

# OIL & FAT INDUSTRIES

## The Editor's Page

### Service to An Industry

**I**N 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

**T**he 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

**M**ORE 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