

OIL & FAT INDUSTRIES

The Editor's Page

Truth Out of Iowa

LOUIS H. COOK, *Chairman*, Iowa State Board of Assessment and Review, writing in the leading article for the August issue of "The Country Gentleman," outlines the possibilities and potentialities of "Trade Wars Among the States," which he declares will be the inevitable results of the present flood of selective taxation laws directed by various states (chiefly in the Midwest) against products originating in other states.

Quoting a report made in 1930 by a Joint Legislative Committee on Taxation and the State Board of Assessment and Review of the State of Iowa, Chairman Cook says: "Oleo-margarine is a product manufactured by non-residents of this state out of commodities of *doubtful* food value. The use of this substitute for butter limits the use of and lowers the market value of butter produced by the dairy interests of this state." (The italics are ours.) Continuing in his article in "The Country Gentleman," Chairman Cook says; "Sounds just a wee bit prejudiced, doesn't it? . . . an oleo tax, now enacted into law, is one of the recommendations made by that group of men, which included nine Iowans who were supposed to be qualified and representative. I was one of those nine men. That committee was typical. It was looking out for the interests of the state of Iowa, and was neither more nor less selfish than a similar committee made up of high-class citizens of any state would be under like conditions."

Chairman Cook admits his prejudice, but overlooks his ignorance and that of his fellow committeemen. That any body of nine men claiming to be "high-class" citizens of the United States, could, in 1930, be so unenlightened as to make the bald statement that margarine is manufactured out of commodities of "doubtful food value," is a sad reflection on the education, not only of the nine, but of the citizens of the state they represent. Farther along in his article Chairman Cook says: "It would appear that, aside from the natural check-rein of self-interest, which will prevent states from biting off their own noses to spite their faces, Congress and the Supreme Court

of the United States will ultimately have to determine the permanent policy."

We cannot put much hope of relief in Congress, which is inclined to think and act in a manner similar to that of state legislatures, but it is likely that the Supreme Court will rule against the erection by states of barriers to the products of other states. In the meantime, we hope that the teaching of biochemistry in our great midwest universities will some day arrive at the point of inclusion, within the category of healthful foods, of some products which are not produced by the agricultural interests of each university's home state.



Setting the House in Order

ELSEWHERE in this issue we present the Preliminary Report of the Bureau of the Census, giving figures on the cottonseed crush and cottonseed products manufacture as of June 30th, 1931, with comparisons for the same date in 1930.

The outstanding fact to be read from the figures as made public by the Bureau of the Census shows a marked reduction in stocks of oil and of cottonseed during the period just ended. Stocks of crude oil were 38 percent lower, and stocks of cottonseed at the mills were 57 percent lower, than at the corresponding time in 1930.

It is apparent that the cottonseed crushing industry is preparing to avail itself of the information adduced by the recent economic survey of the industry by the National Cottonseed Products Association. That the mills should continue to compete with each other for the farmers' seed at prices which would not permit any profit on the milling operations, in the face of the facts as to production costs and profits shown by that survey, is unthinkable.

If each cottonseed oil mill will adhere rigidly to the policy of paying no more for seed at any given time than will permit a reasonable profit on the basis of current prices for the manufactured products, some mills may be forced to remain idle, but that will be surely preferable, even for the idle mills, than persistent operations which show a daily loss of many dollars.

The net decrease in all available vegetable oils in this country, including cottonseed oil, was 372 million pounds, but in spite of this decrease of availables, total stocks at the end of 1931 were 31 million pounds greater than at the end of 1930, indicating a marked falling off in consumption. Linseed oil was responsible for the greatest decrease in consumption, therefore the cottonseed oil producer can enter the new season with the feeling that anything like a normal demand for edible oils should enable him to find a market for his production.

A. O. C. S. to Meet in Chicago

FINAL determination of the dates for the Fall Meeting of The American Oil Chemists' Society has been reached. The Meeting will be held in the Florentine Room of the Congress Hotel in Chicago on Thursday and Friday, October 29 and 30.

W. H. Irwin, Chairman of the Chicago Committee on Arrangements announces that an interesting program is in course of preparation. There will be a number of special entertainment features, for members and for ladies who attend the Meeting. The bowling tournament which was such a success at the last Fall Meeting will be repeated this year.

A number of interesting scientific and technical papers have already been promised for presentation at the Meeting, and other members desiring to present papers are urged to communicate promptly with President Richardson or Chairman Irwin, for reservation of time on the program.

The Congress Hotel has made very attractive rates for the convention, and arrangements have been made to send cards to the Society's members, entitling them to the low rates, under which a single room with bath may be had for as low as \$3.00, or a double room for \$5.00 per day, European Plan.

Mayonnaise Research Assistant

John B. Glassford, chairman of the Committee on Mayonnaise Fellowship, announces the appointment of Donald H. Wheeler as assistant to L. B. Kilgore, Research Fellow of the Association.

Mr. Wheeler was graduated from Oberlin College in 1927. From then until 1929 he was employed in the chemistry research department of the United States Industrial Alcohol Company, and was located in Baltimore. For the past two years he has been conducting research on methods of analysis and methods of preparation for a Master of Science Degree, which degree he received this year.

Margarine Suits

Two petitions on behalf of the Government, through the internal revenue collectors in different districts of Florida, have been filed in the Supreme Court of the United States asking a review of decisions of the Circuit Court of Appeals for the fifth circuit, in cases involving the question whether a product of the Standard Nut Margarine Co. of Florida is taxable as oleomargarine.

The Florida corporation engaged in the manufacture and sale of a product known as Southern Nut Product, a mixture or compound of coconut oil, peanut oil, salt water and coloring matter. The Commissioner of Internal Revenue decided that this compound was taxable as colored oleomargarine and assessed a tax of \$5,000 on 50,000 pounds of the compound estimated to have been produced during the month of January, 1929.

Suits were brought by the corporation to restrain the collection of the tax. The complaint alleged that the product is not oleomargarine as that term is defined in the statute and that its taxation is not authorized by the Oleomargarine Act. The Commissioner of Internal Revenue alleged that the product is artificially colored oleomargarine and is taxable pursuant to the law.

Consul G. R. Willson, at Lagos, Nigeria, has informed the Bureau of Foreign Commerce that a firm of exporters in Nigeria is desirous of forming a connection with importers of palm oil in the United States. Anyone interested can obtain further particulars by addressing the Foodstuffs Division.

One of the Cuban vegetable compound factories is now contemplating the installation of a refining plant for vegetable oils, and has been encouraging the planting of sesame seed by Cuban farmers. The above are the first attempts in Cuba to produce oil seeds in commercial quantities.

The People's Cotton Oil Co., of Selma, Alabama, has been purchased by Swift and Company. The plant at Selma will be enlarged and improved to make it a modern link in Swift's chain of cottonseed oil mills.

A cottonseed oil mill and three cotton gins of the J. G. Boswell Company, Corcoran, Calif., were destroyed by fire July 10. A blown fuse in the mill was given as the cause. The loss was not estimated, but it will be high.