

**THE
MACARONI
JOURNAL**

**Volume XIV
Number 2**

June 15, 1932

The
Macaroni Journal



Minneapolis, Minn.

June 15, 1932

Vol. XIV No. 2

Business Insurance

Once upon a time a macaroni maker became very sick. On his way to the hospital he cancelled his insurance policy.

Poor Business Management? Foolish?

Yes, but he only followed the example set by some manufacturers who foolishly thought to retrench during the depression by discontinuing their trade association membership.

Poor Business Management. Foolish.

Yes, because in reality they cancelled their insurance of greater business stability and advancement in the coming period of better times.

Support your Trade Association.

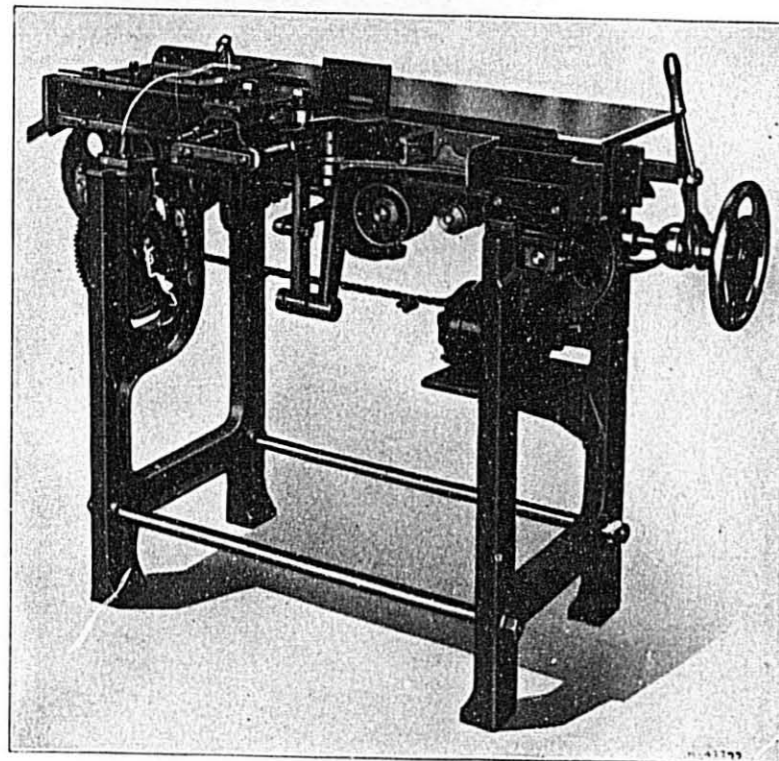
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The new Peters Junior Series Carton Folding & Closing Machine will effect real economy in your packaging department. This machine, when used in conjunction with the Peters Junior Forming & Lining Machine, makes a complete unit that handles various size packages with ease, speed and economy.

The Peters Junior Folding & Closing Machine has an average production of 35 to 40 cartons per minute, and will save the labor of four girls working by hand.

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PROGRAM

Twenty-ninth Annual Convention National Macaroni Manufacturers Association

The General Brock Hotel, Niagara Falls, Canada
June 14, 15, 16, 1932

Theme---Eliminate Waste and Modify Uneconomic Trade Practices

TUESDAY, JUNE 14, 1932

- 8:00 a. m. Directors' Breakfast—President Zerega presiding.
Final meeting of 1931-1932 Board of Directors.
9:00 a. m. Registration of Members and Guests.
Regular Registration Fee of \$10 charged all Registrants entitling each to convention privileges, banquet ticket, dinner show, dancing and other entertainment.
10:00 a. m. Formal opening of Convention.
Call to Order by President Zerega.
President's Annual Message—Frank L. Zerega.
Secretary-Treasurer's Report—M. J. Donna.
Washington Representative's Report—B. R. Jacobs.
Reports of Standing Committee Chairmen:
Advertising Committee—R. B. Brown.
Educational Committee—F. J. Tharinger.
Statistical Committee—G. G. Hoskins.
Welfare Committee—L. S. Vagnino.
Appointment of Convention Committees.
11:00 a. m. Discussion—"The Macaroni Amendment to Federal Food and Drugs Act."
Leader—Martin Luther, Chairman Quality and Standards Committee.
11:30 a. m. Address—"A Diagnosis of Macaroni's Ills." By Director John Ravarino.
Discussion.
12:00 noon Address—"Cheese as a Macaroni Selling Incentive." By Chev. Attilio Castigliano, Royal Italian Consul.
Discussion.
12:30 p. m. Luncheon Recess.

AFTERNOON

- 2:00 p. m. Call to Order by President Zerega.
Automatic Roll Call.
Reports of Convention Committees.
2:30 p. m. Container Simplification Conference.
Leader of Discussion—Hon. W. E. Braithwaite of Division of Simplified Practice, U. S. Bureau of Standards.
A general discussion of the Bulk Macaroni Box and Container problems by Macaroni Manufacturers and Box Makers.
A study of facts uncovered in survey.
Agreement, if possible, on elimination of Unnecessary and Impractical Sizes.
4:30 p. m. Adjournment.

EVENING

- 7:00 p. m. Association's Annual Banquet (Grand Ball Room).
National Association as Host to Members and Guests.
Toastmaster—G. G. Hoskins, Vice-president.
After-dinner Speaker—Hon. James E. Glieen of New York.
Subject—"Happiness in Business."
Music.
Entertainment.
Dancing.

WEDNESDAY, JUNE 15, 1932

- 8:00 a. m. Cost Club's Breakfast—Vice President Hoskins presiding.
Informal discussion of system, plans and suggestions.
9:00 a. m. Convention reconvenes.
Call to Order by President Zerega.
Reports of Convention Committees.
9:30 a. m. Address—"Price Cutting and Its Effects in Other Industries," by Hon. L. M. Barton of Major Market Newspapers, Inc.
Discussion.
10:30 a. m. Address—"An Educational Plan to Modify Prevailing Uneconomic Trade Practices," by Hon. W. F. L. Tuttle of Tuttle Publications.
Discussion.
12:30 p. m. Luncheon Recess.
AFTERNOON
2:00 p. m. Call to Order by President Zerega.
Reports of Convention Committees.
Election of Directors.
General discussion of Industry's and Association's Welfare while Directors are selecting 1932-1933 Officers.
Announcement of Election of Association's Officers.
4:30 p. m. Final Adjournment.

EVENING

- 8:00 p. m. Viewing Illuminated Falls.

THURSDAY, JUNE 16, 1932

No Business Sessions scheduled.
Visiting and Sight-Seeing "Ad Lib."

GENERAL INFORMATION

Headquarters—The General Brock Hotel, Niagara Falls, Canada
Time—All Sessions and Activities on LOCAL TIME.
Registration—Fee \$10.00.
All Representatives of Member-firms and all Guests should register with Secretary immediately on arrival and obtain—
Identification Badges.
Banquet and Entertainment Tickets.
Convention and Other Privileges.
Banquet Tickets—All registrants are given one ticket free.
Additional tickets obtainable from Secretary at \$3.00 each.

WELCOME

To Business Sessions—
All Manufacturers of Macaroni Products and Allied Tradesmen interested in Industry's betterment.
To Executive Sessions (if called)—
All Regular Members.
To Entertainment—
All who register, their Ladies, Children and Guests.

1931-1932 OFFICERS AND DIRECTORS

President—Frank L. Zerega (33) A. Zerega's Sons, Inc. Brooklyn.	Vice Pres.—G. G. Hoskins (32) Foulds Milling Co. Libertyville.	Adviser—Frank J. Tharinger Tharinger Macaroni Co. Milwaukee
John Ravarino (32) Mound City Macaroni Co. St. Louis	A. Gioia (32) A. Gioia & Bro. Rochester	W. F. Villame (34) Minnesota Macaroni Co. St. Paul
R. B. Brown (32) Fortune-Zerega Co. Chicago	L. S. Vagnino (33) Faust Macaroni Co. St. Louis	R. V. Golden (34) West Virginia Macaroni Co. Clarksburg
F. A. Ghiglione (34) A. F. Ghiglione & Sons Seattle	B. R. Jacobs, Washington Representative Washington	M. J. Donna Secretary-treasurer Braidwood, Illinois
	H. D. Rossi (33) Peter Rossi & Sons Braidwood	
	G. La Marca (34) Prince Macaroni Mfg. Co. Boston	



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You may rely upon Two Star Semolina to produce uniform results, because Two Star Semolina itself is always uniform.

Only the finest, choicest Durum Wheat is used in the milling of Two Star Semolina.

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Milled by Minneapolis Milling Co.
a division of
Commander-Larabee Corporation
Minneapolis, Minnesota

THE MACARONI JOURNAL

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“Profitable Selling” as a “Budget Stabilizer”

Everybody seems to be interested in the most popular game of the day, that of “Balancing The Budget.” It is fascinating government officials, business leaders and individuals. It's an alluring game that necessitates more than the ordinary amount of deep thinking, studied practice and sensible action. Practically everybody in the country is playing the game in a little or big way.

Congress, for instance, has been staging a game that lasted for many months. Neither side was able to score a definite victory. On the offensive were those who felt that the only line of attack is through the purses of the people who are already heavily tax-burdened. Opposing them was a group that sincerely believed that sensible reduction in operating expenses must first be effected if the confidence of those whom they seek to serve is to be retained.

In the macaroni manufacturing industry practically everyone is also engaged in the nerve racking game, but like most other trades it has made little progress because in too many instances the attack has been from the wrong angle. Fortunately the macaroni maker is engaged in the manufacture of a food product,—a business that has not suffered greatly in volume. The tonnage consumption of macaroni has not greatly diminished. It's in the dollars and cents returns that the industry has been most seriously affected.

The National Macaroni Manufacturers Association sensed the situation many months ago and has endeavored to lead its members to a full realization of the difficulties confronting them and to urge cooperative action along well laid lines as the only sure and sensible way out of the chaotic conditions confronting the trade. Undaunted by the apparent defeat of its first campaign the organization is now sponsoring an educational campaign aimed at manufacturer and distributor. If successful it should help materially in balancing the budgets of all concerned.

Here's a truism,—No matter how cheap may be the labor used in a manufacturing plant,—and remember that cheap help is always the most expensive in the end,—and irrespective of the low prices at which raw materials may be purchased, remembering also that good raw materials still demand a fair price,—the expense of operating a plant and managing a business must still be financed out of profits. Therefore selling

goods below their cost of manufacture is surely not the right way to solve the puzzling problem of budget-balancing.

Reference is made to the fight being waged against the low price macaroni, the macaroni made to sell at a price and the use of macaroni products as “loss leaders,” a practice that has been made altogether too common nowadays because of the reckless price cutting practices that have prevailed in the trade. The National Association is not attempting to tell anyone what he should charge for macaroni products, either at wholesale or retail, except that it would seem sensible to sell this food at a profit. It goes further and suggests that manufacturers and distributors carefully scrutinize their costs to ascertain whether or not they include all the various factors that should be considered.

Because of the decline in the commodity prices manufacturers of food products are in more active competition for their share of the consumer's dollar than ever before with the result that the cost of selling the decreased output has materially increased. If this be true macaroni manufacturers will readily recognize the need of securing greater gross profits on their sales rather than a lesser profit on supposedly increased volume,—something that is pretty much of a dream unrealized.

In its plan to help manufacturers and distributors obtain a more reasonable profit on goods sold or services rendered, the National Association is deserving of the fullest cooperation of all whom it seeks to aid. Too long have macaroni manufacturers contended with unnecessary and uneconomic price cutting that has led us into the present chaotic business conditions in which many are facing ruin unless a drastic change is immediately effected.

Figured on the basis of its caloric value macaroni is about the cheapest food obtainable. Macaroni at one cent an ounce, irrespective of how it is packed, is a fair price,—one that would satisfy manufacturer, distributor and consumer without unduly burdening the latter. It is true that good macaroni can be made and sold for less than one cent an ounce but no one would be greatly benefited by the difference.

Here's the industry's opportunity to sell macaroni products profitably by immediately stopping the destructive price cutting that has proved so generally harmful. Careful study and application of the plan elsewhere published in this issue is recommended.

The Urgent Need for a Safe Economic Price Structure in American Business

By W. Clement Moore

Business Economist and Cost Specialist, of Wolf & Co., Philadelphia

Because the present economic crisis vitally concerns you, your business, your families, and all those who depend upon you; in fact, the future welfare of your community and of our entire country, let us study its direct causes namely:

1. Public extravagance, political corruption, municipal overexpansion, exorbitant taxation and resulting graft and waste of public funds.
2. Inflation of money, material and methods or service.
3. Overcapacity in business.
4. Consequent overproduction.
5. Overcrowding in industry, trade, occupations and professions.
6. An abnormal craze for volume in all lines and as a result vicious price cutting and unfair trade practices and competition.

To the door of public extravagance and political corruption can be laid the most disgraceful predicament of our present Congress; the predicament of an empty treasury in the richest country in the world; the predicament of a burdensome pile of appalling debts brought down upon the shoulders of Congress through its own extravagance; the embarrassment of a most unreasonable and uneconomic task of placing upon the people of this country a ruinous and vicious tax burden, at a time when a Congress of wise business men should have had at hand a surplus gathered in times of plenty, so that it might have said to a depressed public "We offer you freedom from taxation in these times of depression—go ye forth and build your industries wisely, giving thanks that you live in a free country, where the yoke of oppression knows no place." But alas, they have placed an almost unbearable weight on the yoke instead.

And the aping of our noble Congressmen by the less honored but equally powerful governors and statesmen, mayors and councilmen, throughout the land, has brought hundreds of cities and municipalities to the very edge of bankruptcy, for just no reason at all except the gratification of power, greed and graft.

Taxes have gone far beyond all rime or reason. Already the tax gatherer of America is rapidly putting to shame Nero's tax gatherers of Rome, because today 25c out of every dollar we earn must pay tribute to extravagance and waste—and next year the extortion will be even greater.

So much for the first element of government, as it affects business, the cost of doing business, and eventually prices.

We will touch but lightly upon inflation, overcapacity and overproduction.

You know well their evil influences and results.

There must be, and soon too, proper revision of or substitutes for both the Clayton and the Sherman Acts. There must also be some righteous plan whereby production may be legally kept somewhere within the bounds of normal demand.

And whether it is possible to restrain a person from investing money in a business venture, already so overcrowded that such money so invested will in nine cases out of ten not only be wasted, thrown away or lost, but many other concerns and individuals must suffer because of the foolish undertaking of an incompetent or unwise beginner.—I repeat that whether he can be legally restrained or not, certainly some method should be established whereby the mirror of almost sure defeat may be held up to him, through facts, figures and advisory counsel, to show him his error before he starts.

Chambers of commerce and boards of trade may be the advisers and counselors, but banks, manufacturers and those who grant credit or sell materials or merchandise to such beginners will need to change their methods to help prevent the overcrowding of industry and trade particularly by incompetents and price cutters or trade destroyers.

I do not wish to be misunderstood. Banks, manufacturers and wholesalers should extend credit and give every encouragement to every new business venture, provided its promoters can prove by thorough and satisfactory analysis that the venture is sound and needed, that it stands more than a fair chance of success, that its market is ready, that there is a chance for a fair margin of profit, that its promoters are of good character and that they understand the principles of good business and the urgent need for fair trade practice methods in industry.

And I want to say right here that if such thorough investigations are made and such exhaustive reports demanded in the future, before credit is granted, or new ventures financed, there will be no bank

THAT PRICE CUTTING DOOR

If low price were the key to unlock the door of consumer demand it would have been widely agape for more than two years. Two years of vicious price cutting, accompanied by a weakening of quality, have added to the disillusionment of producer, retailer and consumer.—Printers' Ink.

failures, there will be less industrial distress, and almost no chance for another depression.

All of which brings us squarely up to the last and most vital point to be discussed, that is the urgent need for a safe economic price structure in American Business.

With all the previously discussed business fences properly fixed, industry must be supported by some sort of guarantee that there can be expected from it a price structure sufficiently stable and comprehensive in its coverage to assure a fair margin of profit.

About 3 years ago Mr. Flannery and some of the other progressive members of the Federal Trade Commission, after many conferences with officials of various national trade groups, conceived the idea of holding Trade Practice Conferences with the leaders of trade associations throughout the country, and formulating at such conferences, wise and sensible Trade Practice Rules for the guidance of all members of the particular trade or industry represented. Such rules were designed to be fair to all interested parties, manufacturer, retailer, consumer and the government.

Violations of these rules by any member of the industry (because the rules adopted by any trade association and approved by the Federal Trade Commission were to be binding upon all members of the industry whether members of the association or not) made that member subject to investigation by the Trade Practice Committee of the trade association, which committee had the power to dismiss the case or refer it to the Federal Trade Commission for prosecution.

Many such Trade Practice Conferences were held in every section of the United States and most excellent rules were adopted. In the majority of cases the rules were simple and not more than 30 or 40 in number, so they might have been easily learned and followed by all.

Two or three of the rules if put in practice would have done much to have prevented our present business troubles and kept our country on the road of normal progress.

Such rules in particular were part of the Trade Practice program of practically every industrial association holding such conferences.

They were as follows:

1. The payment or allowance of secret rebates, refunds, credits, unearned discounts, whether in the form of money or otherwise, or extending to certain purchasers special prices, terms, services or privileges, not extended to all purchasers

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of like products under like terms and conditions, constitutes an unfair trade practice.

2. Uniform accounting and cost finding methods for the different industries considered necessary for wise competition and guidance of industries.

3. Contracts of sale permitting the buyer to cancel or exact a reduced price, if the market declines without corresponding increase in case of higher market price is unfair trade practice.

4. Commercial bribery is an unfair trade practice.

5. The selling of goods by a manufacturer below actual cost for the purpose of injuring competition or lessening same is an unfair trade practice.

The Trade Practice Conference movement was hailed with joy by practically every business man in the country. It meant, at last, that the government was actually supporting a good, honest, sensible plan, which would help to make business honestly profitable. It meant an assurance that an honest selling price above cost, designed to assure a profit, might be stabilized and on an economic basis. It meant more than that—it meant that the foolish, ruthless price cutter would be prosecuted if he attempted to dump goods on the market at less than cost, and thus, not only ruin his own business and his competitors as well, but demoralize trade and bring about economic distress.

But the joy of the business man was not due for a long life.

For . . .

The Attorney General (after scores of such conferences had been held, and nearly a hundred industries put on the road to confidence and stabilization) ruled early in 1931 that the Federal Trade Commission had no power to act in cases resulting from the Trade Practice Rules.

It was a sad blow—at a critical time. It took away much of the hope and confidence of the business world and again I repeat was largely responsible for the great declines that have followed.

The result of course meant that business must look to Congress to empower the Federal Trade Commission to act with force and power in the enforcement of the Trade Practice Conference and the rules resulting—if the future was to have for them any assurance of profit.

Business, therefore, must be wide awake to this great necessity "the urgent need for a safe economic price structure" and begin its work at once and in earnest.

As progressive business men you should take your duty as taxpayers and citizens seriously, and do something now to protect your business and its future safety, which means of course that if business generally is prosperous, the country as a whole will succeed.

Yell for American Cooking

The story is told of an American traveler who dropped into a famous restaurant in Paris. He was handed a huge menu—in French of course. The tourist glanced over the 4 pages of the menu



« TERSE »
BUSINESS TALKS



The First Rule in the Book

Says The Energy Trio . . .

"Order is Heaven's first law," wrote Pope in his famous "Essay on Man." And, with apologies for the pun, "Orders" is the first law in the very worldly sphere of business.

The beginning of business is a head, someone to issue orders. With development come employees to carry out orders. Success is very likely to bear a definite relation to the way in which those orders are received and carried out.

"Mr. Johnson, bring me the sextant!" ordered the captain of the second mate.

"Yes sir, where is the sextant, sir?" queried the mate.

"I said, Mr. Johnson, bring me the sextant," reiterated the captain, and the mate disappeared down the hatchway.

It was so that a novelist showed what the captain expected when he issued an order. It was the business of the mate to know where the sextant was kept. When he took the position of mate he implied adequate knowledge of the duties going with it. When the head of a business or the captain of a ship issues orders, he wants action, not conversation.

Cheerful acceptance of and obedience to orders is necessary to the safe handling of the ship of business and to its profitable voyage. There must be men to give orders and men to obey orders. Objection to orders, criticism of orders and of those who give them, is sure to result in one order that will have to be obeyed without objection, the order to go and not come back.

If orders seem foolish or mistaken, it should still be remembered that men are wanted who will carry out the orders, even when they do not understand the reasons for them. The first evidence of intelligence is usually unquestioning obedience.

and then turned it upside down. The head waiter stood by patiently. Finally, the traveler, after taking another glance at the menu, said:

"Bring me a hundred francs worth of meat and potatoes."

The average American in his own home town likes to drop into a French restaurant and have a French dinner—now and then. But plant him in Paris or any other city where the French chef rules supreme in the kitchen, and feed him 3 French meals a day, day after day, and he'll soon be yelling for an American cooked meal.

Most Americans like to go to Italian restaurants occasionally for an Italian dinner. But when Americans get to Italy where they have a succession of Italian meals they soon cry for help.

For 2 good reasons the American school of cooking is finding its way around the world. The first is that Americans in time of normal business are great travelers. And whether they journey to Europe or the Near East or the Far East they insist upon something resembling American food. The second reason is the great importation of American food products into foreign lands.

Americans in traveling abroad invariably complain that they can't get a good

cup of coffee. One reason for this is that in America we are becoming accustomed to the advantages of fresh coffee. Then too, cream and not milk is essential to a good cup of coffee.

This insistence upon fresh coffee accounts for the success of dated coffee in the United States, an innovation that has changed the entire coffee industry.

25,814,103 Vehicles Registered

Motor vehicles registered during 1931 numbered 25,814,103, according to the bureau of public roads, U. S. Department of Agriculture. This registration represents a decrease of 2.8% from the 26,545,281 motor vehicles registered in 1930. Motor truck registrations were 3,466,303 as compared with 3,486,019 in 1930. The figures for 1931 do not include 172,250 tax-exempt official vehicles.

Increases in registration were reported from California, Connecticut, Maine, Maryland, Nevada, New Jersey, Oregon, Rhode Island, Virginia, Wyoming and District of Columbia. The other states show decreases. Total truck registrations decreased only 0.6%, and increases are shown in 23 states and District of Columbia.

If Paying for New Equipment--Why Not Have It?

By FRANK A. MOTTA
Secretary, Champion Machinery Co., Joliet, Ill.

Users of obsolete macaroni and noodle machinery are spending many times—in high production costs—the price of new equipment.

The writer wonders whether the average noodle manufacturer realizes that almost 50% of the machinery and equipment now in use in the noodle and macaroni plants in the country—is over 10



Frank A. Motta

years old. It may be safely stated that machinery that is 10 years old is out of date. As a matter of fact machinery that has been operating for just a few years may also be outmoded, for the reason that any machine is out of date just that will do the same work in a better or cheaper way.

As soon as another machine is developed if ever there was a time when it is necessary to keep production costs at the very lowest level—that time is right now! Companies which can keep production costs low can show a profit even in the dulllest times, simply because they are able to keep their costs below market prices. Others, not so fortunate, have been forced to close their plants until the dull period has passed; many are operating at a loss with their backs to the wall, despairingly hoping for the advent of a miracle which will turn red ink into black.

It is unfortunate that manufacturers who are operating with out-of-date equipment—expensive to operate, thus

creating a high production cost—do not realize that they, and they alone, are paying for their competitor's newer and better equipment.

It is the lowest manifestation of false economy to postpone until times get better the replacement of old machinery, when it is a proved and generally recognized fact that newer, more modern

making money, while those who have been waiting for better times are finding the going harder and harder every day and the loss of their business to their more progressive competitors is actually paying for the modern equipment these competitors have installed.

The same is equally true in the macaroni and noodle industry. To get anywhere nowadays we must not only run our hardest but at least twice as hard, as it is so quaintly stated by the Fairy Queen after her famous race with "Alice in Wonderland."

Leadership in Management

Complaints that the country lacks "leadership" in its present economic crisis are being heard on all sides. According to an almost overwhelming chorus of appeals received in Washington, "the whole nation is crying for a leader and no man answers the cry." Bruce Barton, editorial commentator of the American Magazine, observes, however, that this complaint is not new but has sprung up in every period of distress. "Seldom has the Almighty dropped a full fledged leader out of the sky," says Mr. Barton. "Leaders are pushed up out of the pressure of conditions, and so it will be now."

It is a wholesome sign that management is arriving at a more profound realization of its duties and responsibilities in the conduct of business in this country. The evidence is everywhere apparent that business executives are coming to regard themselves as trustees not only of the capital invested in business enterprises but of the interests of employees as well.

As Ralph Hitz, president of the Hotel New Yorker, recently pointed out in an address at Kansas City, capital of itself is barren of production and labor can not produce unless properly directed. The two must be brought together in orderly fashion under the guidance of a trained and skillful executive before the fruits of industry can be enjoyed in this country.

Management has become a profession exacting a full measure of sacrifice on the part of those executives who climb to the top of industry on the ladder of accomplishment. Managers are in a class by themselves just as surely as other technologists who contribute to the welfare and happiness of the multitude by their labor.

Mr. Hitz uttered a truism when he said that what this country needs is more \$100,000 a year executives who are worth their salaries. We need big men at the head of big business enterprises and they must be attracted from the leaders of society by a substantial reward for their efforts.

The public will be much happier when there are more brains in business, more courage and more determination. These are the fundamentals with which the business leader must be equipped before he can cope with the intricate problems of modern commerce and industry.

What Gold Medal Is Doing to Aid Manufacturers of Macaroni Products

"PRESS-TESTED" Method of Producing Semolina Assures Uniform Color, Strength, and Taste 365 Days In Year

Semolina Sales and Service Department
Has Assisted More Than 40 Organizations in
Correcting Manufacturing Difficulties

As further assurance of absolute uniformity of color, strength, and taste in Semolina, Gold Medal Millers test every batch of Semolina under regular commercial conditions. This added protection is what the term "Press-tested" assures.

To aid macaroni manufacturers in overcoming technical manufacturing problems, Gold Medal Millers have provided the free services of highly experienced experts. These men will work with you in your factory, or answer any enquiries you wish to direct to them. All such enquiries will be kept in strictest confidence. For full particulars concerning Gold Medal "Press-tested" Semolina or the services of the Gold Medal Semolina Service Department, write to George B. Johnson, Semolina Sales Service Department, General Mills, Inc., Minneapolis, Minn.



GOLD MEDAL "PRESS-TESTED" SEMOLINA

MILLED BY WASHBURN CROSBY CO., INC., OF GENERAL MILLS, INC.

A Half Century of Panics

By E. L. Lobdell in "Commerce"
Official Publication of the Chicago Association of Commerce

Part II--The Panics of 1893, 1907 and 1929-31

What of the Future?

When conditions become as bad as they can be--and it would seem that such a stage has now been reached--any change must be for the better. The year 1932 will be a period of readjustment and only the fittest will survive. If the great nations of Europe can regain their equilibrium, confidence here will be greatly helped.

A comparison of this with previous business depressions indicates that all were caused by the same factors. Our population now is nine times greater than in 1837--and nearly twice that of 1893 when major panics occurred. The number of people affected is, therefore, much greater now and individual losses much heavier. The wealth of the country, however, is many times greater than during any former panic years. Every great business depression has seemed more disastrous to those who passed through it than any which preceded it. A careful study of previous panics, however, will not justify the conclusion that this is more severe than others.

The United States has survived many panics and business crises, some of which have been more trying than the present one. The country has recovered from all of them and taken a fresh start to accomplish greater things. History will repeat itself and the present apprehension and lack of confidence will be forgotten by the time another generation assumes control.

1893 1907 1929-31

1893

For several years preceding 1893 there was an exodus of emigrants from the east and older sections of the west to Minnesota, the Dakotas and other parts of the great northwest. Government land was rapidly taken up and settled by farmers. During this time great improvements were made in farm machinery and implements and crops increased rapidly. There also developed a craze for consolidations of small units into great corporations or trusts. There were the Sugar Trust, the Gas Trust, the Beer Trust, the Whiskey Trust, the Lead Trust, the Cordage Trust and others. These consolidations required a great deal of new capital, which was supplied by the banks, the investing and speculating public. The stocks of these new corporations or trusts became available as collateral for bank loans and a great speculation followed.

When the year 1893 arrived more wheat and other farm products had been produced than the world could absorb and prices declined greatly in value. Wheat was fed to livestock, much of it was left unharvested, and corn was burned as fuel. Railroads and manufacturers were adversely affected. Bankers became suspicious early in 1893 and began to call in loans based on the new style collateral. There were many failures and banks, brokers, and thousands of manufacturers and merchants were obliged to close. Multitudes of unemployed were swelled by every failure and hungry workmen rioted in the streets of New York and Chicago.

Receivers were appointed for several railroads, among them the Atchison, Union Pacific, Northern Pacific, Reading and Erie. Money was hoarded and small bills sold at a premium of as much as 2%. Wages were paid by check or clearing house certificates.

1907

The panic of 1907 was preceded by another period of consolidation of small into great corporations, followed by a great boom in the stock market. The Amalgamated Copper company was formed about this time by men interested in the Standard Oil company and was financed by J. P. Morgan & Co. and the National City bank. F. A. Heinze of Montana would not sell his mines to the new combination and formed his United Copper company, which, after a hard fight lasting several years, was downed by the Amalgamated.

Charles W. Morse organized his various steamship lines prior to 1907 which controlled fleets of 74 ships. He also controlled the American Ice company. In order to finance these organizations he needed banks, and he acquired control within a short time of about 17. These ventures incurred for him the enmity of the older bankers who did not want their preserves invaded by a lot of adventurers and speculators. Morse, besides using his banks to finance his own promotions, undertook to assist Heinze in his operations.

A great speculation developed in the shares of the copper companies and the Morse companies before 1906, as well

as in railroads and other stocks, which were manipulated to high prices. Everybody, including smaller speculators, was making money as rapidly as they did in 1928 and 1929. Then in 1906 the San Francisco earthquake occurred with a property loss of about \$350,000,000, which caused a great shock to the speculative fraternity as well as bankers.

Money rates became very high in 1906 and early in 1907 when President Roosevelt's campaign against what he called predatory wealth was at its height.

At the top of the boom the big New York banks suddenly began calling loans secured by the new securities, prices fell, the stock market collapsed, stockbrokers failed, runs on banks commenced and many of them were obliged to suspend. Call money loaned at rates as high as 100%.

In 1907 the Tennessee Coal and Iron company, which was controlled by a pool of speculators headed by John W. Gates, was acquired by the U. S. Steel corporation with the consent of President Roosevelt who had previously opposed the sale. He consented as a measure of relief to some of the banks which held the stock as collateral for loans and the panic was ended.

Bank failures occurred throughout the country and many merchants and manufacturers closed their doors. In Chicago, and other cities, exchange on New York was almost unobtainable and cash could not be obtained from any bank, except in small amounts.

Morse was sent to a Federal prison

June 15, 1932

THE MACARONI JOURNAL

11

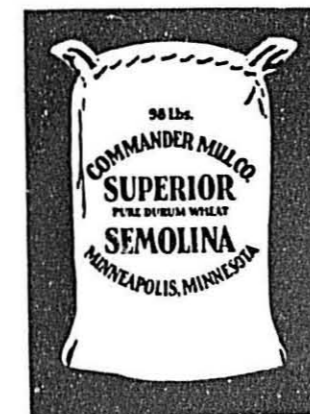
you
Command
the Best When
you
Demand
Commander
Superior
Semolina

ABSOLUTE uniformity of color—every day of the year!

That's our boast and our challenge for Commander Superior Semolina. Commander Superior Semolina is producing absolute uniformity every day for hundreds of the most successful macaroni manufacturers in the country.

If you are one of the few who do not at present use Commander Superior Semolina, or are unfamiliar with what it will accomplish in your plant, give us the opportunity of showing you.

Over 75% of our orders are repeat orders from regular customers. These people know!



Commander Milling Co.
a division of the
COMMANDER-LARABEE CORP.
Minneapolis, Minnesota

for violation of the Federal banking laws; Heinze was indicted but afterward cleared of any blame; C. T. Barney, president of the Knickerbocker Trust company, committed suicide.

All of the principal actors in this panic are now dead. The recovery, which began in 1908 with the election of William H. Taft as president of the United States, was rapid and in 1909 business again became normal.

1929-1930-1931

The panic of 1929 in the United States and the resulting business depression of 1930 and 1931 differs from all which have gone before in 3 respects.

1. All the world is now involved. We were alone in former crises.

2. We cannot depend on Europe to assist our recovery now as we have done in the past.

3. We now have a Federal reserve banking system, which did not exist in former crises, which has prevented a currency famine and saved us from greater disaster.

The . . . Cosmopolitan Macaroni

By ALBA BALES
Dean of School of Home Economics, North Dakota
Agricultural College

Although macaroni is considered an Italian delicacy, the wheat from which it is made in this country is grown chiefly in North Dakota—this wheat product used in an unusual salad, loaf and casserole.

A good wheat crop in North Dakota means to the households of the nation a goodly supply of macaroni and spaghetti. These are our most characteristic foods, for we rank second among wheat growing states, and almost half the crop is the durum variety, the kind sometimes called "macaroni" wheat. This type is heavy with gluten, giving a rich, creamy colored flour, as contrasted to the white flour of the softer grains.

All the low budgets of good housekeepers include macaroni products, and so also do many of the meals planned for pleasure alone. Such a cosmopolitan product is hard to equal. In actual food content as much value can be purchased in macaroni products as in any other food marketed, with the same expenditure. This gives North Dakota its distinctive place in the geography of dietetics.

In its manufacture durum wheat takes many forms in addition to vermicelli and egg noodles. There are the better known tube shapes, also the alphabet, elbow, bow knot, circle and countless other fanciful designs.

One has only to visit the Italian restaurants to observe their great popularity when cooked properly. For much of the success of durum products depends

The same old symptoms described by Juglar have preceded this catastrophe, viz:

Overproduction of commodities, like wheat, cotton, oil, copper and sugar, which the world has been unable to absorb;

Numerous new enterprises and schemes of all sorts;

A rise in prices of commodities, land, houses, etc.;

An increasing demand for workmen with a rise in wages and salaries;

A growing love of luxury leading to excessive expenditures;

A period of overtrading with wild speculation;

The education of our people as buyers of Liberty bonds created a demand for other kinds of bonds as investments, which bankers were not slow to discover. This demand was largely filled by farm loan bonds, bonds of foreign countries, and bonds secured by real estate, which dealers soon provided.

Speaking of Depressions

In the United States all our past depressions have one thing in common. They have originated in a solid achievement, the future possibilities of which have quickly caught the popular imagination, says Frank Honicker, executive manager of Mayonnaise Manufacturers association.

Then begins a spectacular advance, the vision of the future is capitalized, the worthwhile thing is overdone, there is an overinvestment of capital in fixed forms which cannot yield returns, orderly economic advance is disturbed by overproduction along certain lines, energy is misdirected and a maladjustment ensues.

ALL CAME TO AN END

In 1857 there was a business depression lasting 12 months.

In 1869 there was a business depression lasting 8 months.

In 1873 there was a business depression lasting 45 months.

In 1884 there was a business depression lasting 22 months.

In 1887 there was a business depression lasting 6 months.

In 1893 there was a business depression lasting 18 months.

In 1903 there was a business depression lasting 14 months.

In 1907 there was a business depression lasting nearly 12 months.

In 1914 there was a business depression lasting 14 months.

All of them came to an end except this one. It will, too.

Pigmentation of Durum Wheats

A high degree of pigmentation is desirable in durum wheats since the macaroni trade demands semolina which produces a creamy yellow. That is the opinion voiced by C. E. Mangels of the department of milling, North Dakota Department of Agriculture at Fargo in presenting a paper on the effects of regional and sensational variations in providing natural coloring in the wheat berry. His paper on this subject was one of the many interesting ones presented to the American Association of Cereal Chemists at its 18th annual convention in Detroit, Mich.

Previous studies had satisfactorily proved to wheat experts that different varieties of durum wheat will vary considerably in the amount of yellow matter when grown in the same soil under identical conditions. The studies reported in Mr. Mangels' paper pertained to variations in color found within the same variety due to (1) region where grown, (2) seasonal climatic conditions and (3) cropping system.

This year's convention of this group of chemists was held in the Statler hotel, May 23 to 26 inclusive. It was quite well attended not only by chemists but by representatives of several flour using trades. C. G. Harrel of the Commander Larabee corporation, Minneapolis was chairman of publicity and did a fine job of it.

Macaroni Educational Section

By B. R. Jacobs, Washington Representative

Quality Standards and Specifications

The subject of quality standards and specifications was discussed in this Journal in articles published in the May 1931 as well as the September issue of the same year.

The subject is being discussed again in this article because with the beginning of the new fiscal year next July 1, the specifications for macaroni products that were prepared by the Washington office of the association and approved by the board of directors, have been adopted by the Federal Specifications Board and become mandatory on the Federal government agencies after July 1. Some of the government departments have additional requirements besides those contained in the general specifications but these are so closely related to the general specifications that if a product complies with one it will also comply with the others.

For the benefit of macaroni manufacturers who may desire to bid on Federal government contracts these specifications are published in this article again. The specifications are numbered F. S. No. N-M-51 and may be obtained either through the Washington office or direct from the Superintendent of Documents, Washington, D. C., for 5c. The specifications are as follows:

FEDERAL SPECIFICATION FOR MACARONI, SPAGHETTI, and VERMICELLI

This specification was approved for promulgation by the Federal Specifications Board on December 8, 1931, for the use of the departments and independent establishments of the Government in the purchase of this commodity and shall become mandatory for all departments and independent establishments of the Government not later than Jun 1, 1932. It may be put into effect, however, at any earlier date after promulgation.

A. Applicable Federal Specifications

A-1. There are no other Federal specifications applicable to this specification.

A-2. Any special requirements of the individual departments of the Government are noted under section H.

B. Types and Grade

B-1. Types.—Macaroni, spaghetti, and vermicelli shall be such of the following types as may be specified in the invitations for bids:

Type I. Semolina.
Type II. Farina.
Type III. Combination of semolina and farina.

Type IV. Hard wheat or durum wheat.

B-2. Grade.—Shall be of the grade specified herein under the respective types.

C. Material and Workmanship

C-1. Shall be made in proper manner, under strictly sanitary conditions, and shall be of American manufacture. Shall be either solid or tubular stem, and, unless otherwise specified in the invitations for bids, shall be approximately 11 inches in length. The product shall have been well dried by modern methods (open-air methods of drying shall not be used).

D. General Requirements

D-1. All deliveries shall conform, in every respect, to the provisions of the Federal food

and drugs act of June 30, 1906, and amendments thereto, and to subsequent decisions of the United States Department of Agriculture, all as in effect on date of invitation for bids.

E. Detail Requirements

E-1. Shall contain not more than 12 per cent moisture, as determined by the vacuum oven method or other method which the Association of Official Agricultural Chemists may consider as equivalent, and not less than 11 per cent of protein (N X 5.7), calculated on 12 per cent moisture basis.

E-1. Type I. Shall be made from sound semolina No. 1, and the ash content of the finished product, exclusive of added salt, shall not be more than sixty-five hundredths per cent.

E-2. Type II. Shall be made from sound farina No. 1, and the ash content of the finished product, exclusive of added salt, shall not be more than sixty-five hundredths per cent.

E-3. Type III. Shall be made from a mixture of sound semolina No. 1, and sound farina No. 1, and the ash content, exclusive of added salt, shall not be more than fifty-five hundredths per cent.

E-4. Type IV. Shall be made from sound hard wheat flour or sound durum wheat flour of good quality, or a mixture of both. The ash content, exclusive of added salt, shall not be more than fifty-two hundredths per cent when a hard wheat flour is used, and shall not be more than sixty-five hundredths per cent when durum wheat flour is used.

F. Method of Inspection and Test

F-1. Inspection shall be made at point of delivery by the receiving agencies unless otherwise specified.

F-2. Chemical analyses, if required by the purchaser in the examination or testing of samples and deliveries under this specification, shall be made in accordance with methods of the Association of Official Agricultural Chemists in effect on date of invitation for bids.

G. Packaging, Packing and Marking

G-1. Any special requirements of the individual departments are noted under section H.

G-2. Packaging.—Unless otherwise specified, commercial packaging is acceptable under this specification.

G-3. Packing.—Unless otherwise specified, the subject commodity shall be delivered in standard commercial containers, so constructed as to insure acceptance by common or other carriers, for safe transportation, at the lowest rate, to the point of delivery.

G-4. Marking.—Unless otherwise specified, shipping containers shall be marked with the name of the material, number and sizes of packages, and the total quantity in the container, as defined by the contract or order under which the shipment is made, the name of the contractor, the number of the contract or order, and date of packing.

There are special requirements applicable to individual departments and these are obtained from each of the departments at the time it sends out invitations for bids. For example, the Veterans Bureau requires all macaroni products to score not less than 80 points on the following scale:

Scoring Scale

Color
Excellent and markedly uniform..... 37-40

Somewhat lacking excellence of color 30-36
Definitely lacking good color..... 20-27
Markedly off or markedly irregular color 0-19

Freedom from Defects, Insect Attack and Foreign Matter

Markedly free 28-30
Somewhat present 20-27
Definitely present 10-19
Markedly present 0-9

Freedom from Foreign or Other Undesirable Taste or Odor

Markedly free 28-30
Somewhat present 20-27
Definitely present 10-19
Markedly present 0-9

This scoring scale has been very much criticized by some manufacturers because they felt that in some instances, for example, where macaroni products show insect attack or sourness they should not be accepted for consumption regardless of the raw material used in their manufacture. This scoring has also been criticized because originally it was issued headed by the following statement: "Shall have the excellent color characteristic of high grade macaroni, free from insect attack, dirt, grit, other foreign matter, or any deleterious ingredient and shall contain no undesirable taste or odor or an excess of broken stock." Under these requirements it was felt that some yardstick should be used for measuring excellence in color and that absolute freedom from these substances and insect attack, was required while the score card did actually permit some insect attack, some dirt, grit and other foreign matter and some evidence of undesirable taste or odor for if the product scored 90 points it was acceptable to the bureau.

The above quoted requirements have been eliminated and in their place there has been substituted only the score card.

I have been advised by the Veterans Administration that manufacturers bidding on macaroni products for that department may submit more than one bid provided each bid is accompanied by a very clear and definite statement as to the grade of macaroni product that is being delivered and the price.

The War department has certain special requirements concerning net weight and methods of packing. These may be obtained from the Subsistence Bureau of the War Department, Washington, D. C. The General Specifications and Conditions of Delivery applying to the Provisions and Supplies for the Navy Department may be obtained from the Bureau of Supplies and Accounts, Navy Department, Washington, D. C. Those for the Marine Corps may be obtained from the Quartermaster's Department, U. S. Marine Corps, Washington, D. C., while those applying to the Veterans Administration may be obtained from the Vet-

erans Administration, Washington, D. C. All of these may be easily obtained from the Washington Representative of the Association. We will be very glad to send them to any macaroni manufacturer who is interested in supplying the Federal government with macaroni products.

With the adoption by the Federal government of these specifications the industry should make every effort to have other government subdivisions, state, county and municipal, accept these and use them in the purchase of their macaroni products.

The specifications under which purchases of macaroni products are made in some states are meaningless and worthless so far as giving the bidder any information concerning the character of raw material that may be used in making the product or the conditions under which the product should be manufactured. For example, the state of Massachusetts requires that "Macaroni shall be of foreign or domestic make in 25 lbs. cartons. Bidder to submit one pound sample. Broken Macaroni must be uniform in size, free from dirt and about Mezzani size, in cartons or barrels. Bidder to submit one pound sample. Spaghetti, whole in 25 pound carton. Bidder to submit one pound sample."

New York state requires bidder to submit one pound sample and the following specifications:

Specification

Macaroni and Spaghetti
 Shall be first quality, light in color and shall be made from hard wheat flour or sound durum wheat flour. Shall contain not more than twelve per cent (12%) moisture. Shall be free from dust and finely broken pieces. Shall be either solid or tubular stem and approximately eleven inches (11") long. Shall be freshly made and tender when cooked.

Delivery
 Macaroni shall be delivered in 22-25 lb. boxes; spaghetti shall be delivered in cartons of 24 packages, each package to contain one pound; or in 25 lb. boxes.

There is nothing in either of these specifications to indicate the quality of raw material that may be used. Flour may be of any grade and in fact the lower the grade the easier it will be for the manufacturer to get the bid as it has been shown that the lowest bidder gets it.

Now that the Federal government has accepted and adopted specifications that will insure deliveries of high grade macaroni product it is apparent that we should try to get these or similar requirements in all public purchases of our products.

The Washington office is obtaining samples of specifications issued by public purchasers of macaroni products and is offering the services of the laboratory to help them determine when the deliveries meet the requirements of the specifications. It is apparent that we will be able to improve the general character and grade of macaroni products consumed in public institutions. This should increase the consumption and get us a little bit better price for our products.

"When they put a tax on chewing

Timely Thoughts on "Price Cutting"

Editorial in Saturday Evening Post, April 30, 1932

One of the surest ways to prevent a return of confidence in this country is constantly to harp upon, exaggerate and overemphasize the element of price cutting in the retail field. Confidence is by no means wholly bound up with questions of banking, government finance, taxation and gold holdings. If the public loses faith in established merchandise values and in the retail price structure injury is inflicted just as though banks were closing and governments failing to balance their budgets. Everyone knows the effects of predatory and destructive operations in retail price cutting; the evils of excessive underselling, of selling below manufacturers' cost, must be patent to every shopper.

J. R. Sprague in an article in The Saturday Evening Post pointed out conclusively that price cutting spree carries losses all the way back to laborers as well as farmers, so that in the end people who have bought merchandise below manufacturers' cost give out in charity what they save on purchased goods. A woman may be pleased at an extraordinary bargain until she stops to think that if her own husband were cut as much as the labor which went into the making of the article, neither she nor her husband would have enough to eat.

This is not to condemn all price cutting. Much of it is necessary, and all we are saying is that the pendulum has swung too far away from the idea of fixed or stable values, and that the emphasis upon cutting and underselling has helped to destroy public confidence in business. For one thing, it plays into the hands of the predatory element in business—those who exaggerate, fake and lie. To them, concentration upon price cutting to the exclusion of all consumer considerations is meat and drink. But the way is rendered easy for this unscrupulous type of retailer to make claims which unfairly reflect upon his honest competitors.

Then, too, the overemphasis upon price is sure to lead to the sale of poor qualities.

Honest merchants are obliged to sell goods of cheap quality and those less inclined to fairness are delighted to substitute poor for good quality when the cry is all for bargains.

All of which means the loss of good will in trade. Thus, from every angle the current insistence upon price cutting is to be regretted. One of the first real signs of the business recovery which all of us so anxiously desire will come when there is an abatement in the mad scramble to cut retail prices below production costs.

gum, the only thing left for a poor man to chew, that's going too far."—Will Rogers.

New Automatic Preliminary Noodle Dryer Patented

The Clermont Machine Company, Inc., of Brooklyn, N. Y. through its president, Carmino Surico recently announced to the trade its newest invention, an Automatic Preliminary Dryer for Noodles, a simple, compact and easily operated machine involving a new idea that is duly protected by patent papers obtained by the firm.

The Clermont company's new device works in conjunction with the firm's Noodle Cutters and Folding Machines and with similar machines of other makes. The builders of the new dryer claim that it will not only serve to shorten the drying process, removing about 30% of the moisture in the first operation, but also that it will improve the product, make it fluffier as it were, thus preventing sticking of the strands. It enables the manufacturer to use a softer dough, thus making it easier handled, places less

strain on the dough sheets in the rolls and gives the finished product a more even, brighter color.

The operation of the new device, illustrated in the firm's advertisement in this issue, is simple. Empty trays are placed in stacks on the rear of the noodle machine and they are automatically feed through the machine and then through the Preliminary Dryer. The trays continue to travel onward and upward and are automatically stacked on a truck ready for removal to the drying rooms for final and complete drying. It's a labor saving device, the only work involved being in supplying the empty trays and removing them when filled.

The firm also announced the invention of a Super-Folding Machine intended for use by large producers. It is capable of making from 30 to 35 folds per minute and is of sturdy construction.

The 2 new devices have been placed upon the market within the past 2 weeks and have aroused much interest and many inquiries from the trade.

"Business will get better when business men go out and make it better."—Paul H. Nystrom.

A Strong Dependable Durum Semolina for Macaroni Manufacturers who Realize that Quality is the Surest and Most Permanent Foundation on which to Build a Bigger and Better Business



QUALITY

SERVICE

KING MIDAS MILL COMPANY
 MINNEAPOLIS, MINN.

The National Association Trade Mark Service

Macaroni and Noodle Manufacturers contemplating the use or registration of new trade marks for their products are invited to make liberal use of this department, specially created for that purpose.

Arrangements have been completed for making thorough searches of all records of the United States Patent Office as to the registrability of any contemplated trade mark. Findings will first be reported confidentially to those requesting the search and later published in these columns without identification.

This service is free to members of the National Macaroni Manufacturers Association. A small fee will be charged nonmembers for this service.

Through competent patent attorneys the actual recording and registering of trade marks will be properly attended to at regular prices to nonmember firms and at reduced rates to Association Members.

Address—Trade Mark Service, The Macaroni Journal, Braidwood, Ill.

Priority Determines Rights

A manufacturer having first registered his trade mark in his home state, observing fully every phase of the state registration laws and requirements, actively started a campaign to popularize it to the many users of the product in that state. For this purpose the firm used billboards, radio and newspapers in addition to direct-by-mail appeal. For about 10 years macaroni products bearing the brand name have been distributed until today the trade mark has greatly increased in value.

Recently an out-of-state manufacturer with a trade mark very similar has been shipping his products into that state and, according to the complainant, garnered benefits that he went to no expense to create. It happens that the out-of-state manufacturer owns a trade mark that was registered in the U. S. Patent Office some time before the other started in business

and when the home manufacturer tried to get his mark registered nationally his application was refused on the ground that a very similar mark had already been registered for macaroni products.

The rights of the 2 contestants conflict. If the owner of the state-registered mark can show that the owner of the nationally registered mark did no business in that state until after the latter had built up a demand by advertising and publicity, then it may claim priority of use in that state even though a similar trade mark was registered nationally but not used in said state.

This brings up quite a technical point and merely emphasizes the need of properly protecting one's trade mark by proper registration and its substantiation through recorded sales transactions that will stand the test of courts. The outcome of this particular case will be awaited with much interest by the par-

ties directly concerned and by all macaroni manufacturers.

Trademarks Are Not Common Nouns

The Patent Office has received numerous protests from trade mark proprietors that their trade marks are frequently used as common nouns in patent specifications, states Thomas E. Robertson, commissioner of patents in a general warning sent to patent attorneys. Applicants and their attorneys are urged to avoid using trade marks in patent specifications and to employ in their stead properly descriptive terms. If, however, a trade mark is used, suitable acknowledgment should be made that it is the trade mark, as, for example, by stating the article or product in question is one which is sold under such and such a trade mark and/or by capitalizing the first letter of the word constituting the trade mark and inclosing the word in quotation marks.

Patents and Trade Marks

A monthly review of patents granted on macaroni machinery, of application for and registration of trade marks applying to macaroni products. In May, 1932 the following were reported by the U. S. Patent Office:

PATENTS

A patent for a macaroni die was granted to Daniel Maldari, Brooklyn, N. Y. Application was filed Sept. 13, 1930 and was given serial number 481680. The official description given in the May 10, 1932 issue of the Patent Office Gazette is as follows:

"Means for producing spiral macaroni, a die having a plurality of removable units therein, each said unit being provided with a centrally disposed well, a discharge port at the side thereof, and each said unit being provided with a cut-away portion adjacent the discharge port, and removable forming means in each said well and at right angles to the longitudinal axis thereof and adjacent and cooperating with the discharge port thereof, each said forming means having a cut-away portion at one side thereof to expedite the dough passing adjacent thereto."

A patent for manufacturing macaroni was granted to Guido Tanzi, Brooklyn, N. Y., as-

signor to Mario Tanzi & Bros., Inc., Boston, Mass., a corporation of Massachusetts. Application was filed Nov. 1, 1929 and was given serial number 404025. The official description given in the May 24, 1932 issue of the Patent Office Gazette is as follows:

"Means for producing spiral macaroni, comprising a die having a uniform outlet and inlet opening and a compound passage therebetween for unbalancing the flow at said outlet opening and a spiral groove positioned opposite said outlet opening for twisting and carrying the macaroni free from said die."

TRADE MARKS REGISTERED WITHOUT OPPOSITION

Donahoe's
The trade mark of Donahoe's, Inc., Pittsburgh, Pa. was registered without opposition for use on macaroni, noodles, spaghetti and other groceries. Application was filed Jan. 27, 1932 and published by the patent office May 17, 1932. Owner claims use since January 1916.

TRADE MARKS APPLIED FOR

The following trade mark applications have been published by the U. S. Patent Office and are in line for early registration unless objection is filed within 30 days of date of publication.

Rola Club

The private brand trade mark of Nashua Baking Company, Inc., Nashua, N. H. for use

on macaroni, spaghetti and other groceries. Application was filed Dec. 8, 1931 and published May 3, 1932. Owner claims use since Nov. 24, 1931. The trade name is in black type.

Sunfed

The private brand trade mark of Commander-Larabee corporation, Minneapolis, Minn. for use on macaroni, spaghetti and other cereals. Application was filed April 9, 1932 and published May 31, 1932. The owner claims use since March 11, 1932. The trade name is in heavy type.

Sole Mio

The trade mark of Vito Costa & Sons, Chicago, Ill. for use on alimentary products, namely macaroni. Application was filed Mar. 21, 1932. Owner claims use since July 1, 1931. The trade name is in heavy type.

LABELS

Blue Seal

The title "Blue Seal" was registered May 17, 1932 by Noodles Products corporation, New York, N. Y. for use on egg noodles. Application was published Dec. 23, 1931 and given registration number 40718.

R-F

The title "R-F" was registered May 17, 1932 by Ruvrino & Franchi Importing & Manufacturing company, St. Louis, Mo. for use on Macaroni. Application was published Dec. 30, 1931 and given registration number 40720.

Curb Destructive Macaroni Merchandising

Association Leads Fight Against *Profitless Selling*, the Indiscriminate Use of Macaroni as a "Loss Leader", the Manufacture of Inferior Grades, and Promiscuous Price Cutting

TODAY'S MACARONI STORY

"Groceries" May 1932

Some Practical Facts for Every Distributer Interested in Profiting Through Macaroni Sales

Today nearly every industry is confronted with the gravest problem of its existence. It might be truthfully said that our present economic system is on trial.

Shall we stand idly by and through our negligence and apathy see our present structure torn down about our heads?

Or shall we once again do as we have always done in the past—courageously arouse ourselves to govern and control the man made practices which strike at the very hearts of our businesses?

Here in this country there is volume sufficient for everyone. In the food field consumption has not seriously declined. If only each of us could make a normal profit on the business we enjoy the depression would be lifted and once more we would be on the open highway progressing toward a better civilization.

There are 2 practices plus a general apathy which hold us back—Our greed for volume, resulting in selling below cost—the flooding of the market with inferior price merchandise.

These practices are always prevalent in periods of depression. We cannot alter the law of supply and demand—

and we are advocating no attempt at this. But we do suggest that the artificial extremes of uneconomic price merchandising and manufacturing can be controlled by its creators (the business leaders of America).

To this purpose these articles are dedicated.

This is a part of a general series, and there must be a first step taken if we are to improve conditions—so we select macaroni, a product that is being seriously injured by present day conditions—a product that does not belong in the loss leader class.

As the importance of this entire series of articles rests upon the accuracy of the estimates contained therein, it is fitting that deep appreciation be expressed to those prominent leaders among manufacturers and distributors who have so generously contributed confidential data out of their vast experience, to enable us to publish facts which we believe will represent a signal, constructive service to the entire grocery industry.

It must be borne in mind that our estimates are for the New York and Chicago districts only and that due allowance must be made for freight differentials in other sections of the United States.—THE EDITORS.

Aroused by conditions that threaten ruin to many in the industry unless immediate relief is given from some inside or outside source, the National Macaroni Manufacturers association is supervising a well laid plan to relieve manufacturers and distributors of this foodstuff if they choose to be helped. It seeks to educate both groups, making them fully realize the futility of continuing their present "profitless-selling," "quality-robbing" practices.

Fortunately for the macaroni manufacturers people must still eat, depression or no depression. The tonnage production has not been seriously affected; it's the dollar return that has suffered. There seems to be volume sufficient for everyone in

the business. It's our profits that have been reduced beyond the point of necessity. Let's curb or entirely eliminate some of the ruinous merchandising practices that are causing our accountants to figure in red.

To lead in the fight, W. F. L. Tuttle, publisher of "Groceries" and other publications has been selected. His choice is both wise and timely. His friendliness with the disturbing group will stand the macaroni men in good stead. Over his signature has gone forth a series of 4 very pointed and suggestive letters and the campaign is being followed up editorially in his magazine, the first of which we reproduce by courtesy of the publishers.

A CHALLENGE

Can a Good Quality of Macaroni Be Sold for 5c? A Discussion of Eight-Ounce Package Goods

By W. F. L. TUTTLE

No distributor can afford to sell a product of inferior quality either under his own brand or under some manufacturer's label. In either instance the distributor is blamed for sponsoring inferior merchandise.

At this time when such a large part of the distributor's total volume is sold at a loss, no merchant can afford to sell at a price that fails to cover his costs, a product which can be sold at a profit. Trade habit in utilizing macaroni as a loss leader is not so firmly fixed that macaroni cannot be put back into the profitable class.

The average gross margin required on private brands, if they are to be sold at a profit, is 37% at the warehouse. This leaves a maximum of but 11% for all selling and advertising costs, an absolute low figure since the minimum average markup on profitable merchandise for the most efficient chain we know of must average 26% (this is in view of the great volume of sales made at a loss). To this is added an administrative cost of 3%, making a total of 40%. These figures were obtained in January 1932 from 2 of the largest and most successful chain organizations in this country, and may therefore be accepted as minimum requirements for macaroni if it is to be sold at a reasonable profit.

Remember that it costs money to advertise and sell in volume any article. If a chain were to feature a well known advertised brand it would expect an advertising allowance or special discount of 5% or more to compensate it for its special costs.

The cost of establishing and maintaining consumer interest in a private brand is considerably more than is the cost of merchandising an advertised brand, for in the latter case the manufacturer does part of the selling and in the former case the distributor must do it all.

Selling macaroni at 5c a package would net the distributor \$1.20 per case: 40% of this would amount to 48c, leaving a net amount available to pay for his macaroni delivered in his warehouse of but 72c.

72c Too Low for Good Quality

Obtaining minimum cost estimates from the leading manufacturers separately on: 1—Cost of raw materials of standard quality. 2—Cost of labor for processing and packaging plus indirect manufacturing costs. 3—Cost of packing materials for the cheapest corrugated packing case available and cheapest printed cartons. . . . indicates conclusively that without figuring any profit or any return on the invested capital of the manufacturer or depreciation for the plant that a good standard quality macaroni could not be delivered to the average distributor's warehouse at this price unless the macaroni was made and sold at a loss. No selling expense except a 5% brokerage and no general administrative expense is included in these figures.

Incidentally the minimum cost estimates supplied to us by leading manufacturers in various sections of the country showed little discrepancy, and therefore clearly indicate that the cost of manufacturing a good standard quality product varies but little regardless of plant location or the method of processing used.

It seems conclusive, therefore, that only an inferior quality

macaroni can be sold profitably at 5c a package to the consumer.

Selling macaroni at 6c a package would net the distributor \$1.44 per case. A gross profit of 40% amounts to 58c a case, leaving the distributor 86c a case with which to pay for the macaroni. Figures clearly and unanimously indicate that a good quality macaroni in the better type of package, attractively labeled, could be neither profitably made nor purchased, including all costs of manufacturing with the exception of the selling expenses other than the 5% brokerage minimum basis, at 86c a case.

It is self evident, therefore, that 6c per package is too low a price at which to sell macaroni. The accuracy of these estimates is demonstrated further by the fact that A. & P. has established as its regular price 7c for an 8-oz. package of their "Encore" Brand, although they occasionally sell below this figure.

Kroger, our second largest chain, sells their own "Country Club" Brand for 7c. First National Stores, the Great New England chain, regularly charge 7c for their "Finast" Brand or 3 packages for 20c.

And so we could cite the examples of the practices of other large chains. As is well known, the chain stores operate on a very narrow margin of profit and most assuredly they do not establish any consumer price at a higher level than is necessary to show a normal profit on their operations. It would, therefore, seem that if private brand macaronis are to cover their costs and to be sold at a reasonable profit, the minimum consumer price should be 7c a package or more. Our estimates are given not to show the price at which macaroni should sell, but to show a price below which macaroni should not be sold.

Selling at 5c or 6c a package or less is very definitely selling below cost, if proper cost accounting records are maintained or it constitutes selling inferior merchandise, in either case, destructive to the industry.

What applies to the chain store equally forcibly applies to the wholesale grocer and his independent retail customers. Chain stores have been cited as examples because their costs are as low as any distributors and their policy is to earn a minimum profit.

It is reckless individualism that results in selling a product below a fair cost, establishing a consumer price so low that other manufacturers and distributors are forced to cut quality to compete.

Whatever harms an industry ultimately harms every individual in that industry. Reckless individualism conducted with no sense of responsibility to the welfare of the industry as a whole will ultimately be controlled by government regulations if it is not voluntarily corrected.

Economies Claimed by Price Cutters

Manufacturers selling at an extremely low price always attempt to justify their prices by claims of special efficiencies and economies. Let us see what economies could be found and what effect it would have on the macaroni:

1—Take flour as an example: Let us not figure on a quality grade. Perhaps a manufacturer could get away with a sec-



W. F. L. TUTTLE

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ondary grade but this would provide a savings of only about 6c a case.

That would not be sufficient to reduce the cost of manufacturing sufficient to justify 6c, let alone 5c macaroni. If a materially cheaper grade of flour is used and as you know great quantities of cheap flour are now on the market—it would noticeably affect the nutrition, flavor, cooking quality and appearance of macaroni and results in producing an inferior product.

2—Consider the matter of labor and general manufacturing expense: Some plants employ extremely cheap labor. If so, they pay for it in lower production, and cheap labor is shiftless irresponsible labor—resulting in effecting a lack of uniformity in the finished macaroni. This brings a high return in broken and unsatisfactory merchandise, complaints to the distributor, and results in no real saving in the end.

New efficiencies found and lower labor costs provide for a saving of approximately 10%, as compared with similar estimates of a year ago, and we do not believe that anyone has safely achieved more than this.

But let us arbitrarily cut this estimate of ours another 10%, which probably could not actually be accomplished, we would still achieve a saving of but approximately 2½c a case, which saving combined with that of flour, would not justify a 5c consumer selling price.

3—With reference to the cost of packing materials, even the cheapest printed carton would not provide savings to jus-

tify 5c macaroni. A good quality macaroni must be properly packed. The label must reflect the quality of the product. Otherwise the macaroni would not enjoy its full merchandising opportunity. Even the cheapest packing material does not justify the sale of 5c macaroni.

Conclusion

It is obvious that no savings can be found sufficient to make economically possible the sale of 5c macaroni or even 6c macaroni, unless that macaroni is inferior in quality or is sold below cost by one or all factors.

In the manufacture of any product come such cost burdens as depreciation, administrative expense and the necessity of including in the selling price a reasonable profit. If a firm does not set aside an adequate sum for depreciation, it cannot continue in business. If a firm does not earn an adequate profit on the invested capital the present management will not be continued. Yet these manufacturing burdens were not included in our cost estimates used above.

Each distributor needs to develop permanent sources of supply and build his business around them. If a distributor deals with one manufacturer this month and another manufacturer the second month and a year from now, he then obtains varying quality merchandise. His buying expense increases. He needs to constantly watch and check the merchandise obtained and generally finds it difficult to build satisfied consumer patronage under such conditions.

What Macaroni Prices Mean to You

If you pay 72c a case—the price necessary to enable you to sell 5c macaroni at a profit—can you be assured of a good standard quality product? If you pay 72c a case are you building for yourself a permanent source of supply? (Remember that enduring losses will drive any manufacturer out of business—no wealth lasts forever.)

Even if a manufacturer sells below cost you will probably obtain a macaroni of varying quality—fair to-day—unworthy of any consumer's interest and confidence tomorrow.

If the distributor packs a private brand he cannot afford to have an inferior macaroni. It will hurt the sale of all the other commodities packed under the same private label.

If the distributor is offering manufacturers' brands he cannot afford to sponsor products unfit for consumption in the homes he serves.

It will ruin his business.

The market is flooded with cheap macaroni. Cases of 24 8-oz. packages are selling for 48c—triple-sealed packages for 51c.

Look over this price estimate of ours. Then ask yourself as we had asked ourselves, what the products offered at ridic-

ulously low prices must be like. Test these products—compare them.

Or perhaps, the manufacturer is a Santa Claus. Perhaps he is big hearted. Perhaps he enjoys selling at a serious loss. Selling below cost is a destructive practice. It spells ruin for those so engaged. It demoralizes an industry.

It leads the weak into price competition—and then quality is sacrificed and inferior goods flood the market.

Consumers without knowing why decide that they don't like macaroni as they had previously enjoyed it.

General consumption then declines—and everyone is hit—little manufacturers as well as big—all due to unwise selling—a failure to know costs—extreme price competition and fooling gullible price buyers.

Distributors sense their responsibility to their customers as never before. Distributors are tired of being fooled.

So this suggestion is made to wise buyers:

Buy quality—you will have to pay considerably more than 72c per case for a quality private brand properly packed—and of course, a great deal more for manufacturers' brands of known value.

Protect yourself—protect your customers.

DO NOT SELL 5C MACARONI

The Distributer's Responsibility

In an address before the American Wholesale Grocers association, President Paul Willis of the Associated Grocery Manufacturers of America, stated:

"The most important factor in all business naturally is the necessity of earning fair profit, and nothing governs that more than does the consumer selling price of grocery products.

"This controls the manufacturers' selling price and the distributors' selling price."

Who sets the consumer selling price?

The distributors of course!

A great responsibility rests upon the shoulders of the distributors. Their practices can demoralize an industry—can injure employment—stop the flow of dividends—curtail the purchasing power of the public and add to the despair of the depression.

The price of finished goods establishes to a large extent the selling price of the raw materials—so demoralized selling prices react upon the producer—and in this case curtail the purchasing power of the former.

We are struggling to adjust ourselves to come out of a great economic depression.

Some of our great leaders, conservatives too, say that the fate of our present capitalistic system will be decided in the next few months.

Anyone who pursues intentionally a destructive practice, contrary to the welfare of this nation, is in truth a public enemy—a menace to the nation—a traitor to the ideals which have established us as an advanced civilization—and furthermore, the pursuit of a destructive practice destroys the perpetrator thereof as surely as he destroys an industry itself.

Much today is done in the name of expediency that does

not need to be done. We imitate "Jones" when it is not necessary to do so. We do things casually, thoughtlessly, without realizing the dire results that follow.

The time has come to stop all of this. The time has come to measure our practices from the standpoint of our contribution to the welfare of the industry as a whole.

STOP DESTRUCTIVE CONSUMER PRICING OF MACARONI PRODUCTS

A Lesson in Loss Leader Arithmetic

The Federal Trade Commission reported in its investigation of chain stores that:—

Approximately 30% of the chain stores volume was sold at a loss of nearly 10%.

Let us take for example, an extremely efficient chain which is still holding its costs down to 22% the lowest figure we know of, notwithstanding the decline in commodity prices and consequent rising distributing costs.

On a sales volume of \$1,000,000 it must earn \$220,000 gross profit.

Loss leader sales would be.....\$300,000
 Gross profits on loss leaders would be..... 36,000
 Gross profits on balance of sales required would need be..... 184,000
 Mark up required on balance of line would need be..... 2628%

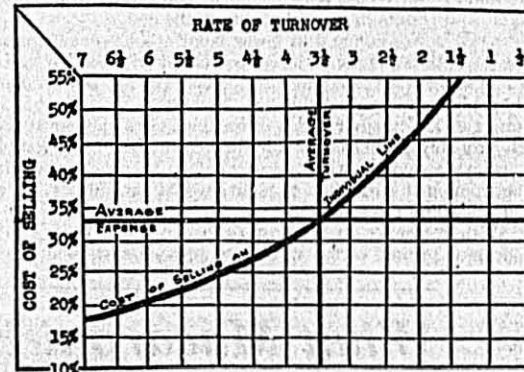
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1. It is doubtful if any large chain is operating on a lower cost basis than 22%. All chains have had serious declines in dollar sales since January 1st.

2. The Federal Trade Commission figures reported conditions as of 1928. Loss leader merchandising has increased since that time materially.

This imposes a grave burden upon the distributor to the effect that the distributor shall establish fair consumer selling prices.

And it seems evident that any price below 7c as the regular price for an 8 oz. package of macaroni and 6c as a special price, is selling macaroni below costs or is selling an inferior quality of product. There is no alternative.



Courtesy Dry Goods Economist, New York
 In any department the cost of selling any certain division of stock differs from the average expense. It varies mainly according to the turnover. In a department whose yearly expense is 33 per cent with a 3.5 time turnover, an individual line having a 5 time turnover probably costs no more than 25 per cent to sell. But a line turning only 1.5 times may cost 50 per cent or more.

Shall Macaroni Be Sold as a Loss Leader?

No! No! No!

It is not necessary to do so.

Here are the reasons why:—

I. Selling macaroni at a profit gives the consumer a food of great economy. It is therefore unnecessary to sell it in volume by means of an artificially low price. At its natural price it has the strong appeal of economy and will attract maximum consumption.

II. Selling macaroni below cost results in the production of "price" macaroni and foists on the public a product inferior in food value, nutrition, flavor, appearance and cooking qualities. This destroys more surely than does anything else the consumption of macaroni.

III. When one powerful distributor establishes a consumer selling price of 5c per package or 6 for 25c, other distributors immediately feature some brand to sell at the same price. Thus everyone sells at the new low price. No one obtains any price advantage over his competitors. Everyone sells at a loss. The greatest immediate losers are the distributors who take pride in their merchandise. The least losers, temporarily, are those who sell inferior goods although in the end, this policy is self destructive. Most assuredly no one gains through destructive price cutting.

Everyone loses—why carry on this practice?

IV. Featuring macaroni at an extremely low price does not attract sufficient added volume to properly compensate the distributor. True, it temporarily increases the sale but does not stimulate sufficient increased consumption to be a profitable

move. People will not cook macaroni simply because a supply is on the pantry shelf. The best loss leaders are those products and brands which are increasingly consumed by means of loading up the home. Such commodities must be great volume selling items such as canned fruits and vegetables, canned milk, coffee, soap, etc. This is not theory but fact demonstrated by the policy of our largest chains. Why sell macaroni at a loss? It is not necessary. It does not pay.

V. Some commodities and brands must be sold at a profit. Some at a sufficiently large profit to offset the losses occasioned by the sale of loss leaders—(according to an investigation by the Federal Trade Commission, 31% of the chain stores sales are sold at a loss of approximately 10%).

Why, therefore, sell any product at a loss that is not a good loss leader and is an actual potential profit maker?

VI. In view of declining commodity prices, distributors' expenses are rising. It actually costs just as much to sell a package of macaroni at 5c as it does at 7c to 10c or more. Even though the percentage of profit was just as great at 5c as it was at the higher price the actual net profit in dollars and cents will be less. Why unnecessarily "bear" the price of macaroni? Why unnecessarily bring about a further decline in dollar sales?

Conclusion

There are many reasons why macaroni should not be sold as a loss leader. What good reasons are there for the inclusion of macaroni in the profitless class? None that we know of. Therefore, why do it?

LET US PUT MACARONI BACK WHERE IT BELONGS

Consolidated Macaroni Machine Corporation

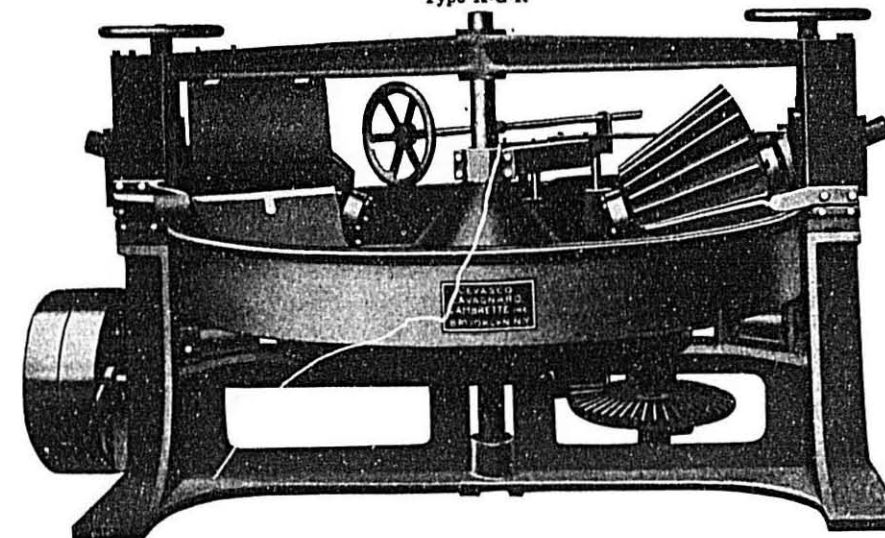
FORMERLY

Cevasco, Cavagnaro & Ambrette, Inc.

I. DeFrancisci & Son

Designers and Builders of High Grade Macaroni Machinery

Type K-G-R



The Kneader is a machine of considerable importance in the production of quality macaroni. Many macaroni manufacturers ask the question, "Why don't my macaroni look as good as Mr.....?" mentioning the name of some other manufacturer. The explanation is very simple. Mr..... is using a properly designed kneader.

Aware of the requirements of this industry, we have designed the Kneader shown above. The proper operation of a kneading machine depends almost entirely on the proper design of the two corrugated cones used for kneading the dough to the proper consistency. After many experiments, we designed the machine shown herewith, which meets the exacting requirements for properly preparing the dough.

This kneader is fitted with an apron to prevent the operator from coming in contact with the revolving pan. Also with a guard to eliminate the possibility of the operator being drawn underneath the cone. Unguarded kneaders have often been the cause of serious injury and sometimes the death of the operator. Both cones are equipped with scraper attachments to prevent the dough from sticking to the cones and revolving with the same, thereby causing much annoyance.

The pan is supported by adjustable rolls which revolve on Timken roller bearings. These supporting rolls are set immediately under the corrugated cones, which is the point of highest pressure. Each cone is independently adjustable and revolves on roller bearings. Due to elimination of unnecessary friction, very little power is required for the operation of this machine.

Built in various sizes up to 76 inches in diameter. Send for our catalogue for further details.

156-166 Sixth Street

BROOKLYN, N. Y., U.S.A.

159-171 Seventh Street

Address all communications to 156 Sixth Street

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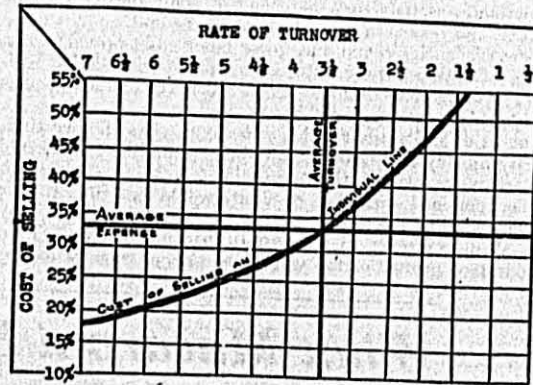
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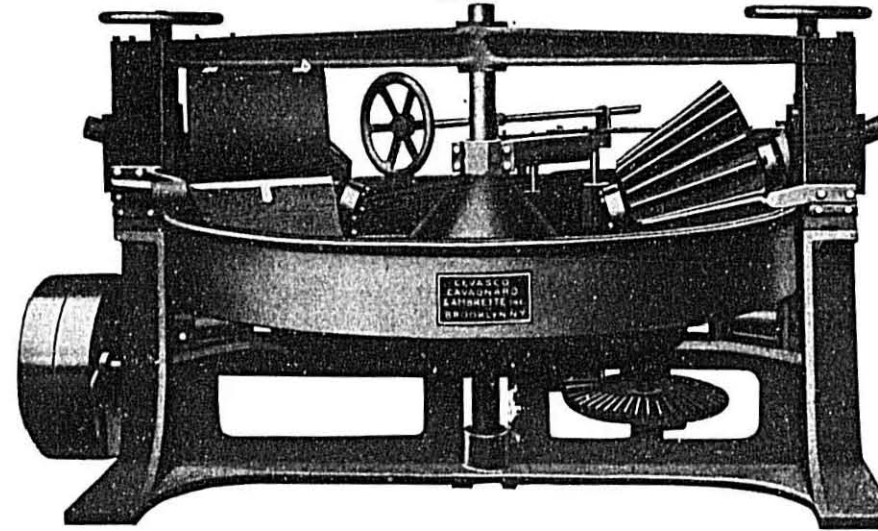
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Secrets of Successful Trade Marking

By Waldon Fawcett

Make Your Trade Mark Depression-Proof

Written expressly for The Macaroni Journal

Years after the depression which started in 1929 has faded into an unpleasant memory, business men in their post mortems will be looking for the secrets of certain mystifying circumstances. Why were certain industries less hard hit than others? How come that here and there in the food industries lucky concerns came through almost unscathed, as compared with the rank and file? Most baffling of all, what made it possible for a few daring souls to launch new products in the midst of the panic and get away with it successfully?

Looking back upon the rare escapes from the full force of the economic hurricane, various and sundry explanations will doubtless be found for the seeming miracles. As macaroni tradesmen have good reason to know, it may fall out even in the food field that what is one man's misfortune is another man's opportunity. Thus, if people with flattened pocketbooks, who require maximum nourishment at a minimum expenditure, shift in great numbers to macaroni as a mainstay of the diet, the effect may be to reapportion volume of purchase without much if any conscious effort on the part of the beneficiaries. Indeed in many instances it has been due to chance or foresight, or both, that the full force of the depression has been dodged.

A fact that is going to stand out startlingly clear as we gain perspective on the commercial collapse is that in an impressive number of instances firms tempered or deflected the blow because, unconsciously or with malice aforethought, they made their trade marks "depression proof." If and when the history of the depression is written frankly and in full, a goodly number of the macaroni and noodle brethren are going to ask anxiously how they may go about it to make their brands serve as lifesavers when another financial storm strikes. Fresh from grueling experiences they are ready to take out insurance on what is represented to them as their surest and safest asset. So we might as well consider the question in a little detail while the enthusiasm is on.

How does one go about it to make a trade mark depression proof? How long does it take? How much does it cost? Such are the questions that come popping. And it might as well be confessed that there is no single short answer. Because circumstances alter cases. For ex-

ample the recipe is more complicated for making depression proof an old trade mark of conventional model, than for armoring a newly adopted mark which has been selected or planned particularly with an eye to rendering it a resource and a refuge in time of stress.

Not to beat about the bush, it may be said that, by and large, the secret of depression proofing in a trade mark is to steadily and persistently educate the consuming public to regard the exploited trade mark as a guaranty of character or quality. Off hand, the reader may say: "But hasn't that already been done?" No it hasn't; not in any considerable number of instances. Nor consistently in season and out. Moreover there are reasons other than sheer laziness for this failure to properly direct the public's conception of trade mark significance.

According to severe ritual it is, for one thing, little less than heresy to proclaim a trade mark as solely a badge of quality. Federal censors and the higher U.S. courts have been busy for years enforcing the stern edict that a trade mark cannot, as such, have the dignity of a trade mark. The difficulty has been that so many timid souls, standing in fear of the trade mark laws have not let themselves realize that a trade mark may have more than one use and meaning. A commodity fingerprint may, indeed, be both a trade mark and a grade mark, at one and the same time.

Personal and corporate vanity will also have to take part of the blame for failure to feature the trade mark function best calculated to render the mark immune from the full shocks of business earthquakes. Undoubtedly, it flatters the vanity of many an executive to think of his trade mark as symbolizing and typifying to untold thousands of citizens the individual personality or corporate identity of the owner of the mark. All very soothing to self complacency. But dreams,—just dreams. Because every day adds to the evidence that the great mass of consumers in the United States do not bother their heads about the who's who of plant ownership. To the hungry horde of over-the-counter buyers the trade mark is preeminently a clue for the confirmation of purchase and a voucher of quality matching that obtained in prior purchases.

A large proportion of the habit-formed users of trade marks continue to employ the trade mark as an identifying medi-

um, and as only that. Their efforts are directed to persuading the public to make a nickname or buy-word of the mark. Just as though it were not almost as easy for Mr. and Mrs. Ultimate Consumer to ask for "Smith's" or "Brown's" as to demand "Rightkind" or "Lucky Choice." All of which technique is not worth many hoots in a severe depression. To be sure, any well advertised brand or proprietary name may be expected to withstand chills to buying momentum longer than an anonymous product. But a bare proprietary name which merely signifies the source of a line of goods will not stand for long against a severe shake down of the standards of living. Consumers may be conscious or subconscious that an identifying mark is the seal of a house that has been honorably in business for 10 or 20 or 100 years. But a passive respect for age will not suffice to hold trade tenaciously in a time of change and turmoil.

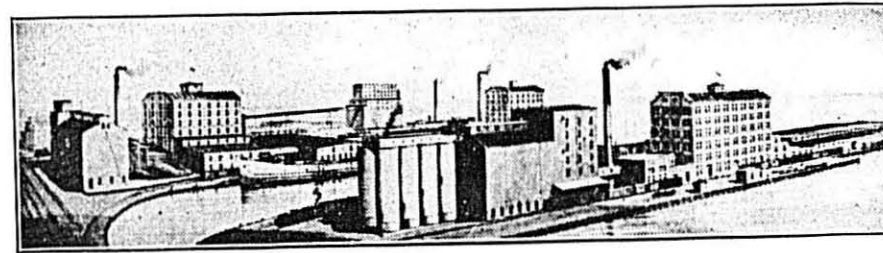
One and only one element in trade mark composition can be trusted to enable the mark to hold its followers and even attract new followers in the face of curtailment and chaos. The all important element is that whereby assurance or reassurance is given of commodity integrity. What will endear a trade mark to the faithful is the privilege of taking the trade mark as a pledge rather than as a pointer. Business derangement when continued for any length of time results in a scrambling of "values." It is notorious that in disturbed times there is, in the case of many products, a cheapening or sacrifice of quality in order to meet or undercut price competition. Consumer confidence is shaken as to so many items that it is but natural that a more than generous reward of patronage should go to the limited number of articles or lines which may be accepted in full faith of sustained quality. Hence the power of a trade mark which, regardless of what is taking place elsewhere, stands as an unimpeachable warranty that the quality of the goods it brands is as good or better than ever. If any considerable portion of the public says to itself "In this trade mark we trust," the fortunate recipient of confidence thus capitalizable may expect business as usual, or nearly as usual, even in times of subnormal demand.

It is just another manifestation of that same confidence that adheres to a time tried mark of quality which allows the

June 15, 1932

THE MACARONI JOURNAL

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MILLS ON THE HARBOR FRONT AT DULUTH-SUPERIOR

HOURGLASS SEMOLINA

*Milled with Precise Care
Assuring Absolute Uniformity
At All Times*

Location Enables the Best of Service
Write or Wire for Samples and Prices

DULUTH-SUPERIOR MILLING CO.

Main Office: 1025 Metropolitan Life Bldg.,
MINNEAPOLIS, MINN.

DULUTH OFFICE: 613 Board of Trade

NEW YORK OFFICE: 210 Produce Exchange

PHILADELPHIA OFFICE: 458 Bourse Bldg.

BOSTON OFFICE: 88 Broad Street

CHICAGO OFFICE: 14 E. Jackson Blvd.

PITTSBURGH OFFICE: 706A Plaza Bldg.

owner of a widely trusted house mark to bring out a new product or enlarge his line, even in times of depression. With the new candidate under a proven banner the undercurrent of good will operates in a slightly different manner. The dependable mark on a familiar article is a hostage for the survival or continuance of a specific nature or quality in that item. The appearance of the same mark on a new member of the family of products cannot conjure up in the mind of the beholder so definite a vision of

flavor or quality. But it serves a parallel purpose in that the very sight of the respected mark inspires in the satisfied customer a purchase-inspiring faith that the new specialty is of a character worthy of association with other items in the line. There is begotten a confidence that the quality which experience has come to associate with the mark will be present in the newcomer and justify its purchase even at a time when consumers must be most cautious in their buying.

Accidental Injury Rates in Food Industry, 1931

Prepared by National Safety Council, Incorporated

The injury frequency rate for the food industry during 1931 was 15.86, and the severity rate 1.01. This frequency rate was higher than in steel and chemical plants, with rates of 10.87 and 12.65, but lower than in paper and pulp and electric railways, with rates of 20.62 and 19.73. In severity the showing of the industry is better; its rate compares favorably with 2.22 for the steel industry, 1.17 for the manufacture of miscellaneous metal products, 1.84 for chemical plants, and 1.52 for the paper and pulp industry.

Nineteen-thirty-one injury records were reported by 231 units in the industry—the largest number ever to report. For 1930, reports were received from only 189 organizations. Increasing interest in reducing accidental injuries is also shown by the sharp gain in the number of companies reporting consistently from year to year; almost 60% of all 1931 reporters furnished their records also for 1930 and 1929. The experience of these organizations shows most accurately the changes in accidental injury rates over a period of time.

Among the various branches of the industry sugar refineries have the highest frequency rate, 20.49, followed by flour and feed mills, and dairies; the lowest rate was made by manufacturers of corn products, 11.23. Plants of the latter type, however, averaged 3.40 for severity which is highest in the industry and considerably in excess of the rates in milling establishments and sugar refineries. The operations of confectionery manufacturers and bakeries are least hazardous, according to their severity rates.

Frequency rates in various branches of the industry, as shown in tables giving individual unit standings are on the whole lower in large organizations than in smaller ones. Superior ability of the large organizations in eliminating serious hazards, as indicated by severity rates, is not so evident. In the milling group, for example, frequency rates are highest in the smallest plants and lowest in the largest

plants, but the contrary is true in severity. Large organizations in some other industry such as steel and chemical have better experience in both rates; but in the paper and pulp and electric railway industries small units are equaling the results of their larger competitors.

Organizations reporting consistently show progress in reducing accidental injuries during the last 2 years. Frequency rates decreased both in 1930 and 1931, the total drop being 24%. The 1931 severity rate is 6% above the 1930 rate but is 17% below 1929. The increase over 1930 was due entirely to the occurrence of one more fatality. Steady improvement in the severity of permanent partial and temporary disabilities indicates the elimination of some serious hazards.

Improvement in frequency was common in plants of different sizes but reductions in severity were not so uniform. Plants with fewer than 100 employees made the greatest reduction in frequency, and organizations with 500 to 999 people show the most consistent results in severity. The poorest record

was made by plants with 100 to 249 employees; their 1931 frequency rate was the highest in 3 years and severity increased from 0.74 in 1929 to 1.16 for 1931. Organizations with over 1000 employees made small reductions in frequency but severity increased slightly during the period. The improvement of the small plants during 1931 is particularly commendable.

An examination of individual records shows wide variations of rates in every branch of industry. Among large bakeries, for example, frequency rates range from 3.71 to 24.66 and severity rates from 0.06 to over 2.00; variations in frequency are even greater in the medium size and small bakeries. Similar good and poor results will be found in other groups where experience is generally worse than in bakeries.

A good frequency rate sometimes goes hand in hand with a good severity rate. This is not always true, however, and it behooves every company to notice carefully its relative standing in both rates. In the large milling units, for example, the company ranking fourth in frequency is eleventh in severity, while the unit with eleventh place in frequency is fifth in severity.

A "happy thought" about preventing an accident is a lot better than many sad ones after it happens.

Free Deals

A mayonnaise manufacturer wrote the other day—"Last year we put on a deal which was a wow! All the stores took to it like a duck to water. We found that it did not increase the consumption of this commodity but in spite of guarded efforts the stuff went bad in the merchants' stores because we could not control or hold it down to a minimum quantity for every store, and the grocer was greedy and bought 4 times what he could use. The deal was constructive, had a purpose behind it, and was carefully thought out and taken into consideration on all of our costs, but yet its result was absolutely demoralizing."

Well, we've talked and preached a lot about free deals to the point where we feared we were embarrassing manufacturers in their own right to carry forth their own merchandising policy, states the executive of the Mayonnaise Manufacturers association in reference to above quoted letters. Free deals have NOT fooled anyone for a long period of time, and the pitiful thing about it is that they don't bring any lasting result. And the amazing thing about it all is that on the whole, and with very, very few exceptions, manufacturers themselves condemn free deals and ALWAYS say that they resort to them only to meet one put on by "the other fellow." Life never ceases to be interesting!

Most automobile accidents are preventable. Don't have any—and the questions won't be asked.

IRON DEBTS AND RUBBER DOLLARS

"We have built up a system founded to a large extent upon credit. Credit means borrowers and lenders. Industry, commerce, transportation, agriculture, mining, all forms of production and distribution—which is a part of production—are borrowers.

"When you have borrowers you have debts and debts must be paid in dollars.

"We have an elastic dollar of unstable purchasing power, a rubber dollar, a dishonest dollar.

"When we have iron debts and rubber dollars neither lender nor borrower is certain of his ground. Only those who deal in money as a commodity, as distinguished from producers of wealth, profit by such a system."—Senator Capper from Kansas.

"Substandard Macaroni" Not Unfit for Food

There seems to be some misunderstanding among macaroni and noodle manufacturers as to just how the proposed amendment to the Federal Food and Drug Law would apply on their products, should the amendment proposed by the macaroni industry pass the present Congress. The sponsors of the macaroni amendment were encouraged in their efforts by the beneficial results experienced by the canners who were among the first of the food distributors to have the protection of the country's statute in fighting the low grades.

How would the "macaroni amendment" work if passed? Federal food officials have recently clearly explained the application of the new label law on canned foods and the proposed amendment would similarly apply to macaroni products. A "substandard" label does not imply that the goods so marked are unfit for human consumption but that they do not meet with the standards announced by the Secretary of Agriculture, standards which are agreed upon after a conference with the manufacturers. Substitute "macaroni products" for "canned cherries" in the release published below and the application of the new law, if and when passed, becomes very clear.

A woman in Nebraska recently bought a can of cherries labeled "Below U. S. Standard, Low Quality But Not Illegal." Somewhat puzzled by the labeling she wrote the Federal Food and Drug Administration asking how a food could be below United States standard and still not illegal. The cherries were not wormy and seemed to her to be in good condition.

Dr. W. B. White, chief of the food control division of the administration, answered her letter explaining that for the first time in its history the United States Department of Agriculture has the authority to establish legal standards of quality for canned foods and to require a substandard labeling on goods which fail to meet such standards. When foods are unwholesome

BULL RUN

"I have been a cowboy and I know something about the psychology of cattle when they stampede. But I never classed men on the mental or mere level of a beef steer, and I am honestly puzzled when I see a hundred million of the children of God acting like a bunch of locoed cattle. That may sound like a harsh judgment but the time certainly has come for some plain talking. I don't for a moment deny we are all in a bad jam. But 90% of our troubles is due to all of us deciding to lose our nerve at the same moment."—Secretary of War Hurley.

or misbranded under the law it is illegal for manufacturers to ship them interstate. But some canned foods perfectly wholesome fall below the standards of quality established under the McNary-Mapes amendments. Such goods must be labeled with the substandard legend.

"The legend which you saw on the can of cherries meant merely that the fruit did not meet the standards announced by the secretary," Doctor White said. This might have been due to small size, nonuniformity of size or unsightly fruit. None of these defects constitutes serious departure from

what is to be expected in good food, but merely serves to render the product less attractive.

The purpose of the McNary-Mapes amendment to the food law is to make it possible for the buyer to know that she is not getting the most attractive and appealing canned food when she buys goods labeled with the substandard legend, although her purchase is wholesome and good food. Food officials of the administration feel that the presence of the substandard legend upon a label of canned food in no way stigmatizes the product.

The passage of the amendment requiring the substandard labeling does not modify the original purpose of the food and drugs act, which is to make illegal the shipment of foods which are unwholesome, adulterated, or misbranded.

Sell Rice Balls to Assure Consumer Satisfaction

There are many advertisers who do not get as much repeat business as they should merely because consumers have unfortunate experiences with their first purchase. Frequently this dissatisfaction is due to the consumer's ignorance of the proper way in which to use the product, says Printers' Ink.

This is particularly true with food items. It is possible for a woman to make some slight mistake in preparation of cooking of the product which leaves it unpalatable. She is usually inclined to blame the product rather than her own lack of cooking ability or carelessness. That is why recipes are featured so frequently by food advertisers.

Sometimes, however, even a recipe which has been tested and found to be satisfactory by the advertiser will not clear this repeat sale hurdle. The trouble may not be with the product or the recipe but with the utensil that is used in cooking.

Realizing that this lack of a fool-proof cooking utensil was standing in the way of many sales, the Comet Rice company decided last year to help women get satisfactory results by recommending the use of a simple device which it calls the Comet rice ball. By experimenting the company had found that this rice ball makes it possible for even the most amateur cook to prepare rice satisfactorily.

Of course, obtaining distribution for this item was not simple. It was decided to sell it to women as cheaply as possible without any profit to the company. At first it was called to the attention of rice buyers by including in each package of white and brown rice an enclosure. This enclosure described the rice ball, told how to use it and offered it to anyone who would send 35c to the company. This little notice

has been pulling large returns. Approximately 60% of the inquiries received for the rice ball have come from the package enclosure. Results have been so satisfactory that it is planned to continue to include this leaflet in every package. More than 12,000,000 inserts will be distributed this year.

At various food shows these rice balls have been on display and many have been sold in this way. During the 10 days of one show some 2300 were sold. The company also works through cooking schools, etc., to gain further distribution for this utensil.

In view of the acceptance which this utensil has met the company has contracted for an unusually large supply, which has materially reduced the cost. The rice ball now sells for 25c.

A number of chain stores have sold a combination of one package of rice and one rice ball. One chain sold 800 in a short period. This chain reports that special offer has materially affected rice sales since then. It is evident that women are getting satisfactory results and are buying more rice.

Returns from the advertising and the package inserts are continuing at a high rate. Over 65,000 have been distributed the last 4 months.

TWO IN ONE

A colored man got his nerve together and took a flight in an airplane. As he climbed out of the ship on its return to the field he turned to the pilot and said: "Suh, ah have to thank you for both dem rides."

"What are you talking about?" said the aviator. "You had only one ride."

"No suh," returned the passenger. "I don had two—mah first and mah last."

A fool and his job are soon parted.

Spices in Macaroni Seasoning

Macaroni as a pure grain product has little else than the natural flavor of the wheat from which the semolina is ground. It is susceptible to almost every kind of seasoning in preparing it for consumption and may easily be made to suit every taste and to meet any demand for variety which seems to be the current desire of millions daily.

In an interesting article prepared for "The Catering World" by Ida H. Keukomm, director of public relations for McCormick & Co. Inc. of Baltimore, the utilization of spices in the preparation of macaroni dishes and other foods is learnedly treated. The article reads in part:

Like some terrible ogre hangs the fear of monotony and sameness in feeding thousands of persons, largely the same identical persons, day after day. New and interesting ways of getting variety in foods are being tried daily. Week in and week out dietitians literally wrestle with menus, balancing them properly from a nutrition standpoint, and endeavoring to turn plain, uninteresting foods into delectable dishes.

The public must be served. So since variety is the spice of life, and spices and seasonings offer such a variety, why not use more spices? They add much to the ordinary plain foods, making them more interesting and more palatable. From the standpoint of health the medicinal virtues of spices have been known for the past 4,000 years. Almost every spice is used in medical practice as an aid to digestion. It is an established fact that they act through the organs of taste, and by direct action on the stomach and intestines the secretion of digestive juices is aroused and promoted.

To help in the preparation of tasty foods the McCormick experimental kitchen has developed new uses for spices and seasonings. Just recently a delicious macaroni loaf recipe was concocted. It will help dress up this old time food to make its eating an intriguing adventure. This recipe is but a sample of many preparations along this line of experimentation but serves to emphasize the value of spices in the preparation of foods of all kinds to suit all sorts of tastes and inclinations.

Macaroni Loaf

8 cups cooked macaroni
4 cups soft bread crumbs

THE VICIOUS CIRCLE

"What we want to accomplish above all else at the present time is to break down the vicious circle of deflation of credit, industrial stagnation, falling prices and loss of purchasing power. To put men to work, capital must go to work. Credit must be sought and freely offered."—Secretary Ogden Mills.

8 eggs
4 teaspoons salt
1/2 cup chopped green peppers
3 cups cheese, cut fine
5 cups tomatoes
1 cup melted butter
2 tbs. mustard (McCormick's)
2 tsp. celery salt
1 tsp. onion salt
1 tsp. paprika
1/2 tsp. white pepper

Method—Mix ingredients and pour into buttered loaf pan. Bake 35 minutes in moderate oven (350 degrees). Unmold carefully and serve.

March Imports and Exports Low

The downward trend in the macaroni export and import trade continues, with exports showing a very sharp falling off. This is gleaned from a study of import and export figures compiled by the U. S. Bureau of Foreign and Domestic Commerce for March 1932.

Imports Hold Steady

The imports of macaroni, spaghetti and vermicelli during March were slightly under the total for March last year, in both quantity and value. Last March Americans purchased 220,109 lbs. of foreign macaroni products for \$14,481 as compared with 227,679 for \$17,622 in March last year.

The importation of this foodstuff continues to decrease slightly according to the figures for the first quarter of the year, when imports totaled 536,396 lbs. worth \$38,398 as compared with 672,682 lbs. worth \$49,450 the first 3 months in 1931.

Export Business Sags

In March this year the exportation of American made macaroni dropped off nearly 40 per cent to 278,876 lbs. worth \$19,212 as compared with 450,719 lbs. worth \$34,813 exported in March 1931.

This same trend has continued since the first of the year, only 991,272 lbs. worth \$67,319 have been shipped to foreign countries and insular possessions during January, February and March as compared with 1,394,744 lbs. valued at \$105,282 the first three months of 1931.

Below are listed countries to which macaroni was exported in March 1932.

Countries	Pounds	Dollars
Irish Free State	6,900	551
United Kingdom	29,820	2,520
Canada	39,321	4,049
British Honduras	471	29
Costa Rica	974	109
Guatemala	1,272	65
Honduras	10,661	493
Nicaragua	3,175	153
Panama	45,397	2,231
Salvador	264	46
Mexico	4,009	668
Newfoundland and Labrador	3,775	237
Bermudas	1,832	133
Barbados	235	22
Jamaica	958	69

Other B. W. Indies	108	9
Cuba	23,000	1,223
Dominican Republic	21,704	1,136
Netherland W. Indies	3,726	244
French W. Indies	40	2
Haiti, Republic of	3,280	181
Virgin Islands	683	47
Surinam	46	5
Venezuela	735	114
British India	14	2
British Malaya	108	16
China	57,500	3,046
Netherland E. Indies	234	25
Hong Kong	2,223	189
Japan	6,022	448
Kwantung	180	30
Philippine Islands	8,693	948
French Oceania	550	36
Belgian Congo	471	65
Union of S. Africa	495	51
Hawaii	106,880	7,414
Porto Rico	38,576	2,283
Total	424,332	\$28,909

"A mind full of constructive thoughts has no room left for gloom."—Roger W. Babson.

Per Capita Wealth of States in 1930

Following is a table showing the per capita wealth by states in 1930, facts that will be helpful to business men in planning sales and distribution of their products.

Alabama	\$1,155
Arizona	3,118
Arkansas	1,430
California	2,692
Colorado	3,165
Connecticut	3,389
Delaware	2,706
Florida	1,710
Georgia	1,377
Idaho	3,577
Illinois	2,958
Indiana	2,786
Iowa	4,322
Kansas	3,381
Kentucky	1,399
Louisiana	1,662
Maine	2,591
Maryland	2,506
Massachusetts	3,144
Michigan	2,419
Minnesota	3,403
Mississippi	1,110
Missouri	2,819
Montana	4,262
Nebraska	3,927
Nevada	5,985
New Hampshire	3,044
New Jersey	2,990
New Mexico	2,057
New York	2,987
North Carolina	1,482
North Dakota	3,653
Ohio	2,859
Oklahoma	1,683
Oregon	3,658
Pennsylvania	3,068
Rhode Island	2,875
South Carolina	1,423
South Dakota	4,356
Tennessee	1,667
Texas	1,720
Utah	3,106
Vermont	2,399
Virginia	2,081
Washington	2,744
West Virginia	2,775
Wisconsin	3,342
Wyoming	4,480

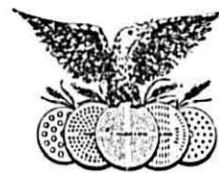
Most accidents happen through want of a little care.

DO NOT BLAME YOUR FOREMAN OR EMPLOYEES IT MAY BE YOUR DIES!

If the paste extruded from your old Dies is rough, uneven, off-color, thick-walled; if it does not compare favorably with paste extruded from your other Die or Dies of similar style, do not blame your employees.

TAKE THE MATTER UP
WITH

F. MALDARI & BROS., INC.



TRADE MARK

178-180 Grand Street

New York, N. Y.

"Makers of Macaroni Dies Since 1903---With Management Continuously Retained in Same Family"

QUALITY FARINA

Available in Round Lots

Milled by
The Southwest's Leading
Farina Manufacturers

The Moundridge Milling Co.

Moundridge, Kansas

Our Farina improves the flavor of your product

F A R I N A

Granulation as
desired

Carlot prices delivered
anywhere

The Consolidated Flour Mills Co.

Wichita - - - - - Kansas

Grocers Side Stepped Hot Weather Slump With Noodles

Amazing Results Last Summer
From Intelligent Effort

By IRVING GRASS
Treasurer, I. J. Grass Noodle Company, Chicago, Ill.

Noodles won't sell in the summer. That's what nine out of every ten grocers have told noodle manufacturers for years. It came to be an accepted fact in the industry.

One grocer who finally became tired of noodle salesmen trying to sell him noodles in the summer months asked one of the salesmen why his organization didn't get out some special recipe folders to help the grocer sell noodles in the summer, if it wanted more business.

The salesman reported the conversation to his employer and the manufacturer prepared a special summer recipe folder. It was found that noodles could be used in a number of special summer dishes . . . all of which required a good many other items in addition to noodles.

Last summer in Chicago several grocers began featuring noodles as a summer food. Customers were given special recipe folders. Displays in the store were made. The grocers took one of the recipes and grouped in the display all of the products called for in the recipe. They found that women not only bought the noodles but bought the other articles that they needed for the recipe, also. Sales began jumping. In many instances the grocers found that their general business began going up at an amazing rate.

This year every alert grocer in Chicago will use noodles to increase his general summer business. One of the noodle manufacturers has had prepared an especially interesting summer recipe folder for the grocers to distribute, and this folder . . . in conjunction with the dis-

play idea mentioned . . . has already accomplished for many grocers a very substantial increase in their business.

The noodle industry no longer accepts the fact that noodles won't sell in summer. They are selling . . . and selling fast . . . and it all came about through one grocer asking a salesman why his company didn't do something to help the grocers, if it wanted more noodle business in the summer months.

A snappy brain-flash when uttered by a millionaire is called an epigram. Otherwise it's just a plain wisecrack.

Two Lazy Boys

When the steam engine was first invented the valve had to be moved by hand. A boy named Billy Hodge sat on a stool beside the engine, first opening the valve, then closing it. Billy was lazy. After giving him a dozen "call-downs" for loafing, the boss finally fired him and hired a boy by the name of Charles Carew.

The joke of it was that Charles was just as lazy as Billy. After a day or so sitting on a hard stool and moving a hot valve back and forth, Charles was so disgusted with the work that he designed a scheme for getting around it.

When the engine was shut down at noon he hunted up a strong cord. He tied one end to the valve and the other to a moving part of the machine, so when

the wheel went round the valve would be jerked open. Then he rigged up a weight to slam the valve shut. Before the afternoon was over he had the fun of being able to lie down on the grass and watch the engine do all its own work.

He was stretched out comfortably on his back when suddenly the boss appeared. Charles scrambled up and was going to tear off the string and get busy on the job again; but the boss shouted: "Leave it alone!"

He watched the contrivance work for some time.

"You little devil," he said. "Tell me where I can find another lad as lazy as you are, and I'll give you a handful of silver. I've a real job for you."

The world needs more lazy people—not the kind too lazy to use their heads, but the kind too lazy not to.—*Champion Chips.*

Bill had the right-of-way all right, all right—but Joe happened to have the truck.

The only thing harder than living up to a good reputation is living down a bad one.

A MOTORIST'S PRAYER

One enthusiastic motorist apparently believes that safe driving rules are applicable for all of life's conduct. He suggests that the following prayer be pasted on all motor vehicles.

"O Lord, teach us to drive through life without skidding into other people's business. Preserve our brake lining, that we may stop before going too far. Help us to hear the knocks in our motors and close our ears to the clashing of other people's gears. Keep alcohol in our radiators and out of our stomachs. Absolve us from the mania of trying to pass the other fellow on a narrow road. Open our eyes to the traffic signs and keep our feet on the brakes. Amen."

And, adds Sunshine Mary, the office runabout, sometimes he loses his sparking space, too.

A fool there was and he took a chance; they carried him off in an ambulance.

PER PASTA PERFETTA
Usate!



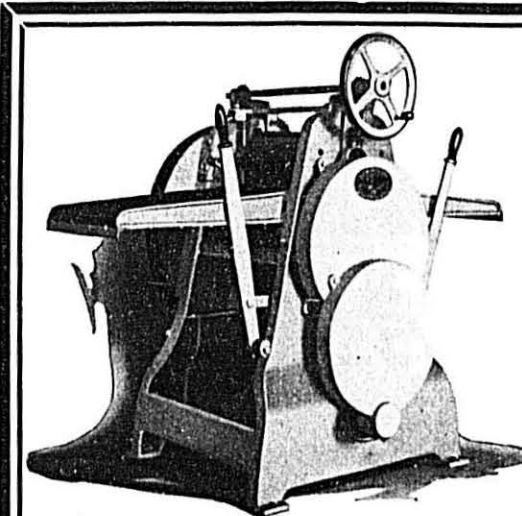
"Meglio Semola-Non ce ne"
Guaranteed by the
Most Modern Durum Mills in America
MILLS AT RUSH CITY, MINN.



"Announcing"

Thru Your Patronage We
Have Outgrown Our
Present Quarters, and
Announce to the Trade
Our Moving
into Larger Quarters to
Better Serve You

THE STAR MACARONI DIES MFG. CO.
57 Grand St. New York City



**A CHAMPION
for YOU!**

Competition in the food industry is keen.

And it seems to be getting more so every day, judging from the many modern macaroni and noodle plants that are installing the Champion Reversible Brake.

The modern, Twentieth Century Model, Champion Reversible Brake represents an immense step forward in efficient, profitable production at low cost.

It has been designed specially to serve your needs and those of other up-to-date plants manufacturing noodles, crackers, soda biscuits, etc.

Its velvety power will speed up your production remarkably and enable you to turn out a remarkably fine quality of brake dough. And, best of all, you can install a Champion Reversible Brake in your plant at low cost—on an easy time payment plan.

The coupon will bring you full particulars. Fill it in and send it—TODAY!

Builders
of
Champions
for
43 Years

Champion Machinery Co.
Established 1888
Joliet, Ill. - - U.S.A.

MAIL THE COUPON FOR FULL INFORMATION—NOW!

CHAMPION MACHINERY CO.,
JOLIET, ILL.

Without obligation send details about the CHAMPION REVERSIBLE BRAKE and the easy time payment plan to me.

Name.....
Street Address.....
City and State.....

Read Our Advertisements

They represent real news—that special information that serves as a guide to the careful and prudent—for the head of the concern,—for the plant superintendent,—for the production manager, who, by keeping posted on the particular advantages which may be got from time to time from the different sources of supply, broaden the scope of their usefulness and perform important economies at a time when good raw materials, efficient machinery are most needed.

Our advertisements are interesting, instructive and the advertisers most worthy of your patronage.

Notes of the Industry

Organize New Macaroni Firm

The public press carries an unconfirmed report of the organization of a firm to manufacture and deal in macaroni products. The organizers are Alphonse P. Viviano, Gaetano P. Viviano, P. Viviano and Mary F. DeRaffaele of Chicago. The new firm will be known as the Viviano Macaroni Manufacturing corporation and will have offices at 919-921 Southwestern av. The capital stock is \$20,000. Further details are not available at present.

New Macaroni Firm in Tacoma

Announcement was made last month of the organization and incorporation of a macaroni manufacturing firm in Tacoma, Wash. It takes the name of the Mission Macaroni Manufacturing company with \$48,000 capital stock. The incorporators are Michael Pesce and Nicholas Forte. Further details of organization are missing.

Macaroni Made in Switzerland

Macaroni and macaroni products have been manufactured in Switzerland for over 100 years notwithstanding the fact that all the raw material used must be imported. In 1930 about 65 modernly equipped establishments, representing a capital investment of more than 9,000,000 Swiss francs, produced in excess of 1,000,000,000 lbs.

Sauce as Sales Incentive

The large macaroni firms do not have a monopoly on all the clever selling ideas.

Fire Destroys Kentucky Plant

A spark from an acetylene torch used in welding on a drying machine set fire to the Kentucky Macaroni company plant in Louisville, Ky. the afternoon of May 26, 1932 and practically destroyed the 3-story plant erected a little more than 3 years ago. The structure was gutted, flour and macaroni stocks destroyed by water and smoke, and the machinery and equipment put out of commission. The loss is estimated at a quarter of a million dollars. Twenty Louisville firemen received more or less serious injuries in fighting the fire.

The fire started about 4:15 p. m. while employees of the General Machine company were at work in the basement welding a dryer, and before water could be brought to play on the small blaze the dryer burst into flames which soon ate into the floors above. Seventy-five employees were at work when the fire started but all made their escape safely. Though the first fire was brought under control by the fighting firemen who had succeeded in confining the blaze to the basement and first floor, an even more serious

fire developed during the night from smoldering macaroni and flour. It was this second fire that gutted the building, reaching the upper floors and the roof before it was brought under control. A one-story warehouse at the rear of the plant was saved. The loss is well covered by insurance, but it will be months before the plant will be ready to renew production. In the meantime macaroni products supplied from Viviano plants in other cities will be used in supplying the customers of the Kentucky Macaroni company.

Joseph Viviano is president of the company that suffered this heavy fire loss, the greatest in recent years in the macaroni industry. Bartholomew M. Costigan is secretary and Thomas J. Viviano is treasurer.

Italian Macaroni in Many Shapes and Forms

In Italy macaroni comes in over 100 different shapes and forms. Natural drying, which is preferred, requires about 10 days and artificial drying about 5 days. Sun dried macaroni is said by Italians to be of better strength and better appearance.

Philadelphia Plant Damaged

An overheated motor caused flames which damaged the woodwork in the plant of the Philadelphia Macaroni Manufacturing company at 11th and Catherine sts., Philadelphia last month. Firemen uncovered the cause of the fire while investigating the charge that racketeers had started the fire, due to the complaint of Proprietor Antonio Morano, that he was being victimized in an attempted

Installs Macaroni Press

The Sweetheart Baking company of Elkhart, Ind. is having installed a large upright press for manufacture of straight goods,—macaroni, spaghetti and vermicelli. The installation is being

"shakedown." A few hours later a man mentioned by Morano in the extortion attempt was found wounded outside Pennsylvania hospital. This circumstance gave rise to reports that the fire resulted from racket incendiarism until the cause of the blaze was finally and satisfactorily determined by the investigators. The fire damage was slight and production was soon in full swing.

Corrections in Connections

In reporting the connections of 2 of the successful traffic managers who aided materially in "Winning The Freight Battle" for lower rates on macaroni products in our May 15 issue, a transposition of names occurred for which we are sorry. L. J. Bequet represents Gooch Milling and Elevator company and Gooch Food Products company of Lincoln, Neb., and N. R. Constant represents the Northern Illinois Cereal company of Lockport, Ill. and not vice versa as previously recorded.

Joseph Freschi Convalescing

Friends of Joseph Freschi of Mound City Macaroni company, St. Louis, Mo. will be pleased to learn that he is recovering nicely from the results of a major operation several weeks ago and that he will soon be able to take up his duties with his firm. His one regret is that he may have to miss the macaroni men's convention at Niagara Falls on June 14, something that has rarely happened since he entered the macaroni manufacturing business.

supervised by M. Ronzone, who has a good knowledge of macaroni making. The installation is expected to be completed within the next few weeks after which the firm will be prepared to sell its products to its many bread and pastry customers and to many others in its vicinity.

Italian Firms Prosperous

The proprietors of the Pastificio Ligure gia Cassanello & Company of Genoa, Italy report that the firm is enjoying an ever increasing demand for its products despite the crisis through which the whole world is passing. Last year the firm's export business totaled 190,000 lbs., a goodly share of which was sent to the United States in the form of egg noodles and gluten pastes. The home office of the company is in Genoa, with plants in that city and in Ventimiglia.

In addition to the better known varieties of macaroni products the firm specializes in the production of "housewife" brand of egg noodles and fancy

June 15, 1932

THE MACARONI JOURNAL

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macaroni, soup macaroni with milk, soup macaroni with egg, soup macaroni with gluten, and curled macaroni.

"Lost—by 120,000,000 people—a sense of proportion."—Calvin Bullock.

Wheat Dominates Agricultural Situation

"Wheat now begins to dominate the current agricultural situation," says the bureau of agricultural economics, U. S. Department of Agriculture, in its June 1 report. "The world supply situation has changed greatly within a year. Surplus producing countries in the Southern Hemisphere have worked their stocks of old wheat down to a total (as of mid-May) about 75,000,000 bushels less than a year ago.

"Although stocks in North America," the bureau continues, "are approximately 38,000,000 bu. greater than a year ago, our probable crop of hard red winter wheat this year has been estimated at less than 240,000,000 bu., which would be less than half that of last season. Hard red winter wheat comprises our chief wheat export. It is grown in the Plains country from South Dakota to Texas. Stocks of native wheat in Europe are reported to be unusually low."

"Our best friend now is the calendar, and the days are slipping by."—Leroy D. Peavey.

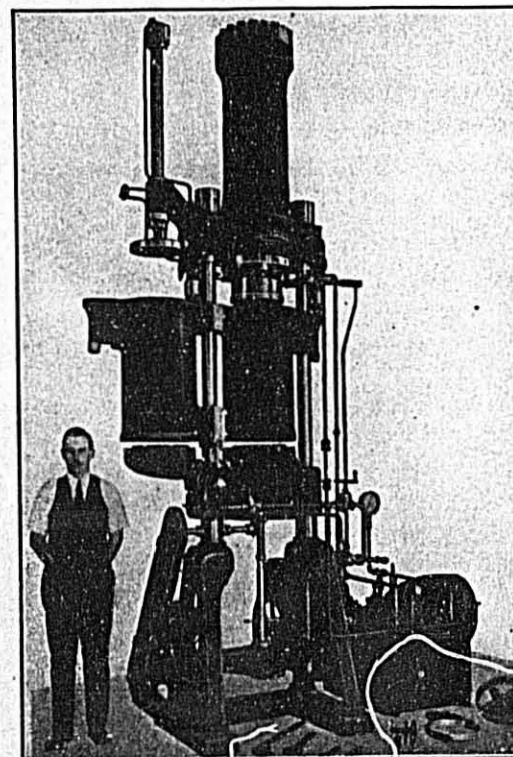
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The MACARONI JOURNAL

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Trade Mark Registered U. S. Patent Office
Founded in 1903
A Publication to Advance the American Macaroni Industry
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Vol. XIV June 15, 1932 No. 2

Noodle Exhibits at Meeting

According to a pre-convention announcement by E. J. Martin, secretary of the National Food Distributors association, egg noodles will form an important part of the exhibit to be held in connection with its 5th annual convention and exposition to be held at the Hotel Sherman, Chicago, Aug. 15-17. Interest in the meetings of this group is always keen in the noodle manufacturing circles, because it was one of the most prominent noodle makers in the country, the late Fred Becker of Pfaffman Egg Noodle, Cleveland, O. who suggested the organization of the wagon and truck distributors and was elected its first president.

Among this year's exhibitors of noodles in cellophane, cartons, transparent bags and in every known serviceable container will be The Pfaffman Egg Noodle company of Cleveland, the Tenderoni company of Joliet, Ill., the I. J. Grass Noodle company, Fortune-Zerega company, and Traficanti Bros. of Chicago. Among the other products to be exhibited are cheese, mayonnaise, pretzels and practically every food product sold in packages, from fish flakes to potato chips.

Pleased with the success of a special feature tried at its New York convention last year the National Food Distributors association at its convention this year will feature "Chicago Retailers Nite" to promote retailer cooperation that has been found so beneficial. The retailers of the Chicago area will be invited as guests of the organization and will be shown the exhibits, entertained, feasted and treated.

Vice President E. W. Rosenheim, president of the North Shore Food Products Co., Chicago is chairman of the convention committee which is in full charge of convention arrangements. I. J. Schumaker, president of the American Cone

& Pretzel company and chairman of the Board of American Bakers association is president of the organization and will preside at its business sessions.

Death Takes Manufacturer

On Sunday, May 29, 1932, Harry W. Wibracht, president of the Check Food Products Company of St. Louis, died following a brief illness. Mr. Wibracht was well known in the macaroni and noodle manufacturing circles of the central west, having for many years been engaged in the production of these products in his home city. He started business while still a young man, making noodles in a small way and selling direct to consumers in his neighborhood, and soon developed his business so that some years ago he and his associates purchased the well equipped plant at 818 8th st. Many times Mr. Wibracht represented his firm in the councils of the National Macaroni Manufacturers association of which his firm was a member. He was particularly interested in cooperative actions such as advertising and educational work.

Mr. Wibracht is survived by his wife, Juanita Lee Wibracht, a daughter Alice, a brother George E. Wibracht and one sister, Mrs. George R. Smith, Jr. of St. Louis. He was a member of Cornerstone Lodge No. 329 A. F. & A. M.; St. Louis Chapter No. 6 R. A. M.; St. Louis Commandery No. 1 K. T.; Moolah Temple, Alhambra Grotto and Loyal Chapter No. 511 O. E. S.

The funeral took place May 31 from Macker-Helderle chapel with services at 2:30 p.m. in St. Mark's Lutheran church. Burial in Sunset Burial Park.

Cooperation to Reduce Merchandise Returns

To decrease the volume of returns by merchants the International Association of Garment Manufacturers is acting as a clearing house for information on retailers who overindulge in this practice, according to the Business Week. Members report to headquarters the names of habitual returners and these names are passed on confidentially to other garment manufacturers who belong to the association. The plan calls for detailing of cases of unfair returns on forms furnished by the association. Buyers mentioned 3 times in this manner receive from the association a letter stating that they have been named as returning goods without cause and requesting that they state their side of the case. It is thought that this will enable manufacturers to go after regular returners without peril to the retailers' ill will.

Operators Cleaning House

"Have just completed an extensive tour of the central and southern states," writes Frank A. Motta, popular executive of the Champion Machinery company of Joliet, Ill. "Am happy to report that many of the macaroni and

noodle manufacturers consulted have started in either a meager or thorough manner in order for the better days that are in the offing. Everywhere they are cutting down expenses, reducing overhead and studying more closely their profitable markets, all with the idea of being in a position to take every advantage of any upturn in the business that is soon expected to develop."

The Muellers in Europe

Henry Mueller, president of C. F. Mueller company, Jersey City and past president of the National Macaroni Manufacturers association is on a tour of Europe accompanied by his wife. They sailed on the SS. Roma the evening of May 13, destined for Naples, Italy where they landed on the 21st. The Muellers will visit all the important cities of Italy and later will tour the mountains of Switzerland, the show places of France and England before returning in the late summer. Incidentally Mr. Mueller will visit some of the largest and most modern macaroni plants in the several countries through which he plans to travel leisurely.

Romances in Modern Business

There are still those who delight in talking about the "good old days when there was romance in business." For the most part they insist that romance passed out of our national business life with the disappearance from the high seas of the old clipper ships so famous in American history. Phenomenal growth in recent years of the automobile industry, the motion picture business and of radio too often seems taken for granted, despite the fact that the files of the Federal Trade Commission are full of unpublished but extremely romantic tales of American business.

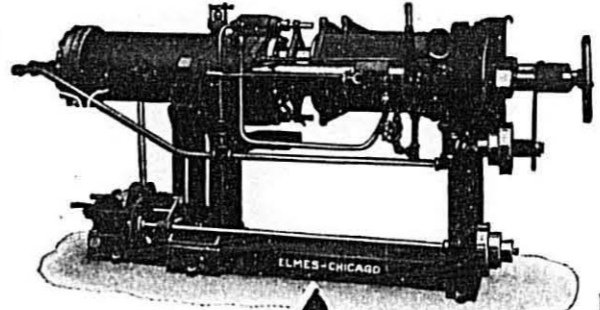
One of the greatest of the romances in business today—a romance which affects every man, woman and child in the United States—concerns the creation of package foods and their nationwide distribution. This business is a far cry from the little corner grocery of yesterday.

For instance, one of the largest package foods companies, General Foods Corp., has annual sales exceeding \$128,000,000 for approximately 80 products which are sold in more than 400,000 grocery stores in this country and in groceries in more than 50 foreign countries. This huge business developed from an idea of an ill traveling salesman who felt a need for a change of diet. That man was the late C. W. Post of Battle Creek fame.

Elaborated upon, the idea of package foods has had a most romantic rise until now nearly all foods can be and are obtained in package form. There has even been romance in the creation of the packages themselves.

A SHORT CUT TO SUCCESS
A Trip to the National Macaroni Manufacturers Association Convention
AND AN ELMES' SHORT CUT PRESS

PRODUCTION
4 1/2 TO 5
BARRELS
OF FLOUR
PER
HOUR



BRASS
LINED
HYDRAULIC
CYLINDERS
STATIONARY
DIE

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Long & Short Goods Driers
Fancy Stamping Machines
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ELEVATE

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OUR OWN PAGE
*National Macaroni Manufacturers
Association*
Local and Sectional Macaroni Clubs

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INDUSTRY

Then--
MANUFACTURER

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The President's Message

It Can Be Done

Sometimes when the world is beset with troubles--when its citizens are confronted with serious problems--a feeling of hopelessness steals over the masses, and for a time, seemingly anesthetizes the courage, sound thinking and confident, far-sighted vision of countless peoples.

In times like these, we are apt to lose our sense of proper perspective. We are apt to see only the conditions of the moment, and many of us have failed to look ahead to the dawn of a new day, coming surely, bringing with it a return of normal business conditions.

Each day that passes is a new opportunity--and each day, therefore, brings with it another chance to put our houses in order and prepare for a natural, normal, happy business life.

Individually we are helpless to do more than to take full advantage of the opportunity existing under prevailing conditions. Collectively, however, our power to improve conditions is practically unlimited.

Shall we be content to see day after day go by wasted because we do not possess the vigor and force to grasp the opportunity to take collective action?

I do not believe that the pioneer spirit which founded this great nation of ours is dead--I do not believe we have lost our ability to think clearly and to grasp the opportunity that each day brings knocking at our doors, waiting for us to awake to the message.

If I could have but one last wish granted as President of this Association, it would be that each member of the macaroni industry could clearly see what I conceive to be the opportunity for accomplishment in association work, and that each member could once more rise and support the association--not alone financially but with his best thoughts--with his active aid and harmony, assisting the macaroni industry to carry on in the promotion of those things which provide for our mutual welfare.

If this could be accomplished I would leave my two years of service as your president, with a feeling that I have been repaid for my efforts many times over--and that we would be progressing safely on the road to the recovery of better business.

Let us rise up and say "It can be done."

—And then let us do it.

Let us work together for our common welfare, each of us actively doing our bit to utilize the great, collective power at our command.

Let us continue to promote a uniform cost and accounting system.

Let us continue our educational work, affecting misbranding and curbing adulteration in cooperation with Federal and State Authorities.

Let us promote the manufacturing of macaroni products of the highest standards of quality.

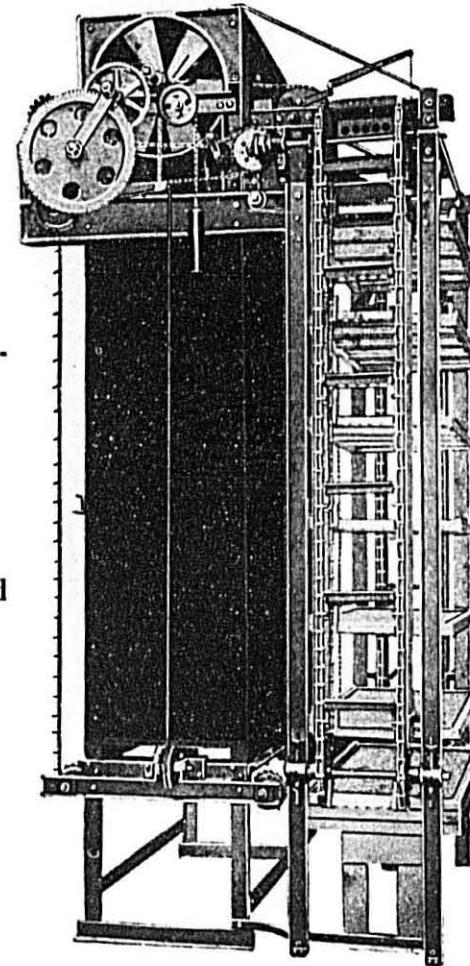
And last, but by no means least, let us educate the distributing trade to buy quality and sell at a profit--at which price great value can be given to the consumer.

Let us do it!

It can be done.

(Signed) FRANK L. ZEREGA
President.

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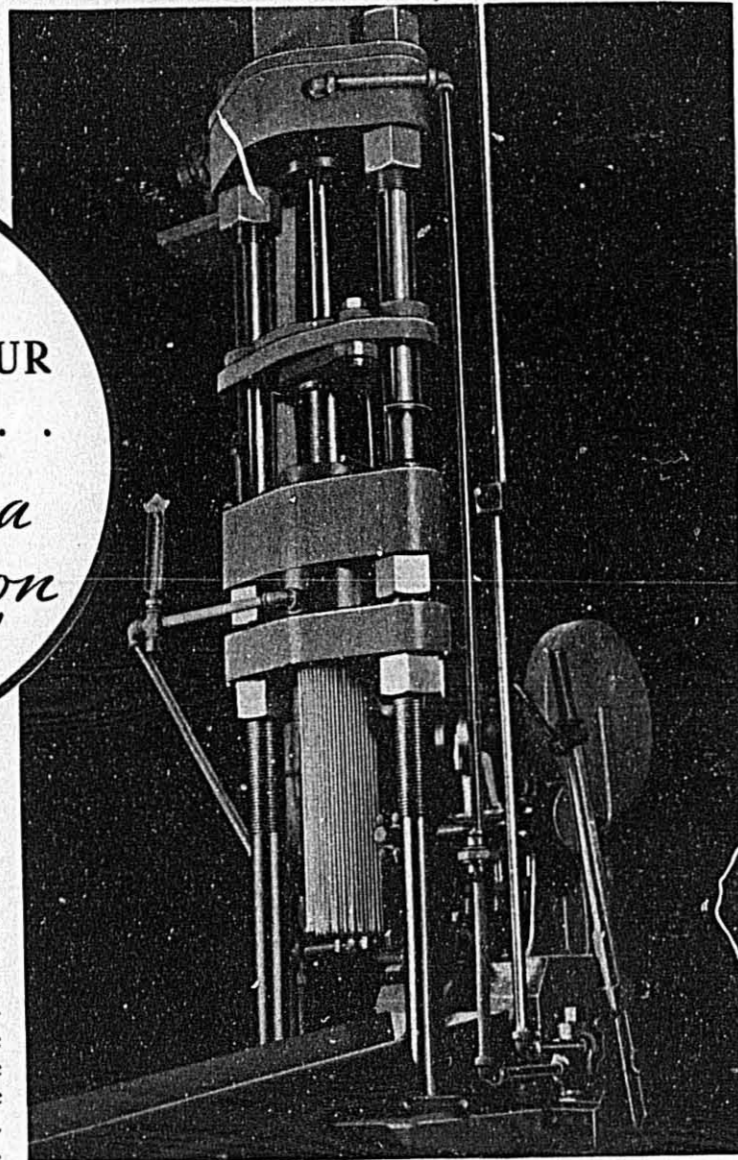
WATCH THE INDUSTRY GROW

WE MAKE
MACARONI IN OUR
OWN PLANT

. to put a
final check on
ourselves!

We want to give you the finest durum products which it is possible to produce. We go out into the wheat fields even before the grain is ripe, and spot the territories which promise to yield the best durum. When the wheat begins to come in, we run test millings on every car we buy, to make sure it is of highest quality. We then mill this tested durum under the most carefully controlled conditions. Every hour a color test is made. Tests for protein are made constantly during the milling. And as a final grand check-up, we make macaroni, in our own plant, operating under the same conditions as are found in commercial plants.

When you buy Pillsbury's Best Semolina No. 1, or Durum Fancy Patent, you can be sure that it has been subjected to every test which man has been able to devise. You may be sure that it will help you produce the finest piece of goods possible, at the lowest possible cost.



Above is a photograph of the hydraulic press in Pillsbury's macaroni plant, in their laboratories in Minneapolis. In addition there are a mixer, a kneader, a die cleaner, a humidifier, and drying cabinets. All this equipment is of regular commercial type, and is used entirely for purposes of testing Pillsbury's durum products, to make sure that they are milled to work perfectly under the most trying commercial conditions.

Greetings To The
MACARONI
MANUFACTURERS

In Convention
Niagara Falls, June
14-15-16

PILLSBURY'S *Semolina*

ORGANIZED APRIL 19, 1904

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INCORPORATED JANUARY 21, 1920

National Macaroni Manufacturers Association

OFFICE OF SECRETARY-TREASURER

M. J. DONNA
P. O. DRAWER NO. 1
BRAIDWOOD, ILLINOIS

July 15, 1932

Macaroni Manufacturers and Friends:

Not all of us were privileged to attend the 29th Annual Convention of the National Macaroni Manufacturers Association at Niagara Falls last month, but those unable to do so for any reason whatsoever missed what we sincerely believe to be one of the best and most constructive conferences ever held by our Industry.

Attached hereto is your copy of the July 15, 1932, issue of our official organ, The Macaroni Journal. We direct your attention to the convention proceedings therein, believing that by reading them you will get a portion of the benefits of the thoughtful and helpful discussions promoted.

Of course, what you will particularly miss in reading the printed report, is the spirit, courage and enthusiasm of those who attended.

You will note particularly, the discussion relative to price-cutting and loss-leader merchandising and the resolution unanimously adopted by the convention pertaining thereto. The recent campaign directed by Mr. W. F. L. Tuttle of "Groceries" to the distributors and explained fully to those who attended our convention made a deep impression on the trade and the distributor is now ready to buy better quality macaroni and to merchandise that macaroni with a great deal of pride. Distributors, it was reported, are now recommending products of real value which will build greater volume of profitable business.

It was unquestionably the consensus of opinion of the manufacturers attending, that they would participate in this campaign and by their own policy, pursue a course in harmony with the subject matter discussed.

It is up to each of us to do our part, and if every manufacturer, whether a member of the National Association or not, cooperates wholeheartedly, macaroni sales will increase and the profit of each manufacturer and distributor likewise increase.

The entire campaign demonstrates the value of association work. It shows the benefits that surely come through unity and through cooperation.

To freshen your memory as to just what was behind the campaign referred to, we strongly recommend a careful re-reading of Mr. Tuttle's article entitled "To-Day's Macaroni Story," which appeared in the June 15, 1932, issue of The Macaroni Journal, and copies of which were sent all leading macaroni manufacturers and distributors. Reprints of this article may be had at a cost of \$35.00 a thousand. Copies of it should be handed all your salesmen and copies sent to all your customers in the wholesale and retail trade.

In conclusion, may we leave with you this very definite impression, namely—that the demand for quality merchandise will be increased, that there will be less uneconomic price-merchandising, that the opportunity for the sale of macaroni at a profit will improve.

Will you give us your cooperation?

Yours for better business,

National Macaroni Manufacturers Association,

M. J. DONNA, Secretary-treasurer.

1932-1933
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