

**THE
MACARONI
JOURNAL**

**Volume 52
No. 7**

November, 1970

Macaroni Journal

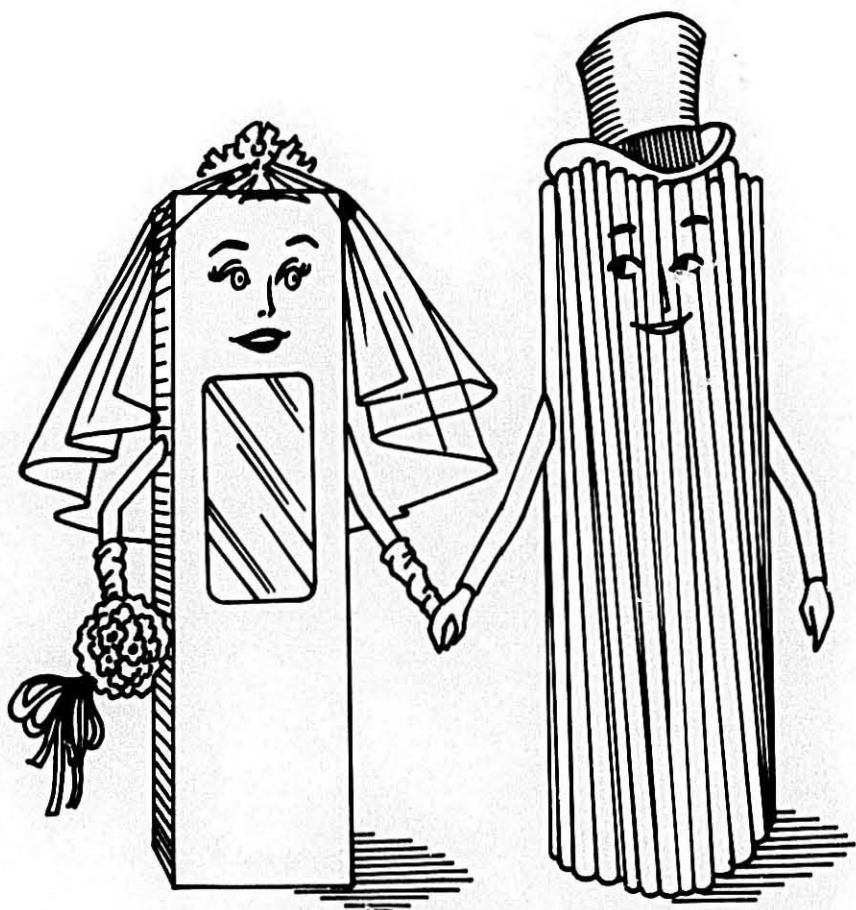
OFFICIAL PUBLICATION
OF THE
NATIONAL
MACARONI MANUFACTURERS
ASSOCIATION



NOVEMBER, 1970

*Macaroni as an
hors d'oeuvre*





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The Macaroni Journal

November
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Cover Photo

Spaghetti Squares make an unusual hors d'oeuvre. The little squares are deep fat fried and served hot as finger food to accompany beverages. They were on the menu at a reception given by the National Macaroni Institute at the Food Editors Conference. Story on page 6.

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MEETINGS

- Congressional Reception in Washington
- Macaroni Family Reunion
- San Francisco Regional Meeting
- Reception at Food Editors Conference

In Washington

SOME forty macaroni manufacturers and allies met in Washington, D.C. September 15 to hear government officials and association executives give aspects of the national scene.

President Vincent F. La Rosa greeted the group and declared: "We are in Washington because we must be heard and we must listen—in this way we will help our industry, we will help our country."

Counselor Harold Halpenny introduced the head of their Washington office, Jim Mann. They noted that the wave of complaints from consumers had bogged down the staff of the Federal Trade Commission to the point where they were three weeks behind in acknowledging the receipt of letters.

Grain Outlook

Carl Farrington of the Grain Branch, Department of Agriculture, observed that the supply of durum wheat was good. The outlook is for production of 53,000,000 bushels, carryover as of July 1 was 70,000,000 for a total of 120,000,000 bushels. Disappearance is expected to run about 70,000,000 bushels, which would leave a carryover next July 1 at 55 of 65,000,000 bushels.

While he reviewed the confused legislative situation, the Senate was in session considering the Farm Bill. That day they voted to impose a \$55,000 subsidy limit for each crop on wheat, feed grain, and cotton. A \$20,000 ceiling was rejected.

The Wall Street Journal said: "In broad terms, the Senate bill would negate much of Agriculture Secretary Hardin's 'set-aside' concept as incorporated in the House bill. This seeks to do away with the parity base for Federal crop support currently in effect under 1965 farm laws expiring at the end of 1970.

"Instead loan rates would be pegged to world prices, and farmers would be given the freedom to produce in accordance with market demands. (The Hardin program would encourage farmers to set aside acreage not needed for production much as present land diversion requirements currently operate.)"



President Vincent F. La Rosa

The bill now goes to a conference committee where significant differences with the House version must be worked out.

Fred Mewhinney, Washington representative of the Millers National Federation, said the food industry is on trial. "We must speak up . . . and tell government and the public what we are doing. If we are doing wrong, we must change," he declared.

He pointed to the announcement of ITT Continental Baking Co. in the wholesale segment and National Biscuit Co. in biscuits and crackers in going entirely to enriched flour, as a publicity of a positive nature.

He remarked, "I'm not sure we can get rid of the wheat processing tax—the consumer doesn't know or care about it."

Feeding the Needy

Marvin Sandstrom of the Food & Nutrition Service, Department of Agriculture, said only ten out of some 3,000 counties in the U. S. are not giving some kind of food aid to the needy either through food stamps, Food Distribution Program, or Child Care Program. He noted that the Child Nutrition Program had a budget of \$1 billion dollars this year, up from \$685,000,000 last year and double that of two years ago.

High acceptance of wheat-soy macaroni has led to purchases of around 3,000,000 pounds monthly. Purchases will continue as long as the program is funded. What will be done in the future is dependent on research industry does. General Foods is working up cost fig-

ures and data on several specialty macaroni products.

Questioned on the use of macaroni in the School Lunch Program, Mr. Sandstrom declared that at present macaroni could not be counted on the daily requirements for protein and until it can it will not be donated. There is a job to be done here.

Nathaniel Geary from the Compliance Office of the Food and Drug Administration reiterated the points made at the Seminar on Good Manufacturing Practices held by NMMMA and FDA last spring. Quality control processes should be used by every company—concepts of sanitation have improved.

Nutritional Awareness

Larry Zoeller of the Food Council of America told of the Nutritional Awareness Campaign. The Food Council is an umbrella association, originally with seven members, now with 28 food-industry oriented associations. Much of the sponsorship and funding comes through the National Association of Food Chains.

Through the program, the food industry will show its concern for America's poor eating habits by (1) developing more knowledgeable food shoppers; (2) widely disseminating nutritional information; (3) urging them to utilize nutritious foods.

The national campaign conducted during September and October has been proposed for a five-year period. Basic theme is "Food is Value—Eat the Basic 4 Foods Every Day."

Family Circle magazine, as an example, supported by eight national advertisers, offered the Council 16 full-color pages of advertising at no charge. The ad series begun in September will run every issue through 1971, reaching over 11,000,000 adult women readers every month. The September issue had an editorial treatment of macaroni product recipes.

U.S. Chamber of Commerce

Fred Stokeld of the International Group, Chamber of Commerce of the U. S., noted that macaroni imports last year were worth \$2,800,000 compared to exports of some \$300,000. He suggested exports might be increased with efforts through the 32 American Chambers of Commerce abroad and with trade mission groups.

Hugh McCahey of the Chamber's Association Department told of the con-

sumerism movement and pending class-action legislation; the dangerous Occupational Health & Safety legislation that would give czarist power to the Secretary of Labor; and the Chamber's political action programs that have gotten more than 100 industrial groups involved in the process of government.

Joe Scudero of the National Small Business Association observed that 98% of the economy is small business, that they employ 54% of the labor force. We still enjoy the free enterprise system, but it may not be for long if we do not stand up and fight for the rights of the business community.

Congregational Reception

About a dozen Congressional representatives and aides joined the group for a reception on the roof-garden of the Washington Hotel and then dinner of Italian cuisine at Aldo's Eagles Nest on P Street. It was a worthwhile day.

In San Francisco

Some two dozen macaroni manufacturers and allies met for lunch at the Mark Hopkins Hotel on September 24 and then saw a slide presentation on the consumer revolution and the macaroni industry product promotional program conducted by the National Macaroni Institute. Highlights of the Washington meeting were reviewed.

Food Editors Conference

In the evening, the National Macaroni Institute sponsored a cocktail party and reception in the Fountain Room of the Fairmount Hotel. The room was attractively decorated with beautiful floral arrangements and a buffet table with macaroni product hors d'oeuvres. The room opened into a garden court, and two musicians played Italian music. Some 130 food editors joined the 20 or so macaroni representatives, plus the Sills staff, for an exciting hour and a half.

Ed Sills introduced the macaroni representatives from Seattle, Portland, Oakland, San Francisco, San Leandro, Los Angeles, and from the Midwest. President Vincent F. La Rosa gave greetings to the editors.

Thank You's

Miriam Fetherolf of the Van Nuys News was the first editor to write her thanks. She said: "Thank you so much for your lovely reception. The use of your products for the cocktail hour was done so beautifully, and it gave us ideas to pass along to readers. Express my

appreciation to all in your industry."

Mae Belle Pendergast, Woman's Editor of the Sacramento Union, wrote in her columns: "Food and More Food to Sample—Along with receiving wonderful recipes, food editors at the national convention in San Francisco are sampling and viewing some of the latest products which will be in distribution soon throughout the country." Among the new products she mentioned were Jolly Green Giant's Rice-and-Almonds, R. J. Reynolds Foods' Holiday Baking Ideas, Chun King Mandarin Rumaki—tiny hors d'oeuvre kebabs made with water chestnuts and soy sauce, etc. etc. From breakfast until late dinner, such as the Pillsbury Party at the International Trade Exchange, the food editors were winned and dined for five solid days.

The National Macaroni Institute was privileged to have an opportunity to entertain them and give them recipes.

MACARONI FAMILY REUNION

THE fourth annual "Macaroni Family Reunion" was celebrated at Tiro A Segno in New York's Greenwich Village September 16, 1970. This press luncheon, sponsored by the National Macaroni Institute, was hosted by executives from macaroni manufacturing companies in Illinois, Missouri, Nebraska, New Jersey, New York and Tennessee. Among the guests were food editors of the country's leading consumer magazines, newspapers in the Metropolitan New York area, syndi-



Antonio Manfredi

cated columns, Sunday supplements and commentators of radio and television as well as members of extension service and food publicists.

The unique private club, with a distinctly Italian air, was an ideal place for the friendly exchange of ideas and recipes for pasta. The club's name means, in rough translation, "hit the mark." The charming and dignified steward, Antonio Manfredi, did indeed score with the guests with his menu. The traditional and bountiful anti-pasto buffet was artistically arranged on a long table in the middle of the Garden Room. More than a dozen delicacies—cheese, sausage, olives, salami, tuna fish, prosciutto and such—offered a tantalizing choice.

Pasta Presented

Also on the buffet were two of the three pasta dishes served. Lasagne Verdi Bolognese was a departure from the usual tomato sauced dish: delicately flavored and colored spinach lasagne were layered with a sauce of ground beef and sausages, then covered with a cream sauce. The superb flavor is attributed to the long cooking of the sauce. "You must cook the bechamel an hour," says Mr. Manfredi in a firm tone. Mezzani with Salsa di Pomodoro was the other macaroni dish on the buffet. While the Salsa is not considered a meat sauce, ground beef is necessary to give it a full flavor. Also contributing to the flavor is the four-hour cooking time. The pleasantly smooth consistency comes from cooking the sauce through a fine sieve. The Salsa di Pomodoro is ideal for almost any shape of pasta. The recipe given here provides for 2 quarts because this is a sauce which may be made in quantity and frozen for use on short notice.

Special Care

All who have attended the annual New York press luncheon at Tiro A Segno know that Mr. Manfredi will serve spaghetti only in small batches at a time. This is because of his firm belief in serving it only freshly cooked and piping hot. Therefore, as usual, there was a dramatic moment at each table when the platter of Spaghetti with White Clam Sauce appeared. As served at the club, the clam sauce is made from raw clams, opened with a clam knife. (No steaming or other heat treatment to open them up!) The recipe given here, however, does give two alternate methods for opening the clams for those without the clam knife or the know-how to use it.

(Recipes on the next page)

Spaghetti With White Clam Sauce
(Makes 4 to 8 servings)

4 dozen cherrystone clams, cleaned*
¼ cup butter
¼ cup olive oil
½ cup chopped parsley
4 cloves garlic, minced
Salt and freshly ground pepper
2 tablespoons salt
4 to 6 quarts boiling water
1 pound spaghetti

Place clams in shallow pan and heat in 350° oven 5 to 10 minutes or just until shells open slightly. (Or shake clams in skillet over high heat just until they start to open. With a sharp knife open clams and scrape out meat into a colander placed over a bowl. Pour all clam juice in shells and pan into colander. Pick over clams (or wash) to remove any bits of shell. Allow clams to drain in colander, then chop coarsely and set aside. Pour clam juice (there should be about 3½ to 4 cups) into a saucepan and simmer until reduced to 1½ cups.

In large saucepan over medium heat, cook butter, oil, parsley and garlic 2 minutes, stirring occasionally. Add reduced clam broth and chopped clams; simmer uncovered about 3 minutes. Taste and add salt and pepper as desired.

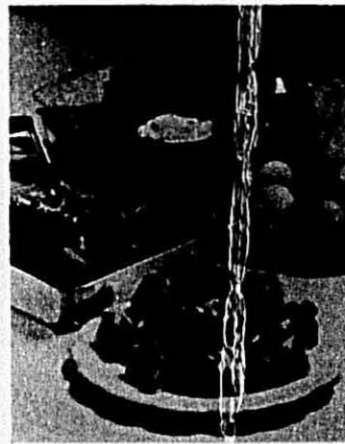
Meanwhile, add 2 tablespoons salt to rapidly boiling water. Gradually add spaghetti so that water continues to boil. Cook uncovered, stirring occasionally, until tender. Drain in colander. Serve in shallow bowls topped with clam sauce.

*To clean clams: Scrub clams with a brush under cold running water. Then, if desired, place clams in large pot; add 2 tablespoons salt, 1 cup cornmeal and 5 quarts cold water. Chill 2 hours. (This makes clams eject sand and waste material.) Drain and rinse clams; drain again.

Note: If you have a good clam knife and the necessary skill, open the clams raw without heating.

Surprise! Macaroni As An Hors D'Oeuvre

It is expected that the food manufacturers participating in the Newspaper Food Editors Conference will serve up their specialties. This is easy enough to do at breakfast, lunch or dinner. But what could the members of the National Macaroni Institute come up with for a pre-dinner reception? Plenty, it turned out, at the Festa della Pasta on September 24 at the Hotel Fairmont in San Francisco,



Macaroni Spinach Tortine

In a free translation of a popular Italian recipe, Macaroni Spinach Tortine were served warm to be eaten with the fingers. It is a bit of a surprise to think of macaroni—and spinach, for that matter—as appropriate foods for hors d'oeuvres. However, these little green and creamy white squares were marvelous accompaniments to the beverages served. The recipe is amazingly simple and can be prepared ahead of time. All one has to do is warm it up and cut into little squares for serving. This is actually a double-duty idea; this same recipe makes a good dish to serve at mealtime along with the meat course. You just cut larger squares.

Lasagne Popular

Lasagne continues to gain in popularity and many homemakers are looking for new ideas for using these big noodles. The macaroni manufacturers supplied a clever new method for the food editors to sample. The lasagne are cooked in boiling water as usual, then spread with a subtly flavored filling before rolling up pin-wheel style. Leave the rolls whole for a main dish, or cut them in half for hors d'oeuvres like those served at the macaroni reception. Then the rolls or rollettes are arranged in a baking dish, sauced and baked. We obtained the recipe for Lasagne Rollettes in Tomato Sauce, which contains ground beef and is a hearty dish whichever of the two ways you choose to serve them.

Noodles and Spaghetti

Every macaroni manufacturer likes to talk about macaroni—and that includes noodles and spaghetti as well. And they all like to talk about different ways to prepare pasta. Among the delicious ideas discussed in San Francisco

was a beautifully simple way with spaghetti. We were able to obtain the recipe for Mushroom Spaghetti, and hope you'll enjoy it.

Macaroni Spinach Tortine

Vegetable shortening
Fine dry bread crumbs
2 teaspoons salt
2 to 3 quarts boiling water
1¼ cups elbow macaroni (5¼ ounces)*
½ cup water
1 package (10 ounces) frozen leaf spinach
4 eggs
¼ teaspoon salt
Dash pepper
1 cup (8 ounces) ricotta cheese
1 cup grated Parmesan cheese

Grease bottom and sides of a 9-inch square cake pan; add some fine dry bread crumbs and shake pan until coated. Set pan aside.

Add 2 teaspoons salt to rapidly boiling water. Gradually add macaroni so that water continues to boil. Cook uncovered, stirring occasionally, until almost tender. Drain in colander. Macaroni should measure about 3 cups.

Bring ½ cup water to a boil in medium saucepan; add spinach and break up with a fork. Bring spinach to a boil; simmer uncovered for about 2 minutes. Drain off water from saucepan and press spinach between paper towels to remove excess moisture. Chop spinach very fine.

Beat 3 of the eggs, ¼ teaspoon salt and pepper thoroughly in large mixing bowl; stir in ricotta and Parmesan cheeses, spinach and 3 cups cooked macaroni. Turn mixture into prepared pan; smooth surface with spatula. Beat remaining egg in small bowl; brush on top of mixture with pastry brush. Bake in 350° over 30 to 35 minutes or until a metal knife inserted in center comes out clean. Run a small spatula around the sides of pan to loosen; cut into 36 squares, 1½ inches. Serve warm

(This recipe can be prepared as much as a day ahead and refrigerated uncut. To serve, allow to come to room temperature and heat in foil in 350° oven 5 to 10 minutes, before cutting.)

*Or use 1 cup (7½ ounces) orzo. Bake a little longer, about 40 to 45 minutes.

Note: This also makes an excellent mealtime accompaniment to ham or tongue. Serve hot. Cut into larger, equal squares for 4 or 6 servings.

Lasagne Rollettes in Tomato Sauce
(Makes about 30)

1 tablespoon salad oil
1½ pounds ground beef chuck
1 medium onion, chopped
2 teaspoons salt
¼ teaspoon pepper
¼ cup chopped parsley
Grated Parmesan cheese
16 ounces ricotta or creamed cottage cheese
1½ tablespoons salt
4 to 5 quarts boiling water
¾ pound curly edge lasagne (about 15 pieces)
Tomato Sauce*

Heat oil in large skillet; add beef and onion and brown. Add 2 teaspoons salt, pepper, parsley, 2 tablespoons Parmesan cheese and ricotta; mix well.

Add 1½ tablespoons salt to rapidly boiling water. Gradually add lasagne so that water continues to boil. Cook uncovered, stirring occasionally, until tender. Drain in colander. Lay noodles on clean dish towels or wax paper. Spread meat-cheese filling on lasagne; roll up jelly-roll fashion and cut in half. Pour a small amount of Tomato Sauce* in bottom of 13 x 3 x 2-inch baking pan. Arrange rollettes curly edge up in baking pan. Pour remaining sauce on top and sprinkle with Parmesan cheese. Bake in 375° oven 25 minutes.

*Tomato Sauce: Sauté 1 medium onion, chopped and 2 cloves garlic, chopped in 3 tablespoons olive oil until lightly browned. Add 1 can (28 ounces) plum tomatoes, 2 cans (6 ounces each) tomato paste, 1 can (10½ ounces) condensed beef broth, 1 teaspoon salt, ¼ teaspoon each basil and oregano leaves and ½ teaspoon crushed red pepper; mix well. Cover and simmer 1 hour.

Note: Make this a main dish by leaving lasagne rolls uncut. Makes 4 to 6 servings.

Mushroom Spaghetti
(Makes 4 servings)

1 tablespoon salt
3 quarts boiling water
8 ounces spaghetti
½ pound mushrooms, thinly sliced
¼ cup butter or margarine
1 cup freshly grated Parmesan cheese
Add salt to rapidly boiling water. Gradually add spaghetti so that water continues to boil. Cook uncovered, stirring occasionally, until tender. Drain in colander.

While spaghetti is cooking sauté mushrooms in ½ cup of the butter until golden. In same pot in which spaghetti was cooked, toss together mushrooms, spaghetti, remaining butter and cheese until butter and cheese melt. Serve immediately.



Noodle Party Pancakes
(Makes about 80)

1 tablespoon salt
3 to 4 quarts boiling water
8 ounces fine egg noodles (about 4 cups)
2 eggs
¼ teaspoon salt
¼ cup butter or margarine, melted
Butter

Add 1 tablespoon salt to rapidly boiling water. Gradually add noodles so that water continues to boil. Cook uncovered, stirring occasionally, until tender. Drain in colander.

Beat eggs with ¼ teaspoon salt in large bowl; stir in melted butter. Add warm noodles and toss until mixed. Melt about 3 tablespoons butter in skillet over medium heat; drop by tablespoonsfuls to make small pancakes. Sauté on both sides until golden brown; add more butter to skillet as needed. Serve hot with sour cream and caviar.

Note: This same mixture can be used for larger pancakes about 3½ inches in diameter. Good with ham or bacon, served with honey or maple syrup for breakfast or lunch. (Makes about 20 pancakes, 4 to 6 servings.)

Record Macaroni Consumption

"Americans will eat more macaroni products in 1970 than in any other year of the 194-year history of the macaroni industry." This was the gastronomic projection reported at the Macaroni Family Reunion, the fourth annual press luncheon given by the National Macaroni Institute at the private club Tiro A Segno in Greenwich Village. Forecaster was Vincent F. La Rosa of Westbury, New York. Mr. La Rosa, president of the National Macaroni

Manufacturers Association, announced that based on figures for the first six months more than 1.4 billion pounds of macaroni products will be consumed this year.

Translated into miles of spaghetti, this total consumption figure would stretch out to 119,848,000 miles—enough spaghetti to make 65,000 round trips from Hamburg, New York to Tomato, Arkansas.

Per capita consumption of macaroni, spaghetti and egg noodles for 1970 is expected to increase half a pound over that of 1969 for a total of 7.1 pounds. This means that each and every one of us will polish off the equivalent of 3,509.2 feet of spaghetti.

Reasons

Mr. La Rosa gave four reasons for upsurge in pasta consumption. Macaroni products provide economical meals which are nutritious and good tasting—a big role to play in this era of high food costs. He continued: "Americans are becoming much more aware of the versatility of macaroni products which can be used in simple dishes such as macaroni and cheese, and also in gourmet dishes such as Noodles Alfredo." Consumers are also realizing that one doesn't have to spend hours and hours brewing a sauce for spaghetti, but that macaroni combined with other convenience foods provide the basis for hundreds of quick and easy meals. And finally, said Mr. La Rosa, the services of newspaper food editors and food specialists of other media have helped to educate the public on the economy, nutritive value, versatility and convenience of macaroni products.

First Lady of Macaroni

Mrs. Richard M. Nixon was named "Macaroni Woman of the Year" by the National Macaroni Institute on September 30.

"Pat Nixon appeared to us to be a logical choice," reported Robert M. Green, executive director of the Institute. "After all, she is our First Lady of the land and secondly, she proclaimed in Rome while awaiting her husband's return from the Sixth Fleet visit, that spaghetti is her favorite dish."

Italy may be regarded by many as the originator of macaroni products like spaghetti, but the American homemaker including Pat Nixon has taken macaroni to her heart and created scores of new macaroni recipes completely foreign to Italy, Green related.

Mrs. Nixon's selection for the title came slightly before the beginning of National Macaroni Week, October 15-16. (Continued on page 8)

First Lady —

(Continued from page 7)

24, but it was hoped her award would be ready by that time.

The Institute commissioned Chicago-area artist, Donald Wheeler, to do a portrait of Mrs. Nixon . . . in macaroni, of course. Green said the portrait would be forwarded to Washington and it was hoped that Mrs. Nixon would find a place for it somewhere in the White House. Wheeler has had some experience in this medium. He did similar portraits of President Nixon and Mr. Humphrey prior to the last presidential election.

Sophia Likes Spaghetti

Sophia Loren, holding a press conference in New York's Radio City Music Hall at the opening of her new movie "Sunflower," answered the question: "Favorite food?" by saying, "Spaghetti and I are very good friends. It not only helped to fill me up—it also helped to fill me out."

On the Promotion Front:

The Celeste Foods Division of the Quaker Oats Company is introducing six frozen Italian food products in Milwaukee, Kansas City and St. Louis. They include four pizzas and two boil-in-the-bag ravioli dinners.

American Home Products ran an eight-page color insert, entitled "Italian Food Festival," in the Oct. 18 issue of Parade Magazine to promote its Chef Boy-ar-dee Italian products. In addition to Italian recipes, the inserts had three 7¢-off coupons good towards purchase of Chef Boy-ar-dee products. Sixteen million inserts were distributed. Ads in TV Guide and Ebony supported the effort.

Seventeen Magazine ran a Shop Smart from the Start multiple brands promotion aimed at teen-agers in October. The program called for high school home economics teachers to bring their students to markets for lessons in shopping and meal planning.

Brand names included in the promotion included Campbell's tomato soup, Chef Boy-ar-dee cheeseburger pizza mix, Kraft cheese pizza, and others.

Noodle Advertising

Weiss Noodle Company of Cleveland, Ohio advertises new Mrs. Weiss' high natural protein noodles in Supermarket News.

In the some publication Reames Foods, Inc. of Clive, Iowa advertises Reames fresh frozen home style egg noodles, backed by consistent monthly advertising in Family Circle.



Canepa Uses TV

The John B. Canepa Co. takes a new ad-direction by going to TV for its latest Red Cross Spaghetti campaign. This marks the first time Canepa has used TV to sell its Red Cross Spaghetti in the major Chicago and Indianapolis markets.

Produced by Lilienfeld & Co. advertising, and filmed by EUE/Screen Gems, the new 60 second Red Cross commercial is unique in that it was shot on location at Chicago's famous Riccardo Restaurant. Owner Ric Riccardo, Jr. and his wife, actress Faith Quabius, were also filmed using the Red Cross product in their home.

Daytime spot coverage runs eight weeks through November 13, on six Chicago and Indianapolis stations.

Advertising Analysis

Grocery Mfr., trade magazine, has made a comprehensive analysis of packaged goods advertising for 1969. They report measured media expenditures were \$2.8 billion for all grocery manufacturer advertisers; if noncomparable spot television is ignored, the increase over 1968 was 6.8%. During the same period, industry sales were up 9% and profit 6.5%.

Last year's scene was a lot healthier than the 1968 picture, when advertising investment fell 0.8%, sales rose only 5%, and earnings gained a modest 3.5%. Moreover, seven out of ten primary product categories posted increases in advertising expenditures, compared with five out of ten in 1968.

Most dramatic increases among the ten were made by toiletries, drugs and remedies, pet products, and paper products.

Food ad expenditures fell, in part because 1969 multi-media total is not comparable with earlier figures because of the task of capturing spot TV ex-

penditures. This shifted from LNA to BAR, which uses a different collection method. As a result, 1969 spot TV expenditures are generally lower than 1968, depressing the all media figure.

Performances

Advertisers in the food category of interest to the macaroni industry were the following:

American Home Foods Division, comprising Chef Boy-Ar-Dee products, Franklin Nuts, etc., increased advertising appropriations in 1969 from \$9,729,000 the previous year to \$9,819,000. Network TV took 67% of this amount, spot TV accounting for 15%; magazines 13%; newspapers 3%; outdoor 1%; and radio 1%.

Buitoni Italian food products had a drop in advertising appropriations from \$1,265,000 in 1968 to \$829,000 in 1969. Spot TV accounted for 89% of this budget; newspapers 10%; and radio 1%.

Golden Grain macaroni products increased their advertising budget from \$2,152,000 to \$3,492,000, spending 74% on spot TV; 21% in magazines; 2% in newspapers and 1% in newspaper supplements; and 1% in radio.

C. F. Mueller Company macaroni products dropped their budget from \$1,558,000 to \$1,103,000. They spent 90% of this on spot TV and 10% on radio.

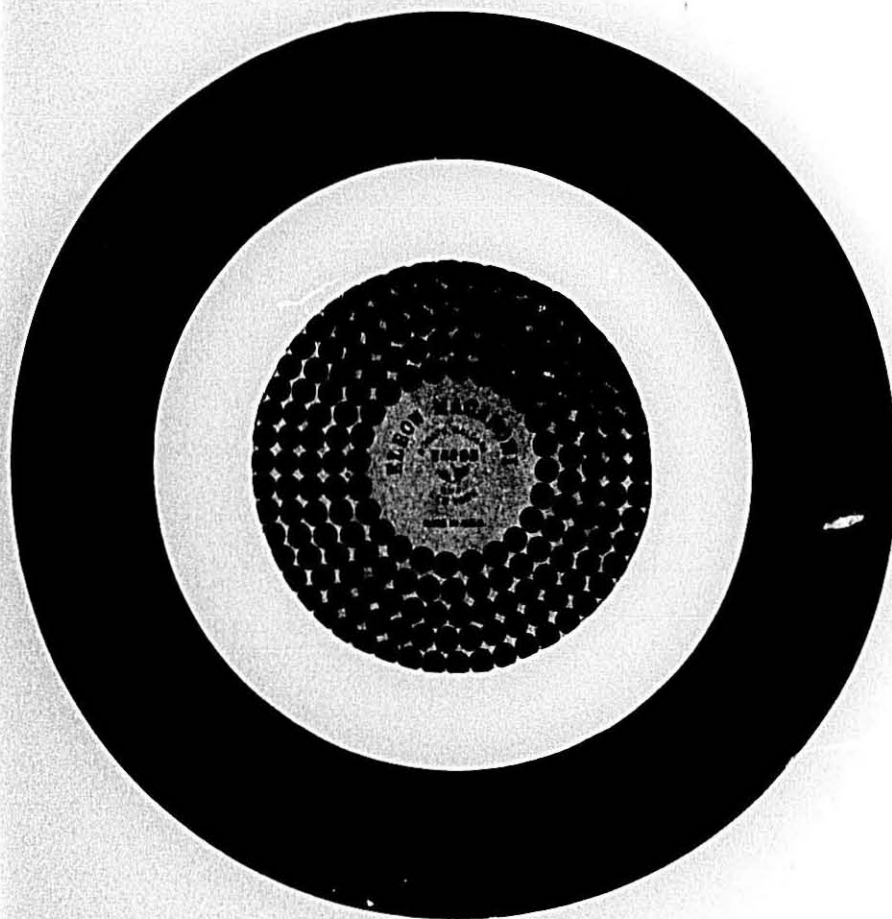
Ronzoni Macaroni Company increased their advertising budget from \$1,137,000 to \$1,225,000. They spent 83% of the budget on spot TV, 4% on outdoor advertising, and 3% in newspapers.

Grocery Store Products Company in 1969 spent \$1,064,000 compared with \$1,166,000 in 1968 advertising Foulds macaroni, Kitchen Bouquet, Cream of Rice cereal, etc. Magazines took 49% of the budget; newspapers 16% and supplements 6%; spot TV 28% and radio 1%.

Thomas J. Lipton, Inc. spent \$15,189,000 in 1968 and dropped to \$12,982,000 in 1969 in advertising tea, soups, dinners, and Pennsylvania Dutch-Megs macaroni products. Total was divided into 35% for network TV; 27% for spot TV; 26% in magazines; 6% in radio; 5% in newspapers and 1% in newspaper supplements.

Campbell Soup Company spent \$2,327,000 on Franco-American products (canned macaroni and spaghetti) in 1969 compared with \$3,551,000 in 1968. Network TV took 54% of this; spot TV 34%; newspapers 7%; supplements 1%; and magazines 5%.

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by Martin E. Coughlin, Director of Traffic,
Thomas J. Lipton, Inc.

THE transportation industry is today in a crisis state. To paraphrase a current advertising slogan: "Are you paying more and enjoying it less?" I think we all are.

The carriers have been increasing their rates at an accelerating pace the past year to a year and a half by varying amounts—generally in the 20 to 23 percent range. Rail service, with a few notable exceptions, has deteriorated and has plunged into the bottomless pit in some eastern areas.

Highway service, too, has slipped from a position of high efficiency. The overnight LTL shipment is no longer an obvious outcome but a pleasant surprise. The lost shipment is a daily ulcer.

When Profits Decline

When the profit declines, all business is basically the same: first, a cutback on non-essential services, a term that is increasingly flexible in its definition as the profit squeeze becomes more pronounced; and, second, an increase in size to secure economies of volume which carriers have accomplished by purchase and merger.

This latter propensity of business for large scale economy is a real problem in America where we have a real thing about "Bigger is Better" particularly when applied to an industry whose economic theory is basically monopolistic. The Penn Central makes this a questionable proposition, and the acquisition of local carriers by large long haul operators reducing highway competition has certainly served to eliminate some of our best service.

I truly do wish that I could give a bright and cheerful prognostication of future events. However, I really don't foresee any great improvement in the relationship of the food industry and the transportation industry. Both highway and rail carriers are working on a new round of increases for late summer or early fall.

You may not fully believe me, but in spite of the increased level of basic transportation structures, the foodstuffs industry and many other volume industries have not had a very substantial increase in their distribution costs. There have been tremendous increases

in the cost of doing business within the transportation segment of our economy, but in large measure these have been offset by increased operating efficiencies.

When I started in this business some years ago, 36,000 pounds was the carload minimum weight. Right after the war, during which time the rail industry had enjoyed Offices of Defense Transportation Full Visible Capacity rules, the whole country started to realize that a box car was a lot larger than 36,000 pounds.

Incentive Rates

Volume industries, like the foodstuffs industry in particular, set out to offset the increasing costs of rail carriers' doing business by establishing incentive rates upon higher minimums. Today we have in foodstuffs (and comparable levels in other industries) 40-, 60-, 80-, 90-, and 120,000 pound rates, and in Trans-Continental Territory train load rates of a million pounds.

During this same period of time, the rail carriers recognized that they were bulk carriers and eliminated their LCL service, leaving this field completely to the motor carriers.

In the motor carrier field, an equal recognition of the costs of doing business took place. Instead of having a standard LTL and a 20,000 pound rate structure, we have LTL minimums, rates under 500 pounds, 500-1000, 1000-2000, 2000-5000, and over 5000.

The old 20,000 pound rate is as dead as a door nail, and most of the country is at 30,000, with eastern carriers at 24,000 proposing to go to 30,000 with a great precedent for their action. I think it is fairly well established that they, too, have been holding some rates down by increases in volume units, and they are establishing rates based on cost of their ability to serve. I don't want to imply that I agree with all of their formulas, but there are basic relationships properly made at such levels.

What's Ahead?

This has been our past history, but what is our future? A little bit dismal. There may be some small potential left between the present motor carrier vol-

ume minimums and that which is available within the framework of highway load limits. However, there is no practical leeway left in the tonnage-carrying capacity of box cars. So, unless all of the people working in the transportation industry are willing to forego future wage increases, I think we are faced with a straight absorption of the future changes in the basic costs of doing business in the transportation industry.

Tips on Controlling Transportation Costs

by G. R. Heckman, Jr.
Traffic Manager,
Hershey Foods Corporation

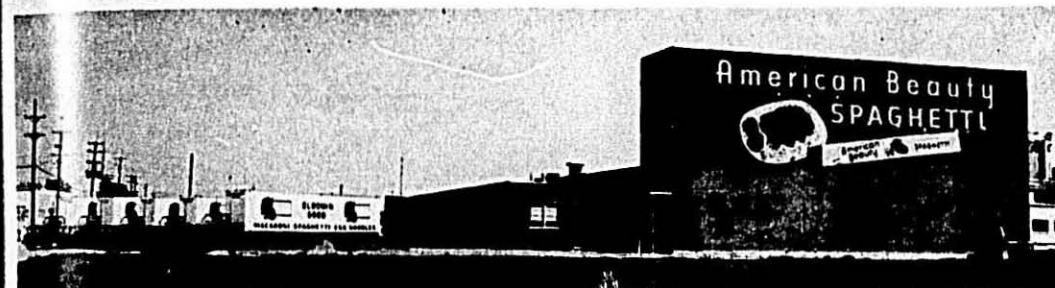
EACH year companies spend hundreds of thousands of dollars in plant improvements to reduce costs and increase profits, but how many companies look at their freight bills and try to do the same thing?

Payment of freight bills is your third highest cost, next to material and labor. Don't blow the savings generated in other areas of your business by excessive spending for transportation.

I would like to give you some food for thought concerning your cost of transportation. These ideas were used at San Giorgio and Delmonico, and those beneficial to them were implemented.

Post Audit Freight Bills. Send to firms who specialize. They charge 50 percent for what they collect; this is worth the cost. Get those freight bills post audited even though you have a Traffic Manager or Rate Clerk. Claims they collect may give you ideas for future application. If your freight bills have been post audited, I suggest you go back three years—to August 1967. Paraphrasing an old Gold Rush saying, I say to you: "That's gold in them thar bills!"

Minimum Orders. Try to increase minimum orders to at least 500 pounds. Develop long-range programs to increase minimum orders to 1,000 pounds or greater. The freight cost for small shipments has increased 22.5% over the past three years, and it is estimated that they will increase 15 to 20% in the next three years. Rates are in cents-per-100-pounds. But there is a minimum charge, and minimum freight charges are likely to be expensive, averaging about \$7.00. Normally, shipments 400 pounds or less are subject to minimum charges. Thus, on a 100-pound invoice of \$25, freight charges



Another fleet of five new tractor/trailer units has been acquired by the Kansas City plant of American Beauty Macaroni Company. Each trailer (40 ft. long by 8 ft. wide by 13 ft. high) has a load capacity of 47,000 lbs. The air-conditioned tractors are capable of an over-the-road speed of 70 mph. The units will serve accounts in Missouri, Kansas, Iowa, Nebraska and Oklahoma from American Beauty's manufacturing facility in Kansas City, Kansas.

amount to 28% of the invoice; on a 200-pound invoice of \$50, freight costs are 14%; for a 300-pound invoice of \$75, it goes down to 9.3%.

Let's look at minimum charges another way: You have customers ordering 200 pounds each week. Your freight cost is minimum charge of \$7 per week or \$28 per month. By telling customers to order 400 pounds every other week, your freight bill is \$7 every other week, or \$14 per month. Savings: \$168 per year. You've cut your bill in half, because the freight bill is now only 7% of sales instead of 14%.

Add to these savings the cost reduction earned by handling less orders. Order processing costs are expensive; they run a minimum of \$2.00 per order. Then multiply these savings by the number of small shipments made each year, and it is easy to see additional earnings that can be generated.

Analyze Your Shipments. Where are you shipping? What is the volume? How often? When you analyze your shipments, be sure to use a long enough period of time to get a good sampling. I'd suggest a minimum of one month. Make your analysis by geographic territory: states, large cities, large metropolitan and suburban areas. Plot it on a map, show the number of shipments with weights in a given period, probably weekly. Note the order frequency of major accounts, both large and small. If you have one available, maybe your computer can give you this output. Determine areas for potential stop-off shipments to two or more customers and/or pooltruck distribution.

Analyze Your Freight Costs. Compare freight costs of individual shipments to invoice value. You may be surprised! If costs exceed 10%, is this business profitable? Plot this information on the same map used for shipment analysis. Relate the size of the shipment to the cost. Use 10% as maxi-

mum guide, or a lower percent if you prefer.

You may find that in one area, any size shipment over 500 pounds is under 10%. In a second area, only orders of 1,000 pounds or more would have freight costs of 10% or less. In a third area, the orders would have to amount to 5,000 pounds or more. And in some other areas, only truckloads would be profitable.

Analyzing shipments and costs takes time. The question arises: "Is it worth it?" If you have no traffic manager or other knowledgeable person in your employ, consider seeking help on a part-time basis to study your operation. Resource people would be your Chamber of Commerce or traffic consultants. Take their recommendations and implement programs. Then review periodically, to make certain any major business changes are covered. Change your traffic patterns if necessary. Don't get locked in!

Local LTL Carrier. Seek out the small, independent motor carriers, rather than the large "name" carriers. Deliver to city where your plant is located plus surrounding territory. These people are also available in markets areas where you warehouse or use pooltruck distribution. They specialize in handling certain traffic. They usually offer lower rates plus better service. Also, you may find that services and costs are usually negotiable between shipper and carrier.

Split Delivery Stop-off Shipments. Combine large LTL orders into truckload shipments on a stop-off basis. You will find that two or three shipments totalling 17,000 to 18,000 pounds are usually cheaper as a truckload at 24,000 pounds, than if they were shipped individually as LTL. Add large LTL orders (6,000 pounds or more) to truckload orders for stop-off shipments.

Pooltruck Distribution. This can be used when a large volume of small

shipments tonnage is moving consistently to one concentrated area. A pooltruck distributor is a specialist in delivery of small shipments; from him you get better service and lower costs. Schedule shipments at a minimum of once weekly, more often if tonnage requires it. Educate your customers to plan their orders accordingly. If you have analyzed your shipments, the customer order pattern should be available, and chances are that little or no change is required. Guarantee your customers you will ship on the scheduled days, and provide prompt delivery through distributor. If there is not enough weight to ship as pooltruck, ship as LTL in order to guarantee service.

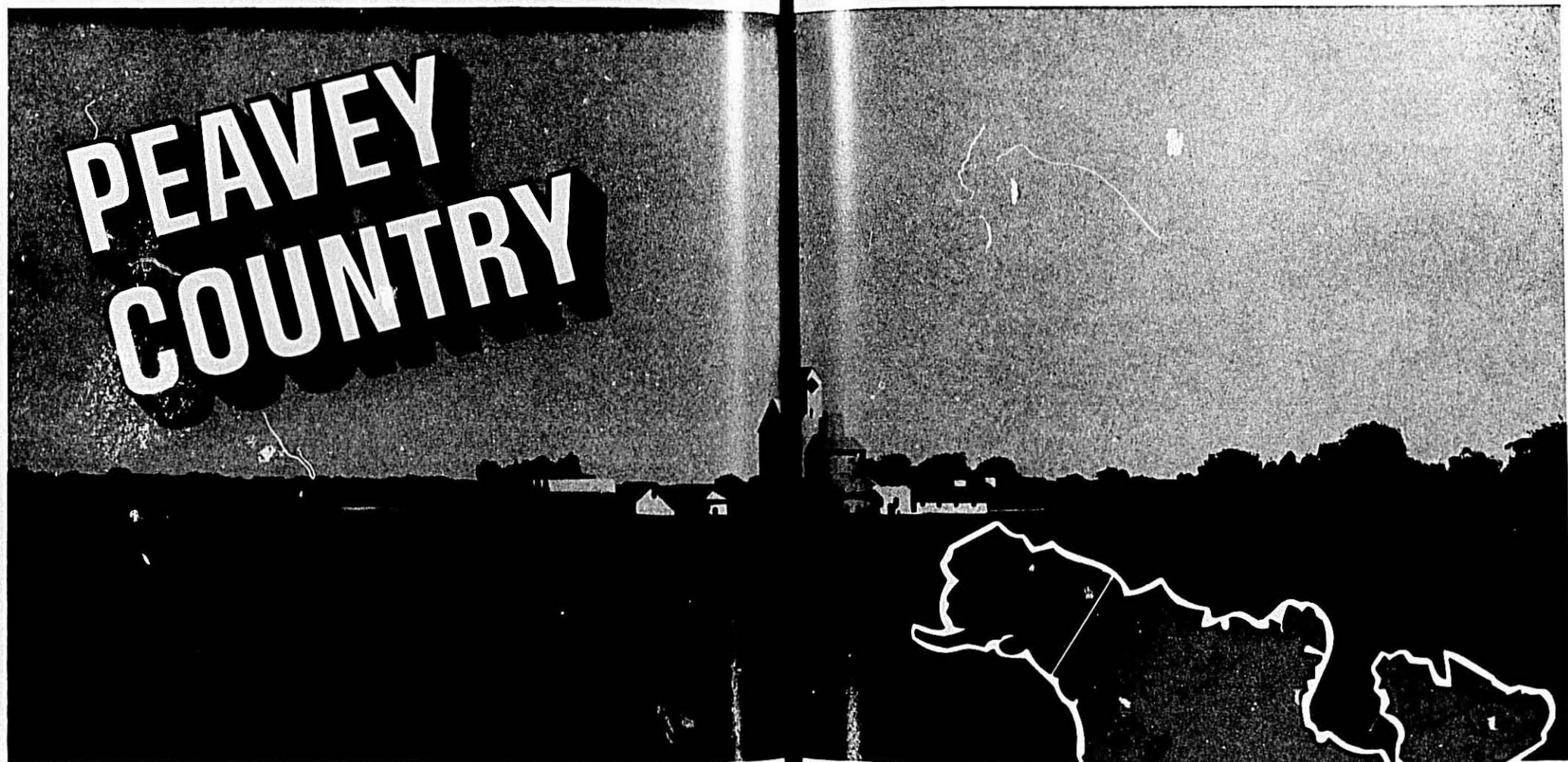
Truckload Rates. Check the rates you are paying on large customer truckload orders. If you think the rates are too high, talk with the carrier handling your traffic and attempt to establish lower rates based on volume you are shipping and carrier to continue handling. If carrier refuses, seek out another carrier who will be sympathetic to your business.

Co-load. Co-loading occurs when two or more shippers in the same locale ship to the same customer. San Giorgio, at Lebanon, Pennsylvania, and Megs at Harrisburg, could co-load to areas where our tonnage is light or marginal.

Shippers' Associations. Join with other shippers of many diversified products to reach areas where you have good volume but not sufficient to make truckload direct or on a stop-off basis. There are many of these located in the larger metropolitan areas.

I hope these few comments have "hit your hot button" and stimulated your thinking to increase profits and reduce transportation expenses. Remember—and I said at the outset—freight is your third largest expense. This cost can be reduced, but it takes work, salesmanship, and perseverance.

PEAVEY COUNTRY



Famous for its durum wheat

You might well expect Peavey to be a major factor in the milling and distribution of durum products. The reason? North Dakota's durum wheat fields where virtually all the nation's durum crop is grown—are in the heart of Peavey Country (see map). This is a broad, wheat-rich land that supplies the Peavey mills that specialize in the milling of Semolina and Durum flour.

Durum is an important product of Peavey, along with a multitude of other enterprises related to the growing, stor-

age, transportation, merchandising and processing of cereal grains. Peavey is a highly efficient operator in this complex business because its operations are streamlined and coordinated to the nth degree.

Durum mills operated by Peavey are located at Superior, Wisconsin, Grand Forks, North Dakota and Buffalo, New York. Peavey Flour Mills process wheat received from 700 grain elevators located in the areas producing the finest wheat in the world. Peavey has total milling

capacity of 60,000 hundred-weights a day, much of it, of course, in durum.

No wonder macaroni and spaghetti manufacturers have come to rely most heavily on Peavey for their quality durum products. And it all starts 'way out in Peavey Country'.

■ Merchandising and commodity futures offices; ● Terminals; * Flour mills and m'x plants; ✱ Flour sales offices and warehouses; □ Country elevator, feed and service facilities; ⊕ Home offices of Peavey Company and National Grain Co. Ltd.



PEAVEY COMPANY
Flour Mills

King Midas DURUM PRODUCTS

CRISIS - TRANSPORTATION

From the booklet by the same name published by the Caterpillar Tractor Company to call attention to the serious nationwide transportation problem.

TRANSPORTATION is a unique thing in our lives. It is so much an intimate part of our daily coming and going that, like breathing, it almost goes unnoticed.

Yet transportation is unbelievably important. When it stops, so does everything else. It's that vital to the welfare of the nation—the community—and you.

Transportation is vital to our livelihood, getting the things we have to sell to the people who want to buy, or bringing the things we buy to us. . . .

- Nearly 100% of the U. S. cotton goods are shipped to market.

- Nearly 100% of the oranges are shipped somewhere to be consumed.

- Nearly 100% of the U. S. consumed woolen goods are carried to final use destination.

- Nearly 100% of the U. S. tobacco products are transported to the stores.

- 99.7% of all U. S. cattle raised are transported to the meat market.

- Nearly 99% of the potato crop is shipped to market.

- 95.7% of all dairy products are transported to the consumer.

- 88% of all eggs are transported off the farm.

- 125,000 motor vehicles transport 55 billion quarts of milk to market, 1969.

Transportation is vital to our livelihood, taking us to work and bringing us home again.

- 33% of all farm workers are transported to work.

- Nearly 100% of all automobiles are shipped to consumer.

- 99.9% of all dentists commute to work.

- Nearly 100% of all drugs and medicine must be transported somewhere.

- 100% of all diamonds must be carried to market.

- 98% of all businessmen ride to work.

- 80% of all workers ride to work.

- In 1776 99% of everybody had to work within walking distance of home.

Vital

Some form of transportation is involved in our whole life; the food we eat, our work, the clothes we wear, our rest, relaxation, lipstick, aftershave lotion.

From the biggest thing to the smallest, transportation is a vital part of everything we do . . . vital . . . think about it!

Without a complex and adequate transportation system our worlds would perish. Without an up-to-date and well integrated transportation system, our worlds will perish . . . or at the very least our lives will become unbelievably more difficult. And the prospects for the future of transportation are not encouraging. If you drive a car, ride the subway or bus, if you have ever been inside an airport Christmas week, you probably have an inkling as to why the future is not encouraging.

We in the construction industry have more than an inkling. We have the facts. We gather them in the normal course of forecasting factory production levels and needed plant capacity for future years. We look at highway starts, airport construction, urban renewal, population growth, automobile registration, miles driven, tonnage carried and a hundred other things. And, while looking for the key to future sales for the machines we make, we've come across some alarming facts about this country's transportation needs.

Inadequate

Our transportation system is the best in the world. Still, except for the completed part of the Interstate System, it is **INADEQUATE** to meet **TODAY'S** needs. (Much less tomorrow's.) City and secondary roads are inadequate and crowded, inconveniencing and frustrating, dangerous and heartbreaking.

- In 1930 there were 3 million miles of rural roads in the U. S. In 1970 3.2 million miles.

- 10% of total U. S. freight traffic was carried by motor vehicle in 1940; 25% is projected for 1975.

- Intercity bus revenue up 700% 1969 over 1940.

- 355,000 migrant farm workers depend on automobiles to get them from harvest to harvest.

- 174,000 police patrol cars in use 1969.

- 4,150 drive-in theaters in the U. S.; 26,500 drive-in restaurants.

- Average car is driven 9,582 miles per year.

- Passenger car sales 1930, 2,787,000; 1970, 9 million.

- Passenger car registrations 1930, 23 million; 1970, 90 million. 1969, 130 million.

- 103 million licensed drivers in the U. S.

- 60% of all women 15 years old and older are licensed to drive. 91% of all men.

- 1967, 4 million cars in Africa; 5 million in South America; 14 million in Asia, 65 million in Europe. Total 103 million. U. S. registration, 97 million cars.

- 79% of the U. S. families own one car.

- 82% of commuting workers commute by automobile.

- 90% of domestic vacation travel is by automobile.

- 26% of the U. S. families own two or more cars.

- 45 mph average highway speed 1945; 1976 will be 61 mph.

- 41% of all accident fatalities involve traveling too fast for conditions.

- 92% of automobiles sold in the U. S. are capable of speeds over 90 mph.

- Average rush hour turnpike speed 9.3 mph.

- 40% of all accident injuries occur between noon and 6 p.m.

- 34% of all accident fatalities occur between 6 p.m. and midnight.

- 59,000 people killed in traffic accidents 1969; 55,000 1968.

- 1,073,012 U. S. combat soldiers killed in action since 1775.

- 1,142,031 traffic fatalities in the U. S. since 1908.

- Death rate of Interstate Systems 3.0 per 100 million vehicle miles.

- Death rate all other roads 5 per 100 million vehicle miles.

- 14,600,000 motor vehicle accidents, 1968.

- Road conditions, people killed—78%; dry.

- Weather conditions, people killed—84%; clear.

- 22% of all traffic fatalities occur on Saturday.

- \$5,814,000,000 paid out in insurance losses 1967.

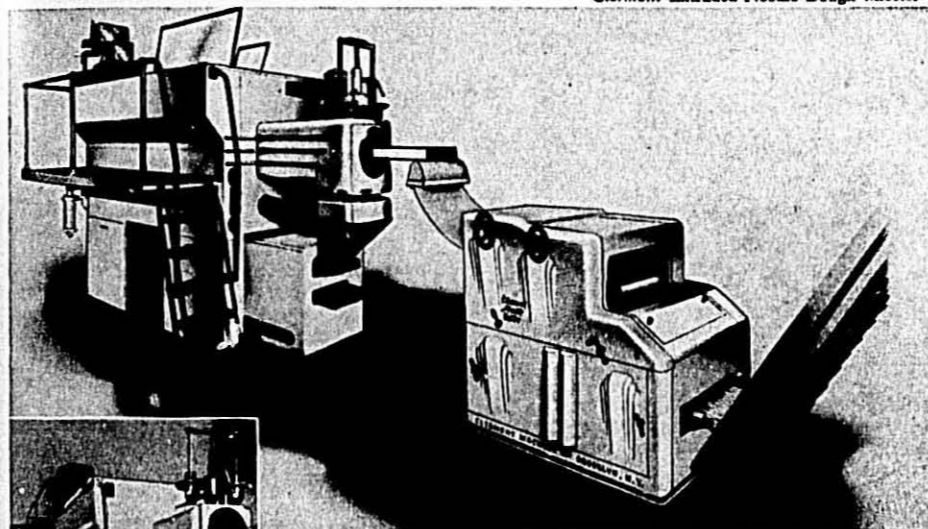
- 4,400,000 people injured in traffic accidents in 1968.

There are too few really well engineered roadways to handle all the cars we own today. We must build highways, bridges, tunnels, bypasses and expressways. But above all, we must integrate them intelligently with other transport systems: air lines, mass transportation media, rapid transit systems.

(Continued on page 16)

Clermont Unique New VMP-3 Extruded Noodle Dough Sheeter-1600 Pounds Per Hour

Clermont Extruded Noodle Dough Sheeter VMP-3



Clermont Super High Speed Noodle Cutter, Type NA-4 working in conjunction with the VMP-3 for continuous 1600 lbs. per hour operations.

FOR THE SUPERIOR IN NOODLE MACHINES

IT'S ALL WAYS *Clermont!*

Machine can be purchased with attachment for producing short cut macaroni.

TAILOR-MADE FOR THE NOODLE TRADE

Available with or without vacuum process

VMP-3 with short cut attachment.

- C**apacity range — Two speed motor affords flexibility for 1600 lbs. or 1000 lbs. per hour or any two lesser outputs can be arranged.
- L**arge screw for slow extrusion for better quality.
- E**ngineered for simplicity of operation.
- R**ugged Construction to withstand heavy duty, round-the-clock usage.
- M**atchless controls. Automatic proportioning of water with flour. Temperature control for water chamber.
- O**nly one piece housing. Easy to remove screw, easy to clean. No separation between screw chamber and head.
- N**ewly designed die gives smooth, silky-finish, uniform sheet.
- T**otally enclosed in steel frame. Compact, neat design. Meets all sanitary requirements.

Clermont Machine

Division of Carlisle Corporation
280 Wallabout Street
Brooklyn, N.Y. 11206, U.S.A.
Telephone (212) 387-7540

Crisis—Transportation—

(Continued from page 14)

Rapid Transit

Rapid transit systems . . . that name calls up a mental picture of fast, efficient operation. In most cases that picture is so far from reality it's almost a joke.

- 18 billion passenger miles traveled mass transit systems, 1950.
- 8.25 billion passenger miles, projected, mass transit systems, 1975.
- Five U. S. cities have rail transit systems.
- 8.9 mph average rush hour Chicago Rapid Transit speed.
- Average commuter rides 35 minutes each way.
- Riding the elevated costs about 4¢ per mile.
- Driving a car costs about 11¢ per mile.
- 41% of the people going to downtown Chicago drive cars.
- Car owners spent 11% of disposable income on autos, 1960.
- Transit riders spent 1/4% of their spendable income on car fare.
- Five European cities have special streets for bus traffic only.
- 12.5 mph average bus speed Chattanooga, Tennessee.
- 29% U. S. city workers go to work by mass transit.
- 37,662 electric railway cars in service, 1940.
- 10,645 electric railway cars in service, 1967.
- 11,032 subway and elevated cars in service, 1940.
- 9,257 subway and elevated cars in service, 1967.
- 35,000 busses in service, 1940.
- 50,180 busses in service, 1967.
- 13 billion passengers carried 1940.
- 8 billion passengers carried, 1967.
- Mass transit usage 1924 one-half 1965. Urban population 1965 two times 1924.
- 19,600 miles of electric railway track 1940. 2,049 miles in 1967.
- 901,400 miles of bus line 1945.
- 123,600 miles of urban bus line 1967.
- 3,349,000 people enter and leave New York City on a typical week day.
- 1917 94% cash fares under 5¢; 1961 100% over 15¢.
- 193 transit companies abandoned since 1954.
- 400 million people ride transit systems in Buenos Aires; 110 million in Chicago; 302 million in Tokyo and 77 million in Philadelphia.
- 73% of the U. S. population is jammed into 1% of the land area.

Look Ahead

But if the mass transit systems need help today, what will they be like 5 to 10 years from now with twice the people, equipment five and 10 years older traveling longer distances.

Something must be done to create clean, efficient rapid transit systems. New routes must be laid out; new ways developed to maintain them, make them quiet and cheap to ride. New ways must be found to finance them; new ways to connect with other systems.

Wouldn't it be marvelous to be able to take a bus home from the airport at 12 midnight . . . for 50¢!

And that brings up the point of air travel. Air transportation is moving in the same direction as surface systems; even now facilities are crowded to the limits of safety.

- 1774% increase in revenue miles flown 1940 to 1968.
- 938 airports in Texas; 667 in Alaska; 699 in California.
- Three airports in District of Columbia—61 square miles.
- 573,506 commercial aircraft operations handled at Chicago O'Hare, 1967.
- 403,981 commercial aircraft operations handled at John F. Kennedy, 1967.
- 384,656 commercial aircraft operations handled at Los Angeles International Airport, 1967.
- 59,000 instrument landings at Chicago O'Hare, 1967.
- 1.3 million instrument landings at U. S. airports under FAA control, 1967.
- 5.4 FAA registered aircraft for every 10,000 people U. S. 1967.
- 780 total flight schools U. S. 1967.
- 71 total aircraft mechanic schools U. S. 1967.
- 1.4 billion business miles logged U. S. 1967.
- 128,169 helicopter passengers U. S. 1969 estimate.
- 3% of all scheduled airport departures are canceled U. S. average 1967.
- 412% increase in air revenues 1965-1967.
- 2331 U. S. airports in operation 1940.
- 10,470 U. S. airports in operation, 1968.
- 200,000 estimate total civil aircraft in operation, 1970.
- 3,740 million miles flown, 1968.
- 1,000,000 passengers per day estimated by 1980.
- 3.0 fatalities per 100 million miles flown on scheduled air carriers, 1940.
- 0.03 fatalities per 100 million miles flown on scheduled air carriers, 1968.
- 400 mph average speed 1969 estimate.

- 162,181,000 domestic air passengers, 1968.
- 145,774,000 international air passengers, 1968.
- 213,000 ton miles air freight 1950.
- 2,506,000 ton miles of air freight, 1968.
- Average cost to fly a mile 5¢ domestic, 5¢ international.
- 263,000 miles of air routes in operation 1967.
- 40 charter flights, 1940.
- 2,867 charter flights, 1968.

Air transportation is already frustrating, inconvenient, heartbreaking, sometimes barely adequate for today, much less tomorrow. Ironically, the surface systems serving the great air terminals are so under-built, time gained in the air is lost on the ground to and from the airport.

If you look at air, mass transit and highways all together, it's even more discouraging. There is no total system. Each one is separate and unrelated. It's a patchwork; disorganized, inefficient.

Something must be done to bring order to the situation. Something must be done before things become impossible. Following are programs in existence somewhere now. They are the kind of problem solutions we must begin to play and build across the country—wherever needed.

PROGRAM 1: INTERSTATE

America's Interstate Highway System: the teenager that changed the travel habits of a nation. Born by presidential decree in 1954, funded and begun in 1956, the Interstate Highway System has opened up the land-locked cities of our nation. In 1940, driving time from Chicago to Indianapolis was over six hours. Motels were little known, disreputable institutions. Speed traps were a major road hazard. But, by the time it was only three-fourths completed, the Interstate had changed all that.

Driving time to Indianapolis has dropped nearer three hours. Roadside services are a billion dollar industry. Traffic movement is controlled in some places by computers or by knowledgeable police officers skilled in public relations. People, goods, services flow quickly, safely from city to city on well-engineered ribbons of concrete. 100% completion will make Interstate travel from coast to coast a reality.

PROGRAM 2: DULLES INTERNATIONAL

A showcase air terminal for the nation's capital. The Dulles International Airport gleams beside a 187 foot control

tower 26 miles from the nation's capital. Unlike mobile passenger lounges, now being adopted by other airports, eliminate passenger walking and exposure to weather, relieve crowding caused by planes taxiing in to load and unload.

Highway and transit systems will eventually make Dulles as convenient to Washington travelers as National Airport four miles from the capital. This integration of highway, rail and air represents a landmark step in a solution of our nation's traffic problems. It will act as a model and reference point for other systems to meet the problems of other communities.

PROGRAM 3: BART

Bay Area Rapid Transit moves from wishful thinking to reality. Late in the spring of 1964 construction officially began on the 75-mile Bay Area Rapid Transit system called BART.

After six years of organization, planning, funding, educating the public, buying rights-of-way, the massive project was on the way to meeting a 1971 deadline for revenue operation.

BART, the first new U. S. rapid transit system since 1909, is a better system, technologically and aesthetically, than the proposal approved in voter referendum in November, 1962. 250 computer directed, electric transit vehicles travel 75 miles of aerial and subway lines including a 3 1/2 mile section underneath San Francisco Bay. The farthest community on the line is 37 minutes from downtown San Francisco at peak rush hour.

Most of BART's construction funding came from a \$792-million voter-approved general obligation bond issue and from State-authorized toll bridge revenues. A U. S. Department of Transportation grant made up an additional \$260-million. Fourteen different architectural firms designed individual stations to make each fit the look and feeling of the community served. The aerial structure won several design awards. A federal beautification grant initiated development of a linear park to run along the aerial miles in the system. Experts believe BART will revolutionize rapid transit thinking across the country.

PROGRAM 4: METROLINER

Private industry sets the pace with high speed trains in the New York/Washington corridor. The High Speed Ground Transportation Act of 1965 was passed with a great sense of urgency. The purpose of that act was to stimulate research and development of

modes of transportation to handle high volumes of movement in densely populated areas. Penn Central Transportation Company's Metroliner was a direct result of that act. Twelve high speed trains travel the 225 mile corridor daily between Washington and New York at speeds of 120 mph. The six-car metroliner trains can accommodate 340 passengers per trip. Passengers have access to club car and snack bar coaches to help make the three-hour trip pleasant and comfortable.

Park and ride stations located near both ends of the line are set up to lure motorists to the rails, away from crowded metropolitan highways. Computerized reservation and ticket services add to the convenience of this speed-oriented system. Current occupancy is a high 76% per run. \$11 million in Federal funds have been spent on this project and an additional \$53 million came from Penn Central. Still in trial stages the project will recoup Federal Government investment if it proves profitable.

PROGRAM 5: TOMORROW

Today's dreams, the foundation of tomorrow's planning. Underground arteries quicken the city's heartbeat in a downtown area a generation from now as envisioned by urban planners of the U. S. Department of Transportation. Free of the automobile, streets become "people places," disturbed only by minibusses. Overhead, travelers use an elevated and covered moving sidewalk, and an express tube for "people capsules" three stories above walking plazas. The elevator links the surface with the noisy realm below, delivering pedestrians to a station where more capsules parade endlessly by. Passengers consult an electronic map for their destination code, then as many as four enter a capsule, punch their code numbers on a keyboard, insert credit cards, and zip home.

Beneath the subterranean network of autos, trucks, trains, and subways, a pneumatic train uses the pull of a vacuum to race between stations at speeds to 140 miles an hour. To leave the station, the train coasts downhill past airtight tunnel doors. It slows for the next stop by running uphill again. Comfortable and economical, the pneumatic train intrigues New York City officials as a possible solution to that city's critical problems.

Money/People Needed

These programs are the kinds of solutions we need. Building them will take planning, ingenuity, and money.

And where will that money come from?

High cost public benefit programs have traditionally been financed one of two ways: user taxes and allocations from general tax funds.

The Interstate System is a good example of user tax financing. A special Highway Trust Fund set up in 1956 is paying for Interstate construction. Taxes on road use items—cars, tires, oil, gas—supply that fund. It works well because only road users pay for road construction . . . and only in proportion to the amount they use them.

Dulles Airport is another twist to user tax financing. Building money was appropriated by Congress. Airlines and concessionaires pay rent for building space. Part of that rent plus landing fees are paying back construction costs.

But not everything can be financed by use taxes. Rapid Transit Companies and Bus Companies are not doing well now because not enough people ride them. They complain fares are too high. A use tax would only increase fares compounding the problem by cutting ridership even more.

Yet our cities and towns need cheap, fast Mass Transit Systems to get people back and forth to work, for old people, poor people, for convenience. Mass Transit Systems are as much a public service as street lights, police and fire protection, public schools. And like these other important services, they should have everyone's support. Everybody benefits. Use taxes have proven successful for highway construction. A similar proposal for airports is before Congress. Where use taxes are inappropriate, we should not hesitate to draw from general funds. Transportation systems are that important.

The solutions are available.

Money can be made available.

All that is missing is you. If we are to accomplish the things needed to avoid the crisis in transportation, you must act.

What Can You Do?

Here are a few suggestions to start with: Keep up with local problems and vote on all transportation bond issues. Tell your legislators you intend to vote on transportation bond issues. Let your legislators know you support long range transportation projects integrating air, roads, and mass transit. Tell them if you favor user tax financing and continuation of the Highway Trust Fund.

Talk up local legislation aimed at upgrading transportation systems in your town.

COBRA 4000

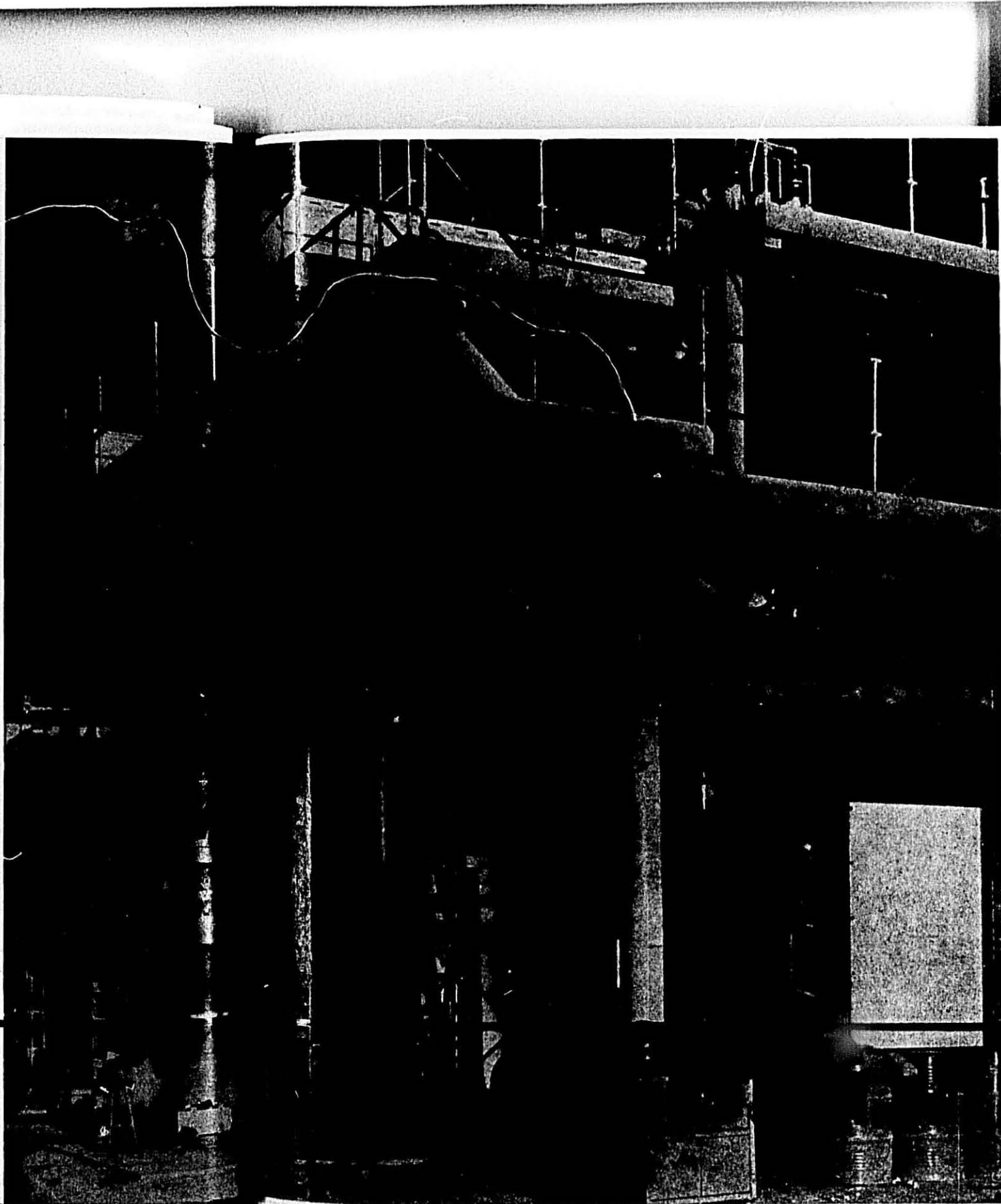
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Late Harvest

About 85% of the durum crop in North Dakota had been harvested by the end of September.

Crop Quality Excellent

Quality of 1970 crop spring and durum wheats is excellent, according to a cooperative survey conducted by North Dakota Agricultural Experiment Station, the Extension Service of North Dakota State University, North Dakota grain elevator managers and the North Dakota Wheat Commission.

Preliminary tests on durum indicated an average test weight of 61.9 lbs. per bu., a moisture level of 12% and protein content of 14.3%, the report indicated. No. 1 heavy hard amber durum comprised 34% of samples graded, 19% was No. 1 hard amber, 13% was No. 2 heavy hard amber, and 15% No. 2 hard amber. Preliminary estimate of percentage grading No. 2 hard amber or better was 81%, against 89% in 1969. Vitreous kernel content of durum averages 85%, which is four percentage points below 1969, but six percentage points above the 1964-69 average. Shrunken and broken kernels, foreign material, damaged kernels and total defects are about the same as last year.

"It is anticipated that the over-all milling and macaroni and spaghetti processing properties will be excellent," the report indicated. "The semolina should produce pasta products equal or possibly superior to last year's North Dakota durum crop," according to the N.D.S.U. laboratory.

Semolina Bookings

The Southwestern Miller reported widespread bookings for 120-day coverage at \$8.50 cwt. for semolina, bulk, Minneapolis, with a 30¢ discount for flour on September 16.

Additional bookings at the end of the month saw a major portion of the macaroni trade filling out balances to at least 120 days, often to six months or more. Some buyers who had been in (Continued on next column)

The Egg Market

The egg market was full steady in recent weeks. Despite the comparative lack of buying frozen egg prices were holding firm at the end of September with salt and sugar yolks in good demand.

Although cold storage warehouse holdings of frozen eggs were very small, it appeared that current production was sufficient to supply industry needs.

the market before for needs of 90 to 120 days reentered the market for additions.

Durum mills were all running at peak capacity. Scarcity of bulk cars was a problem. Export demand was brisk.

Poultry Inspection

The U.S. Department of Agriculture plans to place poultry plants doing business wholly within each of 14 states under Federal poultry inspection, under provisions of the Wholesome Poultry Products Act.

The states are: Arkansas, Colorado, Georgia, Idaho, Maine, Michigan, Minnesota, Montana, New Jersey, North Dakota, Oregon, South Dakota, Utah and West Virginia.

USDA said officials in the 14 states were notified in July that unless they could provide evidence that deficiencies in laws, regulations, funding and staffing could be overcome in time to have an adequate state inspection system operating by Aug. 18, 1971, it would be necessary to take over inspection of their intrastate poultry plants. Most of the 14 states requested Federal inspection or indicated they did not feel there was enough poultry business in their states to warrant establishing inspection systems.

USDA also announced it is granting Indiana a one-year extension for completion of a poultry inspection program at least equal to the Federal one.

Surveys Called For

USDA's Consumer and Marketing Service, which administers the Federal poultry inspection programs, said it will be necessary to survey each non-Federally inspected plant in the 14 states to be placed under Federal inspection to determine staffing needs and what corrective measures—if any—plants must take to meet USDA requirements.

The nature of operations in each plant will then be determined, officials said. Following the surveys, inspection personnel must be hired, trained, and integrated into the existing Federal inspection system, they added.

Plants which do not meet minimum Federal inspection requirements will not be permitted to operate until cor-

rective measures have been taken, C&MS said.

Two Year Preparation

The Wholesome Poultry Products Act, which became effective Aug. 18, 1968, gave each state two years to establish an inspection system for plants operating wholly within the state. The state system must be at least equal to Federal inspection, which covers plants operating in interstate or foreign commerce. The Act authorizes the Secretary of Agriculture to grant a state a one-year extension if the state shows significant progress toward meeting the requirements.

USDA announced that the poultry inspection systems in California, New Mexico and South Carolina are at least equal to the current Federal inspection system. This announcement means 33 states and Puerto Rico will have another year in which to develop inspection "at least equal" to Federal requirements.

Peavey Makes Food Happen

The Greater Minneapolis Chamber of Commerce has a flyer out entitled "Business Prospers in Greater Minneapolis." The center spread says: "Peavey Makes Food Happen."

Copy reads: "The world's unending appetite won't let Peavey Company sit still. It hasn't for the 96 years the company's been around.

"For most of those years, Minneapolis has been the home base for Peavey's widespread food activities. Milling flour. Preserving and moving grain. Feeding animals. Building the productivity of the land. Defeating the diseases and insects that attack agriculture's bounty. Lowering the costs of marketing. Showing new ways to better nutrition. Being a helpful partner to modern agriculture in a thousand ways.

"Developing new products for the home kitchen, the bakery, the macaroni and spaghetti maker, the restaurant, the school, the hospital.

"The handy convenience of a delicious open-faced Toasta Pizza is a new Peavey example of a group of people moved by ideals of service and moving toward new answers to the food needs of tomorrow."

U. S. Cold Storage Warehouse Holdings

	Sept. 1, 1970	Sept. 1, 1969	Sept. 1, 1968
Shell Eggs (Cases)	96,000	120,000	229,000
Total Frozen Eggs (lbs.)	63,172,000	64,261,000	108,925,000
Frozen Whites	7,809,000	8,996,000	12,259,000
Frozen Yolks	15,733,000	16,857,000	25,241,000
Frozen Whole	37,603,000	36,488,000	66,838,000
Unclassified	2,027,000	1,920,000	4,587,000

Peavey Macaroni
Galliera Veneta 22nd Ju

Dear Sirs,
we have received your message
your macaroni factory.
Of course we are in pos
as we are the biggest manu
the world to-day.
There is no pr
for big productio
as all importat
American maca

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Standard Costing as a Basis for Reimbursement for Employee-Owned Cars

by Robert H. Kastengren, Executive Vice President, Runzheimer and Company, Inc.



Robert H. Kastengren

I THINK many of us tend to regard fleet management in terms of well run company owned and leased car fleets. Now there is a tendency to automatically exclude the system of reimbursement for employer-owned cars as bordering on mismanagement, or at best, not fleet management. I would like to expand the definition of fleet management to a little broader base.

Our consultation work for business firms the past 35 years involving all three types of business car programs has proved that leasing, company ownership and employee ownership all succeed efficiently and economically with proper method and execution. Now leasing works, but of course only if the leasee knows its business. Company ownership works only if the fleet manager is a professional and scientific approach to buying, selling, insuring and leasing. Reimbursement for employee-owned cars works but only if logical and accurate methods of reimbursement are adopted.

We will now study this fleet management and its application to employee-owned business cars, and we will find that the use of this tool by business car administrators places reimbursement for employee-owned business cars squarely in the circle of effective fleet management.

Hodge Podge

Business firms which rely upon employee-owned automobiles have been burdened with a hodgepodge of poorly thought out reimbursement methods. Time and again they have failed to de-

liver fair and accurate allowances. By so doing they have not achieved sound fleet management. The faulty methods I speak of run the gamut from your uniform mileage allowance rates to sliding scales and a variety of methods. Only one approach consistently provides proper method and execution which does result in sound fleet management. It is the use of automobile standard allowances.

Standard allowances are predetermined allowances. They are scientifically established, fair standards of cost and performance for each driver's car and territory. We will look first at a few incorrect methods and then we are going to take a look at reimbursement through standard allowances.

Standard costing, its application to employee owned business cars: These are cars that are not leased, they are not owned. Drivers own these cars and they are reimbursed.

We find that many firms use incorrect methods to reimburse business car drivers. Here are three methods: flat rate per mile, flat rate per month, sliding scale. Let's take these individually and we will look at the relative advantages and disadvantages.

Flat Rate

First, the flat rate per mile, or uniform mileage allowance. For example, 8 cents per mile. It doesn't matter whether we are talking 7 cents, 8 cents or 9 cents, the problems will be the same. The only advantage is ease of administration. There are a series of disadvantages. I will take these individually.

First, a variable allowance is used to reimburse both variable and fixed costs. Well, you can see 8 cents is a variable allowance, and they tend to generate overpayments and underpayments. Secondly, the same rate applies to all drivers. Now costs do vary, sometimes very significantly, between territories. You simply can't pay, for example, the same rate in Dallas for gasoline where it is 31.9 cents and go out on the West Coast where for the same gasoline the man pays 39.9. You can't pay the same rate to a man who lives in Framingham, Massachusetts where the rates are exceptionally high on insurance, then go out to Denver where for the

same coverage the rate is about one-half. You must vary this to meet the significant differences.

Third, reimbursement policies are not explained to drivers. Have you ever tried to dissect and explain why you pay an 8 cent rate to a driver in the field? It is not possible.

Fourth, reimbursement is inflexible and static. Now we have found this is a characteristic that when a company adopts a rate of 8 or 9 cents, they tend to sit on it for two or three years. There is a good reason for it. They don't know how to adjust it. They want to, but it is not based on fact. They can't measure the rise in operating costs, so it tends to be static. Furthermore, and this is a commonly attributed disadvantage, mileage padding is encouraged. First of all the man can't understand the rate. The point is you have to have a rate that is explainable, otherwise the man will pad. Lastly, you don't control the age and type of business car provided, and this must be done. You must have a quality fleet.

Uniform Fixed Allowance

Another system that does not work is uniform fixed allowance, like \$90 per month. Advantages? Well, it is easy to administer, and of course mileage padding is eliminated because there are no mileage counts. This shares the disadvantages of the preceding system all the way down the line with the exception of the last one, and here there is an additional disadvantage with uniform fixed allowances. Proper coverage by the driver of his business territory is discouraged.

Sliding Scale

The third system that doesn't measure up is the sliding scale allowance (something like 10 cents per mile for the first 1,000 miles, plus 6 cents for excess monthly mileage). There are varying levels and degrees of this. Advantages, it is usually easy to administer. The method does recognize that the cost per mile decreases as mileage grows. That is good, but it doesn't come to grips with the problem. Again, disadvantages, the same as the others we looked at.

(Continued on page 24)

(Continued from page 23)

Standard Allowances

Reimbursement for employee owned business cars succeeds through reliance on automobile standard allowances. Standard allowances provide sound fleet management of employee owned cars by attaining economy, safety, efficient territory coverage, assurance of use of late model cars and driver satisfaction. But to do this you must observe seven precepts.

Precept Number 1. Tailor allowances to fit territory cost.

Below is an allowance schedule for one driver. It is actually a case study. It is a driver with a fleet of 110 men in the field. Every man owns his own car. Every man receives an allowance schedule. The preprinted information, is identical for each of the 110 men, but the information opposite, this preprinted information, is distinctive by individual, by driver. In other words, here is a man, Mr. Rader, who is driving in his territory of Ohio and Michigan, living in Toledo, Ohio, and we are tailoring the allowance to fit the territory.

The second rule, follow a combination per mile and fixed reimbursement method.

You will notice that we have two columns in the form. The left hand column is your variable column that culminates in your total per mile allowance. The fixed column covers standing costs, ending in a monthly fixed reimbursement cost. So we break reimbursement into its two component parts, a variable allowance for those costs that are variable, a fixed cost for those that are static.

MASTER SCHEDULE OF AUTOMOBILE STANDARD ALLOWANCES

NAME	C. Raker	Car No. 47	Date
TERRITORY	Ohio345Mich215#Ohio-Mich.		
HOME CITY	Toledo, Ohio	Car Driven	
BASED ON	Chev 69 8 Imp 2Dr HT	Anticipated Annual Mileage	
1. Class of Territory	B	8. PD & PL Insurance—Annual	138.00
2. Standard Miles Per Gallon	13.5	9. License—Annual	11.69
3. Normal Gas Price Regular	35.8¢	10. Depreciation—Annual	757.00
4. Gas & Oil—Per Mile	2.79	11. Total Annual Fixed Costs	1,024.60
5. Maintenance—Per Mile	.70¢	11A. 90% of Fixed Cost Absorbed	922.14
6. Tires—Per Mile	.46¢	12. Fixed Allowance Monthly	76.85
7. F. & T Insurance—Annual	\$30.00	13. Total Per Mile Allowance	3.95
7A. Collision \$100 DED.—Annual	88.00	14. Depreciation Adjustment per M Miles	14.90

Thirdly, remove incentive to pad business miles. Standard allowances are often adopted to overcome mileage padding. There are a number of case histories on file on this.

Normally we recommend every man on the field should get a copy for checking on expenses. The inherent fairness of this comes through, and we have found that fairness begets fairness. Now for those 1 or 3 percent of any fleet who still want to pad a few miles here and there, the deterrent is this, he is padding something less than 4 cents a mile.

Fourth, assure the use of late model cars.

Allowances for this company are based, at their request, on the Chevrolet, 1969 Impala 2 door hard top. We premise this schedule on a three year 60,000 mile trade-in cycle. This applies very directly to depreciation. Now at the end of three years or 60,000 miles the man will have sufficient money to buy a comparable new car. If he is driving a car older than three model years or 60,000 miles, we suggest to the companies that use this service that they eliminate the depreciation allowance until he gets a newer car. It is very effective. It is very fair. The man has received sufficient monies, and the net effect is to have a quality, new model fleet.

Make Policy Explainable

Make reimbursement policy explainable. It is very important. We talked about driver satisfaction earlier. This is probably the core and strength of this satisfaction.

For example, just taking Mr. Rader's schedule: Mr. Rader has a copy of the schedule and he knows, looking at this schedule, that we have described his

territory, Ohio and Michigan, where he travels. He knows that the home city is Akron, he lives in Toledo. That is where he buys the car. He further knows that the allowance is based on the kind of car he might otherwise have leased. He is free to drive any make or late model car. I will say this right now. I am not one who believes in complete uniformity. Sure, you may not want a Volkswagen, but remember there are 360 models available to the buying public every year. Maybe 250 of those are compatible with your fleet. Let the man have a choice. Let the man have a wide range of choice. Don't limit it, for example to the 10, 12, 15 models that you normally find in company fleet operations. Just make sure it is a late model car. Let each driver know that he can drive any late model car within certain restrictions. You may not want him in a foreign car. You can describe the car categories.

Furthermore, Mr. Rader knows that we have broken reimbursement into a variable per mile to cover running costs. He receives a one page sheet which simply tells him what each item is all about. He knows, for example, we class territories relatively using symbols to compare terrain, driving conditions, road conditions. This "B" represents a cold belt area where they have a lot of snow. Standard miles per gallon: Again based on fleet record studies for this automobile in this territory. Normal gas price: Again going back to the multiple sources we must have. This accurately describes the price of gas in this territory. Gas and oil per mile: This is simply Item 2 divided into Item 3. Maintenance: Shown as 7 mills here. This is tailored to the car and the territory and the use of it. Tires per mile: Here again we are now showing a fleet discount. Some companies do enter into a tire purchase program for all their cars, and we will scale this down proportionately.

Tailored to Territory

The total per mile allowance: \$3.95 in this instance, tailored to his territory. The driver reports only business miles to cover his running costs.

Now in addition he knows he is going to get this fixed allowance, beginning with insurance. We show here the policy of the ABC Corporation. We allow comprehensive fire and theft insurance, \$100 deductible collision, \$100/300,000 Bodily Injury and \$25,000 Property Damage. This could be any amount of coverage, but the important thing is that once established, policy is carried out accurately for Mr. Rader

where he pays the insurance for a normal insurance risk business car. Now actually he may have two teenagers in the family and has to pay a higher insurance premium. That difference comes out of his pocket. That is important. Furthermore, it is recommended that the insurance carried submit a certificate of insurance so we can put it into the file and prove he is carrying the basic limits that you are covering him for.

Again, as you know, insurance is a great variable. We show insurance for Toledo. That is not a very high cost area. You can go out to San Francisco and it would be twice this amount. Go to Philadelphia now and \$100 deductible is running \$178, so there is quite a difference around the country. You have got to measure these differences.

License: Again tailored to the area. For the same privilege of driving in California rather than Ohio for this car you will pay not \$11.60, but over \$60.00.

Depreciation: The average annual depreciation for the use cycle, we don't depreciate a car to its salvage value. On a 3 year 60,000 mile cycle that car will have one-third of its original value left as trade-in value.

And then through Item 11-A: the company can invoke another policy; it is a charge-back policy. This company pays 90 percent of standing costs which, conversely means the man is paying 10 percent. Mr. Rader, because he uses this car for personal reasons as well as business, pays back 10 percent of this cost. We believe strongly in the charge-back policy.

Item 12 is simply a monthly expression of the 90 percent of the annual fixed costs, so the man ends up with a per-mile and a fixed monthly reimbursement. Mr. Rader does understand this is fair, and if he has any questions they can be explained defensibly.

Provide for Review

Provide periodic reviews. The question comes up: how often should you review allowances? Well, we believe annual review is normal. Maybe 8, 9 or 10 percent of the men will have territory or home city changes during the year, so you review this at least annually. You know, we are dealing not in short range changes but in trends, for the most part, except for maybe insurance, and so consequently it isn't necessary to revise rates every time a minor cost fluctuation takes place. Assure administrative simplicity. This is very important, because the man is re-

porting one factor from the field, mileage.

In review, for the business car allowance program which succeeds it must do seven things: (1) Tailor allowances to fit the costs in each driver's territory. (2) Follow a combination fixed and per-mile reimbursement method. (3) Remove the incentive to pad business miles. (4) Assure the use of efficient and safe late model cars. (5) Explain reimbursement policies. (6) Provide flexible and periodic reviews, normally annually. (7) Assure administrative support.

Comparisons

In the figure below we show you what sometimes happens with a budget in a given territory. We have been looking at the schedule of Mr. Rader in Ohio and Michigan. We have expressed here with 15,000 miles a year what the standard allowance cost would be, \$1,428. Now had he been driving only 15,000 miles getting 8½ cents a mile he would have received \$1,275 on this uniform mile rate. He would have been underpaid \$153.

Some Drivers Are Under-Reimbursed

(Yearly Mileage 15,000)	
Standard Allowances	\$1,428
8.5 cents Per Mile	1,275
Underpayment	\$ 153

Conversely, in the next figure, the same territory, different mileage, figuring this on 25,000 miles, notice the 8½ cent rate now overpays the driver \$2,125. The Standard allowance is accurately computed as \$1,872. You would save \$253.

Standard Allowances Can Reduce Your Costs

(Yearly Mileage 25,000)	
8.5 Cents Per Mile	\$2,125
Standard Allowances	1,872
Savings	\$ 253

Reimbursement for employee-owned business cars does succeed through reliance on automobile standard allowances.

Conference on Children and Youth

Augustine R. Marusi, President and Chairman of Borden, Inc., has been named Chairman of the Business-Industry Council for the White House Conference on Children and Youth. President Nixon is Honorary Chairman of the Conference.

In a letter to Mr. Marusi, President Nixon stressed the importance of the 1970 Conference, a 61-year old tradition



Augustine R. Marusi (right), president and chairman of Borden, Inc., has been named Chairman of the Business-Industry Council for the White House Conference on Children and Youth. Standing with him is Stephen Hess, National Chairman of the Conference. President Nixon is the Conference's Honorary Chairman.

in America, and expressed his confidence that under Mr. Marusi's leadership, the best thinking in business and industry will be reflected in the Conference.

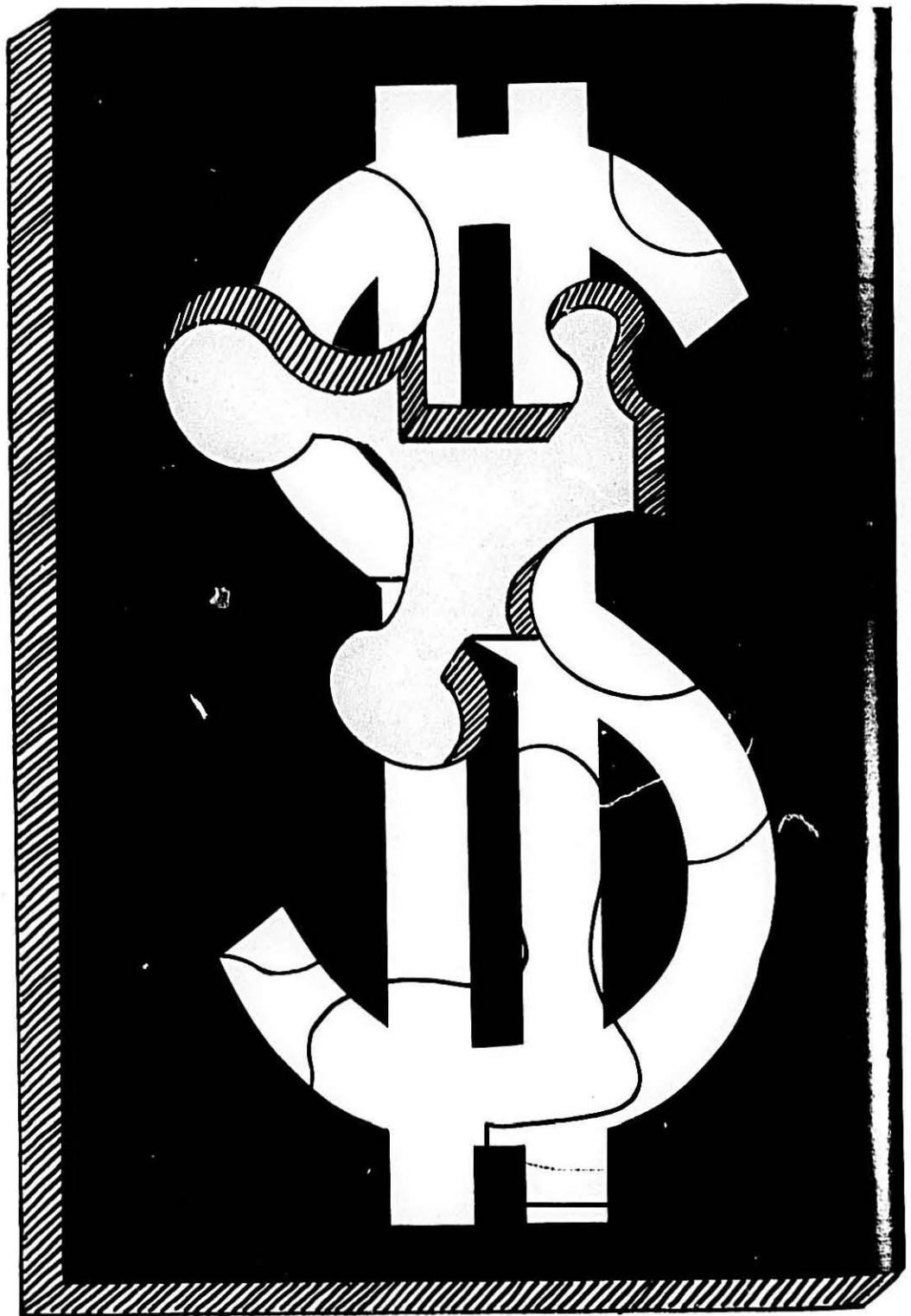
Stephen Hess, National Chairman of the Conference, said Mr. Marusi will help to identify and involve business and industry executives who can make important substantive contributions to the upcoming Conference.

"The degree to which this Conference is successful," said Hess, "depends on what happens after it is over. If leaders of American business and industry are involved meaningfully in the Conference itself, they can play an important role in seeing that the ideas the Conference generates are translated into action at the local and national level. We look to Mr. Marusi and the men who will join him on the Business-Industry Council to see that business leaders are involved, that their voices are heard and that their energies and insights are available when the time for action comes."

Two Parts

The White House Conference on Children and Youth, in a departure from past policy, has been divided this time into two parts. The Children's Conference, dealing with the world of children to age thirteen, will be held in the Capital between December 13 and 18, 1970. It will be preceded by extensive inquiries by many of the finest minds in the nation into the needs of our children now and through this decade.

The separate Youth Conference will be composed mainly of youth themselves, age fourteen to twenty-four. It will begin with Planning and Research meetings this summer and lead to a national Conference in Washington next February.



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The Use of Alcolec 505 in Canned Macaroni

by Marvin E. Winston* and James J. Winston, Director,
Jacobs-Winston Laboratories, Inc., New York, N.Y.

Project Sponsored by American Lecithin Company, Atlanta, Georgia.

In a previous paper by Winston and Winston (1), it was observed that the use of Alcolec 505 (a special Lecithin product) was very effective in producing a pre-cooked macaroni product with improved qualities. In 1981, it was noted by Winston (2) that the use of Myvaplex (distilled monoglycerides) in macaroni produced a macaroni product with superior characteristics in the canned state.

The purpose of this investigation is to evaluate the effects of the use of Myvaplex and Alcolec 505 in a canned macaroni.

Arrangements were made with a manufacturer, under our supervision, to manufacture the following samples of spaghetti:

Sample A—100% Semolina

Sample B—100% Semolina + ¼% of Alcolec 505

Sample C—100% Semolina + 1.5% Myvaplex

Method of Processing

The Alcolec 505 was first dispersed in the water and then added to the semolina in the mixer on a continuous basis. The Myvaplex was likewise dispersed in water heated to 150° F. and added to the semolina in the mixer. It was noted that these products were processed in the normal manner similar to the control without any change in the water absorption.

Canning Procedure

These products were then blanched for a period of six minutes; drained for 3 minutes, and the following was prepared for canning:

Sample A—Control in water; control in meat sauce.

Sample B—¼% Alcolec 505 in water; also in meat sauce.

Sample C—1.5% Myvaplex in water; also in meat sauce.

All the samples were sauced from the same batch of meat sauce, sealed, and retorted for 40 minutes at 250° F. These products were examined and evaluated by our test panel initially, followed by a re-examination 30 days and 60 days later. The following qualities were evaluated in the canned spaghetti products:

- 1—Color;
- 2—Stickiness;
- 3—Slime;
- 4—Firmness and resiliency;
- 5—Sauce cling;
- 6—Water absorption (variation on thickness); swelling.

Summary

The use of Alcolec 505 in a canned macaroni product is effective in improving the color, firmness and appearance. The swelling or mushiness which characterizes the standard canned spaghetti product is substantially reduced yielding a product of superior texture and appeal due to the use of ¼% Alcolec 505.

References

(1) M. E. Winston, J. J. Winston, Macaroni Journal, Vol. 51, 12, p. 40, 1970.

(2) J. J. Winston, Macaroni Journal, Vol. 43, 1, May 1981.

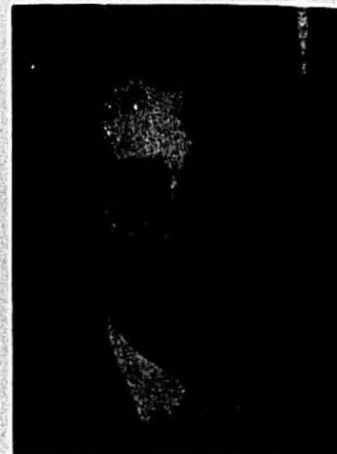
* Student at Indiana University, Bloomington, Indiana.

	Sample A (Control)	Sample B (Alcolec 505)	Sample C (Myvaplex)
Color (W)	Poor	Good	Good
Color (S)	Good	Good to Excellent	Good
Stickiness (W)	Moderate	Slight	None
Stickiness (S)	Moderate	None	None
Slime (W)	Slight	Slight	None
Slime (S)	Slight	None	None
Firmness (Resiliency) (W)	Poor	Good	Excellent
Firmness (Resiliency) (S)	Poor	Excellent	Excellent
Swelling (Water Absorption) (W)	Excessive	Moderate	Slight
Swelling (Water Absorption) (S)	Excessive	Slight	None
Sauce Cling	Fair	Good	Good

The above results were the same in each panel evaluation; e.g., initial, 30 days, 60 days.

(W) Canned in water

(S) Canned in sauce



James J. Winston

G.M.A. Moves to Washington

George W. Koch, president of the Grocery Manufacturers of America, Inc., the trade association which represents the major American brandname manufacturers of grocery products, has announced the relocation of GMA's Washington offices at 1425 K St., N.W., Suite 900, Washington, D.C. 20005.

GMA is now headquartered on the ninth floor of the new building at the corner of 14th and Vermont Ave., N.W., in the building known as One M. Pheasant Square.

In making the announcement of the move, Koch said, "We feel that in our new consolidated headquarters, GMA will be able to function more effectively and efficiently than ever before. Our entire staff, under one roof, will have the ability to communicate daily on the vital issues facing the grocery industry on almost a daily basis today."

The new consolidated GMA Washington office contains the following departments: Marketing, headed by Charles Safran; Operations, headed by C. Edward Ashdown; Government Affairs, headed by Jonathan W. Sloat; Scientific Affairs, headed by Dr. Robert W. Harkins, Ph.D.; Public Affairs, headed by Daniel A. Alfieri; and Administration and Meetings, headed by Raymond E. Banville.

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by Gene Kuhn
Manager:
AMBER MILLING DIVISION

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And only the finest durum goes into Amber Venezia No. 1 Semolina and Imperia Durum Granular.

We make Amber for discriminating macaroni manufacturers who put "quality" first and who are being rewarded with a larger and larger share of market.

These macaroni manufacturers tell us the consistent Amber color, uniform quality and granulation improve quality and cut production costs at the same time. Amber's "on time" delivery of every order helps too!

A phone call today will insure the delivery you want for Amber Venezia No. 1 and Imperia Durum Granular.

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FDA Units and Their Functions

The Food and Drug Administration's mission is to protect the public health from impairment by foods, drugs, cosmetics, therapeutic devices, hazardous household substances, poisons, pesticides, food additives, flammable fabrics, and various other types of consumer products. Its regulatory functions are intended to insure that foods are safe, pure, and wholesome; drugs and therapeutic devices are safe and effective; cosmetics are harmless; all of these are honestly and informatively labeled and packaged; dangerous household products carry adequate warnings for safe use and carry proper labeling; drugs are not counterfeited; and hazards from use of various consumer products are minimized.

The Commissioner and Deputy Commissioner are responsible for efficiently and effectively carrying out FDA's mission under direction of the Assistant Secretary for Health and Scientific Affairs.

Operating in the Office of the Commissioner as principal advisors to him in implementing agency policy in their areas of cognizance are associate commissioners for compliance and for science, and assistant commissioners for administration, for planning and evaluating, for field coordination, for program coordination, for education and information. There are also the offices of the hearing examiner and the office of legislative services.

Administrative Bureaus

There are three bureaus in the administration: Bureau of Foods, Pesticides, and Product Safety; Bureau of Drugs; and Bureau of Veterinary Medicine.

Regional Food and Drug Directors represent the Commissioner in directing and coordinating FDA programs carried out through the Department of Health, Education and Welfare regional office and FDA district offices. District offices are as follows:

Atlanta—Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee.

Baltimore—District of Columbia, Maryland, Virginia, West Virginia.

Boston—Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.

Buffalo—New York (53 counties comprising the Northern and Western Judicial Districts and part of the Southern Judicial District).

Chicago—Illinois.

Cincinnati—Ohio.

Dallas—New Mexico, Oklahoma, Texas.

Denver—Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming.

Detroit—Indiana, Michigan.

Kansas City—Iowa, Kansas, Missouri, Nebraska.

Los Angeles—American Samoa, Arizona, California (nine counties comprising the Central and Southern Judicial Districts).

Minneapolis—Minnesota, Wisconsin.

New Orleans—Arkansas, Louisiana.

New York—Canal Zone, New Jersey, New York (nine counties comprising the Eastern Judicial District and part of the Southern Judicial District and part of the Southern Judicial District), Puerto Rico, Virgin Islands.

Philadelphia—Delaware, Pennsylvania.

San Francisco—California (Northern and Eastern Judicial Districts), Guam, Hawaii, Nevada.

Seattle—Alaska, Idaho, Oregon, Washington.

Anatomy of an FDA Workshop

Dorothy Bailey did a fine job in writing up the FDA-NMMA sponsored Seminar on Good Manufacturing Practices held in New York City in mid-April. (Lead features in the Macaroni Journal for June and July).

She highlights comments and illustrates what went on with a collection of fine pictures taken both at the meeting and at the plant of the C. F. Mueller Company.

Her article appears in the June issue of FDA Papers.

Checkweigher

How its new Flexitron Static Checkweigher provides the closest possible control of package filling operations is described in a 4-page brochure available from Triangle Package Machinery Company, Chicago.

The Checkweigher can classify up to 90 bags per minute and instantly segregates and underfilled packages without sacrificing production speed. It has a sensitivity of plus or minus 1/100 oz.

The brochure details the unit's complete specifications. It also describes and illustrates the various components and operations with which the Checkweigher provides the user with positive reject of underweight packages while slashing "give-away" at the same time.

For copies of the brochures, or for additional information, write to Triangle Package Machinery Company, 6855 West Diversey Ave., Chicago, Ill. 60635.

Industrial Training Courses

Three new programmed instruction courses on cost reduction for employee training have been added to Du Pont's industrial training service library of courses.

The library, made up of courses developed by various Du Pont units for training their own employees, now totals 156 subjects. Included in these are 25 programs on safety training.

Designated as cost stewardship courses, the new additions are applicable for training programs in all profit-oriented businesses. The courses teach basic economics in the areas of cost control, cost responsibility, and cost management. They are designed to give employees the necessary training to become more efficient in their work so they may be able to reduce waste, increase productivity, and improve quality.

The objectives of the cost stewardship courses are to convince the employees of their responsibilities to perform efficiently and profitably, and to provide them with the know-how for achieving a more profitable operation.

Unit 1 (designated as AA137) is a basic review of our economic system, how it works, and its accomplishments. Unit 2 (AA138) reviews the methods by which a company's economic performance is measured and how it can be controlled, and reviews the return-on-investment formula which illustrates the effect of various factors on earnings.

Unit 3 (AA139), which applies Unit 1 and 2 principles to practical applications, introduces seven major areas of cost control found in most enterprises. A five-step method is emphasized to aid the employee in laying out his own cost reduction program for his work area.

Available on request at nominal charges, Unit 1 costs \$7; Unit 2, \$8; and Unit 3, \$8. Estimated time to complete the three self-study units is from 10 to 12 hours.

More than 3,500 companies, governmental agencies, and vocational schools are using Du Pont's programmed instruction courses, which were made available outside the company in 1965.

Programmed instruction is a relatively new teaching technique in which students can learn quickly, economically, and uniformly—but independently—the basic facts about a given subject without need for an instructor. This new teaching technique is designed to achieve a grade of 90 or better on examinations which can be given at the conclusion of the course at the discretion of local management.

ADM Milling Co.

Hunt-Wesson Helps Consumers

A new plan to combat inflation and the spiralling cost of living was introduced to the public in September by Hunt-Wesson Foods, Inc., a subsidiary of Norton Simon Inc. The plan entitled "We'll Help You Make It" was announced by Edward Gelsthorpe, president of the major California-based food firm.

The overall objective of the program is to help families in all income groups live successfully within their food budgets while understanding and meeting necessary nutritional standards.

"We'll Help You Make It" offers each family a month's menus based on the family size and its ages and the actual dollar amount it can spend on food purchases. Each day's menu plan includes breakfast, lunch and dinner. It will also include cooking suggestions and buying tips.

The program will serve family budgets ranging from under \$20 to more than \$50 per week, and will relate to families of all sizes. The menus will be available to consumers at no cost. People of every income group are expected to participate including those receiving food stamps.

Simple Program

The program is simple but unique. Consumers will be invited to fill out a coupon obtainable from newspaper and magazine ads, or participating grocery stores and supermarkets. Consumers will list the number of adults, and the number of ages of the children in the family group. They will also be asked to check the amount of their weekly food budget. This coupon will be mailed to Hunt-Wesson's computer meal planning center in Dayton, Ohio. The IBM 360 Model 40 computer has been programmed to select a month's menu plan, personalized for the individual family and its food budget.

This menu is sent to the consumer together with recipes, cooking suggestions and wise buying tips. The program also supports and makes use of the United States Department of Agriculture's Plentiful Foods lists to maximize seasonal food economies and gain public awareness of the USDA program. Importantly, each day's menu plan is balanced nutritionally and helps support the Food Council of America's program which is designed to educate the American consumer on the importance of nutrition in the diet.

Two Phases

The "We'll Help You Make It" program is Phase Two of low cost cookery

campaign that Hunt-Wesson initiated last year. The first phase was dedicated to help educate consumers to the potentials of more modestly priced and nutritional foods, and published the USDA Plentiful Foods list. At that time, the company introduced special cook books and sent home economists into many communities throughout the nation to further the concept of low-cost cooking.

"We'll Help You Make It," and its specific menu plans, is the second phase of this program.

Advertising

The advertising campaign, designed to bring "We'll Help You Make It" to the attention of the American housewife, will get under way the last week in August. The media schedule will include multiple insertions in a comprehensive list of 155 newspapers, as well as both spreads and pages in Life, McCall's, Redbook, Better Homes and Gardens and Family Circle. More than 123,000,00 in-store coupons will be distributed.

A total of at least \$2.5 million will be spent on the project. Investment in menu plans alone is estimated in excess of \$500,000.

Public Service

Mr. Gelsthorpe said, "We believe this program will contribute genuine service to the public in keeping with Hunt-Wesson's position as a responsible corporate citizen.

"In this period of continuing increases in the cost of living, it is important to give consumers an opportunity to keep family food budgets under as much control as possible—while still providing them with nutritional and appealing menus," Gelsthorpe added. "We feel our 'We'll Help You Make It' program takes a significant step in that direction."

The "We'll Help You Make It" program is a result of a plea made by President Nixon in his inaugural address on January 20, 1969. In discussing the problem of growing inflation and other domestic challenges of the 1970's, President Nixon stated, "We are approaching the limits of what government can do alone. Our greatest need now is to reach beyond government, to enlist the legions of the concerned and the committed. What has to be done has to be done by the government and the people together or it will not be done at all."

Hunt-Wesson Foods took up the President's call to action by preparing perhaps the first nationally scaled program on the part of private industry.

The project is a serious effort on the part of Hunt-Wesson to help curb inflation and, even more important, to help all income groups plan nutritionally sound and appetizing meals on a limited food budget.

Young & Rubicam, Los Angeles, is the agency on the account.

Customer Is Always Wrong

Most housewives feel it doesn't do much good to complain to supermarket management about an unsatisfactory product, according to a survey of 352 women in Flint, Mich. While the majority of women said they do complain about unsatisfactory purchases, most remarked that they expected little to be done to correct the situation. One out of every 3 housewives surveyed said she does not complain, even when the situation warrants. Reasons varied from "can't take the time," to "they're not interested in how you feel," and "it's not worth the trouble."

The survey indicated that many of the silent, dissatisfied customers just change brands, or switch to another store.

Specialty Advertising Award

Golden Grain Macaroni Co., San Leandro, California, was honored for its 1969 specialty advertising program: at the Specialty Advertising Association International's (SAAI) semi-annual trade show held in Chicago's Palmer House. Golden Grain and its specialty advertising counselor, Walter W. Cribbs Co., Inc., San Francisco, were awarded Honorable Mention Awards.

The Awards Competition recognizes outstanding use of specialty advertising in business promotions during 1969. Specialty advertising is an \$811 million-a-year medium that employs imprinted specialties, calendars, and business gifts.

In an effort to promote its grain products, Golden Grain Macaroni Co. mailed to supermarket executives and buyers a series of letters each containing a corny verse and an attention-getting advertising-specialty item. Staples were imprinted with the message: "Promote Golden Grain Products—Your Profitable Staple Goods." Other specialty items included, flashlights, road maps, rulers and calendars.

Anniversary

George E. Hackbush, Senior Account Executive in Chicago for International Multifoods, recently observed his fortieth anniversary with the company.

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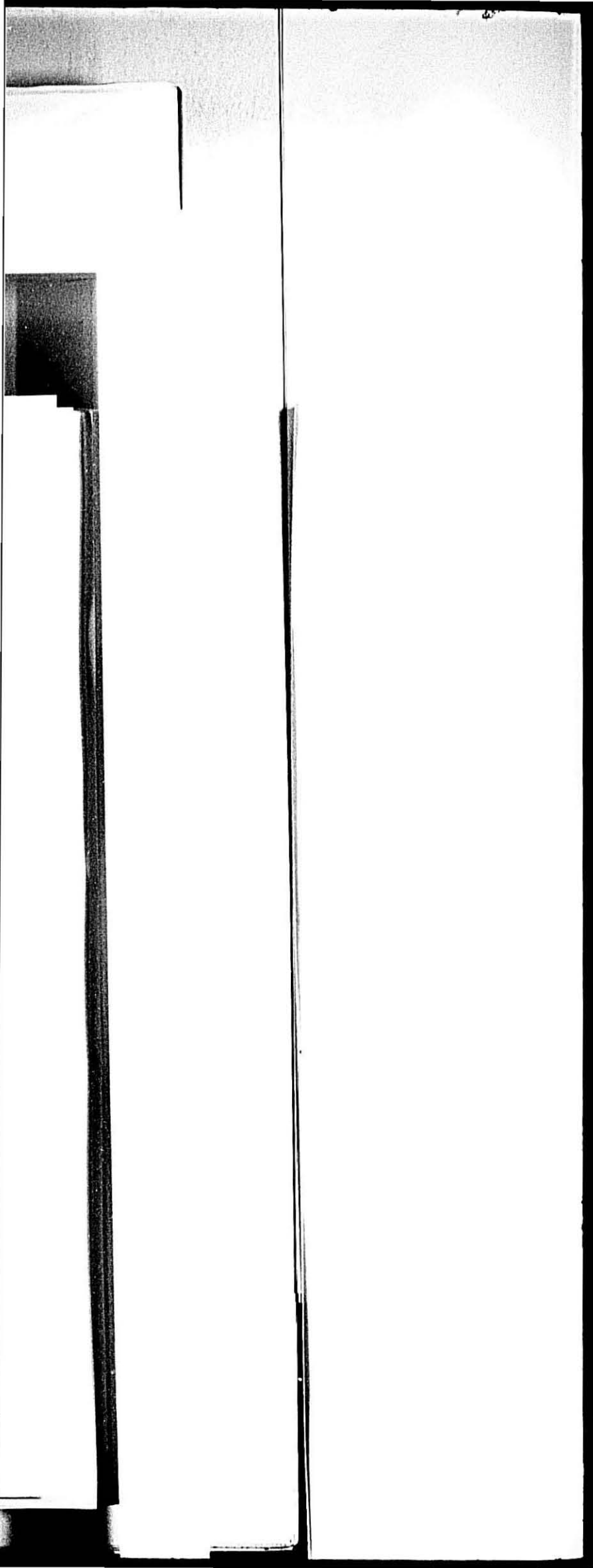
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Pollution Control Report

The Grain-based Food Products Sub-council of the National Industrial Pollution Control Council met August 25 at the United States Department of Commerce office in Washington for its initial report on existing pollution conditions. Reports were made by the macaroni, bakery, cereal, vegetable oil, flour and animal feed and sugar industries.

Macaroni Survey

Lloyd E. Skinner reported on a survey made of the macaroni industry. He told the panel that while the macaroni industry is a low key factor in pollution, its manufacturers are keenly aware of the importance of pollution control.

Skinner stated that 60% of macaroni companies now have personnel assigned to keep informed of pollution control laws and regulations. He said that while a majority of the manufacturers considered air and water regulations in their communities fair, even those who felt local regulations too restrictive were complying.

Skinner told the committee that solid wastes composed of cartons, cellophane and polyethylene bags damaged in packaging operations, metal straps used by paper box manufacturers to bundle shipments, broken pallets and macaroni product dropped to the floor or swept from machinery posed the biggest pollution problem for manufacturers.

He reported that while about 15% of macaroni manufacturers still maintain incinerators, the final destination of 65% of all solid wastes is either to sanitary landfills or municipal incinerators.

The report on the meeting issued by the U. S. Dept. of Commerce showed that investments and expenditures on pollution control made by macaroni manufacturers were proportionate to the investments and expenditures of cereal manufacturers. However, cereal manufacturers have projected future plans much further than have members of the macaroni industry and cereal makers' future plans call for much greater expenditures.

Sugar Problems

Of the six industries reporting, the sugar industry was faced with the greatest pollution problems. The burning of sugar cane before harvest and the odor problem from the pond impoundment method used in the processing of sugar beets being the more difficult. Adequate control methods now available are not economically feasible in the eyes of sugar manufacturers.

Macaroni Industry Pollution Control Report

Report made by Lloyd E. Skinner, Member Grain-Based Food Products Sub-Council of the National Industrial Pollution Control Council, August 21, 1970.

Mail Survey

A survey questionnaire was mailed during the month of July to members of the National Macaroni Manufacturers Association.

Twenty-three companies cooperated in our survey. The companies making returns were essentially the larger and medium sized companies. They represent a good geographical cross-section.

The questionnaire covered three facets of the pollution problem—air—water and solid matters.

A summary of the survey shows: Macaroni manufacturers are keenly aware of the importance of pollution control—

Sixty per cent of the companies have personnel assigned to keep informed of pollution control laws and regulations . . . and a good majority of the companies have their plant manager involved in the control program at a medium to high level. Several companies reported they have stated policies on pollution control. This seems to be a growing practice.

Industry Investment in Pollution Control

Projecting returns from the survey would indicate that the macaroni industry has invested about \$900,000 in pollution control equipment during the past 5 years. This is equivalent to about 1 1/2% of the industry's capital investment.

This figure, I am sure is a very conservative one because often this type of equipment is included in an over-all figure for building, expansion or remodeling contracts.

Future Pollution Control Investments

Macaroni manufacturers find it hard to anticipate future expenditures for pollution control. It will depend, to a great extent, on changes in pollution regulations since just about all manufacturers are already complying with present control standards. About \$250,000 is the planned expenditure for the next year.

Annual Maintenance

The macaroni industry spends about \$300,000 a year for maintenance factors on pollution control. A major part of this is for disposing of solid wastes such as paper and plastics damaged in pack-

aging operations and offal from certain plant operations.

Pollution Low Key Problems In Macaroni Industry

Pollution problems in the industry are low key. Practically all manufacturers confine their operation to macaroni products alone. A few branch into dehydrated soup mixes, matzo products and spaghetti sauces.

Essentially the macaroni industry control problems are:

Air Pollution

Great amounts of heat are used in the drying process in the manufacture of macaroni products. Most manufacturers today use natural gas and/or oil for their boilers. Some manufacturers use electronic smoke detectors and controls to assure disposal of smoke, vapors and mineral particulates.

Dust is naturally generated in the handling of flour and in regrind processes. Modern pneumatic flour systems, cyclone separators, fabric bag and self-cleaning filters reduce the dust problem to minimal levels.

Eighty-five per cent of macaroni manufacturers operate under air pollution regulations set up by either city, county or state.

Ninety-five per cent viewed the air control regulations covering them as being reasonable—

Five per cent viewed them as too restrictive—

One hundred per cent are complying with air pollution regulations.

A number of macaroni companies have spent \$50,000 to \$75,000 to meet air pollution regulations—others have spent as little as \$500.

Water Pollution

Practically the only source of water pollution in the making of macaroni products comes from the washing of dough from the dies after they have been removed from the presses at the end of a days run. The suspended solids are at such a low level the water is practically potable. Some manufacturers estimate this would not exceed 70 lbs. to 1,000 gallons.

Manufacturers generally discharge the waste water into city sewer systems or surface water courses without pretreatment. Only 19% reported that pretreatment was required in their communities.

Ninety per cent of macaroni manufacturers polled thought water pollution controls fair and equitable—

Ten per cent thought them too restrictive—



Lloyd E. Skinner

Solid Waste

The disposal of cartons, cellophane and polyethylene bags damaged in the packaging operations are probably the biggest pollution problem in the macaroni industry. To this must be added such items as metal straps used by paper box manufacturers to bundle their shipments, occasional pieces of worn machinery and worn or broken wooden pallets. Macaroni product dropped to the floor or swept from machinery must be added.

Ninety-five per cent of manufacturers polled used commercial haulers—

Twenty per cent have their own hauling equipment. This means some use both methods—

Fifteen per cent maintain incinerators—

Sixty five per cent of product offal is used for animal feed—

Thirty five per cent is disposed of with other solids.

The final destination of 95% of solid waste materials is either a sanitary landfill or municipal or commercial incinerators.

The industry's annual expenditure for operation and maintenance of solid waste disposal systems is about \$235,000.

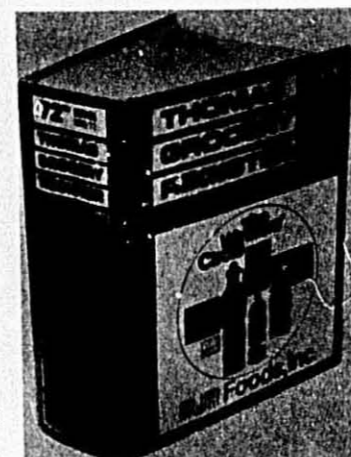
Regarding Regulations

The records shows that macaroni manufacturers are willing to and do comply with pollution regulations. They think it important that they receive pollution information and regulations direct from the regulatory body. However, a good many manufacturers also thought it would be well to also have such information channeled through the National Macaroni Association.

Our survey indicates that present regulations in general are fair and equitable. There has been mention of this council setting up voluntary standards for pollution control. We think it better for industry to move ahead with any standards deemed necessary to improve the ecology rather than to be forced through government action. However, we would caution that regulations for the cleansing of water from the offal of a creamery, a canning plant or the fish industry might impose unnecessary expense and hardship on the macaroni industry with its low-key pollution factors.

Regardless of whether standards are set voluntarily or by the government, we favor government enforcement. We do not want a situation where 98% of the industry abides by fair standards and one or two rascals give the industry a bad name.

The Macaroni Industry wants a clean America . . . a beautiful America.



Thomas Grocery Register

The 72nd annual edition of the Thomas Grocery Register, just published, has increased the number of companies listed by 24 per cent and added 103 pages. This brings total listings to 91,960, including 30,921 U.S. and Canadian firms within its 1,978 pages.

Major changes and updates include the addition of 10,000 new names, deletion of 7,000 out-of-date listings, and revamping of more than 20,000 others.

The Brand Names section has been transferred to the front of the Register and now includes 2,000 new brands and trademarks for a total of 7,535 listings. The warehouse section, introduced last year, has been increased by 35 per cent and now contains 618 dry storage and

refrigerated warehouses serving the food and related industries.

Other sections largely revamped and expanded — all thumb-indexed — include Brokers, Manufacturers and Packers, Distributors (now divided into Retail and Wholesale sub-sections), Exporter/Importer, Frozen Foods, and Canned Foods. A total of 366 trade associations also is listed.

Food Brokers

In what is the most comprehensive listing of food industry brokers, this section has been increased by 369 firms and now contains 4,330 brokers including military sales representatives. Data in each listing includes address, type of merchandise handled, association affiliation, names of officers as well as information on the type of accounts each calls on.

Largest of the thumb-indexed sections, Manufacturers and Packers, has 1,390 categories of services, foods and non-foods merchandise sold in supermarkets. The 624-page section, increased by 2,335 new firms, now has 16,573 companies and 25,113 listings. It includes manufacturers of machinery, equipment and supplies used by the industry. All companies are listed geographically under each product category.

Retailers

The Retail section lists 2,745 super-market chains and 211 low margin, discount department store chains. The Wholesale segment contains the following: wholesale grocers, including co-operatives, specialty distributors and institutional wholesalers—3,738 listings; 623 voluntary groups; 1,271 non-foods service distributors (rack jobbers); 975 wholesale bakers, 2,485 produce wholesalers, and 2,284 provision and meat wholesalers.

The enlarged exporter/importer section lists nearly 1,000 firms and has added the country of origin of products in each listing where this information has been provided.

Canned Foods has been increased by 154 firms for a total of 1,458 companies. Under the various canned product classifications, company listings total 3,429. The enlarged frozen foods section lists 838 distributors, 1,714 brokers and 750 processors.

The Thomas Grocery Register continues to supply the most extensive coverage available of food industry information. The 72nd annual edition—\$20 postage prepaid (USA and Canada), may be purchased from the Thomas Publishing Company, 461 Eighth Avenue, New York, New York 10001.

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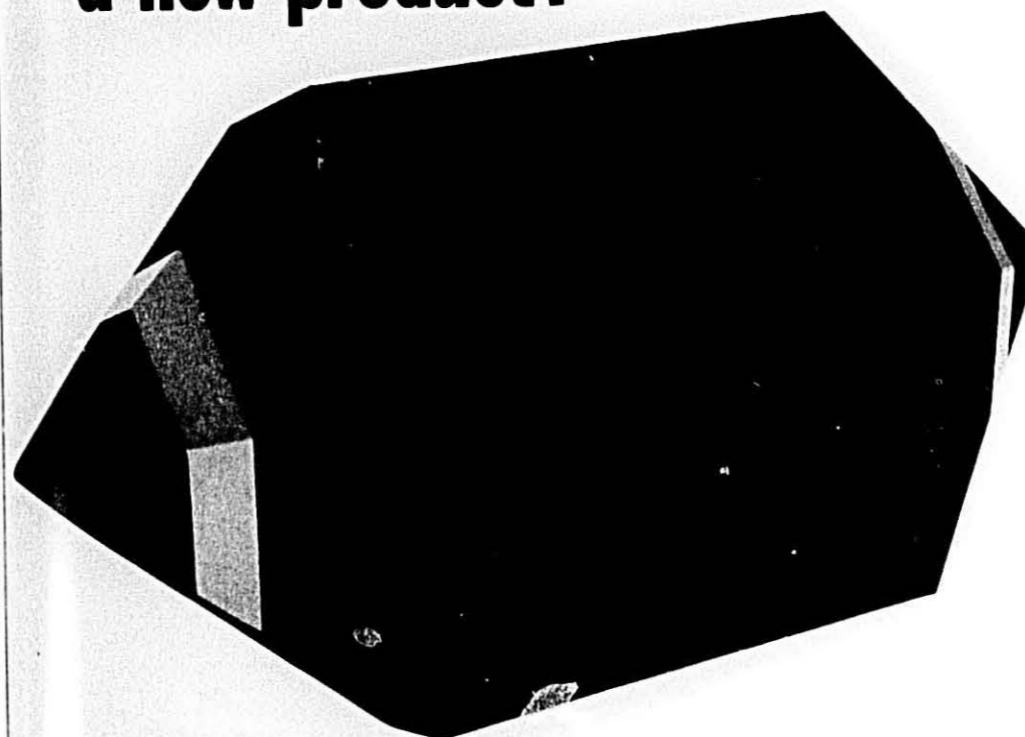
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Clorox Acquires GSP

Clorox Company was reported by the Wall Street Journal to have agreed in principle to acquire the business and assets of Grocery Store Products Company, a West Chester, Pa., specialty food concern (Foulds and Gold Medal macaroni) through an exchange of stock.

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International Multifoods Gains

International Multifoods reported both higher sales and earnings for the first half of its fiscal year, ended Aug. 31, compared to the same period a year ago.

William G. Phillips, president of the Minneapolis-based diversified foods company, said preliminary figures showed consolidated net sales of \$265 million during the six months compared to \$179 million last year, a 15 percent increase.

Consolidated net earnings at mid-year were 7 percent ahead of last year, \$2,968,000 versus \$2,774,000. Earnings per share, after provision for preferred dividends, for the first six months of this year were 97 cents, a 3 percent advance over last year's 94 cents.

General Mills Promotion

Jean S. Hassell, General Mills, Sperry Division, at Palo Alto, California, has been promoted to region sales manager-West, responsible for all bakery flour, mix and durum sales activities in the West. He formerly was sales manager for Northern California.

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