

Vegetable Oil Tariff Hearing at Washington

*Commission's Investigation of Costs and Marketing
Conditions Affecting Imported and Domestic Oils*

At the hearing announced for February 17th by the U. S. Tariff Commission, held in an effort to determine costs of production and marketing of certain imported vegetable oils in comparison with costs of domestic oils said to be competitive, the meeting was attended by representatives of various interests who desired to protect certain imported or domestic oils from competition. A report of the hearing follows below.

WASHINGTON, D. C., February 20: A United States Tariff Commission inquiry, launched at the behest of the Senate for the purpose of probing costs of production and transportation of the American markets of coconut oil and copra from the Philippine Islands, and other producing regions, palm oil, kernel oil, whale oil, rapeseed oil, perilla and sesame oils was held at the office of the commission here, February 17, with representatives of interests concerned in sharp conflict on the question of whether imports of these oils are actually in competition with domestically produced fats and oils to the detriment of the latter. For more than six hours, attorney for producers, chemists, manufacturers and technicians caused to be entered upon the records of the proceedings, volumes of statistical argument and scientific opinion in the interests of their respective causes. At the conclusion of the hearing, announcement was made that a period of 30 days will be allowed in which supplementary briefs may be filed. The entire field of oil and fat uses was covered in the hearing, extending from manufacturing to cookery, with expert opinion heard relative to influence of the absence of tariff on most of these oils,

on the tinplate field, the preparation of lubricants, oleomargarine production, paint, varnish, soap, biscuit and candy making.

Although it was not disclosed at whose suggestion the Senatorial resolution predicating the inquiry was introduced, the opposition to present conditions was handled almost entirely by Attorney A. M. Loomis, representing the Texas Cotton Seed Crushers Association and the National Dairy Union, and present, as he explained, also as observer for the Oklahoma Cotton Seed Crushers Association. Charles W. Holman, counsel for the National Cooperative Milk Producers Federation, and Attorney W. R. Ogg of the American Farm Bureau Federation, were also aligned with the opposition to continuance of these oils on the free list.

Scarcely a word of protest was uttered against such of the imports as go into the production of soaps, paints, lubricants, etc., the opposition being grounded almost entirely on the argument that much of the oils entering the country is being employed to compete with the American fats and oils used in edibles. Some mention was made of the fact that whale oil, produced in ever lessening quantities in this country, can be employed successfully in soap making, but cross-examination on this point, disclosed that none of the witnesses advancing this claim was in possession of proof to that effect.

Whether or not there is a degree of interchangeability of imported oils with domestic products which is conducive of serious competition was argued at length and it was on this point that most of the technical evidence was adduced. It was principally with relation to the oleomargarine field that the use of palm oil as an edible was argued, Attorney Holman characterizing the growth of this business as the greatest menace the dairy business has ever faced. He presented a report of the

Bureau of Internal Revenue to substantiate his statement that palm oil, sesame and coconut oils, imported to this country, are steadily eliminating oleo oil, cottonseed oil and peanut oil, domestic productions, as ingredients in the manufacture of oleomargarine, and he predicted that unless the situation is cured, American dairymen will be forced into the international market to dispose of their butter fat.

William R. Morse of New York City, told the commission that the fishing corporation, of which he is the head, has not operated for two seasons, due to the inability of meeting foreign competition in oils. His corporation produced fertilizers and fish oils. Mr. Morse presented the objections of the American Fish Oils Association, the Virginia Fish Association, the California Fish Consumers Association and the Pacific Packers Association, members of which, he said, are experiencing depressions similar to his own. His statement that fish oil is used to make soaps was challenged by Daniel McIver of the Original Bradford Soap Works, who demanded to know what type of soap is so manufactured, and who declared he has heard of no fish oil soap other than that which is used as an insecticide. Mr. Morse was not in a position to amplify his statement, explaining that it is his understanding that this product is so used, but that he could not vouch for the fact. Reports on experiments made by the United States Bureau of Fisheries in the use of fish oil as an edible produced much discussion and while a technician of that department, J. R. Manning, admitted the possibility that the taste might not be all that would be desired, he insisted vitamins important to bone growth are assimilated through the use of fish oils. He declared frankly that, with the exception of cod oils, little call is had for the product from this field for human consumption.

Opponents of Increases

HANDLING the argument in favor of the present tariff provisions was John B. Gordon, technical adviser and tariff expert for the Bureau of Raw Materials for American Vegetable Oils and Fat Industries, who introduced witnesses whose testimony was an emphatic denial that there is competition with domestic productions, and who declared that much of the work now being done with imported products cannot otherwise be executed. P. R. Crawford, president of the McKeesport Tin Plate Co., of McKeesport, Pa., spoke with a background of 40 years experience in tinsplate manufacture, a field which employs 35,000 workers, told of experiments with substitutes for palm oil in tinsplate production and declared that all had been failures. Since no palm oil

is produced in the United States, foreign fields must be looked to, he explained. Tallow, cottonseed oil and other domestic products were among those tried, he testified. Of the 128,000 tons brought here annually, about 10 per cent. of the palm oil import is utilized in the tinsplate industry, he estimated. As to the use of hydrogenated cottonseed oil for this work, he admitted lack of knowledge.

F. M. Barnes of Cincinnati, O., representing the American Laundry Soap Manufacturers, declared foreign products must be used in making soap because the domestic market does not produce sufficient quantities to meet demands. Palm oil is used extensively by those he represents, but rapeseed and perilla are not employed at all and coconut oil is too expensive, he asserted. After offering testimony corroborative of what had been said by Mr. Barnes, W. B. Chittenden of the American Laundry Soap Manufacturers, and the Colgate-Palmolive-Peet Co., stated that a duty on palm oil would seriously injure the soap industry and cut down on the use of rosin, domestically produced, and use as another soap ingredient. The cottonseed oil production of the United States is not great enough to provide for the needs of the edible field, disregarding the soap industry, he charged.

Representing the Vacuum Oil Co., said to be the largest user of rapeseed oil, A. T. Foster stressed the need of this import for lubricants. Of the 2,500,000 gallons imported in 1929, 1,500,000 to 1,800,000 went into the making of lubricating oils, he told the commission. The requirement for copra, coconut, palm and palm-kernel oils in making laundry soap, and of perilla for paints was discussed by Henry A. Gardner of the Institute of Paint and Varnish Research, and by D. W. Corbin of the Laundrymen's National Association. Mr. McIver, representing makers of textile soaps, declared no substitute can be found for palm oil in fulling textiles.

Because of a misunderstanding, none of the interested parties came to the hearing prepared to submit data on costs of production and transportation, which was the subject of main interest to the commission, but all agreed to include this discussion in briefs to be filed. In the meantime, the commission will take under advisement a request for a hearing at a later date to allow rebuttal of such declarations as may be included in these briefs.

Copra, palm, rapeseed and perilla oils are now admitted to the country duty free; a duty of two cents a pound is levied on coconut oil, one cent on palm kernel oil, three cents on sesame, and \$17 a ton on whale oil.