



Nitrogen certificates for 417,000 tons granted by ODM to 13 chemical companies

THE LONG AND BITTER DISPUTE OVER the nitrogen expansion goal ostensibly has ended. Thirteen companies have been granted certificates of necessity; sixteen others have been denied them.

Included in the list of successful applicants is the Utah Chemical Company, which received the largest certificate—one for nearly \$19 million. Utah Chemical has signified that it is considering a plant at Mt. Pleasant, almost directly in the center of the Mormon State.

Next in line comes Northern Chemical Industries of Searsport, Me., which was granted a certificate now worth \$14 million. The company earlier had planned on a smaller plant.

Ten of the successful group were granted new certificates, all of which allowed rapid write-off of 45% of the new facilities' costs, excluding land costs and other so-called "extraneous items." The remaining three companies had their applications amended, usually by extending the time or by changing the percentage allowed.

On the other side of the ledger, Columbia-Southern led the list of rejected applications. The company had applied for an \$18.7 million certificate for a proposed plant in Pittsburgh. The Office of Defense Mobilization turned thumbs down on this plan, although it did approve the company's application for a smaller plant in Natrium, West Va.

Standard Oil of Ohio followed closely behind with an \$18.2 million application which was turned down. Other large applications which were rejected include those submitted by Standard Oil of Indiana and diversification-minded Merck.

American Cyanamid was the only double loser. The company's recent bid to build a plant in the Mid-West and an earlier unspecified application were both denied.

ODM drew up an eight-point list of

factors which it believed should be considered in determining which applications should be granted and which should be denied. This list was agreed to by the Commerce Department's Business and Defense Services Administration.

These eight criteria were used in an impartial weighing of each application, according to ODM. The agency says, however, that each of the factors do not

count the same in determining the final decision.

One of the highest-rated criteria is believed to be the proposed plant location. If the plant falls within an area where Department of Agriculture surveys have shown nitrogen deficits, it would rate higher with ODM than another proposed plant located in a less critical area.

The Defense Department also is said to be backing another of the criteria which calls for a location which is satisfactory from a plant dispersal standpoint. The department favors decentralization of key plants, although military needs for nitrogen in time of emergency probably would be less than basic civilian needs.

ODM's avowed policy of giving small business a chance is embodied in another of the criteria. How important this factor may have been in the final decision could be judged by the fact that four of the successful applicants—Utah Chemical, Columbia River, Lange Brothers, and Ammonia Chemicals—are classed as small businesses. With the exception of Ammonia Chemicals, these companies ranked high in dollar value on the granted list.

Availability of by-product hydrogen is listed as one of the factors which were surveyed before the final decision was made. It's understood that a few companies, including Utah Chemical, did not score very highly on this point.

ODM Action on Nitrogen Certificates

| COMPANY | Granted | LOCATION | AMOUNT CERTIFIED |
|---|---------|--------------------|------------------|
| Alabama By-Products Corp. | | Tarrant, Ala. | \$ 5,800,000 |
| Allied Chemical and Dye Corp., Solvay Process Division ^a | | Hopewell, Va. | 7,800,000 |
| Ammonia Chemical Corp. ^a | | Oleander, Calif. | 4,000,000 |
| Atlas Powder Co. ^a | | Atlas, Mo. | 6,750,000 |
| Columbia River Chemicals Inc., William R. Gruber | | Pasco, Wash. | 10,251,000 |
| Columbia-Southern Corp. ^a | | Natrium, West Va. | 3,030,000 |
| Dow Chemical Co., Texas Division | | Freeport, Texas | 3,600,000 |
| National Distillers Products Corp. | | Tuscola, Ill. | 7,000,000 |
| Shell Chemical Corp. ^a | | Pittsburgh, Calif. | 371,000 |
| Utah Chemical Co. ^a | | Mt. Pleasant, Utah | 18,725,000 |

^a Application previously denied.

Amended and Approved

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| Food Machinery and Chemical Corp., Westvaco Chemical Division | Lange Brothers, Inc. Northern Chemical Industries, Inc. |
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Denied

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| American Cyanamid Co. | Midwest Area U. S. | \$ 8,000,000 |
| Celanese Corp. | Baton Rouge, La. | 9,800,000 |
| Columbia-Southern Chemical Corp. | Pittsburgh, Pa. | 18,750,000 |
| Diamond Alkali Co. | Deer Park, Tex. | 5,600,000 |
| Grace Chemical Co. | Woodstock, Tenn. | 3,500,000 |
| Hercules Powder Co. | Louisiana, Mo. | 605,000 |
| Jefferson Chemical Co., Inc. | Port Neches, Tex. | 8,050,000 |
| Merck & Co. | Albany, Ga. | 14,000,000 |
| Pacific Chemical and Fertilizer Co. | Honolulu, Hawaii | 6,000,000 |
| Standard Oil Co. (Ind.) | Whiting, Ind. | 10,130,000 |
| Standard Oil Co. (Ohio) | Lima, Ohio | 18,212,000 |

Previously Denied, Re-applied, Again Denied

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| Allied Chemical and Dye Corp. | Midland Ammonia Co. |
| American Cyanamid Co. | Spencer Chemical Co. |
| Hercules Powder Co. | |