10/29/76

DRAFT REPLY TO PRESS QUERY
ON MONSANTO INCREASING PRICE OF PCBs

In response to a query from a member of the press or media concerning the rationale behind Monsanto's increasing the price of PCBs and whether or not this sort of move is "gouging" the last cent of profit out of the incident, my answer would be as follows:

Frankly, the profitability of PCBs over the years has been no better, if indeed as good as, our general mix of products. In essence, it has not been a big winner.

We have made heavy investments in research since 1970 on replacement products to allow us to phase out PCBs as quickly as possible. Furthermore, we have spent substantial sums on medical, laboratory tests, legal and management time which have not even been accounted for.

We believe a sharing of at least some of those costs by consuming industries in no way runs counter to the public interest

We are committed to shut down the business. We are prepared to phase it out in an uneconomic manner for Monsanto in light of the national good. We are willing to assume a substantial burden of the cost of withdrawal -- but we think our customers have a financial responsibility too.

With that in mind, we have instituted what we consider to be a moderate price increase to help cover some of these costs which we are incurring.

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