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Louis L. Strauss, Chairman

November 18, 1953

Jesse C. Johnson, Director, Division of Raw Materials

TEXAS CITY CHEMICALS, INCORPORATED

SYMBOLS: R: JAB

Texas City Chemicals, Incorporated, has recently announced that shake down operations on its new dicalcium phosphate plant located in Texas City, Texas began on October 5, 1953. The plant will produce both animal feed grade and fertilizer grade dicalcium phosphates and includes a unit to recover by-product uranium from Florida phosphate rock raw material, which contains about two-tenths of a pound of U₃O₈ per ton of rock. An estimated twelve tons of uranium will be recovered annually in the form of uranium concentrate and will be purchased by the Commission in accordance with the terms of the current contract between Texas City Chemicals and the Commission. The cost to the Commission for this uranium will compare favorably with uranium procured from other domestic sources.

Texas City Chemicals contemplates a formal ceremony when full-scale operations begin, which is expected to be Friday, December 4, subject to confirmation by Mr. S. A. Winfrey, Executive Vice President of Texas City Chemicals. Mr. Winfrey has advised that Texas City Chemicals plans to extend invitations to the Governor of Texas, several members of the U. S. Congress and the Texas State Legislature, local leaders in finance and chemical manufacture in addition to members of the U. S. Atomic Energy Commission. An AEC press release has been prepared concerning the uranium recovery operation and will be released in coordination with the formal opening publicity.

Texas City Chemicals, Incorporated, was incorporated under the laws of the State of Texas on October 17, 1950. The Company has no record of past production in any field but was organized primarily for the purpose of producing an animal feed supplement and high-grade fertilizer with the coincident production of by-product uranium.

The plant and executive offices of the company are located in Texas City, Texas. Total capital invested in this venture approximates \$7,000,000, which was derived as follows:

\$1,000,000 from sale of stock to officers and directors of the company

\$3,000,000 from the sale of stock to the public

\$3,000,000 from loans made by the First National Bank of Dallas and the City National Bank of Houston.

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The directors and executive officers of the company are:

R. L. Wheelock	Chairman of the Board and Director
W. L. Flakans	President and Director
S. A. Winfrey	Executive Vice President and Director
H. H. Coffield	Secretary-Treasurer and Director
A. C. West	Director
G. McElvaney	Director
E. H. Koepf	Vice President and General Manager

Texas City first discussed the recovery of uranium with the Commission in 1951. After investigating the uranium potential from the proposed facilities, the Commission deemed it of sufficient importance in its program to warrant Commission assistance to the extent of supporting Texas City's application for a Certificate of Necessity to allow amortization for tax purposes under the phosphatic fertilizer expansion program, and priority assistance for building materials and equipment.

The contract for the purchase, by the Commission, of the uranium recovered was executed in February, 1952. Under the contract, Texas City provided the entire funds for the complete facilities, including the uranium recovery unit which cost approximately \$300,000, and Texas City will be paid for the uranium according to an incentive type formula arrangement based on pounds of uranium salts produced. The contract extends for five years from the date full production of uranium begins, with an option in the Commission to extend the agreement for a further period not to exceed ten additional years.

Texas City Chemicals is also interested in the Commission's program for utilization of Florida leached zone material and has expressed its intention, in writing, to finance and construct a leached zone plant if technology and economics work out to justify such a venture. The Company is following our work very closely and currently is negotiating a contract with the Commission to investigate certain process refinements in the leached zone technology. Since Texas City has indicated its willingness to absorb an appreciable portion of the cost involved, the total cost, to the Commission, for work contemplated under this proposed contract is estimated to be relatively small, probably on the order of \$25,000, primarily for the purpose of providing laboratory furniture, equipment and supplies.

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