

OIL & FAT INDUSTRIES

The Editor's Page

A Service Opportunity

THE National Cottonseed Products Association, embracing in its membership the majority of the cottonseed oil mills of the country, is at present confronted with the greatest opportunity of its history.

At great expenditure of time and effort, the association has perfected a survey of costs within its industry, which survey has clearly demonstrated that the average profit, as well as the great majority of individual profits of mills, is so astoundingly low that the business of cottonseed crushing presents a most uninviting field to capital. The survey has shown further, that a large percentage of the mills are being operated at substantial losses, instead of any profits whatever.

This covers the economic side of the picture. From the practical operating standpoint, the survey has clearly demonstrated that the reason for this sad economic situation is to be found in a heavy surplus of milling capacity over the amount that is required to handle the seed from the country's largest possible cotton crop. The immediate plea of all the oil millers, whether members of the National Association or not, is: "help us to greater profit through better balancing of facilities with our visible supply of raw material."

There appears as a matter of course, an undertone of sentiment which would approve the elimination of about one-half the existing mills, to the end that those remaining can then enjoy satisfactory operating profits. Such a solution is entirely without the bounds of practicality. Who is to select the mills to be abandoned? Who is to reimburse their owners for their investment, and assuming that a group of millers could be organized to purchase and scrap a large number of existing competitive mills, what effective measures could be taken to prevent the owners of the scrapped mills from promptly building more efficient units to enter the new competition?

For genuine help in this situation, the cottonseed crushers must read the lesson long since learned by their European competitors, that an oil mill is and should be an oil mill, not a cottonseed mill, a copra mill or a soybean mill.

To prove its right to leadership in the oil mill industry of this country, the National Cottonseed Products Association now has this golden opportunity, to initiate a campaign of education designed to show its members how to keep their presses running twenty-four hours a day, three hundred days a year, if not on cottonseed, then on peanuts, or soybeans, or copra, or palmkernels, or sesame, or other oil-bearing seeds or nuts. The problems involved are varied, but essentially simple. Physical revision of plants is the least. Education of the Southern farmer to plant soybeans would have a part in the program, as would establishment of satisfactory facilities for the import of foreign seeds through various Southern ports. Education of the banker is another essential, in order that he shall cooperate in the matter of foreign credits.

All the necessary steps are subject to accomplishment. Will the Association undertake this effort which is so vital to its members' welfare?

From Him Who Hath Not . . .

FROM the inception of our country, taxes on necessary articles of food, as distinguished from luxuries, have been considered as opposed to the basic principles of our government, by lawmakers as well as by the people at large. One of the "oppressions" which led the Colonies to rebel against King George's government was a tax on tea, if our historians have been accurate in their recordings.