

# OIL & FAT INDUSTRIES

## The Editor's Page

### Progress? Yes and No

THE producers, refiners and manufacturers of edible oils and products thereof can look back upon the past year as one of real accomplishment in the stabilization of their industry. The year just past has been the first full year of operation by the members of the Shortening and Oil Division of the Cottonseed Crushers' Association under the Code of Trade Practice and Ethics adopted with the co-operation of the Federal Trade Commission. The consensus of opinion among those whose operations have been affected by this Code is that it has been a real benefit to sellers and buyers of salad oils, cooking oils and shortening.

The cottonseed crushers have taken the big forward step which they had planned for years, in the amalgamation of the Interstate and Texas Associations into the National Cottonseed Products Association. This new Association is moving forward steadily toward the goal of putting methods of purchasing cottonseed and its price on a basis which will permit profits to be made in the oil milling industry, and will eliminate secret rebates and other unsound practices, while still insuring the farmer fair prices for his seed. There always will be, of course, an element of opposition to these fair and open methods of doing business, which opposition will express itself chiefly in shouts about the poor downtrodden farmer, who in fact will be benefited rather than injured by the movement to place the cottonseed crushing industry on a sound business foundation.

We, however cannot help believing that the cottonseed crushers have overlooked a splendid opportunity which is theirs, as outlined in these columns a year ago. The oil milling industry is one with unique problems, but these problems are distinctly similar for millers of all vegetable oils, cottonseed, castor bean, peanut, coconut, soya bean, linseed and others. The cottonseed crushers profess to see a menace to their business in the crushing of imported seeds, but to us, they would seem much more adroit if they would recognize that there is an established demand for the oils produced from certain tropical seeds and nuts and that this

demand cannot and will not be filled by cottonseed oil. Every cottonseed oil mill with very slight adaptation can be used for the production of other oils than cottonseed during the season when the primary raw material is not available. How much better, then, it would be for these millers to keep their plants busy on other oilbearing seeds or nuts, domestic or imported, rather than to fight the development of the industries now devoted to crushing such other oil-bearing materials in this country.

When the National Cottonseed Products Association adopts such a policy and welcomes crushers of copra, soya beans, corn germs, linseed and other seeds into its ranks, it will become in fact a National Association.

### The Outlook for 1930

FROM various quarters, we hear diametrically opposed opinions hazarded regarding the prospects for business in 1930. There are those who apparently believe that the backwash from the stock market debacle of last October is going to affect business adversely this year. They state that a recession has already taken place which is of sufficient moment to jeopardize the purchasing power of a great part of the American people for certain classes of goods, notably goods in the luxury classes, during the coming year. On the other hand, we hear reports that business is showing no signs of slowing down, that demand is as active as ever, and that plans for 1930 call for expansions in production.

The mixed views on the outlook may be indicative of a mixed trend in general business affairs. Some lines may be better than ever. Others may feel the effects of reduced output in certain groups. That there may be any wide general curtailment of purchasing in all lines seems extremely unlikely. There is no foundation for any such possibility in the present business situation. In fact, outside of a few specialized industries, the outlook generally, as we see it, is unusually good.

As far as products of the oil and fat industries are concerned, 1930 will likely be far above the average of the past ten or so years. Oil and fat products are distinctly not in the luxury class. The food fats, such as margarin,