

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.