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Belief in future of agricultural nitrogen propelled well-charted cruise for Southern Nitrogen's president

A CENTURY AGO, Walt Whitman spoke of the old sailor, departing upon his endless cruise. Southern Nitrogen's president, John R. Riley, is a modern-day sailor who lives, as Whitman did, within sight of Long Island Sound. His first love is sailing—but on land, Riley's well-planned cruise in the agricultural chemistry field has proved almost without bounds—encompassing process engineering, sales, and administrative management.

"Jack" Riley is best known to the fertilizer industry as one who foresaw the big increase in nitrogen use early in the game. Associates say he was a powerful driving force in Spencer Chemical's early move into nitrogen fertilizer materials, and encouraged Spencer to branch out with several ammonia plants. There is little doubt that he was years ahead of most of his contemporaries with his very strong conviction about the future growth of agricultural chemicals.

Having completed an active student career at Tulane (where he received a chemical engineering degree in 1936), Riley joined Shell as a process engineer at Arkansas City, Kans. After several years, he moved to a sales position at Dearborn Chemical in Tulsa, Okla., and finally in 1941 to Military Chemical Works, predecessor of Spencer Chemical. He started as production superintendent of the nitric acid plant, and after a year took charge of new product development. A few months later he became technical assistant to the president.

After the financial reorganization to Spencer Chemical, Riley became general sales manager, then vice president in charge of sales and a member of the executive committee.

In 1954 Riley decided to go into consulting—keying his services to the financing of projects which needed to be promoted from idea stage to completion. He felt that New York was the place to do this, and moved there. But after a year, Riley and some of his former associates decided to form a producing company, and entered the field they knew best, synthetic nitrogen. Observing that the oldest and largest nitrogen consuming area was in the South, and that there was no

nitrogen plant in the Southeast, they raised \$18 million to build a plant at Savannah, Ga.

In Riley's view, the main reason there had been no plant in the area until then was lack of cheap natural gas. The new group's original concept was to use partial oxidation, with fuel oil as raw material. But developments with steam methane processes for hydrogen improved, and Riley and his group shifted their plans to a high pressure plant based on such a process. He admits they were lucky rather than farsighted to do so.

"We saw the new look in the nitrogen business as medium-sized plants located in the centers of markets; and fortunately we were able to develop a source of natural gas." Freight differentials really proved the point.

Final money was in on Nov. 11, 1955, and construction contracts were let. Initial ammonia operations began toward the end of February 1957, and by fall the usual bottlenecks had been overcome.

Beginning in August, ammonia operations ran about 75% of capacity. December saw additional purification equipment installed. Riley proudly notes that in mid-December "We got the plant up to minimum design capacity (250 tons per day) for the first time, and have been able to average better than that since." Nitric acid and urea output are also running substantially above design.

Riley expects Southern Nitrogen's sales in the 1958-59 year to fall between \$8.5 and \$10.5 million—almost all to agricultural outlets. As soon as this year's fertilizer season is over, he plans a push to break further into southern industrial nitrogen markets—such as urea-formaldehyde resins. But further agricultural market sales are a main goal as well.

He sees the farmer's cash position today as the best in five years—and feels that this year's moisture will be beneficial in the long run. He pegs June as the key to this year's sales total, and says it will tell what next year is going to be like. July could be a wonderful month for side dressing in corn states. Over-all, Riley sees a great opportunity to sell all the nitro-



John R. Riley

Born Jan. 16, 1915, Gueydan, La. B. of Eng. in Chem. Eng., Tulane Univ., 1936. Process engineer, Shell Petroleum, 1936-38. Sales engineer, Dearborn Chemical, 1938-41. Plant superintendent, Military Chemical Works, 1941-42; Director of new products, 1942-44; technical ass't. to pres., 1944-47; general sales mgr., Spencer Chemical, 1947-49; V. P. sales, and Director, 1949-54. Chemical Consultant, 1954-55. President and director, Southern Nitrogen, 1955 to date.

gen the nation now has on hand.

When will industry capacity come into balance with demand? Riley sees 1962 as likely—although he adds that it could easily be a year either way. He feels that when this year (1957-58) comes to a close, producers will have run closer to capacity than they did last year. After all, he notes, most plants ran all through the fall.

Administrative Philosophy

One of Riley's former staffers calls him "one of the few really creative thinkers in industry," and points to the high positions Riley has held at an early age. He observes that Riley can appear to be impatient, since his mind races ahead of everyone else's. An abundance of nervous energy is his outstanding personal trait, and is responsible for what a colleague calls "a marvelous ability for chewing the stems off pipes."

Riley relies heavily upon his staff, and doesn't interfere with their work. His philosophy in business administration: outline a problem, turn it over to a man you feel can do the job, and then just be available for any help he might ask you to give him. Jack Riley sets the ball in motion—and then gives others a free hand to keep it rolling.