Thirty Third Annual Report

1934



Monsanto Chemical Company
St. Louis, U.S.A.

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Thirty Third Annual Report

1934



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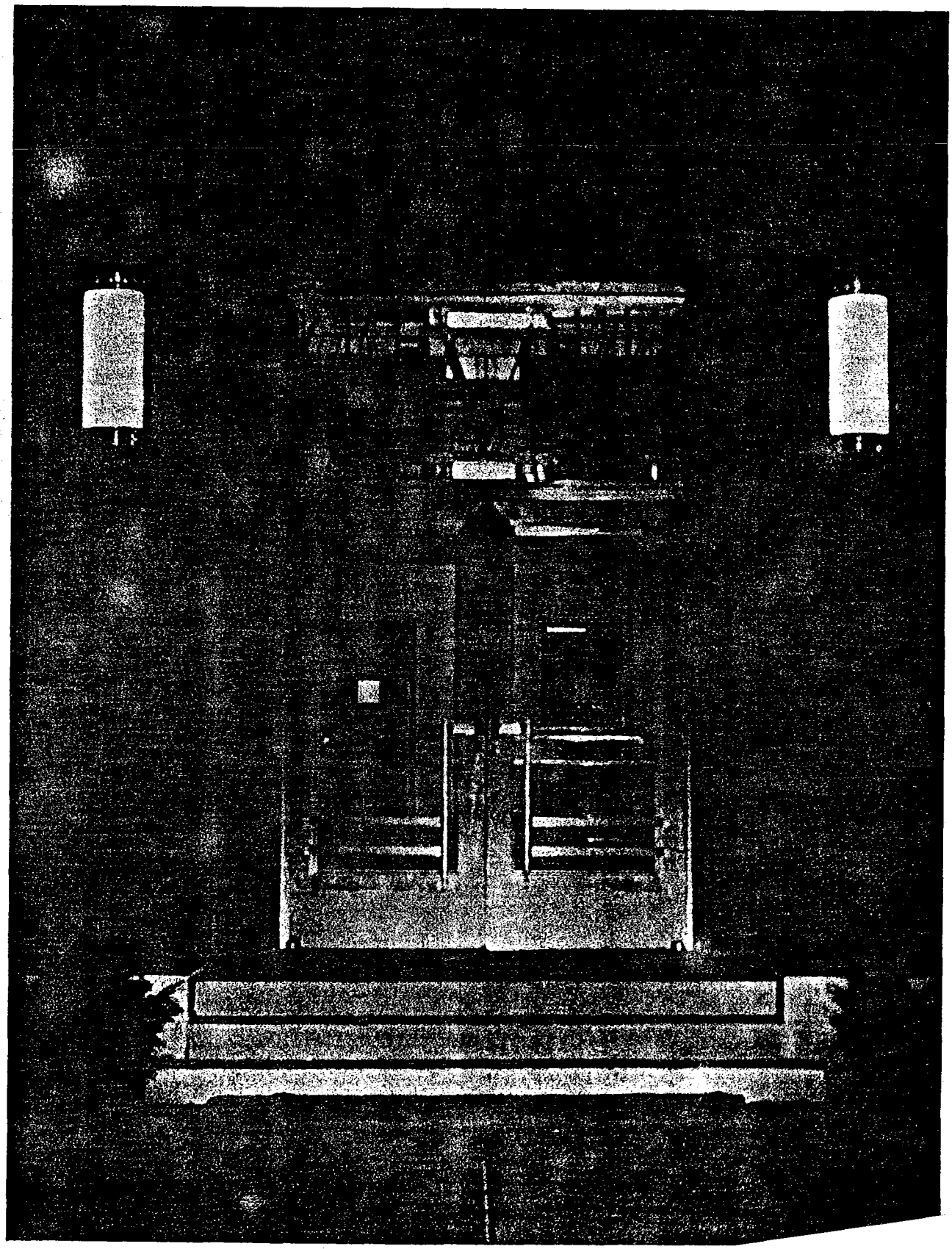

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THIRTY-THIRD ANNUAL REPORT

To The Stockholders of

Monsanto Chemical Company
ST. LOUIS, U.S.A.

NINETEEN THIRTY-FOUR was another difficult year for American industry. Without a friend at court it struggled with the natural problems of depression, as well as with many new ones that were created by well intentioned legislation. Normal channels of trade and commerce and finance were disrupted by new laws and regulations promulgated often without the counsel of those affected.

The prevailing professorial philosophy that wealth is gained only by exploitation of the masses, that honor does not exist in business, that there can be no equitable and harmonious individual relationship between capital and labor, was disheartening to those who knew these premises to be false. While they recognized that there had been abuses in the past, they knew that from the days of the Indian trader the ethics of American business had steadily sought higher and higher planes; that under the American industrial system labor had consistently received a steadily increasing share of the benefits; that industry of its own accord, and prior to NRA, had practically obliterated such evils as child labor. They believed that such truths as "honesty is the best policy" and an enlightened public opinion would purge American commerce and industry of its remaining faults in its natural evolution. They doubted that Utopia could be created by an Act of Congress.

However, the severity of the distress and the maladjustments generated during the depression tempered many convictions. There was evident a general disposition to accept extreme correctives to some social evils, but this disposition and the natural sympathy of industry with the purposes of much of the legislation was alienated by the unwillingness of the authors to accept practical compromises between their ideals and the so-called old order. Uncertainty prevailed.

While progress was thus retarded, any serious retrogression in industrial activity was checked by billions of dollars lavished by the government on relief, public works, agricultural benefits, and general welfare, and advanced to assist distressed banks, insurance companies and railroads. The year as a whole, therefore, maintained a degree of activity comparable

DSW 331324

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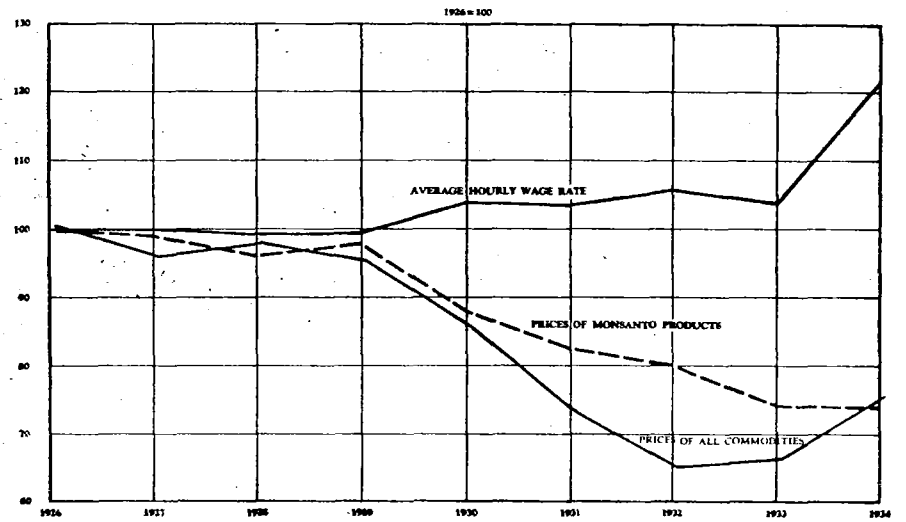
to that of the average of the last nine months of 1933. The action the first few months made a pleasant contrast to the stagnation preceding and during the banking collapse of the preceding year.

Monsanto's progress during the year, in light of these conditions, may be regarded as satisfactory. Our domestic sales curve followed closely that of American industrial activity. It rose through April, slumped through September and rose again, contrary to usual seasonal trends, toward the year end. Our British subsidiary gained throughout the year on the record volume they established in 1933, thus reflecting a very general improvement in all British trade, as well as a larger demand for new products recently introduced there. Consolidated sales for 1934, exceeding those of 1933 by approximately 14%, were the greatest in Monsanto history. New avenues of consumption of some chemicals and satisfactory demands from the plastic, rubber, paint, and pharmaceutical industries aided sales.

Chemicals going into the so-called heavy industries still lagged at a pace but little greater than the year before.

Reflecting greater sales as well as past heavy capital expenditures, net profits were the highest in our history. Total earnings, including our proportion of the undivided profits of controlled companies not consolidated and uncontrolled companies in which we have a substantial interest, were $2,771,629.29 or $3.20½ a share on the 864,000 shares outstanding. Of these total earnings, $2,638,040.17 or $3.05 a share resulted from operations of the parent and wholly owned subsidiary companies, and includes dividends received from investments. Earnings of the parent and wholly owned subsidiaries for 1933 were $2,221,207 or $2.57 a share after giving effect to the 100% stock distribution of last April. Our proportion of the undistributed earnings of controlled and uncontrolled companies during 1933 amounted to approximately $55,000 or 6c a share.

INDEXES OF MONSANTO AVERAGE HOURLY WAGE RATES, PRICES OF MONSANTO PRODUCTS AND PRICES OF ALL COMMODITIES
INDEX OF PRICES OF ALL COMMODITIES FROM THE BUREAU OF LABOR STATISTICS
1926 = 100



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As indicated by the graphic presentation on the preceding page, our operations received no direct benefits from the N. R. A. On the contrary, selling prices of some products continued the decline that has been characteristic of a good share of post-war chemical markets. Our ability to maintain satisfactory profit margins in the face of declining markets is testimony to the resourcefulness of our research and manufacturing departments in finding means of cost reductions. Although aided by increased output it proved a considerable task during the past two years during which increased raw material and labor costs presented heavy obstacles. Our 1934 hourly payroll was $345,000 greater than it would have been at 1932 wage rates.

At our last annual stockholders' meeting, you voted to increase the number of our authorized shares from 500,000 to 1,250,000 and, subsequently, our Board of Directors ordered the capitalization of $4,320,000 of the then paid in surplus and its distribution to stockholders of record as of April 20, 1934, in the ratio of one share for each share held, increasing the number of shares outstanding to 864,000. Dividends were inaugurated on the increased number of shares at the rate of 25c a quarter and an extra dividend of 25c a share was distributed with the last quarterly payment. Because of the intervening stock dividends, each share held in June, 1929, is now represented by 2.22 shares. Our present dividend rate, including the extra disbursement, is more than double the rate then current. It is gratifying that earnings are adequately covering the increased disbursements.

BALANCE SHEET COMMENTS

CURRENT ASSETS

	Dec. 31, 1934	Dec. 31, 1933	Increase
Cash	$3,538,659.97	$2,055,361.85	$1,483,298.12
Marketable Securities at Market	280,149.96	250,281.25	29,868.71
Customers' Notes and Accounts Receivable, Less Reserve	1,592,527.29	1,590,405.93	2,121.36
Miscellaneous Accounts Receivable, Less Reserve	82,051.06	67,430.36	14,620.70
Inventories	4,110,022.98	3,227,824.03	882,198.95
Total	$9,603,411.26	$7,191,303.42	$2,412,107.84

The large increase in current assets reflects the proceeds of the recent British financing which is commented on later, as well as the excess of earnings over disbursements. In our cash account we are now carrying approximately one million and a quarter dollars in pounds sterling.

Federal Intermediate Credit Bank debentures, all maturing before May 16, 1935, and Municipal Bonds comprise our marketable securities.

Greater inventories reflect increases in units rather than unit values as well as some future buying of raw materials.

DSW 331326

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CURRENT LIABILITIES

	Dec. 31, 1934	Dec. 31, 1933	Increase / *Decrease*
Accounts Payable	$1,080,117.61	$1,089,864.35	$ *9,746.74*
Accrued Accounts	305,168.96	231,611.82	73,557.14
Estimated Income Taxes	616,387.30	553,286.07	63,101.23
First Mortgage Bonds to be Redeemed	42,330.00		42,330.00
Accrued Dividends on Preference Shares	18,575.32		18,575.32
Total	$2,062,579.19	$1,874,762.24	$187,816.95

Current liabilities show little change over those of a year ago. The higher income tax payable is the tribute of larger earnings. The dividends accrued are those on the preferred stock of our British subsidiary.

Net current assets were $7,540,832 on December 31, 1934, an increase of $2,224,291 over the $5,316,541 reported the previous year, $1,872,666 of this amount representing the proceeds of our financing.

OTHER ASSETS

	Dec. 31, 1934	Dec. 31, 1933	Increase / *Decrease*
Due from Officers and Employes On Purchases of Monsanto Stock	$ 82,012.47	$ 60,784.43	$ 21,228.04
Advances	22,881.04	32,366.07	*9,485.03*
Investments in Controlled Companies	910,468.67	799,073.30	111,395.37
Miscellaneous Investments	227,716.73	323,573.50	*95,856.77*
Loans, Deposits, etc.	213,120.92	147,307.50	65,813.42
Total	$1,456,199.83	$1,363,104.80	$ 93,095.03

Our employe stock purchase plan provides for the purchase by the company of our own capital shares in the open market on an employe's order and is paid for by monthly deductions from the employe's salary.

The increase in our investment in controlled companies is represented largely by additional capital subscriptions to the New England Alcohol Company.

Although it has been demonstrated that a very substantial value attaches to our patents and processes, a valuation of $2.00 is carried in our financial accounts. This practice is dictated not only by conservatism, but also by the fact that at the time of fiscal year accounting, the year's accomplishments in research and development have not undergone the test of time and no measurement of value is practicable. Furthermore, chemical research often makes existing patents and processes obsolete. One experiment often destroys the value of an earlier one and eliminates the substance of any evaluation.

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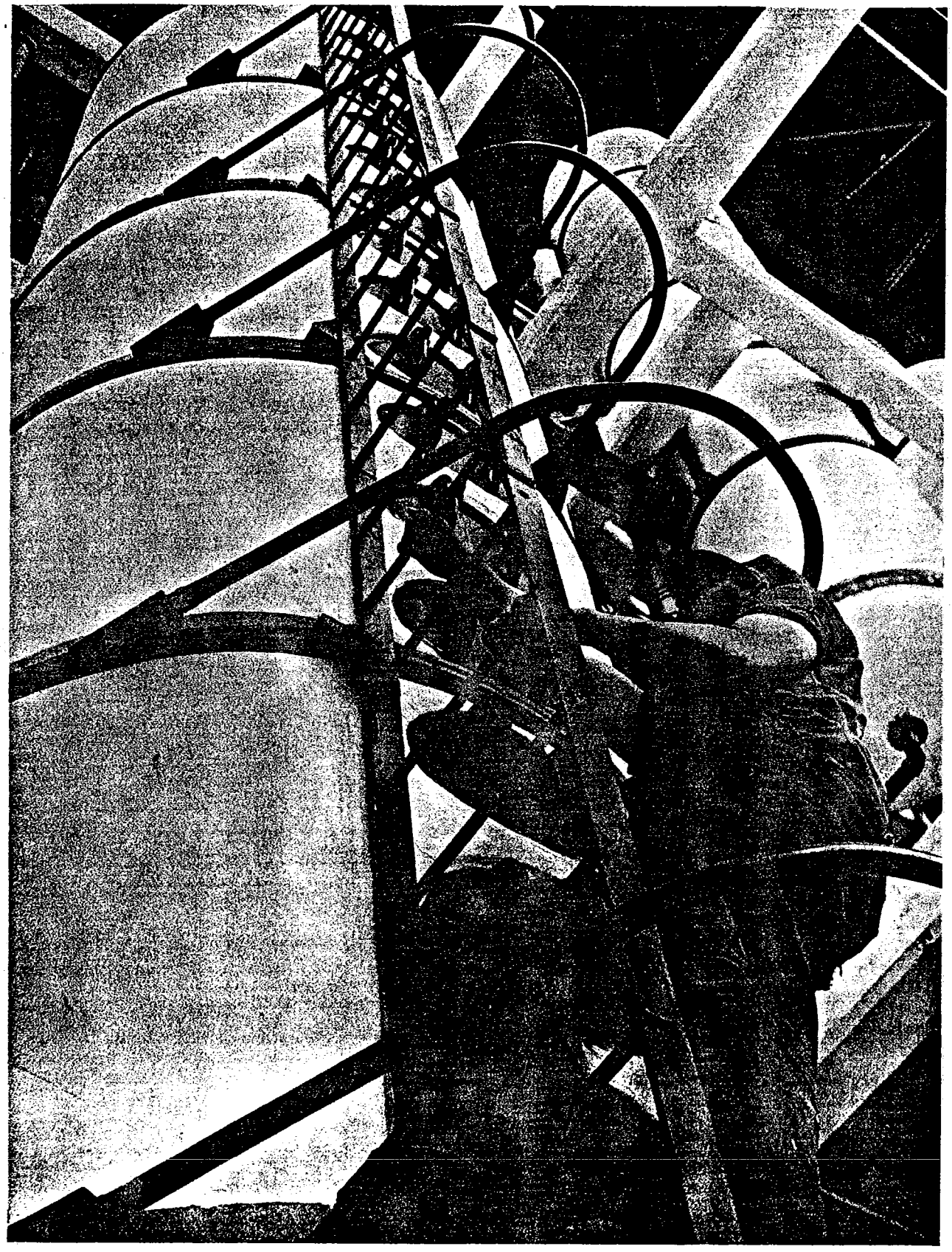

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GROSS PLANT PROPERTY

	Dec. 31, 1934	Dec. 31, 1933	Increase
Land	$ 1,303,198.07	$ 1,249,972.48	$ 53,225.59
Buildings	3,640,351.62	3,250,652.33	389,699.29
Machinery and Equipment	10,702,924.00	9,630,431.71	1,072,492.29
Total	$15,646,473.69	$14,131,056.52	$1,515,417.17

Plant is stated at the reduced values indicated as replacement values by an appraisal by our company engineers at December 31, 1932. Subsequent additions have been added at cost.

$1,969,134 was spent in plant during 1934 for a large number of extensions and improvements to plant for the attainment of greater efficiency and further reduction of costs, as well as some plant for the production of new products. Of this amount $254,578 represented replacements of exhausted or inadequate facilities. In addition $782,255, was expended for replacements and repair.

Our funded debt was reduced during the year by $76,000.

RESERVES

	Dec. 31, 1934	Dec. 31, 1933	Increase *Decrease*
Depreciation and Obsolescence	$5,312,807.77	$4,893,846.75	$418,961.02
For Redemption of Returnable Containers	523,879.23	552,219.50	*28,340.27*
For Fluctuations of Exchange	234,298.05	234,298.05	
For Contingencies	263,644.15	204,238.48	59,405.67
Total	$6,334,629.20	$5,884,602.78	$450,026.42

The increase in the depreciation reserve is the net of $898,612, provided out of 1934 income, less charges for reserve accumulated on abandoned or replaced plant.

It had been the custom of our British subsidiary to charge off substantial expenditures for plant rehabilitation and replacements. Therefore, in order to present a truer statement of values, an independent appraisal of plant was made at the time of recapitalization in 1934. As a result, unrequired reserves in the amount of $413,779 were restored to surplus. However, in the treatment of this surplus accretion in the consolidation of Monsanto and subsidiaries, this amount has been retained temporarily as a reserve. Justification is found in the unsettled condition of international exchange, which may influence any dollar statement of values of foreign properties. Our plan contemplates the transfer of this reserve to surplus as soon as international monetary stability is realized. Similar motives suggest the retention of the reserve for fluctuation of exchange.

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CAPITAL

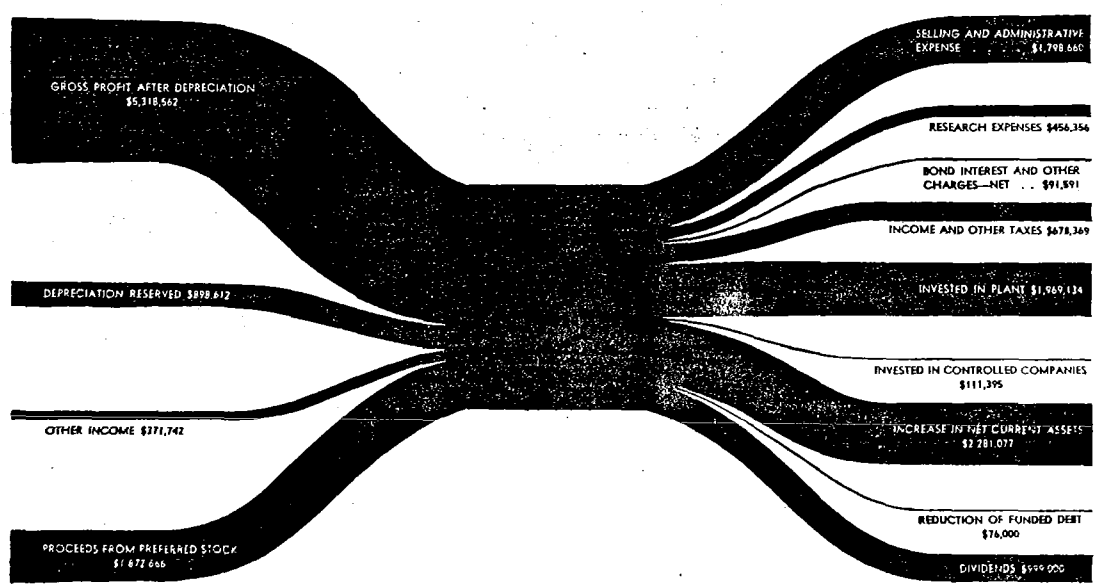
	Dec. 31, 1934	Dec. 31, 1933	Increase *Decrease*
Preferred Stock			
Preference Shares of Monsanto Chemicals Ltd. Authorized 500,000 Shares par Value £1 Each; Outstanding 400,000 Shares.....	$ 1,940,000.00		$1,940,000.00
Common Stock			
Authorized 1,250,000 Shares of $10 Each; Outstanding at Dec. 31, 1934, 864,000 shares, including 1,273 held for Exchange of Stock of Predecessor Corporation	8,640,000.00	$ 4,320,000.00	4,320,000.00
Paid in Surplus.....	1,152,292.75	5,389,206.04	*4,236,913.29*
Earned Surplus Acquired from Predecessor Corporation...	1,719,058.14	2,718,058.14	*999,000.00*
Earned Surplus.....	4,143,160.50	1,602,925.37	2,540,235.13
	$17,594,511.39	$14,030,189.55	$3,564,321.84

The new item of preferred stock outstanding is that of our British subsidiary. The increase in common stock and decrease in paid in surplus reflects the capitalization of paid in surplus and its distribution to the stockholders last April. The decrease of earned surplus acquired from predecessor corporation reflects the dividends paid during the year. The increase in earned surplus reflects the credit of net earnings..

The increase in the net worth of our capital shares totalled $1,624,321. Pro-rated, it amounts to $1.88 per share, the book value increasing during the year from $16.24 per share to $18.12.

Total assets increased from $22,820,055 to $26,904,720.

The following chart shows the source and distribution of 1934 funds:



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The New England Alcohol Company, in which we have a 55% interest, began operations on schedule in February and operated profitably. I hope nineteen thirty-five and succeeding years will witness further improvements in the profits of this unit as its position in the market becomes more stabilized.

A plant for the manufacture of Dry Ice from the by-product carbon dioxide generated in the fermenting equipment has been completed recently and is now in operation.

The Securities Act of 1933 greatly contributed to the difficulties of financing by American industry. Severe liabilities were imposed upon officers and directors who act for the benefit of all stockholders. The elaborate data that was required was expensive to prepare, the delay entailed in its preparation, together with that occasioned by regulations, made the completion of any financing arrangements uncertain.

The Securities and Exchange Commission to whom the administration of this act was transferred have quite recently relaxed the stringent registration requirements for established companies and have indicated a desire to facilitate new issues. Their helpful attitude, together with the amendments that were made to the Act last spring, should facilitate henceforth the free flow of capital into private enterprise.

Before these latter developments however, Monsanto was fortunate in having a British subsidiary to form the vehicle for the procurement of needed additional capital. In September, £400,000 out of an authorized £500,000 of 5½% non-voting cumulative preferred stock in Monsanto Chemicals, Limited, was sold through bankers to the British investors at 102½% of par. The confidence of the British investing public in their money, as well as in the chemical industry, was evidenced by the heavy over subscription of this issue which bears no sinking fund nor guarantee by the parent company. It is now selling on the London Stock Exchange at a substantial premium over the issue price. It is subject to call at 107½% of par up to 1970. All of the common stock in the enterprise was retained by your parent company.

The proceeds of this issue will be used for expansion of our British properties and to repay our American treasury for past advances. In view of nationalistic tendencies in practically all nations, I believe the participation of the British public in its ownership will prove beneficial to Monsanto Chemicals, Limited.

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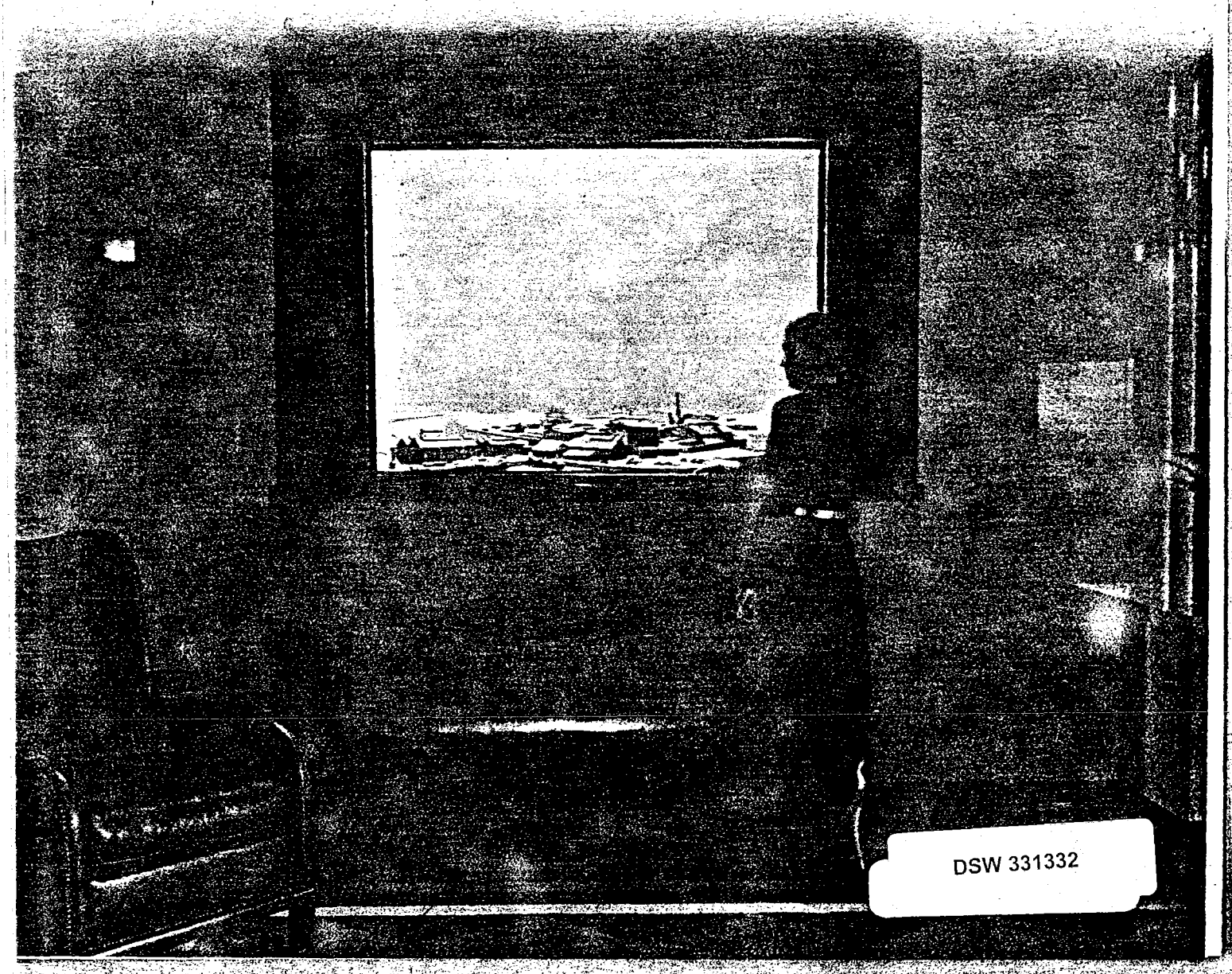
1935

We face the largest construction program in our history. We have budgeted in excess of $4,000,000 for replacements, extensions to plant required by increased demand, plant for new products, and auxiliary facilities. Our expansion in recent years has been rapid and resulting requirements have outgrown our auxiliary facilities. Hence it has been necessary to provide a new administration building in St. Louis, which has been completed, and the space vacated by the personnel transferred to it will house additional laboratories and some of the engineering department.

A large, modern, high pressure power plant is under construction in the St. Louis plant to replace the inadequate steam plant now in use. The power generated as a by-product

One of the dioramas (plant models in perspective) in the lobby of the new administration building.



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will supplant that now purchased, and an excess will be transferred through cables under the Mississippi River to our Monsanto, Illinois, plant for utilization in existing and projected processes.

A large number of extensions of inadequate plant and improvements for greater efficiency are included in the program, and under prevailing conditions should yield commensurate returns.

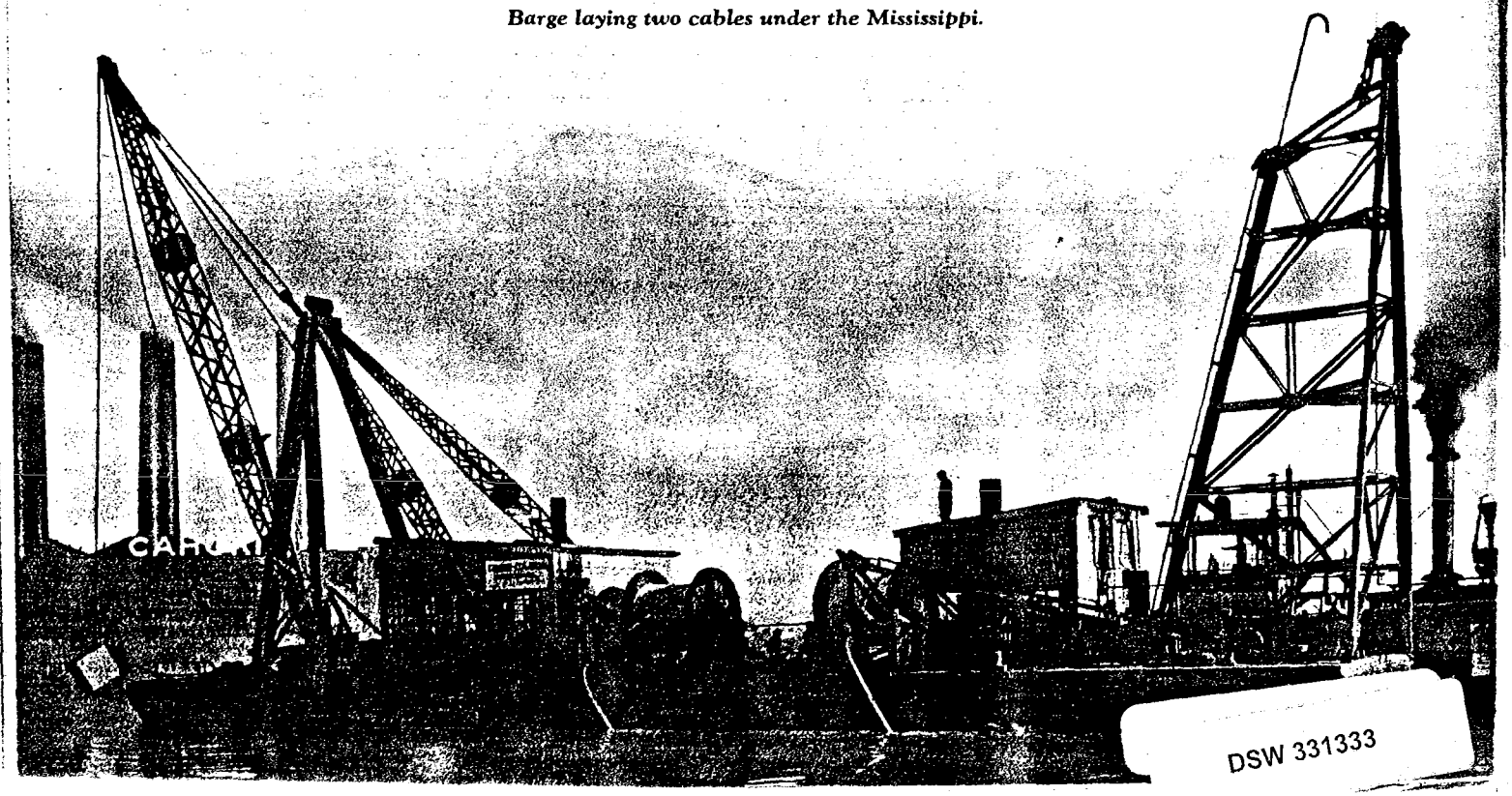
Our British subsidiary is constructing plants for several new products which are either inadequately produced for the requirements of or are new to the British market.

We anticipate that our splendid current asset position and current earnings will prove ample to finance this program.

RESEARCH

Monsanto Petroleum Chemicals, a subsidiary, in which we have a 75% interest, was organized in the spring of the year, and incorporates the Dayton Synthetic Resin Company, which was absorbed by it. The field of aliphatic chemistry, i. e., those compounds derived from petroleum bases, is new. It is interesting because many chemicals in current use and many others hitherto commercially unavailable can be produced from relatively cheap, and typically American raw materials. Considerable research in this field was done by the predecessor components of Monsanto Petroleum Chemicals. A small pilot plant for the production of a resin which seems particularly suitable for use in paints and varnishes and several concomitant products, is being designed and will be built this spring.

Barge laying two cables under the Mississippi.



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In process of introduction to potential consumers are a series of new, high power germicides; a range of so-called wetting agents for the textile, rubber and insecticide industries; mertanol, a synthetic tanning agent; new plasticizers for the lacquer and synthetic plastic industries, and several new chemicals for the rubber and other industries.

The chemical industry is singular. It has reacted to present unusual conditions in a different manner than most other industries. Prices of all commodities, including chemicals, were reduced during the course of the depression, and during the past year most prices rose. Those of chemicals, however, did not follow. This relative stability is a reflection of progressiveness in research and development characteristic of the chemical industry, as well as a healthy growth and increasing diversification in the distribution of its products.

Our industry is, however, by no means free of unexpected major developments and rapid changes which are apt to upset calculations and result in much obsolescence. Therefore, close attention on the part of the management is required.

In the organic chemical field we are experiencing revolutionary changes resulting from the utilization of petroleum products for the production of many chemicals. The oil industry and other factors working with petroleum products as bases are today in production of chemical products which were formerly derived from coal tar or from vegetable sources. Ethyl alcohol, isopropyl alcohol, butyl alcohol, acetone and acetic anhydride, all standard chemicals, are now being produced from petroleum gases.

On the other hand, the oil industry is developing into a large potential consumer of organic chemicals. There is a rapid evolution in the refining and dewaxing of lubricating oils, resulting in utilization of such products as phenol, cresols, nitrobenzene and aniline, some of which we produce. We see oil yielding products which formerly came from coal, or, more specifically, from coal tar; we also witness the coal encroaching upon the oil business by a chemical treatment known as hydrogenation. These are revolutionary changes with which your company is trying to keep pace.

We are, therefore, devoting as much time and funds to research as conditions permit, to insure Monsanto's future in the new fields of development. Thus were we motivated to spend $456,356 in research in 1934, an increase of 11% over 1933, and a much larger amount has been budgeted for 1935.

* * * *

After several years of deflation, farm prices and income have risen substantially. Commodity indices are up. Earnings of the employed are greater. Our reservoirs of credit are the greatest in history. Money is the cheapest in generations. Employment is increasing in many industries and sales reports uniformly show substantial increases. Had this come about

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as a result of natural causes, America would abound with confidence that a period of prosperity is ahead. However, we are awed at its unreality and ponder over its permanence. Will the present improved demand continue, if our nation lives within its income? Dare we spend your money to equip ourselves to supply this demand more advantageously?

We hope time will justify our belief that man's advance to higher and more complex states of civilization cannot be but temporarily deterred; that the plants we build cannot be but temporarily idle. We plan for the future in the belief that the appetite of America will continue to demand in ever increasing degree those products which only industry can supply and we must be ready to serve effectively and in a continually broader scope.

Those who have invested in industry have not only a proprietorship of plant, but of the individuals who operate them and an annual accounting seems incomplete with mere sets of figures attested by auditors. Therefore, I have tried to reveal succinctly the state of mind of the Monsanto organization, but I should have fallen short of this objective had I omitted to tell you that there is but comparatively little of individual greed in Monsanto. We have a body of men who enjoy working together and share each other's pride of accomplishment. Our work is intensely interesting. The future possibilities of our field inspire us and we appreciate and hope to justify the confidence that is evident by your investment in us.

EDGAR MONSANTO QUEENY
President.

St. Louis, Missouri.
March 6, 1935.

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HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS

416 OLIVE STREET
SAINT LOUIS

ACCOUNTANTS' CERTIFICATE

Monsanto Chemical Company:

We have made an examination of the consolidated balance sheet of Monsanto Chemical Company and its American subsidiary companies, Merrimac Chemical Company, The Rubber Service Laboratories Company, and Virginia Fertilizer Corporation, as of December 31, 1934, and of the related statement of consolidated income and surplus for 1934.

In connection therewith, we made a review of the accounting methods, examined or tested, in a manner and to the extent which we considered appropriate in view of the company's system of internal accounting control, accounting records of the companies and other supporting evidence, and made a general review of the operating and income accounts for the year, but we did not make a detailed audit of the transactions.

We accepted the reports of Messrs. Whinney, Smith & Whinney, London, England, on their examinations of the British subsidiary, Monsanto Holdings Limited and predecessor company, and its subsidiary company.

The companies computed depreciation and obsolescence for the year 1934 on the basis of the reduced property values established by their engineers as of December 31, 1932.

In our opinion, subject to the foregoing, the accompanying consolidated balance sheet and related statements of consolidated income and surplus fairly present, in accordance with accepted principles of accounting consistently followed by the companies during the year under review, the consolidated financial condition of the companies at December 31, 1934, and the consolidated results of their operations for the year ended that date.

Haskins & Sells

February 23, 1935.

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MONSANTO CHEMICAL COMPANY
INCORPORATED

AND SUBSIDIARY COMPANIES
IN DELAWARE

Consolidated Balance Sheet, December 31, 1934

ASSETS

Current Assets:		
Cash	$ 3,538,659.97	
Marketable Securities—At Quoted Values	280,149.96	
Customers' Notes and Accounts Receivable, Less Reserve	1,592,527.29	
Miscellaneous Accounts Receivable, Less Reserve	82,051.06	
Inventories—At substantially the lower of cost or market	4,110,022.98	$ 9,603,411.26
Other Assets:		
Due from Officers and Employes On purchases of parent Company's capital stock and preference shares of the British Subsidiary—(Stock certificates held as collateral)	$ 82,012.47	
Advances	22,881.04	
Investments in Controlled Companies	910,468.67	
Miscellaneous Investments—At Cost or Lower	227,716.73	
Loans, Deposits, etc.	213,120.92	1,456,199.83
Plant Property:		
(As revalued in 1932 by Company's engineers on the basis of replacement cost, plus subsequent additions at cost, less retirements):		
Land	$ 1,303,198.07	
Buildings	3,640,351.62	
Machinery and Equipment	10,702,924.00	15,646,473.69
Patents and Processes:		2.00
Deferred Charges:		
Prepaid Items	$ 101,813.23	
British Subsidiary Reorganization Expenses, Less Premium on Sale of Preference Shares	67,334.00	
Other	29,485.77	198,633.00
		$26,904,719.78

LIABILITIES

Current Liabilities:		
Accounts Payable	$ 1,080,117.61	
Accrued Items	305,168.96	
Estimated Income Taxes	616,387.30	
First Mortgage, 5½%, Bonds to be Redeemed May 1, 1935, Including Premium $80,830.00 Less in Treasury 38,500.00	42,330.00	
Accrued Dividend on Preference Shares	18,575.32	$ 2,062,579.19
Funded Debt:		
First Mortgage 5½% Sinking Fund Gold Bonds, Due November 1, 1942; annual Sinking Fund requirement $80,000.00		913,000.00
Reserves:		
Depreciation and Obsolescence (As restated 1932, plus subsequent net additions)	$ 5,312,807.77	
For Redemption of Returnable Containers	523,879.23	
For Fluctuations of Exchange	234,298.05	
For Contingencies	263,644.15	6,334,629.20
Capital Stock and Surplus:		
Capital Stock:		
Monsanto Chemicals, Limited 5½% Redeemable Cumulative Preference Shares of £1 Each; Authorized 500,000 Shares; Outstanding, 400,000 Shares	$ 1,940,000.00	
Monsanto Chemical Company Authorized 1,250,000 Shares of $10.00 Each; Outstanding, 864,000 Shares, Including 1,273 Shares held for Exchange of Stock of Predecessor Company	8,640,000.00	
Surplus:		
Paid-In Surplus	1,152,292.75	
Earned Surplus Acquired from Predecessor Corporation	1,719,058.14	
Earned Surplus	4,143,160.50	17,594,511.39
		$26,904,719.78

Notation: The assets and liabilities of the British subsidiary have been converted at $4.85 per £

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MONSANTO CHEMICAL COMPANY AND SUBSIDIARY COMPANIES

Statement of Consolidated Paid-In Surplus, December 31, 1934

Paid-In Surplus, December 31, 1933		$5,389,206.04
Add:		
Appreciation of plant property of British subsidiary based on appraisal as of June 30, 1934	$ 413,779.59	
Net income of the British subsidiary pending reorganization	79,229.72	
Net premium on purchases and sales of treasury stock and scrip	3,856.99	496,866.30
Total		$5,886,072.34
Deduct:		
Reserve set aside on parent company's books for depreciation and obsolescence of plant property of British subsidiary	$ 413,779.59	
Distribution to stockholders in the form of capital stock	4,320,000.00	4,733,779.59
Paid-In Surplus December 31, 1934		$1,152,292.75

Statement of Consolidated Earned Surplus Acquired From Predecessor Corporation, December 31, 1934

Balance December 31, 1933	$2,718,058.14
Deduct: Dividends paid during the year ended December 31, 1934	999,000.00
Balance December 31, 1934	$1,719,058.14

Statement of Consolidated Earned Surplus, December 31, 1934

Earned Surplus December 31, 1933		$1,602,925.37
Add: Net income for the year		2,638,040.17
Total		$4,240,965.54
Deduct:		
Net income of the British subsidiary pending reorganization, transferred to paid-in surplus	$ 79,229.72	
Accrual to December 31, 1934, of the dividend on preference shares of the British subsidiary	18,575.32	97,805.04
Earned Surplus December 31, 1934		$4,143,160.50

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MONSANTO CHEMICAL COMPANY AND SUBSIDIARY COMPANIES

Statement of Consolidated Income, for the Years Ended December 31, 1934 and 1933, and Comparison

	Year Ended December 31, 1934	Year Ended December 31, 1933	Increase *Decrease*
Gross Profit from Operations, Before Depreciation and Obsolescence . .	$6,050,052.33	$5,386,261.97	$663,790.36
Deduct:			
Selling and administrative expenses. . . .	$1,798,659.65	$1,517,634.72	$281,024.93
Depreciation and obsolescence	898,612.10	849,696.28	48,915.82
Research expenses	456,356.13	371,566.68	84,789.45
Total	$3,153,627.88	$2,738,897.68	$414,730.20
Net Profit from Operations	$2,896,424.45	$2,647,364.29	$249,060.16
Other Income:			
Interest earned	$ 26,777.92	$ 34,449.68	*$ 7,671.76*
Profit on exchange	86,482.24	54,081.57	32,400.67
Other.	258,482.34	147,061.88	111,420.46
Total	$ 371,742.50	$ 235,593.13	$136,149.37
Gross Income.	$3,268,166.95	$2,882,957.42	$385,209.53
Income Charges:			
Bond Interest	$ 55,081.33	$ 81,641.53	*$ 26,560.20*
Other Charges	92,801.00	168,849.63	*76,048.63*
Total	$ 147,882.33	$ 250,491.16	*$102,608.83*
Net Income, before provision for Income Taxes	$3,120,284.62	$2,632,466.26	$487,818.36
Provision for Income Taxes.	482,244.45	411,259.27	70,985.18
Net Income for the year transferred to Surplus	$2,638,040.17	$2,221,206.99	$416,833.18

Notation: The earnings of the British subsidiary have been converted for the year 1934 and for the seven months ended December 31, 1933, at $4.85 per £, and for the five months ended May 31, 1933, at $4.00 per £.

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Monsanto Chemical Company

ST. LOUIS, U.S.A.

●

DIRECTORS

EDGAR MONSANTO QUEENY	St. Louis	G. LEE CAMP	St. Louis
GASTON DUBOIS	St. Louis	LLOYD F. NICKELL	London
JOHN W. LIVINGSTON	St. Louis	CHARLES BELKNAP	Boston
THEODORE RASSIEUR	St. Louis	WILLIAM M. RAND	Boston

OFFICERS

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CHARLES BELKNAP	*Vice-President*
GASTON DUBOIS	*Vice-President*
G. LEE CAMP	*Vice-President*
JOHN W. LIVINGSTON	*Vice-President*
LLOYD F. NICKELL	*Assistant Vice-President*
VICTOR E. WILLIAMS	*Assistant Vice-President*
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HARVEY M. HARKER	*Assistant Vice-President*
F. BURTON LANGRECK	*Assistant Vice-President*
SAMUEL W. ALLENDER	*Assistant to President*
FRED A. ULMER	*Treasurer and Comptroller*
WILLIAM W. SCHNEIDER	*Secretary*
JOSEPH R. MARES	*Assistant Secretary*
JOHN W. LUDWIG	*Assistant Comptroller*
EDWIN J. CUNNINGHAM	*Assistant Comptroller*
STEPHEN LOUIS	*Assistant Treasurer*
JOHN F. MARTIN	*Assistant Treasurer*

Transfer Agent
GUARANTY TRUST COMPANY OF NEW YORK

Registrar
THE CHASE NATIONAL BANK OF NEW YORK

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Monsanto Chemical Company
ST. LOUIS, U.S.A.

SUBSIDIARY COMPANIES

●

MERRIMAC CHEMICAL COMPANY

EVERETT, MASSACHUSETTS

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WILLIAM M. RAND . . . . *Vice-President*
OSBORNE BEZANSON . . . . *Vice-President*
FRANK G. STANTIAL . . . . *Vice-President*
EDWARD R. CHAPIN . . . . . *Secretary*
WILLIAM I. WARREN . . . . . *Treasurer*
JAMES E. DAY . . . . *Assistant Treasurer*

MONSANTO CHEMICALS, Ltd.

LONDON, ENGLAND

OFFICERS

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THOMAS P. BERINGTON. . *Vice-Chairman*
THOMAS KNOWLES. . . . *Director of Sales*
F. S. MORTIMER. . . . . *Secretary*
HAROLD S. PARRY . . . . *Internal Auditor*

RUBBER SERVICE LABORATORIES COMPANY

AKRON, OHIO

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ROBERT L. SIBLEY. . . . . *Vice-President*
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