

OIL & FAT INDUSTRIES

The Editor's Page

Service to An Industry

IN THIS issue we publish the report of The Soap Analysis Committee of The American Oil Chemists' Society. We believe this to be a splendid example of the value to industry of co-operation between chemists. When the research chiefs of a dozen or more of the leaders in the soap industry are encouraged by their employers to devote considerable time and effort to standardization of analytical methods, it seems to us to evidence an attitude of helpfulness to the best interests of the industry which is far different from the feeling that prevailed with respect to such matters up until only a very few years ago. The American Oil Chemists' Society is blazing trails of service which may well be followed by many other groups of scientists.

Now — If Ever

The market prices of all varieties and grades of oils and fats have been scraping bottom now for several months. All those who have been accustomed to scan these markets have been for some time of the opinion that prices cannot go to lower levels and that an upturn is due in the near future. The net result of the present situation, however, should be of distinct advantage to all those who manufacture developed products, the raw materials for which consist of oils and fats, in whole or in part.

Margarine, mayonnaise, shortening and soap, commodities which are largely sold in small packages have not declined in price in proportion to the declines in the fatty raw materials which form the largest percentage of their composition. It is true that distribution costs may be slightly greater due to keener competition for business, but these increased distribution costs do not equal the reduction in production costs attributable to lower material prices.

The opportunities for profit in these lines at the present time is apparent. Manufacturers of specialties who give strict attention to cost analysis figures and take care to conserve for the profit account that additional margin which is theirs by reason of reduced material costs, should be able to show satisfactory profits at this time, if ever, because of these particularly favorable raw material prices.

It is easy, of course, for the careless producer to dissipate the advantage thus gained. Failure to take advantage of modern equipment and methods can make labor charges so high in comparison to those of competitors that competition becomes impossible. Ill-advised campaigns designed to force greater distribution than a given territory is capable of absorbing, or to invade areas where sales and distribution costs are prohibitive, due to unsuitable factory location, can quickly wipe out advantages due to cheaper raw materials.

In conclusion, however, we repeat, that the alert manufacturer of specialties from oils and fats should be accumulating satisfactory profits at this time, if ever, in spite of any influences of slackened demand.

Employes and Profits

MORE and more American manufacturers and business men in all lines are awakening to the fact that employes are something apart from, and must be treated differently than commodities. Surveys in various lines of business have shown that the lowest production costs are invariably recorded in those establishments which have the smallest labor turnover.

The industrialist of today realizes that the cost of training any employe, from the ordinary laborer to the most important executive, is such that it is of the greatest importance to keep personnel changes at a minimum. The production staff which is subject to frequent "lay-offs" in times of business depression, and to constant change

in membership at the whim of foremen or of management is undoubtedly the most expensive.

The problem of getting the most value in return for payroll expenditures seems to us to have been most successfully solved by The Procter & Gamble Company. Under the farsighted guidance of an experienced management, the production programs of the business have been so stabilized that every employe is guaranteed a minimum number of days work per year — furthermore, a high minimum. Under such condition, with the sinister fear of unemployment and loss of savings entirely removed from the picture, every employe must feel that he is an active member of a successful organization, and will consequently give of his best for the continuation of that organization's prosperity.

That the Procter & Gamble Company has further cemented the ties that bind their employes in loyalty by bonuses, profit-sharing and stock-purchase opportunities is well known. All such departures in employe relations would have seemed most radical fifty or sixty years ago when the company first initiated profit sharing plans, but today their outstanding success is bringing leaders in all industries to consider the adoption of identical methods in employe relations.

Not only is an employment policy of this type in keeping with modern ideas of sociology, but it is likewise mighty good business as the years have proven.

Canadian Linseed Oil

Eight establishments were manufacturing linseed oil in Canada during 1929, according to a report recently released by the Dominion Bureau of Statistics. Their total capital investment was \$2,708,378, and 239 employes were engaged in the industry.

The annual output of raw linseed oil amounted to 3,295,255 imperial gallons, having a selling value at the mill of \$2,637,581. The production of boiled linseed oil totaled 1,047,646 gallons, with a sales value at the mill of \$837,070. The quantity of linseed oil available in Canada in the year (the total production of both grades of oil, namely, 4,342,901 gallons, plus the 1929 imports of 143,502 gallons) was 4,486,403 imperial gallons. Exports were 1,995 gallons during the year, and the apparent domestic consumption was 4,484,408 imperial gallons.

Shortening and Oil Prices

Prices of shortening and salad and cooking oils on Thursday, July 24, 1930, based on sales made by member companies of the Shortening and Oil Division of the National Cottonseed Products Association, were as follows:

Shortening	Per lb.
North and Northeast:	
Carlots, 26,000 lbs.	@10½
3,500 lbs. and up	@10¾
Less than 3,500 lbs.	@11¼
Southeast:	
3,500 lbs.	@10¼
Less than 3,500 lbs.	@10¾
Southwest:	
Carlots, 26,000 lbs.	@10¼
10,000 lbs. and up	@10½
Less than 10,000 lbs.	@10¾
Pacific Coast:	@11¼
Salad Oil	
North and Northeast:	
Carlots, 26,000 lbs.	@10¼
5 bbls. and up	@10½
1 to 4 bbls.	@11¼
South:	
Carlots, 26,000 lbs.	@10
Less than carlots	@10¾
Pacific Coast:	@10¾
Cooking Oil—White	
½c per lb. less than salad oil.	
Cooking Oil—Yellow	
¼c per lb. less than salad oil.	

Coconut planters of Jamaica recently decided to organize a co-operative association, the Jamaica Producers' Association, to improve the economic outlook of those engaged in the industry, which has been depressed for some time. The association will regard copra as the principal product and at least five drying plants will be established in various parts of the island.

The idea is to standardize Jamaica copra on the basis of the Malayan article. A factory for the production of oil from nuts will be established in Kingston. It is also proposed to turn out desiccated coconut, cattle fodder, and possibly soap.

A. C. Drury & Co. have been appointed Western Distributors for the Cherry Oil Co., manufacturers of cherry seed oil, which is suitable for use in cosmetics and high-grade salad dressings.

Stockholders of Jas. J. Kirk & Co., of Chicago, have approved the sale of the company's assets to the Procter & Gamble Co. Final details of the sale and the acquisition of the plant by the new owners will be completed in the near future.