

Monsanto

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To the Shareowners:

When our 1976 Annual Report went to press, the U.S. Food and Drug Administration had not made a final determination about whether to allow our Cycle-Safe® plastic bottle to remain on grocery store shelves.

Since then, FDA has ruled that the bottle cannot be used for soft drinks such as Coca-Cola because of what the Federal agency regards as a possible health hazard.

In our judgment, FDA's ruling is an extreme and unwarranted action which ignores a substantial amount of scientific evidence, and we have challenged it in the courts.

FDA based its decision on findings from recent studies designed to determine the effect on laboratory animals of a chemical substance called acrylonitrile (AN) which is used as an intermediate in the fabrication of our plastic bottle and other food containers. Citing the same studies, FDA also announced that it would reduce the amount of AN extractable from other AN-based food containers from 300 parts per billion to 50 parts as a maximum.

The preliminary findings mentioned by FDA involve an industry-supported test in which rats are being fed various levels of AN in their drinking water. The toxicologist conducting this test reported that after 13 months of administering AN to rats at a concentration of 35,000 parts per billion, the AN produced no compound-related pathological changes.

To reach this "no change" level, a child would have to drink more than 3,000 quarts of beverage every day for one year from our bottles, and then only if AN were present in the beverage at the newly proposed FDA limit of 50 parts per billion. (At feeding levels equivalent to consuming an incredible 8,000 and 17,000 quarts per day, abnormalities of uncertain origin did occur in the test animals.)

Simply because a chemical is used in the manufacture of a food container does not mean it will migrate into the food. Fine crystal glassware, which has been used safely for centuries, is about one-third lead. Lead has been found to cause cancer in animals

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MCA ISSUE POSITION STATEMENTS -- SUMMARY

1. Air Pollution Control -- Arbitrarily lowering standards to eliminate the most remote health risk should not be done without risk-assessment. The Clean Air Act needs to be amended to provide for variances to allow industry expansion if all its present facilities are complying with air quality standards or are on compliance schedules, and Best Available Control Technology is used. Recommend the establishment of National Commission on Air Quality to report to Congress within three years.
2. Water Pollution Control -- Once the 1977 requirements of the Water Pollution Control Act of 1972 are met, only 8/10 of 1% of the nation's waters will be below the minimum standard. Installing Best Available Technology in 1983 would reduce that figure by only 1/2 of 1%, at a capital cost of \$4.2 billion and annual operating costs of \$2.6 billion, for the chemical industry. Therefore utilize a case-by-case approach and use Best Available Technology only where it is needed to achieve water quality.
3. TOSCA -- Toxicity testing programs for major commodity chemicals will be stepped up. Protection of the confidentiality of a chemical name and a broader definition of test marketing are encouraged. Impurities should not have to be listed and only commercial by-products should be cited.
4. Taxation -- Recommends reducing the corporate tax rate, providing for a quicker recovery of the cost of manufacturing facilities, and eliminating double taxation of corporate earnings. Opposes required current taxation of the unremitted earnings of foreign subsidiaries of U.S. companies.
5. Occupational Safety and Health-Privacy of worker medical records should be maintained. OSHA should shift from setting individual chemical standards to developing good work practices for an industry.
6. Oil & Chemical Company Divestiture -- Vertical divestiture of the oil industry is opposed because it would increase costs, make supplies uncertain and create a weak and untested competitive structure in the industry.
7. Energy & the Chemical Industry -- The chemical industry requires only 7% of the total U.S. energy demand, use split between fuel and feedstock. An FEA goal of energy efficiency improvement target of 14% by 1980 is supported. Increased coal utilization is sought. Periodic price adjustments for gas and crude oil to approximate free market value should be considered.

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