

BUSINESS AND FINANCE

USDA warns insecticide distribution could be snafued if insects reach epidemic proportions

IF INSECT INFESTATIONS should become epidemic this season, the agricultural chemicals industry may have a distribution problem on its hands, warns USDA's Commodity Stabilization Service in its annual "Pesticide Situation," just out. Although the supplies of agricultural chemicals are fairly large and ample capacity exists for producing all anticipated requirements of major items, dealers and formulators have been slow ordering and growers may find pesticides hard to come by if bad outbreaks should occur. A striking example is in the cotton belt where, with favorable rainfall in June and July, boll weevil populations might increase quickly to numbers, USDA points out.

This situation can, of course be traced back to the large supplies left over from the 1952 season, a discouraging at

season in 1953, and manufacturer caution in production plans for 1954.

In general, the "Pesticide Situation" notes, acreage shifts will not have much influence on over-all pesticide usage, although admittedly local consumption may be affected. In the over-all viewpoint, weather will influence infestations much more than acreage shifts.

For some specific insecticides, the situation was reported as follows:

DDT production was up during October to February 16% over the same period last year, probably because of increasing demand from abroad.

Aldrin, dieldrin, and heptachlor are in good supply. **Endrin** use and production will probably grow this year, because of its use on tobacco.

Toxaphene use was believed to be at approximately 30 million pounds last year.

Chlordane use was about 6 million pounds in 1953.

TDE (or DDD) use last year was about three times as great as in 1951 to present usage of between 4 and 5 million pounds.

Parathion use declined in 1953, possibly because dealers were using inventories and competition from other organic phosphorus compounds.

TEPP use had dropped steadily since 1951, despite new uses.

Malathion had a promising season in 1953 and will probably be in considerable demand by formulators this year.

Demeton and schradan are the only systemics, according to USDA, of much consequence at the present. Demeton use will probably increase 30 to 40% in 1954. Schradan can be recommended commercially for cotton this year.

Production, domestic disappearance and requirements for many other pesticides, as given in the "Pesticide Situation," were published in *AG AND FOOD* in the March 17 issue, page 286, and the Feb. 17 issue, page 175.

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Business & Finance

Davison Merger into Grace Approved by Stockholders

Stockholders of W. R. Grace and Davison Chemical approved the merger of the two companies at their meetings recently—stockholders of Davison met on May 13 and those of Grace on May 12.

Under terms of the agreement, Davison shareholders will receive 1.4 shares of the Grace common for each share of Davison. Preferred stock holders of Davison will receive \$50 in principal amount of 4.25% convertible subordinate debentures of Grace and \$5.00 in cash.

Davison will operate as the Davison Chemical Co. Division of Grace and its headquarters will be retained in Baltimore. Davison's board will continue in an advisory capacity and Davison's officers will continue in corresponding posts in the new Grace division. It is expected that Grace will enlarge its board and that C. F. Hockley, chairman of the Davison board, and M. G. Geiger, president of Davison, will be invited to become members.

Stockholders to Vote on Olin, Mathieson Merger June 29

Merger plans of Olin and Mathieson (AG AND FOOD, May 12, page 491) were submitted for approval to the stockholders of both companies at special meetings on June 29. According to plans, approved unanimously by the boards of directors of the two companies, the merger, essentially a combination of equals, would result in a new corporation called the Olin Mathieson Chemical Corp. The two companies were both organized in 1892 and both employ over 18,000 people. Together the companies would have assets totaling \$599 million and sales of about \$500 million a year.

Olin started out as a manufacturer of black powder in East Alton, Ill. It was founded by F. W. Olin and his sons, John M. Olin and Spencer T. Olin, president and vice president, now head the company. From its plant in Illinois, Olin has grown into one of nation's most diversified industrial enterprises, with 18 plants in 14 states. Its products, roughly divided in eight different fields, include arms and ammunition, industrial explosives, metals and fabricated parts, cellophane and polyethylene, fine specialty papers, forest products, powder-actuated fasteners, and tools.

Mathieson, organized as the Mathieson Alkali Works, has grown from an initial capital of \$1,710,000 to a company with assets of \$339,261,000 and 400 products in the fields of agricultural, industrial, and pharmaceutical chemicals.

According to the financial plans for merger, each share of Mathieson preferred and Olin preferred will become one share of Olin Mathieson 4.25% convertible preferred; each share of Mathieson common and each share of Olin common will be one share of Olin Mathieson common. When the merger is approved and carried out, a 5% stock dividend on Mathieson will be paid prior to the effective date.

American Potash Reports High 1st Quarter Earnings

Sales and earnings of American Potash & Chemical in the first three months of this year were higher than in the corresponding period of 1953, according to Peter Colefax, president.

Sales in the quarter ended March 31, 1954, totaled \$5,923,000 compared with \$5,354,000 in the first quarter last year. Net earnings, after payment of preferred dividends, were equal to \$1.01 per share. In the first quarter of 1953, net earnings were equal to 96 cents a share.

Mr. Colefax said that American Potash is pushing forward its expansion into the field of fine chemicals. In line with this policy, the company is developing several upgraded industrial and agricultural products derived from the basic chemicals it has produced for many years. Major emphasis is being placed on boron, lithium, and bromine products which the company believes have large market potentials.

Mr. Colefax stated that in 1953 chemicals produced for agriculture accounted for 29% of the company's total sales volume, with 71% going to manufacturers of glass containers, porcelain enamels, kraft board and paper, detergents and soaps, textiles, plastics, paints, matches, and many other products.

Michigan Chemical's Sales Take Dip in 1st Quarter

Michigan Chemical's sales took a dip during the first quarter of this year—the total was \$948,826, compared with \$1,576,579 during the first quarter of 1953. The company showed a loss of \$209,063 during the quarter, compared with the loss of \$44,408 in the first three months of 1953.

In a letter to stockholders, Theodore Marvin, president, said that sales of insecticides continued slow and that sales to other industries also were depressed. DDT production, suspended in the summer of 1953, was not continued until March, so carrying charges on the plant provided an unavoidable expense during the period. The company has spent \$274,000 on capital improvements since the first of the year and is currently expending 5.7% of its sales on research.