MONSANTO CHEMICAL COMPANY

St. Louis, Missouri

The Office of Production Management has issued General Preference Order M-19, effective July 26, 1941, which is for the purpose of conserving the supply and directing the distribution of Chlorine. The Office of Price Administration and Civilian Supply has issued the Civilian Allocation Order covering Chlorine after defense needs have been cared for.

In accordance with our understanding, General Preference Order M-19 places Chlorine under mandatory control, shipments to be made in accordance with Preference Ratings received by the producer. When a defense order for Chlorine is offered to the producer, it shall be accepted providing such order meets the regular prices and terms of sale of such producer and deliveries shall be made under such order in accordance with the Preference Ratings assigned thereto and the delivery schedule specified thereunder, even though deferment of deliveries under non-defense orders previously accepted is necessitated thereby.

Under the Civilian Allocation Program, the order provides "adequate supplies of Chlorine shall be allocated for the following uses -- water purification, sewage treatment, sanitation, refrigerant gases for existing equipment, slime control in industrial plants, preparation of products for medicinal use, preservation and processing of food products."

In accordance with our understanding, it is indicated that the total defense plus the civilian demand for Chlorine is in excess of the available supply, and the Government has decreed that Chlorine shall be furnished for the defense program in accordance with General Preference Order M-19 after which adequate supplies of Chlorine shall be allocated to the uses given above. If any Chlorine remains, it can be sold for various civilian uses of lesser importance.