H. S. BERGEN - ST. LOUIS

AUGUST 10, 1970

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ACCOUNTING OBJECTIVES FOR FUNCTIONAL FLUIDS BUSINESS GROUP WITH NEW ADDED PRODUCTS (AROCLOR PLASTICIZERS & BIPHENYL)

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Now that the decision has been made to have the Functional Fluids Business Group responsible on a worldwide basis for the total biphenyl, Aroclor, Santowax, HB-40 and related activities, I would like to see our accounting done so as to accomplish the following objectives:

1. Retain the accounting and financial identity of the four business areas we now have established within the Business Group.

2. Add to the Industrial Business Group a miscellaneous group of products which can be further broken down into classes of products by application such as follows:

Industrial Fluids Business Area

Hydraulo

Miscellaneous Products

A. Plasticizers

Aroclors for plasticizers (solids and liquids)

HB-40

B. Encapsulating Products

HB-40 for encapsulating

Aroclor for encapsulating

C. Dyes

Aroclors for dyes

D. Biphenyl

E. Santowax C, R

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By this system we could, when necessary, give pro-forma accounting to the plasticizers business group and to the general chemicals business group for their products that would fall into these categories.

3. As an additional objective, I would to see us develop a total biphenyl Aroclor family tree accounting system which would show in summary our total investment, earnings and ROI. I would like for this also to show our fluid investment in Pydrauls, Therminols and Dielectrics.

Would you please extend this accounting system to Europe, as Dahlstrom is again inquiring as to how we want to handle it there next year. I assume this will all take place the first of next year from an accounting viewpoint.

You may have various suggestions on how we do this, but these are the basic objectives that I would like to see us achieve.

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