Oilseed trade studied

The U.S. International Trade Commission (ITC) has begun an investigation on the international competitiveness of the U.S. oilseed and products industry. This investigation is one of six involving various U.S. industries requested by the U.S. Senate Committee on Finance.

In a notice published in the *Federal Register* Dec. 29, 1987, the commission said it will report its findings to the committee by Aug. 28, 1987.

The commission is seeking to determine the impact of global competition and to assess how the industry is responding. According to the National Institute of Oilseed Products' *Washington Correspondence* newsletter, the primary purpose is to appraise the U.S. soybean industry of processing and other aspects of competition in Argentina, Brazil, the European Economic Community and Malaysia, with data being collected through the National Soybean Processors Association and the American Soybean Association.

The commission will analyze the U.S. industry's current competitiveness in domestic and foreign markets and the main competitive problems facing the U.S. industry.

For further information, contact John Reeder, Agriculture, Fisheries and Forest Products Division, Office of Industries, U.S. International Trade Commission, Washington, DC 20436, telephone 202-724-1754.

Details: *Federal Register,* Dec. 29, 1986, p. 46947. Public hearings were to begin Feb. 24, 1987.

'Canola' use on labels

The American Soybean Association (ASA) has petitioned the U.S. Food and Drug Administration (FDA) to prohibit food labeling use of the term "canola oil" interchangeably or in conjunction with the declaration of low erucic acid rapeseed (LEAR) oil content in food products.

Citing FDA regulations adopted in 1985 allowing the use of low erucic acid rapeseed oil in domestic food products, the ASA contends FDA has not approved the use of the terms "canola" or "canola oil" in the U.S. According to ASA, the FDA definition of low erucic acid rapeseed applies to rapeseed containing 2% or less of erucic acid, while canola, as defined in Canada, can be applied to rapeseed oils containing as much as 5% erucic acid.

ASA urged FDA to issue regulatory letters to companies using the term on food labels and to amend the regulations to provide that the term "may not be used to identify an oil and/or fat ingredient on a food label."

ASA has objected to the Procter & Gamble Co.'s "Puritan Oil" label, which declares LEAR oil as an ingredient while also using the term "canola oil." Details: *Food Chemical News,* Jan. 5, 1987, pp. 21-22.

Cholesterol labeling

The U.S. Food and Drug Administration (FDA) has extended the deadline for comments on its proposal for cholesterol labeling until late March.

Three food industry groups and a nutrition society had submitted requests to FDA for a deadline extension. The Society for Nutrition Education, Grocery Manufacturers of America, Snack Food Association and the Institute of Shortening and Edible Oils asked for more time. FDA originally set Jan. 26, 1987, as the deadline. The Institute of Shortening and Edible Oils, however, suggested that the period be extended 90 days. The requests noted the potential impact of the proposal and the need for comments to aid in decision-making on cholesterol labeling. In a notice in the *Federal Register* Jan. 23, 1987 (pp. 2558-2559), FDA extended the deadline by 60 days.

In other comments received, the University of Connecticut Cooperative Extension Service urged that fatty acid composition definitely be included on cholesterol content labels. Details: *Food Chemical News,* Jan. 5, 1987, pp. 22-23.

Meanwhile, FDA scheduled a number of consumer meetings to discuss the proposed labeling regulations for cholesterol. These included meetings in January in Phoenix, Arizona; St. Louis, Missouri; Indianapolis, Indiana; West Orange, New Jersey; and Orlando, Florida.

Labeling for chocolate

The Chocolate Manufacturers Association (CMA) has asked the U.S. Food and Drug Administration for an advisory opinion on the proper labeling of food products that "purport to contain 'chocolate' or to have a 'chocolate flavor.' "

Acknowledging that FDA previously has declined requests for advice on chocolate misbranding because of limited resources, CMA said it only wanted FDA to clarify the appropriate labeling requirements. CMA said it then would undertake efforts to obtain industry-wide compliance.

According to CMA, many food products claiming to contain chocolate or have chocolate flavor are not properly labeled under the Food, Drug and Cosmetic Act. As an example, it cited problems with some coatings for ice cream that do not meet the FDA standard for chocolate, as they contain a mixture of chocolate and vegetable oils.

Details: *Food Chemical News,* Jan. 12, 1987, pp. 19-21.

Ag commodity trading plan

The Commodity Futures Trading Commission in January made permanent the trading of options on futures

contracts for domestic agricultural commodities, as well as on other physical commodities, effective Feb. 9, 1987.

Previously, such trading only had been allowed on a limited basis under a three-year pilot program. Domestic agricultural commodities include wheat, cotton, rice, corn, oats, barley, rye, flaxseed, grain sorghums, meal feeds, butter, eggs, Irish potatoes, wool, wool tops, fats and oils (including lard), cottonseed meal, cottonseed, peanuts, soybeans and soybean meal, livestock, livestock products and frozen concentrated orange juice.

The ruling was published in the Jan. 9, 1987, *Federal Register,* pp. 777-779.

Prior sanction for BHT?

The Chemical Manufacturers Association (CMA) has petitioned the U.S. Food and Drug Administration (FDA) to issue a regulation recognizing the existence of a prior sanction for butylated hydroxytoluene (BHT) as a food antioxidant up to level of 0.02%.

CMA pointed out that in the period between the 1906 Pure Food and Drugs Act and enactment of the 1958 Food Additives Amendment, no regulatory action was taken against BHT by the U.S. Department of Agriculture or FDA despite its extensive use as a food antioxidant. CMA said that due to prior sanction for BHT's use as a food antioxidant, it should not be subject to regulation under the 1958 Food Additives Amendment now.

CMA also asked FDA to establish a common regulatory staus for all food-related uses of BHT.

Details: *Food Chemical News,* Jan. 5, 1987, pp. 28-29.

Cottonseed restrictions

The U.S. Department of Agriculture's Animal and Plant Health Inspection Service has proposed lifting restrictions on the interstate movement of cottonseed hulls previously imposed due to pink bollworm quarantines.

The agency said it made the recommendation after field studies showed the pink bollworm is destroyed by commercial processing of cottonseed hulls. The proposal also would lift similar restrictions on cotton lint, linters and lint cleaner waste for upland cotton (short staple) varieties, cotton waste produced at cotton textile mills, and used bagging and other used wrappers for cotton.

Details: *Federal Register,* Jan. 5, 1987, pp. 291-292.

Maritime cargo rules

The U.S. Department of Transportation's Maritime Administration has proposed establishing new administrative procedures and methods for determining fair and reasonable rates for carrying full shiploads of dry and liquid bulk preference cargoes on U.S.-flag commercial vessels.

Comments on the proposal may be made by March 17, 1987, to Secretary, Maritime Administration, Rm. 7300, Department of Transportation, 400 Seventh St. SW, Washington, DC 20590. For further information, contact Arthur B. Sforza, Director, Office of Ship Operating Costs, Maritime Administration, telephone 202-382-6036. Details: *Federal Register,* Dec. 17, 1986, pp. 45135-45140.

Meanwhile, the Coast Guard has published a proposal for compatible stowage of bulk liquid hazardous materials on tank vessels. Included in the materials are edible oils as well as tallow. For further information, contact Michael C. Parnarouskis, Hazardous Materials Branch, Office of Marine Safety, Security and Environmental Protection, Washington, DC, telephone 202-267-1577.

Details: *Federal Register,* Dec. 8, 1986, pp. 44182-44196.

Toxic exposure in labs

The Occupational Safety and Health Administration (OSHA) has scheduled an informal public hearing

March 24, 1987, on its proposed standard for occupational exposures to toxic substances in laboratories.

The hearing is slated for 10 a.m. in the auditorium of the Frances Perkins Department of Labor Building, 200 Constitution Ave. NW, Washington, DC 20210. Under the proposed standard, laboratories would have to develop a chemical hygiene plan to prevent overexposure to toxic substances.

For further information, contact James F. Foster, Office of Public Affairs, U.S. Department of Labor, OSHA, Rm. N3649, 200 Constitution Ave. NW, Washington, DC 20210, telephone 202-523-8151. Details: *Federal Register*, Jan. 12, 1987, pp. 1212-1213.

Meanwhile, the U.S. Environmental Protection Agency (EPA) has proposed that manufacturers and processors of 2-ethylhexanol (EH) be required to conduct two-year oral oncogenicity bioassays in rats and mice. EH, a colorless liquid, is used as an intermediate to produce ester derivatives of various acids and to make ethylhexyl acrylate, as a wetting agent in the mercenization of cotton, as a defoamer in textile printing, as a solvent for gums and resins, as a solvent extractant and as a miscellaneous chemical intermediate.

Details: *Federal Register*, Dec. 19, 1986, pp. 45487-45492.

Diet and cancer study results

Complex relationships among cancers and nutritional variables have emerged from data developed in a collaborative study by the Chinese National Center for Preventive Medicine and Cornell University on diet, nutrition and cancer mortality in the People's Republic of China, the Life Sciences Research Office of the Federation of American Societies for Experimental Biology has reported.

A monograph from the study is expected to be completed early in 1987, with publication anticipated in the *Journal of the National Cancer Institute* in late 1987. Details: *Food Chemical News*, Jan. 12, 1987, pp. 39-41.

Meanwhile, the National Cancer Institute has started massive multiyear clinical trials of supplemental vitamins and minerals to determine if supplemental doses can reduce cancer rises. Approximately 100,000 volunteers at 50 medical facilities worldwide are participating. Details: *Food Chemical News*, Jan. 5, 1987, p. 12.

In a four-year study of 89,538 nurses reported by Walter C. Willett of Harvard Medical School

in the Jan. 1, 1987, *The New England Journal of Medicine*, low-fat diets did not prevent breast cancer. Willett reported that women who consumed 44% of calories from fat had an 18% lower risk of breast cancer than those who averaged 32% of calories from fat. Details: *Food Chemical News*, Jan. 5, 1987, p. 2.

In the Dec. 25, 1986, issue of *The New England Journal of Medicine*, results of two studies linked high serum cholesterol levels with cancers of the colon and rectum. The studies were conducted by researchers at the Karolinska Hospital in Stockholm, Sweden, and by University of Munich researchers in West Germany. Details: *Food Chemical News*, Jan. 5, 1987, p. 19.

Viewpoint

Industry at the crossroads

The following remarks were made by Donald E. deKieffer before the International Association of Seed Crushers (IASC) meeting in New Delhi, India, in November. DeKieffer, currently a partner in the firm of Pillsbury, Madison & Sutro, based in Washington, D.C., is engaged in the practice of international trade law and policy. Between 1981 and 1983, he served as general counsel to the U.S. Trade Representative, Executive Office of the President.

Introduction

For at least 150 years, economists have postulated the theory of "comparative advantage"—that it is economically advantageous for all countries to produce those things in which they are most efficient and to import those products which other countries can produce more cheaply or efficiently. Thus, "comparative advantage" suggests that countries such as Thailand, with flat land, warm climate, plenty of water and cheap labor, should produce rice, while countries endowed with iron ore and coal should make steel.

Even today, economics students are taught this theory as if it were a law. Nothing could be further from the truth. "Comparative advantage" did not operate when the theory was propounded and does not today. Even 150 years ago, transportation costs, financial expenses, subjective demands which were not cost-driven and nascent political imperatives "skewed" the comparative advantage "model" into something quite different than the theoretical form.

Today, there are increasingly complicated political and economic factors at work. The world economic system has yet to adjust to the collapse of imperialism and the emergence of Third World countries as independent political forces. While a small group of European nations no longer dictates where products will be produced and sold to maximize "comparative advantages," their economic interests and domestic political imperatives favor maintenance of the old economic order. The newly emerging nations have become painfully aware that exclusive reliance on a single product or commodity is dangerous. Countries with but one "cash crop," be it bananas, bauxite or petroleum, are vulnerable to collapse in prices and to political or economic whim. Therefore, most countries, particularly traditional "producers" of raw commodities, have attempted to repeal or at least amend the "law" of comparative advantage by diversifying. To do so is neither painless nor inexpensive.

Developing countries have adopted various plans to encourage the creation of new industrial and agricultural sectors, usually by some direct or indirect subsidization. To preserve their traditional "sectors," developed countries have responded with massive price supports and a sophisticated array of protectionist devices to thwart the diversification policies of their trading partners.

Developed countries also have adopted social policies having little to do with the economics of production. Social policies favoring traditional "family farms" have been cited as an example. To offset the artificial disadvantage of such social policies, First World countries increasingly have turned to more Draconian subsidy and protectionist practices to retain many sectors of their economies. This has led not only to huge tax bills at home, but has prevented countries with more efficient production from entering potentially lucrative markets.

Today, there is hardly an industrial sector in the world not affected more by government policy than by the pristine model of "comparative advantage." While the costs of protectionism and subsidization are not totally calculable, they far exceed the real costs of production and distribution in a "comparatively advantageous" world.

Since World War II, developed countries (and, increasingly, the developing countries as well) have sought to slow the growth of