First Armour Creative Science Award Won by Armour Industrial Chemical Company

W. W. Prince, President of Armour and Company, tonight presented the first annual Creative Science Award to the Armour Industrial Chemical Company for successfully developing two new lines of chemicals.

The award, presented at a dinner in the Union League Club, salutes a team of eight Armour scientists: M. R. McCorkle ('47–56;'59), H. E. Tiefenthal, E. J. Miller, P. L. Du Brow, N. D. Gordon, L. D. Metcalfe (1959), R. H. Potts (1938) and S. H. Shapiro (1960). This scientific task force created two groups of chemicals called Beta Amines and Arylates.

The new chemical groups consist of approximately 100 new nitrogen and fatty acid derivatives. The Arylates are unique chemical specialties of interest to the textile, plastics and other industries, while the Beta Amines function better and are less costly than previously available amines.

Mr. Prince, in presenting the awards, said: "This is an outstanding accomplishment in chemical technology. The Beta Amine and Arylate program represents the most important development in the industrial fatty chemical field in the past 15 years.

"The breakthrough," he continued, "is equivalent in technical and economic significance to Armour's two earlier major chemical accomplishments—fractionation of fatty acids and development of the fatty nitrogen chemical business."

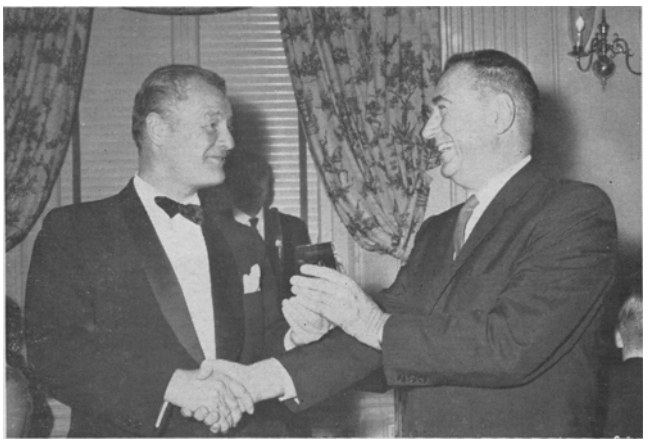
The Armour Creative Science Award was instituted this year in order to recognize outstanding scientific work accomplished by the research organizations of Armour's major operating groups, W. C. Lothrop, Vice President-Corporate Development, originator of the award, said.

The panel of judges on the Armour Creative Science Award committee are: Karl Folkers, President of the Stanford Research Institute, Menlo Park, Calif.; H. O. McMahon, President of Arthur D. Little, Inc., Cambridge, Mass., and B. D. Thomas, President of the Battelle Memorial Institute, Columbus, Ohio.

"It is significant that the Creative Science Award should be presented to the Industrial Chemical Division," Dr. Lothrop said, "because the growth and progress of this division depends heavily on the development of new products and new technologies."

In accepting the award on behalf of Armour Industrial Chemical Company, J. H. Gardner, President, said the research program succeeded because of the determined efforts of the scientists to overcome all obstacles and because of their ingenuity and creativity.

"It was a fine team effort under the leadership of M. R. McCorkle and the specific direction of H. E. Tiefenthal," Dr. Gardner said. "All the technical skills of Armour Industrial Chemical Company were employed in achieving the chemical breakthrough. It combined process, product and application technology plus a high degree of skill in solving engineering problems."



W. W. Prince, President of Armour and Company, congratulates M. R. McCorkle, Technical Director of Armour Industrial Chemical Company, for his directorship of team of Armour scientists who created new group of chemicals. Dr. McCorkle received crystal plaque commemorating first annual Creative Science Award made for outstanding research work at Armour.

The first award was an engraved crystal plaque presented to Dr. Gardner. Dr. McCorkle, Vice President and Technical Director, accepted a second engraved crystal plaque on behalf of the Research Laboratory located at McCook, Ill.

Individual engraved crystal plaques were presented to the team members: S. H. Shapiro, R. H. Potts, P. L. Du Brow, N. D. Gordon, L. D. Metcalfe, E. J. Miller, and to Dr. McCorkle and Dr. Tiefenthal, Assistant Research Director.

• *Report on Fats and Oils*

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When lard price early in the season is *above* July soybean oil futures the lard user would buy cash lard only for immediate needs in anticipation of a weakening basis relationship later in the season. He, therefore, would buy July soybean oil futures as a hedge for future needs, since the basis should weaken, followed by sale of futures as cash lard is bought.

Conclusion

Price relationship patterns between cash lard and July soybean oil futures are not repetitious from year to year, but there are recognizable causes for this diversity under most conditions. The basis changes during a given season are greater than usual commercial storage charges for lard. It therefore is possible in most seasons to make profitable hedging decisions while gaining protection from adverse price level changes.

Current Situation

What about the season ahead? It is shaping up to be a season when the lard basis starts low and moves higher. Just how much higher is difficult to say, but it is safe to assume from previous years' experience that the improvement will exceed usual storage costs.

During September and October the basis on lard was 200 to 250 points below July soybean oil futures. From here it could move lower, but any such move should be short-lived. Hog slaughter has been maintained at a higher rate than was expected, but animal weight has been dropping. This plus anticipated reduced rate of slaughter should help lard prices, while new crop soybeans are available for crush in larger quantities than ever in history. And there are reasonable carrying charges in soybean oil futures out to July. Then to top it off, the USDA has committed itself to a relatively high soybean support price, and has implied that it will do all it can to keep soybean oil from going too low so that soybean meal will not go too high. Beans are crushed for oil and meal. Crushing profits have to come from one or the other, or a combination of the two.

These factors all point to an improving price relationship between cash lard and July soybean oil futures in the months ahead.

David M. Bartholomew
Merrill, Lynch, Pierce,
Fenner & Smith, Inc.