTAL	**$859,081,341**	**$875,012,430**

See notes to financial statements on page 24.

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STATEMENT OF EARNINGS

THE DOW CHEMICAL COMPANY AND SUBSIDIARY COMPANIES

	For the Years Ended May 31 1959	1958
SALES AND OTHER REVENUE:		
Net sales	$ 705,442,403	$ 636,201,143
Dividends received from associated companies	3,053,259	2,530,921
Interest income	479,686	425,736
Fees from operation of Government-owned plants	651,225	668,227
Other income	3,874,025	5,334,973
	$713,500,598	**$645,161,000**
COSTS AND OTHER CHARGES:		
Cost of sales*	$ 421,946,414	$ 386,838,304
Provision for depreciation, amortization, and depletion	82,711,521	82,383,709
Provision for pension and profit-sharing plans	9,370,189	8,850,296
Selling and administrative expenses*	66,734,224	66,658,812
Interest expense	9,885,583	10,916,678
Other income charges	6,515,074	696,561
Minority interests in income of subsidiary companies	177,577	336,459
Provision for United States and foreign taxes on income	53,244,000	42,421,000
	$650,584,582	**$599,101,819**
EARNINGS FOR THE YEAR	**$ 62,916,016**	**$ 46,059,181**

*Exclusive of items shown separately.

See notes to financial statements on page 24.

STATEMENTS OF SURPLUS

THE DOW CHEMICAL COMPANY AND SUBSIDIARY COMPANIES

		For the Year Ended May 31, 1959
CAPITAL SURPLUS:		
Balance, June 1, 1958		$276,247,612
Additions:		
Excess of selling price over par value of Common Stock issued to employees	$ 7,866,009	
Excess of face value of debentures over the par value of Common Stock issued on conversion	11,638,255	
Proceeds received from sale of unclaimed stock scrip	37,469	19,541,733
Balance, May 31, 1959		$295,789,345
EARNED SURPLUS:		
Balance, June 1, 1958		$ 57,752,663
Earnings for the year		62,916,016
Total		$120,668,679
Cash dividends		31,436,875
Balance, May 31, 1959		$ 89,231,804

See notes to financial statements on page 24.

NOTES TO FINANCIAL

A Principles of Consolidation and Conversion of Foreign Currencies

The consolidated financial statements for the year ended May 31, 1959 include the accounts of the Company and all of its domestic and foreign subsidiaries.

Under a Plan and Agreement of Reorganization, The Dobeckmun Company was merged into The Dow Chemical Company as of August 31, 1957. The merger was accounted for as a "pooling of interests" and in accordance therewith the capital and earned surpluses of the respective companies, after certain eliminations, were combined. The accompanying statement of earnings for the year ended May 31, 1958 includes the results of operations of the merged companies for the entire year then ended.

In converting the accounts of Canadian subsidiaries and other items to be settled in Canadian currency, the current assets and liabilities have been converted at par and investments and fixed assets have been converted at the approximate rate prevailing at the time of acquisition, when below par. The accounts of other foreign subsidiaries have been converted generally at official or other appropriate exchange rates.

B Associated Companies

The Company's equity in the combined net assets of associated companies (50% owned), as shown by their unaudited financial statements, exceeded the Company's investment at cost by approximately $14,500,000 at May 31, 1959. The Company's equity in the combined net income of these companies was approximately $4,800,000 and $2,900,000 for the years ended May 31, 1959 and 1958, respectively.

C Sale of Common Stock to Employees

In October 1958, the Company made an offering of Common Stock to its employees and employees of its subsidiary and associated companies at a price of $55.75 a share, payable on an instalment basis generally through payroll deductions. At May 31, 1959 there were unfilled subscriptions under the offer for 96,895 shares. The subscriptions, which may be canceled at any time at the option of the employee but must be settled by August 1959, have not been recorded in the Company's books and are not reflected in these financial statements. However, partial payments on the subscriptions, aggregating $3,525,363, are included in current liabilities in the consolidated balance sheet at May 31, 1959.

The excess of the quoted market value on dates of delivery of stock sold over the selling price is deductible by the domestic companies in the computation of Federal income taxes but it is the practice of the Company not to record such excesses as a charge against income.

D Long-Term Debt

The promissory notes, which are payable to insurance companies, bear interest at 2.7% and 3.25% per annum, and are due January 1, 1972 and July 1, 1977, respectively, with prepayments due annually.

The 2.35% debentures are due November 1, 1961. The 3% convertible subordinate debentures are convertible into Common Stock and are due July 1, 1982.

Notes payable to banks at May 31, 1959 consisted of indebtedness in the amount of $40,000,000 under a loan agreement which provides for repayment in four equal semi-annual instalments beginning July 1, 1960, with interest at 4½% per annum. The remainder, in the amount of $20,000,000, is due under a credit agreement dated October 8, 1952, as amended by supplemental agreement dated October 1, 1957, which provides for a maximum credit of $150,000,000 with interest governed by the prime rate for ninety-day maturities, as defined in the agreement. The latter borrowing is evidenced by ninety-day notes which are renewable at the option of the borrower with final maturity as of October 1, 1960.

E Capital Stock

As of May 31, 1959 the authorized Common Stock consisted of 50,000,000 shares of $5 par value each. There were 26,357,090 shares outstanding, including scrip for fractional shares aggregating 45 shares. As of that date 96,895 shares were reserved for sale to employees under the offering of October 1958, 980,095 shares were reserved for conversion of convertible debentures, and 188,714 shares were reserved for issuance under the Key Employees Stock Option Plan, under which options were outstanding for 167,255 shares at prices ranging from $53¼ to $87 a share which represented the highest prices of the stock on the New York Stock Exchange on the dates the options were granted. Under the Key

ST0014152

STATEMENTS

Employees Stock Option Plan 142,416 shares were covered by outstanding options at the beginning of the current year. During the current year options for 58,279 shares were granted, options covering 32,156 shares were exercised and options for 1,284 shares expired by virtue of termination of employment. There were 78,454 shares available for option but not yet allotted at the beginning of the current year and 21,459 shares available at the end of the current year.

F Renegotiation

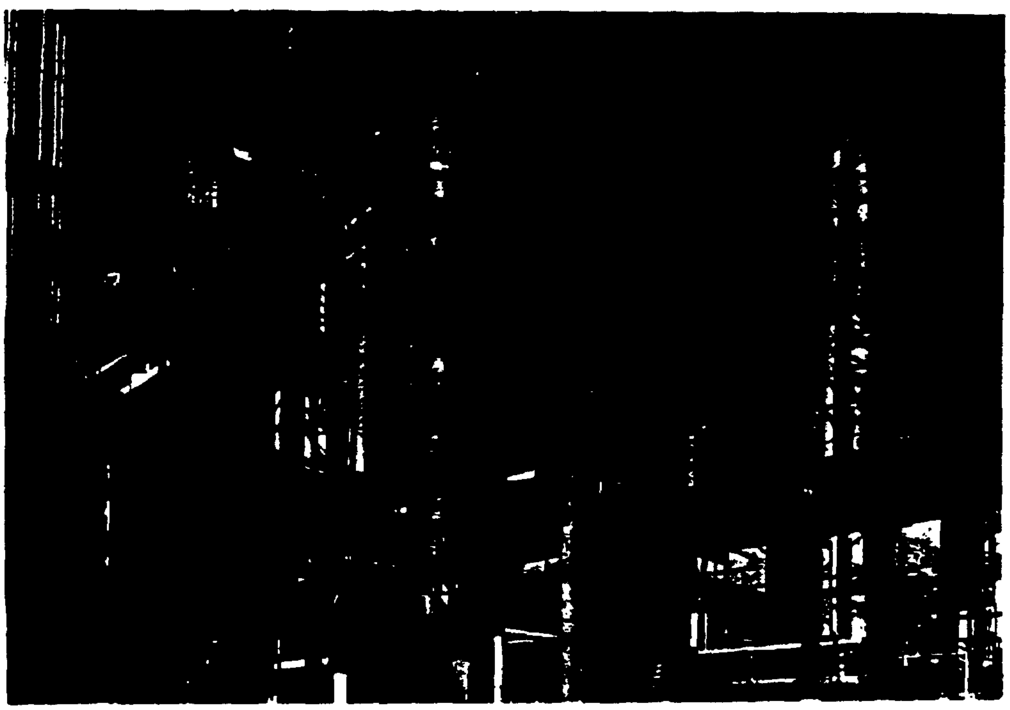
Certain contracts and sub-contracts of the Company are subject to Government renegotiation for the purpose of limiting profits. Renegotiation proceedings have been concluded without refund through the year ended May 31, 1958 and in the opinion of officials of the Company no refundable profits have been realized during the year ended May 31, 1959.

G Commitments and Contingent Liabilities

It is estimated by the Company that capital expenditures for the fiscal year ending May 31, 1960 will approximate $60,000,000.

The companies have agreed to loan approximately $2,900,000 to associated companies. Other contingent liabilities at May 31, 1959 included guarantees of loans of approximately $15,500,000 for employees' housing, construction of facilities, and other purposes; agreements for retirement payments to certain officers in a maximum amount of $2,300,000; and guarantees of rental income from housing projects.

Certain suits have been started against the Company because of alleged product damage claims. The Company is contesting such suits and the amount of its ultimate liability thereunder, if any, is not determinable at this time.



Scheduled for completion in August 1959, this new Dow ethylene plant is located adjacent to harbor and pipeline facilities at Bay City, Michigan.

Condensed Ten Year Statement of **FINANCIAL CONDITION**

THE DOW CHEMICAL COMPANY AND SUBSIDIARY COMPANIES

Figures are as of May 31 of each year.
Amounts are expressed in millions of dollars.

	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950
CURRENT ASSETS:										
Cash and marketable securities	$ 16.4	$ 44.8	$ 30.3	$ 72.4	$127.5	$130.2	$202.4	$112.6	$ 47.6	$ 43.3
Receivables (less reserves)	166.8	85.9	85.3	77.2	64.2	59.9	49.8	43.6	42.7	30.1
Inventories	116.1	159.7	138.8	104.5	76.3	82.7	74.3	76.7	48.8	34.0
Total current assets	$ 299.3	$ 290.4	$254.4	$254.1	$268.0	$272.8	$326.5	$232.9	$139.1	$107.4
CURRENT LIABILITIES:										
Notes payable	$ 55.5	$ 31.5	$ 57.0		$ 32.0	$ 50.0	$100.0	$ 50.0		
Accounts payable and accruals	75.0	76.6	72.0	$ 59.2	48.6	43.2	46.6	44.8	$ 41.8	$ 24.8
Taxes on income	38.0	26.7	41.6	51.5	38.1	29.5	52.4	98.8	67.1	19.2
Total current liabilities	$ 168.5	$ 134.8	$170.6	$110.7	$118.7	$122.7	$199.0	$193.6	$108.9	$ 44.0
WORKING CAPITAL (A)	$ 130.8	$ 155.6	$ 83.8	$143.4	$149.3	$150.1	$127.5	$ 39.3	$ 30.2	$ 63.4
PROPERTY (at cost)	$1,065.8	$1,038.4	$879.4	$729.8	$686.9	$647.4	$602.0	$518.4	$384.5	$299.6
Depreciation, amortization, and depletion	528.7	474.4	422.4	353.3	294.1	228.9	172.9	128.6	104.2	87.5
Net property (B)	$ 537.1	$ 564.0	$457.0	$376.5	$392.8	$418.5	$429.1	$389.8	$280.3	$212.1
OTHER ASSETS (C)	$ 22.6	$ 20.6	$ 20.9	$ 15.7	$ 18.3	$ 13.5	$ 13.3	$ 11.9	$ 7.7	$ 7.8
INVESTMENT (A) PLUS (B) PLUS (C)	$ 690.5	$ 740.2	$561.7	$535.6	$560.4	$582.1	$569.9	$441.0	$318.2	$283.3
Long-term Indebtedness	$ 172.3	$ 274.6	$132.6	$159.7	$243.0	$247.5	$249.2	$150.8	$ 62.4	$ 62.6
Preferred Stock						30.4	30.4	31.3	34.6	46.4
Minority Interests and Reserves	1.4	2.2	1.9	1.5	1.0	1.2	.9	1.0	1.8	1.7
Total	$ 173.7	$ 276.8	$134.5	$161.2	$244.0	$279.1	$280.5	$183.1	$ 98.8	$110.7
COMMON STOCKHOLDERS' EQUITY	$ 516.8	$ 463.4	$427.2	$374.4	$316.4	$303.0	$289.4	$257.9	$219.4	$172.6

Condensed Ten Year Statement of EARNINGS

THE DOW CHEMICAL COMPANY AND SUBSIDIARY COMPANIES

Figures are for years ended May 31.
Amounts are expressed in millions of dollars.

	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950
SALES AND OTHER REVENUE:										
Net sales	$705.4	$636.2	$627.8	$565.3	$470.7	$428.3	$430.4	$407.2	$339.6	$220.8
Other revenue	8.1	9.0	6.9	4.2	8.1	8.1	9.2	7.2	5.7	5.1
Total	$713.5	$645.2	$634.7	$569.5	$478.8	$436.4	$439.6	$414.4	$345.3	$225.9
COSTS AND OTHER CHARGES:										
Cost of sales	$421.9	$386.8	$376.4	$317.0	$274.0	$260.8	$256.0	$237.0	$187.1	$130.8
Depreciation, amortization, and depletion	82.7	82.4	80.8	73.9	73.5	64.5	52.0	32.8	22.4	20.3
Selling and administrative expenses	66.7	66.7	58.6	49.1	42.3	37.0	28.6	26.7	19.4	16.0
Pension and profit-sharing plans	9.1	8.9	7.5	6.2	5.4	5.0	4.1	3.7	3.2	2.7
Interest expense	9.9	10.9	5.4	5.8	8.6	10.6	9.5	3.1	1.6	1.7
Other income charges	6.7	1.0	1.3	3.2	1.7	.7	2.8	1.6	2.1	1.1
Taxes on income	53.3	42.4	51.6	54.6	35.9	24.4	50.7	73.7	69.0	19.5
Total	$650.6	$599.1	$581.6	$509.8	$441.4	$403.0	$403.7	$378.6	$304.8	$192.1
EARNINGS FOR THE YEAR	$ 62.9	$ 46.1	$ 53.1	$ 59.7	$ 37.4	$ 33.4	$ 35.9	$ 35.8	$ 40.5	$ 33.8
OTHER STATISTICS:										
Earnings per share on Common Stock (in dollars)	$ 2.39	$ 1.78	$ 2.15	$ 2.52	$ 1.64	$ 1.42	$ 1.58	$ 1.65	$ 2.00	$ 1.91
Cash dividends on Common Stock	31.1	30.8	29.5	24.5	22.7	22.5	20.7	16.3	15.2	10.1
Cash dividends on Preferred Stock					.3	1.2	1.2	1.3	1.4	2.1
Stock dividend at approximate market value		27.3	36.7	22.8		18.8	18.4	16.5	10.1	6.1
Taxes (major)	71.7	59.8	67.1	67.2	46.8	33.9	59.2	81.5	75.0	26.7
Wages paid	171.9	183.2	165.3	140.3	117.6	114.4	104.8	95.2	73.9	55.2
Cost of employee benefits	18.9	18.4	16.3	13.5	11.5	11.3	8.7	8.5	7.2	5.5
Number of employees at year end (thousands)	27.1	26.6	27.2	25.2	22.5	21.7	21.3	20.2	17.8	14.5
Additions to property	59.0	185.0	162.0	59.0	49.0	59.0	91.0	145.0	91.0	29.0

NOTE: Earnings per share on Common Stock have been recomputed to reflect earnings per share on the basis of the new Common Stock after the split of three shares for one during the year ended May 31, 1953. The earnings for the years ended May 31, 1959 and 1958 include those of the former The Dobeckmun Company and its subsidiaries, merged into The Dow Chemical Company as of August 31, 1957.

OFFICES AND

Executive and General Sales Offices
MIDLAND, MICHIGAN

SALES OFFICES

THE DOW CHEMICAL COMPANY

Atlanta 3, Georgia, *Fulton National Bank Building*
Boston 16, Massachusetts, *520 Boylston Street*
Buffalo 2, New York, *70 Niagara Street*
Camden 2, New Jersey, *400 Market Street*
Charlotte 2, North Carolina, *504 Wachovia Bank Building*
Chicago 48, Illinois, *6000 West Touhy Avenue*
Cincinnati 6, Ohio, *2330 Victory Parkway*
Cleveland 13, Ohio, *55 Public Square*
Dallas 1, Texas, *1505 Elm Street*
Detroit 2, Michigan, *Fisher Building*
Houston 25, Texas, *6910 Fannin Street*
Los Angeles 17, California, *900 Wilshire Boulevard*
Minneapolis 3, Minnesota, *1750 Hennepin Avenue*
New Orleans 12, Louisiana, *1100 Commerce Building*
New York 20, New York, *45 Rockefeller Plaza*
New York 1, New York, *912 Empire State Building*
Pittsburgh 22, Pennsylvania, *One Gateway Center*
St. Louis 5, Missouri, *10 South Brentwood Boulevard*
San Francisco 4, California, *350 Sansome Street*
Seattle 1, Washington, *307 Broad Street*

DOW CHEMICAL OF CANADA, LIMITED

Calgary, Alberta, *433 4th Avenue SW*
Montreal, Quebec, *2055 Peel Street*
Saint John, New Brunswick, *115 Prince William Street*
Toronto 2, Ontario, *600 University Avenue*
Vancouver 1, British Columbia, *225 Pemberton Building*
Winnipeg, Manitoba, *232 Portage Avenue West*

DOW CHEMICAL INTERNATIONAL LIMITED, S. A.

Buenos Aires, Argentina
Hong Kong, British Crown Colony
Johannesburg, Union of South Africa
Lima, Peru
Osaka, Japan
Rotterdam, The Netherlands
Stockholm, Sweden
Sydney, Australia
Tokyo, Japan
Zurich, Switzerland

DOW CHEMICAL INTER-AMERICAN LIMITED

Mexico City, Mexico
San Juan, Puerto Rico

DOW QUIMICA DO BRASIL, S. A.

Sao Paulo, Brasil

OPERATIONS

MANUFACTURING OPERATIONS

California, *Pittsburg, Seal Beach, Torrance*
Colorado, *Rocky Flats*
Connecticut, *Allyn's Point*
Illinois, *Madison*
Louisiana, *Plaquemine*
Michigan, *Bay City, Ludington, Midland*
Missouri, *Riverside*
Ohio, *Hanging Rock*
Texas, *Freeport*
Virginia, *Williamsburg*

DIVISION OPERATIONS

Bay Refining Company, *Bay City, Michigan*
Brazos Oil & Gas Company, *Houston, Texas*
Dobeckmun Company,
Cleveland, Ohio; Berkeley, California
Dowell, *Tulsa, Oklahoma*

MANUFACTURING AND SERVICE SUBSIDIARIES

Adams Paper Company, *Wells River, Vermont*
Ben-Mont Papers, Inc., *Bennington, Vermont*
Cliffs Dow Chemical Company, *Marquette, Michigan*
Cosmoclor, S. A. I. C., *Buenos Aires, Argentina*
Dobeckmun Europa, N. V., *Amsterdam, The Netherlands*
Dobeckmun France S. A., *St. Etienne, France*
Dow Agrochemicals Limited, *London, England*
Dow Chemical Company (U. K.) Limited, *Windsor-Berks, England*
Dow Chemical International Limited S. A. (Dowell Division), *Caracas, Venezuela*
Dow Chemical of Canada, Limited, *Sarnia, Ontario, Canada*
Dow Chemie Aktiengesellschaft, *Basel, Switzerland*
Dowell of Canada, Ltd., *Calgary, Alberta, Canada*
Dow Quimica Argentina, S. A., *Buenos Aires, Argentina*
Dow Quimica Mexicana, S. A. de C. V., *Mexico City, Mexico*
Extruders, Inc., *Hawthorne, California*
Hawaiian Extruders, Inc., *Honolulu, Hawaii*
La Domincia, S. A. de C. V., *Mexico City, Mexico*
Nederlandsche Dow Maatschappij N. V., *Rotterdam, The Netherlands*

DOMESTIC ASSOCIATED COMPANIES

Dow Badische Chemical Company, *Freeport, Texas*
Dow Corning Corporation, *Midland, Michigan*
Ethyl-Dow Chemical Company, *Freeport, Texas*

THE DOW CHEMICAL COMPANY
MIDLAND, MICHIGAN

BULK RATE
U. S. POSTAGE
PAID
Permit No. 3
Midland, Michigan

THOS. GRISWOLD JR.
1212 HOLYROOD RD.
MIDLAND, MICH.

ST0034158

Dow