

THE DOW CHEMICAL COMPANY
MIDLAND, MICHIGAN

ANNUAL REPORT
FOR YEAR ENDED
MAY 31, 1941



EST0003709

THE DOW CHEMICAL COMPANY

(Incorporated in Michigan)

Founded in 1897

Executive Office	-	-	-	Midland, Michigan
New York Office	-	-	-	30 Rockefeller Plaza
Chicago Office	-	-	-	Field Building
St. Louis Office	-	-	-	Second and Madison Streets
Houston Office	-	-	-	Commerce Building
San Francisco Office	-	-	-	310 Sansome Street

Midland Division

Plants—Midland, Michigan

Great Western Division

San Francisco Office	-	-	-	310 Sansome Street
Seattle Office	-	-	-	1201 Textile Tower
Los Angeles Office	-	-	-	4151 Bandini Boulevard

Plants — Pittsburg, California
Seal Beach, California
Venice, California

Texas Division

Plant — Freeport, Texas

Subsidiaries

Dowell Incorporated —

Executive Office	-	-	-	Midland, Michigan
General Office	-	-	-	Kennedy Building, Tulsa Oklahoma

Dowell, S. A. - - - Tampico, Tamps—Mexico

Cliffs Dow Chemical Company —

Executive Office	-	-	-	Midland, Michigan
General Office	-	-	-	Marquette, Michigan

Midland Ammonia Company —

Office and Plant	-	-	-	Midland, Michigan
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Associated Company

Ethyl-Dow Chemical Company —

General Office	-	-	-	Wilmington, North Carolina
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Plants—Kure Beach, North Carolina
Freeport, Texas

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THE DOW CHEMICAL COMPANY
MIDLAND, MICHIGAN

Directors

E. O. BARSTOW	E. W. BENNETT
W. H. DOW	J. T. PARDEE
J. S. CRIDER	W. R. VEAZEY
L. I. DOAN	
G. E. COLLINGS	
C. J. STROSACKER	

Officers

Chairman of the Board	J. T. PARDEE
President and General Manager	W. H. DOW
Vice President	G. E. COLLINGS
Vice President	J. T. PARDEE
Vice President, Sec'y and Treasurer	E. W. BENNETT
Vice President and General Sales Manager	L. I. DOAN
Assistant Treasurer	J. S. CRIDER
Assistant General Manager	A. P. BEUTEL
Auditor and Assistant Secretary	L. A. CHICHESTER
Assistant Auditor and Assistant Secretary	F. H. BROWN
Assistant Secretary	R. L. CURTIS
Assistant Secretary	G. M. McGRANAHAN
Assistant Auditor	D. J. LANDBOROUGH

Registrars

The New York Trust Company
100 Broadway
New York City

The National City Bank of Cleveland
Cleveland, Ohio

Transfer Agents

Guaranty Trust Company of New York
140 Broadway
New York City

The Cleveland Trust Company
Cleveland, Ohio

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TO THE STOCKHOLDERS OF
THE DOW CHEMICAL COMPANY:

The forty-fourth annual report of your Company is presented herewith. The consolidated financial statements for the fiscal year ended May 31, 1941 have been audited by Messrs. Haskins & Sells, whose certificate is reproduced as part of this report.

FINANCIAL STATEMENTS—

The consolidated balance sheet May 31, 1941, statement of consolidated income for the year ended May 31, 1941 and statement of consolidated earned surplus for the year ended May 31, 1941 are shown herein. The total assets of your Company and its Subsidiaries amounted to \$80,550,620.30, which figure includes current assets amounting to \$17,927,721.80. Compare this with the total assets at the end of the fiscal year 1940 amounting to \$48,185,010.09. Current liabilities this year amounted to \$13,877,532.70, compared with \$5,151,315.07 last year. The ratio of current assets to current liabilities at May 31, 1941 is less than in previous years, because of the unusually large construction program requiring the investment of current funds. Most of these plants are just beginning to produce and a favorable return is expected on these investments.

EARNINGS—

The consolidated net income of the Company and its Subsidiaries for the year ended May 31, 1941 amounted to \$7,770,547.11. After deducting dividends on the preferred capital stock of \$300,000.00, the consolidated net income was equivalent to \$6.58 per share on the number of shares of common capital stock outstanding at the end of the year. This compares with \$7,159,167.12 or \$6.65 per share after deducting preferred stock dividends for the year ended May 31, 1940. The consolidated income of the Company and its Subsidiaries for the year ended May 31, 1941, amounted to \$13,546,638.50 before provision for depreciation and for amortization in the amount of \$3,776,843.05 and Federal income and excess profits taxes of \$1,999,248.34.

DIVIDENDS—

Your Company distributed four equal quarterly dividends, aggregating \$3.00 per share, to the common stockholders during the year. Including dividends on the preferred capital stock of \$300,000.00, the dividends disbursed to shareholders amounted to \$3,628,161.75.

NEW CAPITAL—

In the early fall of 1940 the Company engaged in new financing under which the fifteen year 3% debentures outstanding at the beginning of the year in the amount of \$5,000,000.00 were redeemed with a portion of the proceeds received from the sale of new debentures bearing lower interest rates. The new obligations sold consisted of ten year 2¼% debentures due September 1, 1950 in the amount of \$7,500,000.00 and serial debentures in the amount of \$7,500,000.00 which mature in amounts of \$750,000.00 annually from September 1, 1941 to September 1, 1950 and which bear varying low rates of interest.

At the time of the sale of the new debentures, 103,199 additional shares of common capital stock were offered to stockholders of record September 20, 1940 on the basis of one new share for each ten shares held. The new shares were sold for \$10,339,437.50, which was credited to the capital stock account. This increased the number of common shares outstanding to 1,135,187.

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SURPLUS—

The net increase in consolidated earned surplus for the year amounted to \$3,941,289.28, bringing the consolidated earned surplus as of May 31, 1941 to \$18,933,844.35. A charge against surplus of \$201,096.08 was made during the year because of the retirement of the previously outstanding 15 year 3% debentures.

NET SALES—

Net sales for the year ended May 31, 1941 amounted to \$46,907,950.27, as compared to \$37,743,546.64 for the year ended May 31, 1940.

PLANT AND PROPERTY—

Additions to plant and property amounted to \$32,382,988.87 during the year ended May 31, 1941. The major expenditures were for additions to existing plants, improvements to processes and construction of new plants. Attention is called to the statement in our balance sheet where it is shown that \$13,371,405.91 was invested in emergency facilities for National Defense, which are being amortized on a five-year basis. The amortization provided on completed projects this year amounted to \$406,817.53.

Not reflected in our property accounts is the current construction of a United States Government plant located adjacent to our Midland plant, which will be operated under our direction. In Texas, an addition to the original Magnesium plant was built and financed by the British Government. A British expansion was also made to the Midland Magnesium plant. A second addition, which will double the capacity of the Texas Magnesium plant, is now under construction. This is financed by the Defense Plant Corporation, a subsidiary of the Reconstruction Finance Corporation. It is estimated the total cost of the above projects will be approximately \$13,000,000.00.

TAXES—

Total major taxes for the year amounted to \$3,543,903.70, which represents an equivalent cost per share on common stock of \$3.12.

GREAT WESTERN DIVISION—

The Great Western Division plants are operating most satisfactorily. Demand for all of the products is steady and increased capacities have had to be added to satisfy the needs of our customers. At Pittsburg, California a new design Carbon Tetrachloride plant was built and is now operating successfully. This plant is a radical new departure from standard practice, since natural gas is used as the raw material and chlorinated to Carbon Tetrachloride, Methylene Chloride, Chloroform and Methyl Chloride, along with by-product Hydrochloric Acid. Other additions and plant improvements were also made.

Our Iodine plant was moved from Long Beach to Seal Beach, California and provides increased capacity.

TEXAS DIVISION—

The plant at Freeport, Texas has been generally publicized for the production of Magnesium. For Magnesium production in Texas, we pump raw ocean water, precipitate Magnesium Hydrate with Lime made from oyster shells and produce Magnesium as ingot metal,—actually the first time in the history of the world where metal is produced commercially from raw ocean water. This is unquestionably another milestone in scientific achievement. It is not unfair to mention that The Dow Chemical Company also accomplished a previous recognition when Bromine was extracted commercially from raw ocean water for the first time in 1934 at Kure Beach, North Carolina. Also in Texas, we are now producing Ethylene Glycol, Ethylene Dichloride, Caustic Soda and Chlorine from raw materials readily available at our plant.

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GENERAL—

The foregoing information briefly summarizes some of our more important activities, and the financial statements indicate the results of a considerable expansion in manufacturing facilities, requiring the utilization of current funds and new financing last October in the form of the sale of debentures and additional shares of common capital stock. While this plant expansion program has in part resulted from the present activities for National Defense, the major portion of the increased capacity will be used for the production of chemicals salable after the termination of the emergency period. In the opinion of the management, the expansion program is being followed on a sound basis and will result in permanent future benefit to the Company.

MAGNESIUM HISTORY—

In view of the indictment against the Company and two of its officers charging violation of the Sherman Anti-Trust Act, it seems proper to review for the benefit of our stockholders a portion of our history. The activity of The Dow Chemical Company in its early history proceeded much as it has in recent years,—as a matter of fact, the historical activity of our Company is a fair cross-section of the history of the Chemical Industry in the United States. Our activity has always consisted of research, development, buildings, expansion, new products, new application, new products again and more buildings—an unending cycle of change and growth.

At the beginning of World War No. 1, we had developed a good stride in this direction. Our Company was then a leader in the rapidly growing Chemical Industry of that day. For a number of years prior to World War No. 1, we had concentrated on the extraction and separation of Calcium Chloride and Magnesium Chloride. We were producing and selling Calcium Chloride, and with the outbreak of the war in 1914, Magnesium Chloride was cut off from further importation from Germany. Our Company rushed the construction of a plant. The big use for Magnesium Chloride at that time was for Magnesium Oxychloride cements. This product was used extensively; the tonnage was large and the demand was critical. We were complimented many times on our ability to produce this necessary product in a time of emergency. Actually, 1914 marked the culmination of many years of experimentation and research. We became established in the Magnesium Chloride business,—a new product for us, which throughout the many years since has represented a substantial volume of business.

With Magnesium Chloride in production, our Company looked with fascination on the manufacture of Metallic Magnesium and research began. Some small quantity of Magnesium was produced as early as 1916 but we did not really consider ourselves in commercial production until 1918. Producing and marketing a metal was an entirely new enterprise with us, as heretofore our whole activity had been concerned with the production and sale of inorganic and organic chemicals. Development of a metal like Magnesium meant the knowledge of its metallurgy and its possible applications. A metallurgical staff began making alloys, after first learning how to make a metal that was capable of being alloyed. Alloying Magnesium with one metal in varying percentages, as well as determining the physical properties of these alloys, was a big job and then, to run the same gamut of testing on binary, ternary, quaternary and more alloys was a stupendous undertaking. This work was started in the early 20's and has continued, uninterrupted, ever since.

Production of metal was the first step and from the time of our first sale until the present time, there has been a continual effort on the part of a large staff of engineers and research personnel to improve our process of production. Not a

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single element of assistance in this whole process was contributed by any agency, either domestic or foreign, outside our own Company organization. Any statement to the contrary is an insult and is unjust to the loyalty, integrity, perseverance and forethought of the industrious men who developed our manufacturing process for Magnesium production.

As the production of Magnesium proceeded, simultaneously the alloying and metallurgical experience developed and fabrication of salable products resulted. In addition, we were introducing a new, little known, metal to a skeptical public. Giving due consideration to the many thousands of Dowmetal automobile pistons which were successfully used by thousands of customers, the Magnesium Industry was still not a successful enterprise. More and better applications had to be found.

About this time, other methods of fabrication were started, such as die casting and extrusion. Rolling of sheet came a little later and with a diversification of salable products, permanent uses began to grow. In 1918, the commercial use for Magnesium was almost exclusively for flashlight powder. A period of about fifteen years elapsed before it became accepted commercially in the form of complicated sand castings, die castings, sheet and forgings. Successful welding also followed these developments. This was approximately the status of the Magnesium Industry of Dow Chemical in the early 1930's.

Naturally, during the long years of development of this product and its applications, we had applied for many patents covering our experience. It follows that some of these were in interference with inventions of others, although our greatest interference on patent applications was in the fabrication field with the European interests in the United States Patent Office. In 1932, a lawsuit was filed against us on alleged infringement of certain I. G. Farbenindustrie U. S. A. patents. This suit was finally settled on the basis of cross-licensing all of the Dow *fabrication patents* owned in the United States with all of the U. S. A. *fabrication patents* of the I. G. and American Magnesium Corporation, a subsidiary of the Aluminum Company of America, which patents were owned and controlled by Magnesium Development Corporation, a United States organization jointly owned by the I. G. Farbenindustrie and Aluminum Company of America. By this method of procedure, any royalties paid for the use of the patents are paid by the manufacturer of metal and there is no restriction whatsoever on production. This agreement permitted customers to fabricate and use Magnesium products without fear of infringement of patents from others, and results prove it to have been a constructive step in the development of the business. The Dow Company pays no royalty on the production of metal. The Dow Chemical Company pays a royalty of one cent per pound to the Magnesium Development Corporation on the Magnesium used in the manufacture of fabricated Magnesium parts.

There are definitely two divisions to be considered in the Magnesium Industry. The first is the production of Magnesium, which is a wholly Dow Chemical American development, not assisted in any respect by any European or other American interest. The Dow Chemical Company is very proud of its record in the development of the production of Magnesium. The second phase of the Magnesium Industry is the fabrication step, where pure Magnesium Metal is alloyed and then made into usable products, or as generally termed "fabricated".

The incorrect impression in the minds of the general public, apparently resulting from statements publicized and reprinted many times during the past year

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concerning the status of the Magnesium Industry in America, has been extremely distressing to us. The production of Magnesium Metal is the first step. The final use of the metal for fabrication purposes is the second step. The same as in the Steel Industry, the plant that reduces the ore to pig iron is comparable to our production of metal from the salts obtained from native brines or ocean water. The manufacture of steel products, such as boiler plate and other usable products, where pig iron is taken as the raw material and made into alloys to produce the proper steels, is comparable with our phase of operation, where we take the ingot metal and then proceed to alloy and fabricate it into usable products. It is necessary to bear in mind that there are two distinct steps in the complete Magnesium picture, — 1. Production — 2. Fabrication.

There has been no limiting control in the sale or production of the metal, either as ingot metal or as fabricated parts. Our selling expense has been considerable and development costs have been large. We have retained an engineer in Washington for ten years to assist in developing possible uses with the various Government agencies and these development projects necessarily require a long series of tests before satisfactory conclusions can be determined. Early in 1940, we started the construction of a large new plant in Texas in anticipation of increased requirements, before any government agency estimated the requirements of Magnesium. Not until the late spring of 1940 was general approval made for certain specific Government uses and only within the last twelve months has there been the urge to use more and more Magnesium and Dowmetal alloys in the various applications required for defense purposes. However, before the Texas plant was completed, an addition was started for the British Government and shortly thereafter we were requested by the United States Government to double the capacity of the Texas production. This latest addition is now approaching completion, operating under a Defense Plant Corporation contract. As of this date, The Dow Chemical Company is the only producer of Magnesium in the United States. Recently, we have been asked by the Government to grant a license and supply engineering knowledge to a number of other companies for the production of additional metal by the Dow Electrolytic Magnesium Chloride process. The Dow Chemical Company has expressed its willingness to do this in the interests of National Defense.

ACKNOWLEDGMENT—

The Board of Directors wish to publicly express their appreciation to the large number of employees who have shown unusual loyalty and perseverance during these abnormal times, for the extra effort, the responsibility for the work in hand and for the unfailing talent and capabilities they invariably show when we have difficult problems to handle. The large sums we continually spend for research are justified time after time in the solution of many problems constantly confronting us. It is only through constant effort and highly skilled training that our Company has been able to achieve its record of abnormal growth and meet the unusual conditions so often expected of it.

WILLARD H. DOW,
President

Midland, Michigan
July 25, 1941

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NOTICE

Information presented on the following graphs for fiscal years 1931-1937 inclusive, apply to The Dow Chemical Company **only**; information for subsequent years is prepared from the Consolidated Statements of The Dow Chemical Company and its subsidiaries.

Earnings per share based on 945,000 Shares common stock up to 1939.

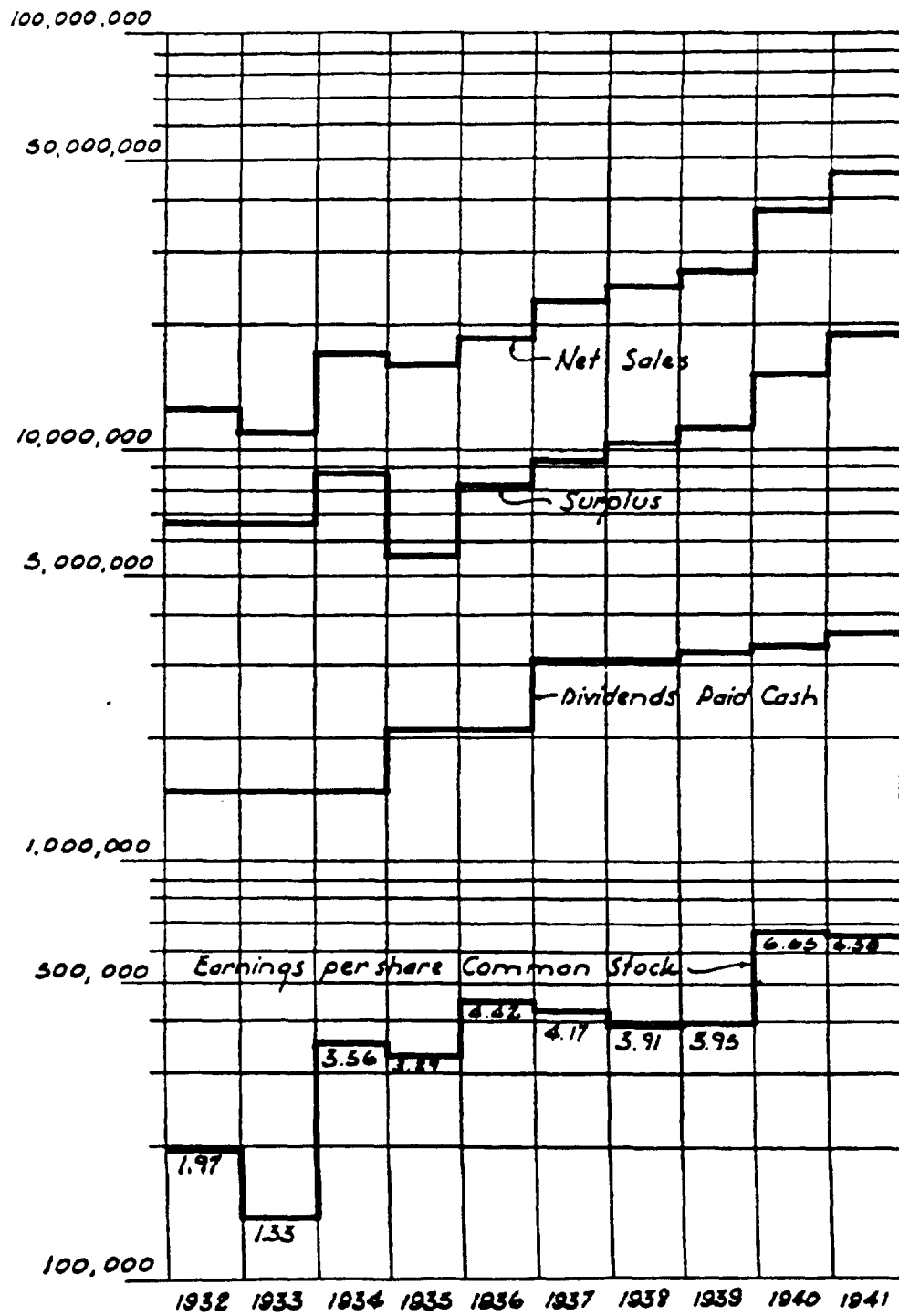
1939 based on 981,245 Shares—average number shares outstanding.

1940 based on 1,031,988 Shares outstanding.

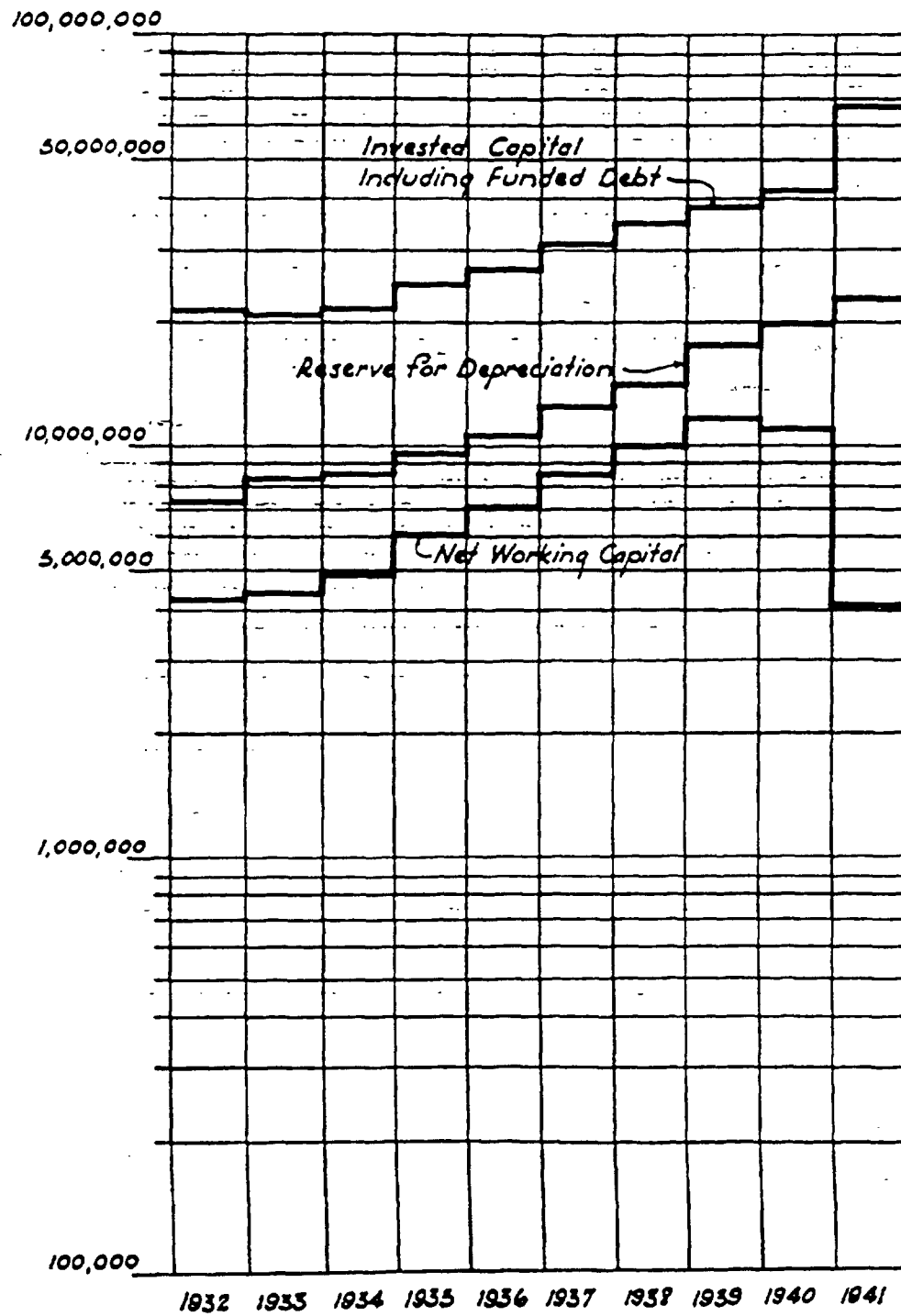
1941 based on 1,135,187 Shares outstanding.

The graphs appearing in this report are not to be reproduced or used without the permission of The Dow Chemical Company.

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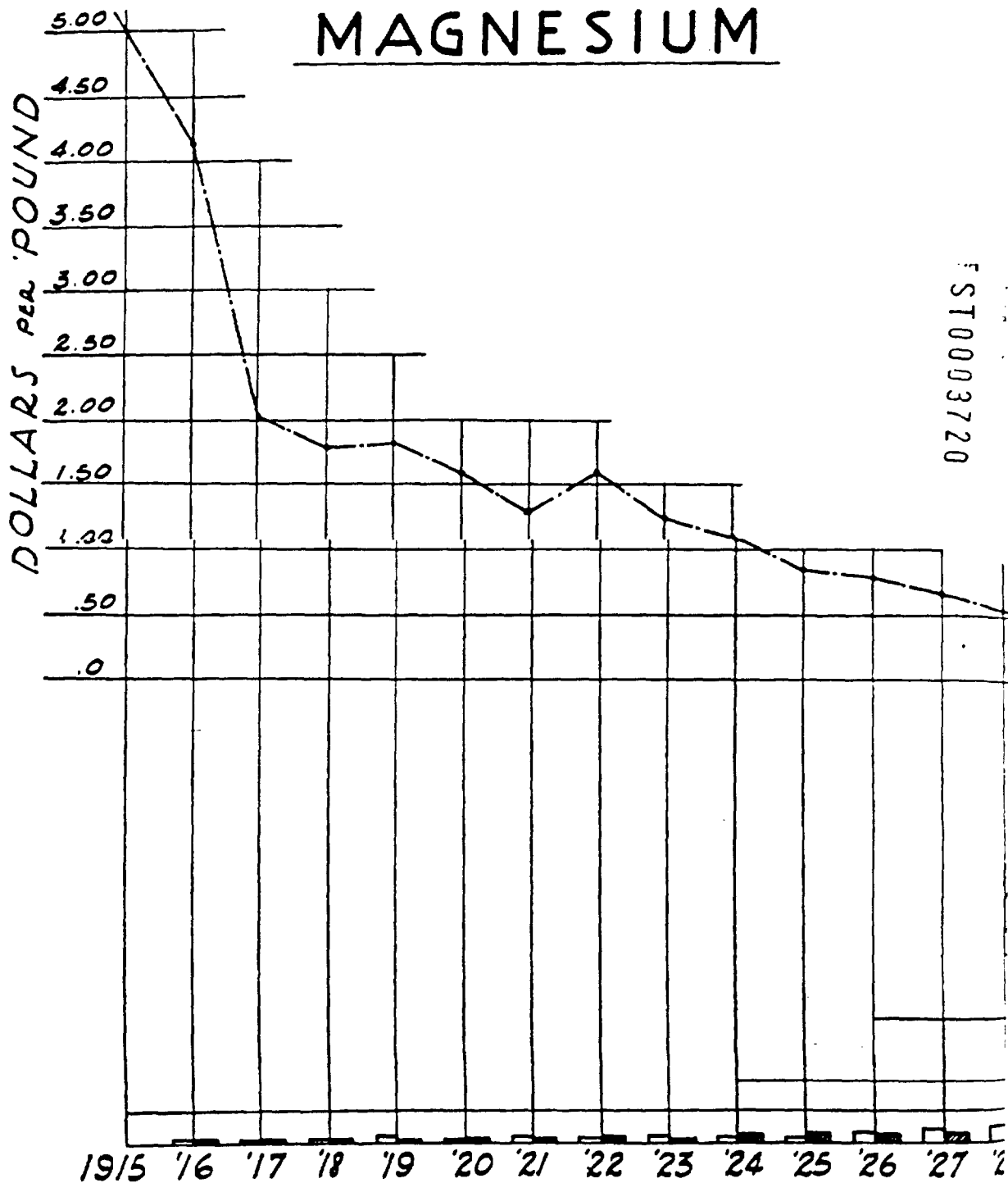


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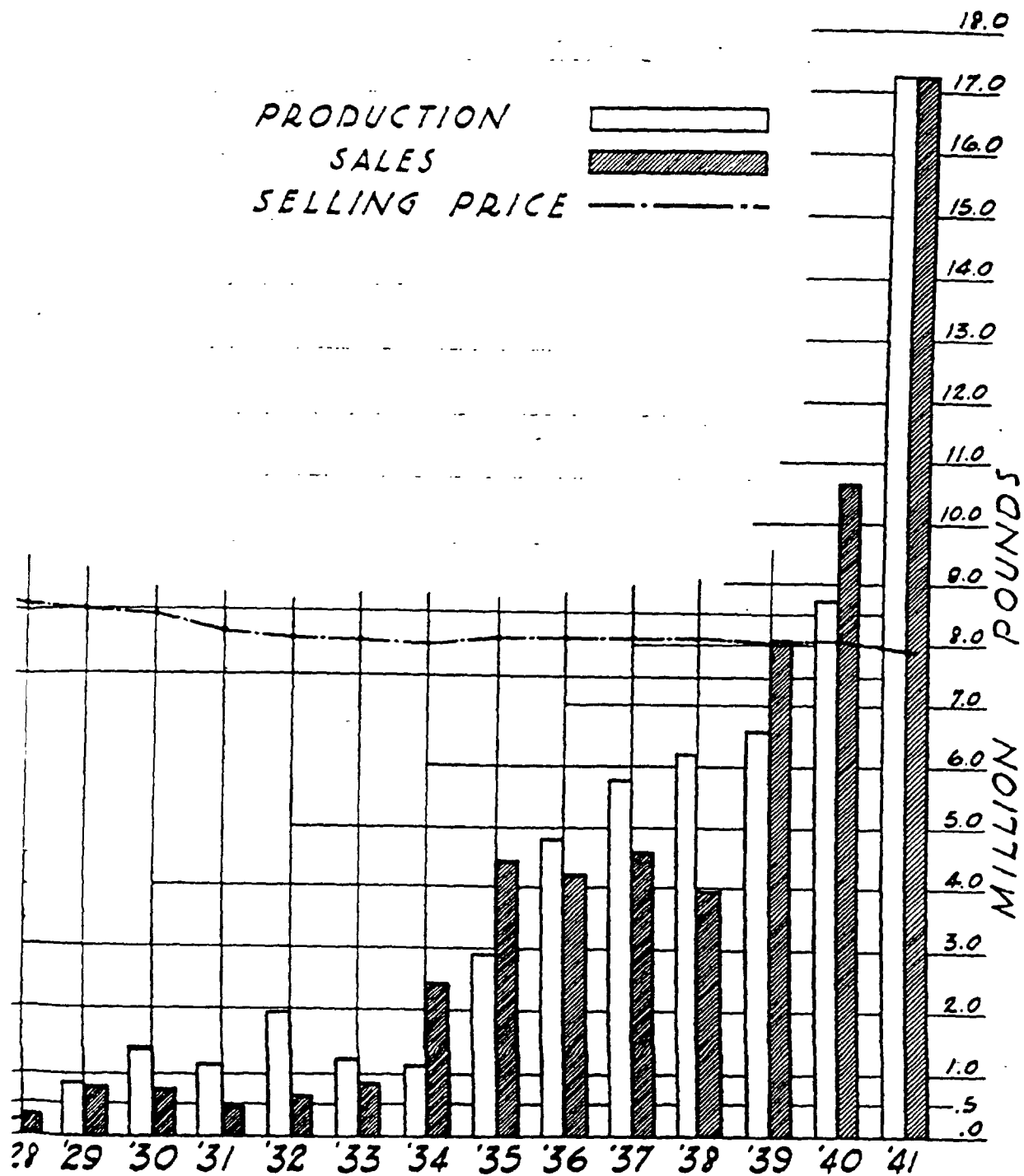


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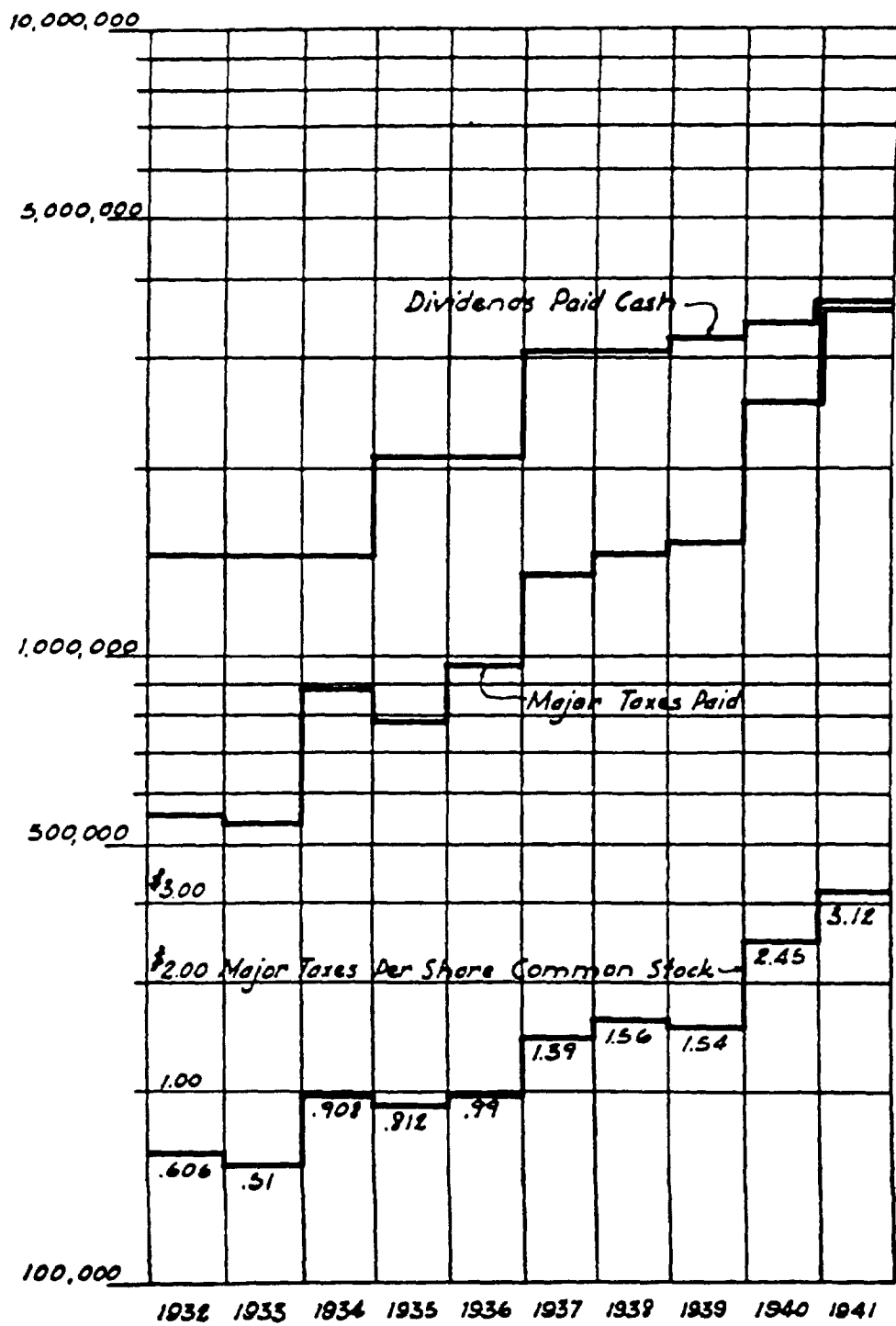
MAGNESIUM



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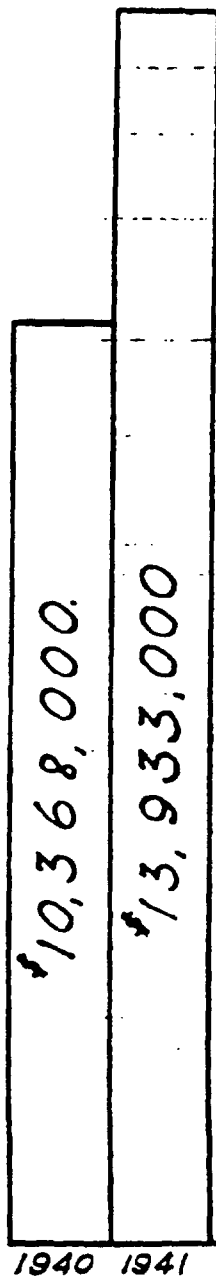


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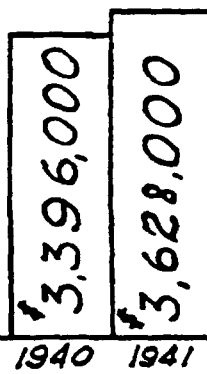


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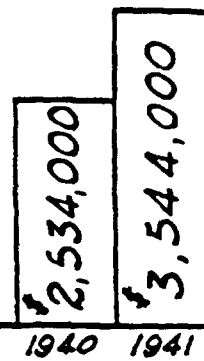
Payroll Paid
During Fiscal Year
(Nearest thousand)



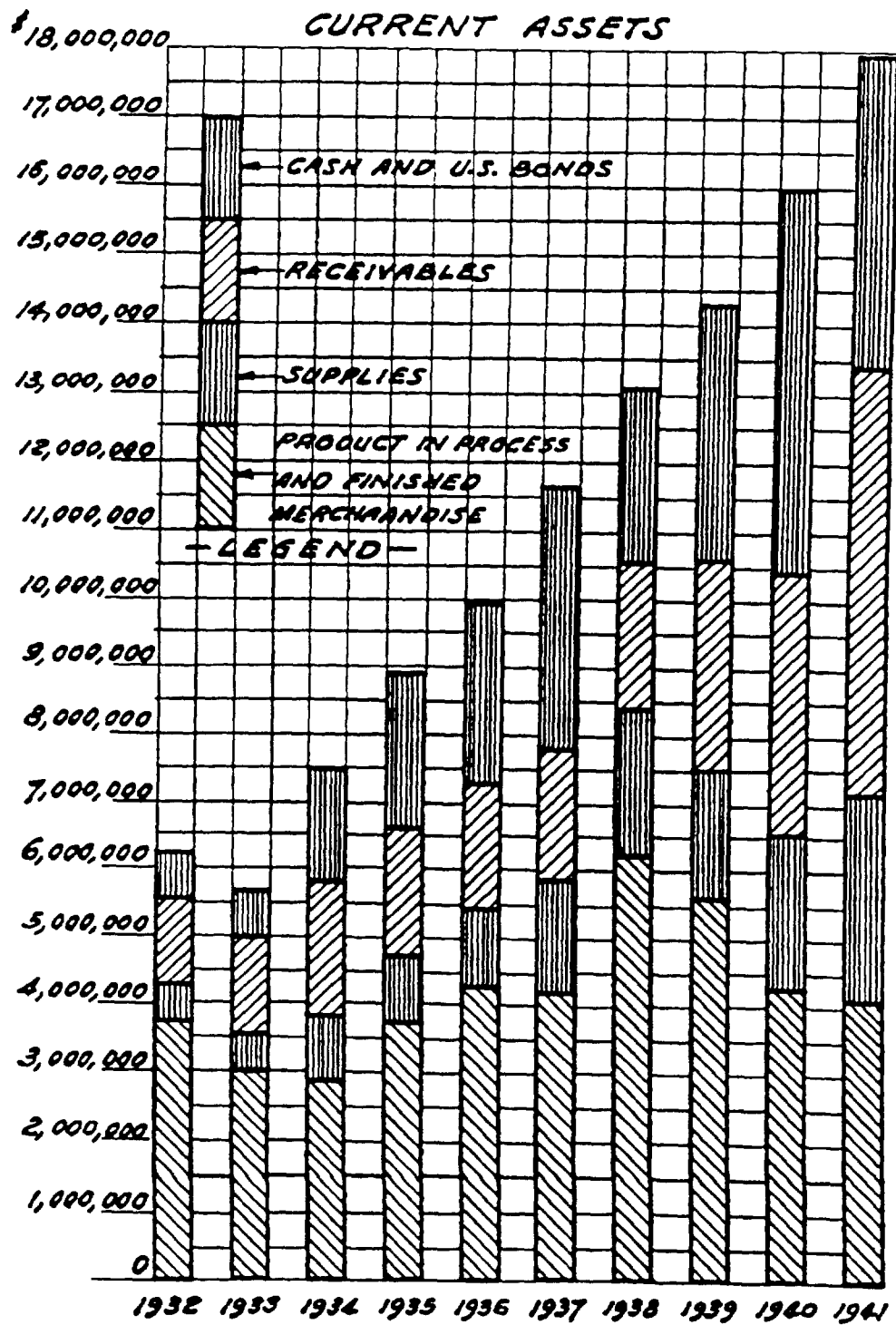
Dividend Paid
to Stockholders
During Fiscal Year
(Nearest thousand)



Major Taxes Paid
During Fiscal Year
(Nearest thousand)



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HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

RESIDENT PARTNERS
HAROLD W. SCOTT, C.P.A.
CYRIL W. DUNLAP, C.P.A.

THE NATIONAL BANK BUILDING
DETROIT

ACCOUNTANTS' CERTIFICATE

The Dow Chemical Company:

We have examined the consolidated balance sheet of The Dow Chemical Company and its subsidiary companies as of May 31, 1941 and the related statements of consolidated income and earned surplus for the year ended that date, have reviewed the accounting procedures of the companies, and have examined their accounting records and other evidence in support of such financial statements. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all auditing procedures we considered necessary, which procedures were applied by tests to the extent we deemed appropriate in view of the systems of internal control.

In our opinion, the accompanying consolidated balance sheet and statements of consolidated income and earned surplus fairly present the financial condition of the companies at May 31, 1941 and the results of their operations for the year ended that date, in conformity with generally accepted accounting principles and practices applied on a basis consistent with that of the preceding year.

Haskins & Sells

July 18, 1941.

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THE DOW CHEMICAL COMPANY
(Incorporated in Michigan)
AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET, MAY 31, 1941

ASSETS

CURRENT ASSETS:

Cash -----		\$ 3,892,077.26
United States Treasury bonds, 3¾% — at cost (face value, \$200,000.00; market value, \$226,187.50) -----		217,750.00
Notes and accounts receivable:		
Customers, \$5,723,927.48; associated company, \$128,508.33; employees, \$20,050.35; and sundry, \$139,889.33 -----	\$ 6,012,375.49	
Less reserves for doubtful receivables -----	207,217.05	5,805,158.44
Billed and unbilled amounts receivable from agencies of the United States Government for plant construction -----		582,821.05
Inventories:		
Finished goods and work in process (at lower of cost or market) -----	\$ 4,077,623.47	
Materials and supplies (at cost—approximately market) -----	3,352,291.58	7,429,915.05
Total current assets -----		<u>\$17,927,721.80</u>

INVESTMENTS AND MISCELLANEOUS RECEIVABLES:

Notes receivable and capital stock (at cost) of associated company (equity at May 31, 1941 as shown by unaudited balance sheet of associated company, \$3,304,964.93) -----	\$ 2,238,000.00	
Instalment notes receivable, maturing 1942 to 1948 -----	500,000.00	
Miscellaneous securities and receivables (less reserve, \$46,698.42) -----	518,425.69	
Total investments and miscellaneous receivables -----		3,256,425.69

ASSETS HELD FOR OTHERS UNDER TERMS OF CONTRACTS FOR PLANT CONSTRUCTION:

Cash -----	\$ 337,978.53	
Plant property costs incurred (net) -----	1,721,780.28	
Total -----	\$ 2,059,758.81	
Liability for funds advanced -----	2,059,758.81	0

PROPERTY (including emergency facilities for national defense, completed and in progress, with a gross book value (cost) of \$13,371,405.91 subject to amortization):

Plant properties and equipment—at cost (less reserves for depreciation and amortization, \$22,335,421.66) -----	\$57,836,292.12	
Housing properties—at cost (less reserves for depreciation and amortization, \$71,551.29) -----	928,316.05	
Patents—at cost or nominal value (less reserves for amortization, \$43,347.23) -----	72,427.17	
Total property -----		58,837,035.34

DEFERRED CHARGES—Unexpired insurance premiums, unamortized debenture discount and expense, deferred cost of power facilities, and miscellaneous -----

	529,437.47	
TOTAL -----		<u><u>\$80,550,620.30</u></u>

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THE DOW CHEMICAL COMPANY
(Incorporated in Michigan)
AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET, MAY 31, 1941

LIABILITIES

CURRENT LIABILITIES:

Notes payable—Banks	\$ 4,200,000.00
Accounts payable—Trade and miscellaneous	4,671,199.60
Federal income and excess profits taxes	2,015,597.87
Special customer's deposit for purchase of product	635,850.00
Serial debentures maturing September 1, 1941	750,000.00
Accrued liabilities:	
Payrolls and bonus	645,822.35
Taxes (other than Federal income taxes)	820,501.84
Interest	71,265.20
Sundry	67,295.84

Total current liabilities \$13,877,532.70

FUNDED DEBT:

Ten year 2 1/4 % debentures, due September 1, 1950	\$ 7,500,000.00
Serial debentures maturing in the amount of \$750,000.00 on September 1, 1942 and annually thereafter until September 1, 1950 (debentures maturing in 1941 included in current liabilities)	6,750,000.00

Total funded debt 14,250,000.00

RESERVES FOR FIRE AND ACCIDENT LOSSES, DAMAGE CLAIMS, AND CONTINGENCIES 368,085.12

MINORITY INTERESTS IN CAPITAL STOCK AND SURPLUS OR DEFICIT OF SUBSIDIARY COMPANIES 875,634.64

CAPITAL STOCK:

Preferred capital stock—5% cumulative (authorized and outstanding, 60,000 shares of \$100.00 par value each)	\$ 6,000,000.00
Common capital stock (authorized, 2,000,000 shares without par value; outstanding, 1,135,187 shares)	26,169,046.83

Total capital stock 32,169,046.83

SURPLUS:

Capital surplus (decreased during the year ended May 31, 1941 by expenses in connection with sale of additional shares of common capital stock, \$24,255.73)	\$ 76,476.66
Earned surplus	18,933,844.35

Total surplus 19,010,321.01

TOTAL \$80,550,620.30

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THE DOW CHEMICAL COMPANY AND SUBSIDIARY COMPANIES

STATEMENT OF CONSOLIDATED INCOME FOR THE YEAR ENDED MAY 31, 1941

SALES (net of returns, allowances, cash discounts, and freight) -----		\$46,907,950.27
COST OF SALES -----		<u>32,957,412.88</u>
GROSS PROFIT -----		\$13,950,537.39
SELLING AND GENERAL EXPENSES:		
Selling and administrative expenses -----	\$3,642,865.70	
Research and experimental expenses -----	<u>2,262,697.07</u>	5,905,562.77
PROFIT FROM OPERATIONS -----		\$ 8,044,974.62
OTHER INCOME:		
Dividends, \$1,913,236.00, and interest, \$90,623.37, from associated company -----	\$2,003,859.37	
Other interest earned, royalties, and miscellaneous -----	<u>235,377.25</u>	2,239,236.62
GROSS INCOME -----		\$10,284,211.24
INCOME CHARGES:		
Interest and amortization of discount and expense on debentures -----	\$ 269,877.93	
Other interest expense, loss on disposal of fixed assets, and miscellaneous -----	<u>88,641.76</u>	358,519.69
NET INCOME BEFORE PROVIDING FOR FEDERAL INCOME AND EXCESS PROFITS TAXES -----		\$ 9,925,691.55
PROVISION FOR FEDERAL INCOME AND EXCESS PROFITS TAXES:		
Normal tax -----	\$1,958,832.54	
Excess profits tax -----	<u>40,415.80</u>	1,999,248.34
NET INCOME BEFORE ADJUSTMENT FOR MINORITY INTERESTS IN SUBSIDIARY COMPANIES -----		\$ 7,926,443.21
MINORITY INTERESTS' SHARE OF PROFITS OF SUBSIDIARY COM- PANIES -----		<u>155,896.10</u>
NET INCOME FOR THE YEAR -----		<u>\$ 7,770,547.11</u>

NOTE: The provision for depreciation and the amortization (as provided under the Second Revenue Act of 1940) of emergency defense facilities charged against income for the year ended May 31, 1941 amounted to \$3,370,025.52 and \$406,817.53, respectively.

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THE DOW CHEMICAL COMPANY AND SUBSIDIARY COMPANIES

STATEMENT OF CONSOLIDATED EARNED SURPLUS FOR THE YEAR ENDED MAY 31, 1941

BALANCE, JUNE 1, 1940		\$14,992,555.07
CREDIT—Net income for the year		<u>7,770,547.11</u>
Total		\$22,763,102.18
CHARGES:		
Cash dividends:		
Common capital stock	\$3,328,161.75	
Preferred capital stock	<u>300,000.00</u>	
Total dividends	\$3,628,161.75	
Redemption premium and unamortized discount and expense relating to fifteen year 3% debentures retired	<u>201,096.08</u>	<u>3,829,257.83</u>
BALANCE, MAY 31, 1941		<u><u>\$18,933,844.35</u></u>

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DOW CHEMICALS IN INDUSTRY

— A PARTIAL LIST —

AUTOMOTIVE AND AIRCRAFT

Carbon Tetrachloride
Caustic Soda
Dowmetal
Ethocel
Ethylene Glycol
Methanol
Perchlorethylene
Thiokols

EXPLOSIVES

Ammonia
Aniline
Charcoal, Pulverized
Diethylaniline
Diethylene Glycol
Dimethylaniline
Diphenylamine
Hexachlorethane
Monochlorbenzene
Phenol

LEATHER

Carbon Tetrachloride
Dowicides
Epsom Salt
Ethocel
Iron Liquor
Methocel
Salt
Sodium Acetate
Sodium Sulphide
Sulphur Dioxide

MINING AND METALLURGY

Acetylene Tetrobromide
Ammonia
Ammonium Chloride
Chlorine, Liquid
Dehydrating salt solutions
Ferrous Chloride
Flotation Oil (Wood Creosotes)
Mining Salts
Muratic Acid
Perchlorethylene
p-Phenol Sulphonic Acid

Sodium Sulphide

Sulphur Chloride

Xanthates

F Reagent, Potassium Furfuryl Xanthate

Potassium Hexyl Xanthate

Z-3, Potassium Ethyl Xanthate

Z-4, Sodium Ethyl Xanthate

Z-5, Potassium Amyl Xanthate

Z-6, Pentasol Xanthate

Z-8, Secondary Butyl Xanthate

Z-9, Potassium Isopropyl Xanthate

Zinc Ammonium Chloride

PAINT, VARNISH AND LACQUER

Acetic Acid
Bis Phenol-A
Carbon Tetrachloride
Cyclohexane
Diethylene Glycol
Dowicides
Dowtherm
Ethocel
Ethylene Dichloride
Methanol
Methocel
Methyl Acetone
Methylene Chloride
Orthodichlorbenzene
Phenol
Plasticizers
Propylene Dichloride
Styrene
Thiokols
Triphenyl Phosphate

PAPER

Carbon Tetrachloride
Caustic Soda
Chlorine, Liquid
Dowicides
Dowtherm
Ethocel
Methocel
Plasticizers
Sodium Sulphide
Zinc Hydrosulphite

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DOW CHEMICALS IN INDUSTRY

— A PARTIAL LIST —

PETROLEUM

Ammonia
Calcium Chloride
Caustic Potash
Caustic Soda
Diethylene Glycol
Dowell Products
Dowicides
Dowmetal
Ethylene Dibromide
Inhibitors
Muriatic Acid
Phenol
Sulphur Dioxide

PHOTOGRAPHIC

Acetic Acid
Ammonium Bromide
Carbon Tetrachloride
Ferric Chloride
Hydrobromic Acid
Iodine
Monochloroacetic Acid
Phenol
Potassium Bromide
Sodium Bromide

PLASTIC AND RESIN

Aniline
Bis Phenol-A
Carbon Tetrachloride
Caustic Soda
Charcoal, Airfloat
Chloracetamid
Diphenyl
Dowtherm
Ethocel
Ethofoil
Ethyl Chloride
Ethylene Dichloride
Hardwood Pitch
Methocel
Orthophenylphenol
Paraphenylphenol
Para Tertiary Butyl Phenol
Phenol
Plasticizers
Saran
Styron
Thiokols

RAYON

Acetic Acid
Carbon Bisulphide
Caustic Soda
Dowicides
Epsom Salt
Ethocel
Methocel
Muriatic Acid
Sodium Sulphide

REFRIGERATION

Ammonia
Calcium Chloride
Ethyl Bromide
Ethyl Chloride
Methyl Bromide
Methylene Chloride
Methyl Chloride
Salt
Sulphur Dioxide

RUBBER

Acetic Acid
Acrylo Nitrile
Ammonia
Aniline
Butadiene
Carbon Bisulphide
Carbon Tetrachloride
Caustic Soda
Charcoal, Pulverized
Diphenylguanidine
Ethylene Dichloride
Hardwood Pitch
"Mike" Sulfur
Muriatic Acid
Phenol
Sodium Acetate
Sodium Sulphide
Styrene
Sulphur Chloride
Thiokols

SOAP

Caustic Potash
Caustic Soda
Coumarin
Diphenylmethane
Diphenyloxide
Dowtherm

Indol
Methyl Anthranilate
Methyl Phenyl Corbiny
Acetate
Phenol
Phenyl Ethyl Alcohol
Salt

TEXTILE

Acetic Acid
Ammonium Chloride
Calcium Chloride
Carbon Tetrachloride
Caustic Soda
Chloroform
Dowicides
Epsom Salt
Ethocel
Ethylene Dichloride
Indigo and Brom Indigos
Iron Liquor
Methocel
Perchlorethylene
Phenol
Sodium Acetate
Sodium Sulphide
Sulphur Chloride
Triphenyl Phosphate
Vat Dyes

AGRICULTURAL

Arsenate of Lead
Bordow
Calcium Arsenate
Carbon Bisulphide
Caustic Soda
Charcoal, Granulated
DN-Dust
Dowfume
Dowax
Dowspray Dormant
Ethylene Dichloride
Ethylene Oxide
K-383 (Fly Spray)
Lime Sulphur
Magnesium Arsenate
Methyl Bromide
"Mike" Sulfur
Paradow
Paris Green
Phenothiazine
Special Garden Sprays
Sulphur Dioxide

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DOW CHEMICALS IN INDUSTRY

— A PARTIAL LIST —

PHARMACEUTICAL AND AROMATIC

Acetanilid, Tech.
Acetanilid, U. S. P.
Acetphenetidin, U. S. P.
Allyl Bromide
Ammonium Bromide, U. S. P.
Ammonium Chloride
Aniline
Antipyrène, U. S. P.
Bromoform, U. S. P. IX
Cadmium Bromide, U. S. P.
Calcium Bromide, U. S. P.
Camphor, Monobromated, N. F.
Carbon Tetrachloride, C. P.
Chloroform, U. S. P.
Coumarin
Diphenylmethane
Diphenyloxide
Dowicides
Epsom Salt, U. S. P.
Ethyl Bromide
Ethyl Chloride, U. S. P.
Ferric Chloride, U. S. P.
Glycine
Indol
Iodine
Isopropyl Bromide
Lithium Bromide, N. F.
Magnesium Bromide
Methyl Anthranilate
Methyl Phenyl Carbinyl Acetate
Monochloroacetic Acid
Phenol, U. S. P.
Phenol Sulphonates
Phenothiazine
Phenoxy Acetic Acid
Phenyl Ethyl Alcohol
Potassium Bromide, U. S. P.

Salicylates

Acetyl Salicylic Acid, U. S. P.
Ammonium Salicylate, U. S. P.
Antipyrène Salicylate
Ethyl Salicylate
Ethyl Salicylate Carbonate
Magnesium Salicylate
Methyl Salicylate, U. S. P.
Salicylic Acid, U. S. P.
Salol, U. S. P.
Sodium Salicylate, U. S. P.
Strontium Salicylate, N. F.
Sodium Acetate, U. S. P.
Sodium Bromide, U. S. P.
Strontium Bromide, N. F.
Styrene P-100
Tetrachlorethylene, Purified
Trichloroacetic Acid, U. S. P.
Trimethylene Chlorobromide

WATER PURIFICATION AND SEWAGE DISPOSAL

Ammonia, Anhydrous
Carbon, Activated
Chlorine, Liquid
Ferric Chloride

ELECTRICAL

Carbon, Activated
Dowicides
Hardwood Pitch
Trichlorobenzene
Styron

LUMBER

Creosote Oil
Dichlor Diphenyloxide
Dowicides
Orthodichlorobenzene

EST0003732