

OIL & FAT INDUSTRIES

The Editor's Page

Why Substitutes?

OUR Federal Government bureaus should be leaders in the constructive thought of the Nation, and, we feel, should avoid carelessness of designation in official documents, particularly where such carelessness is likely to implant or perpetuate unreasoning prejudices in the public mind.

A case in point is a recently issued report of the Bureau of the Census announcing the total production of "Lard Substitutes" and Vegetable Cooking Oils in 1929. We object most emphatically to this implied accusation that more than a billion pounds of wholesome, clean refined vegetable and animal fat products were produced only as "substitutes" for the fat of the hog.

Lard is lard, shortening is shortening. Lard may be shortening, but shortening does not have to be lard. Any assumption that a shortening or cooking fat must be a "lard substitute" is not only wrong per se, in the light of modern knowledge, but is also without foundation upon any historical fact. That the peoples of antiquity used olive oil, sesame oil and the fat of goats and sheep for frying and shortening purposes long before swine were domesticated, is a matter of common knowledge. Should the official language of our Government Bureaus be permitted thus tacitly to condemn as "substitutes" an entire class of food products which are sold to the consuming public solely upon quality and merit and without claim of substitution for any other competing product?

Shortening and cooking fats may be produced by rendering the fat of various domestic animals, by blending such fats with selected vegetable oils, or by refining the vegetable oils alone, or by refining and hydrogenating these or other vegetable oils. It is surely not readily apparent why one of these shortening and cooking fats, namely lard, should be selected by the Bureau of the Census for the honor of an individual name, while all the others, though just as wholesome and suitable for their purpose, and sold in volume at least of the same order of magnitude, must be content with the sweeping designation of "substitute." This seems to us to belong in that class of reasoning

which might call the automobile a substitute for the horse and buggy.

That the "man in the street" can be deceived by specious reasoning is a foregone conclusion, and for this reason, those who prepare our Government census bulletins should exercise especial effort to avoid inaccuracy in the wording of their documents.

A suggestion from manufacturers of shortening may be all that would be required.

Scraping Bottom

THE turn of the year saw the world's animal and vegetable oil prices at the lowest ebb since 1913, in some cases even lower than the average which prevailed in that year. Lard and linseed oil, the indicators of trends in the edible and technical fields respectively, both closed the year with outstanding weakness. Tallow, the soap-maker's barometer, seemed to be an outcast, with no demand at any price, certainly none at any price which would leave the producer a margin of profit. Cottonseed oil, second only to lard in volume in this country, was moving sluggishly to a market which was none too anxious to absorb even light offerings. China wood oil met no demand and fish oils likewise were unpoplar.

In seeking the reason for these extremely low prices, we have encountered the usual long-familiar explanations. They are uniformly to the effect that world stocks of oils, fats and oil-bearing seeds are extremely large, in the face of a demand far below normal.

To us this time-worn excuse leaves much unexplained, for after all the ultimate customer demand can not have been entirely assuaged by volumes of material but little, if any, greater than those delivered to consumption in the previous year. The population of the world is not decreasing in these times of almost universal peace, so the demand for edible and inedible fats cannot possibly cease, or be cut in half, or even be reduced by one-quarter, all of a sudden.

It would appear, rather, that those who purchase the raw oils and fats for conversion into consumer products are "playing" the psychology of business depression to the limit against the unwary producer of these raw materials. We believe that an impartial survey of the warehouses of these converting oil refiners and soap manufacturers would reveal that they are scraping the bottoms of their bins and tanks, just as prices are scraping the bottom of the market. This is, of course, the canny course for them to pursue, just as long as they are able to get deliveries and fill their orders, and just as long as they all adhere to the formula.

If, however, one or two of the larger refiners and soapmakers should decide that stocks need replenishment, there will be a great scramble for protection against a sudden substantial rise in the market.

In such event, some manufacturers may find themselves filling contracts from raw materials which have cost so dearly that no margin is left for profit, or possibly even for manufacturing and distributing costs.

Chemists Elect Redman

Dr. Lawrence V. Redman, Vice-president and Director of Research of the Bakelite Corporation, has been chosen president-elect of the American Chemical Society for 1932. Dr. Redman will succeed professor Moses Gomberg of the University of Michigan, who is president for 1931, having been chosen president-elect a year ago, according to the custom of the society.

Dr. Redman is well known in chemical circles throughout the country, particularly for his work on synthetic resins. He is president of the Chemists' Club of New York, a member of the American Institute of Chemical Engineers, the American Association for the Advancement of Science, the Society of Chemical Industry and the Chemists' Club of Chicago.

The Corn Products Refining Company has declared an extra dividend of 50 cents and the regular quarterly dividend of 75 cents a share on the common stock payable January 20 to stock of record January 5. The usual quarterly dividend of \$1.75 a share was declared on the preferred shares, payable January 15 to stock of record January 5. At this time last year the company

paid an extra dividend of 75 cents a share on the common stock in addition to the regular disbursements.

Shortening and Oil Prices

Prices of shortening and salad and cooking oils on Thursday, Dec. 18, 1930, based on sales made by member companies of the Shortening and Oil Division of the National Cottonseed Products Association, were as follows:

Shortening		Per lb.
North and Northeast:		
Carlots, 26,000 lbs.		@10
3,500 lbs. and up		@10 $\frac{1}{4}$
Less than 3,500 lbs.		@10 $\frac{3}{4}$
Southeast:		
3,500 lbs.		@ 9 $\frac{3}{4}$
Less than 3,500 lbs.		@10 $\frac{1}{4}$
Southwest:		
Carlots, 26,000 lbs.		@ 9 $\frac{3}{4}$
10,000 lbs. and up		@ 9 $\frac{3}{4}$
Less than 10,000 lbs.		@10 $\frac{1}{4}$

Salad Oil		
North and Northeast:		
Carlots, 26,000 lbs.		@10
5 bbls. and up		@10 $\frac{1}{4}$
1 to 4 bbls.		@10 $\frac{3}{4}$
South:		
Carlots, 26,000 lbs.		@ 9 $\frac{3}{4}$
Less than carlots		@10

Cooking Oil—White

$\frac{1}{8}$ c per lb. less than salad oil.

Cooking Oil—Yellow

$\frac{1}{8}$ c per lb. less than salad oil.

French linseed oil prices have dropped continually since the first of last year. In 1929 linseed oil was quoted at 380 francs per 100 kilos, rising for a time to 555 francs. In comparison with these prices quotations for oil at the end of November, 1930 were 345 francs per 100 kilos. The principal cause to which the downward movement is attributed is the fact that it is almost impossible for French manufacturers to operate on a profitable basis on account of the keen competition of Belgium, which country is the main supplier of linseed oil to France.