

# OIL & FAT INDUSTRIES

## The Editor's Page

### Management or . . . Muddling

NEWSPAPERS and general magazines throughout the country have cited one of our largest vegetable oil refiners and soap-makers as the outstanding example of a business so planned as to avoid the unfortunate consequences of sporadic unemployment in the ranks of the workers, whether caused by seasonal or cyclic business depressions.

We are reliably informed that the manufacturing plants of the company referred to are operating at or near the peak of capacity in all departments. This fact appears, to us, to point a lesson to other manufacturers in all divisions of industry, and to all bankers as well.

In reviewing the growth of American manufacturing enterprise, we note that, in the early days of the republic, most industrial plants were conducted very much on family lines. The soapmaker or the tallow chandler furnished lodging and food to his apprentices and journeymen, as well as wages, and his contracts with these employes were such as to make him responsible for their maintenance for a period of years, regardless of the fortunes of his business.

With the growth of the corporate system, and in later years, our insatiate pursuit of the fancied economies supposed to be gained by mergers and combinations, this responsibility of the employer toward the worker has been almost entirely forgotten. The managers of most of the large combinations do not hesitate to expand facilities beyond all reason in times of increasing prosperity, with the inevitable result of suddenly being forced to deprive thousands of employes of their livelihoods at the first approach of recession in demand.

In contrast with such inept procedure, we note the management of the organization above referred to, as well as many other able and far-sighted manufacturers, planning their operations of production and distribution along sane average lines, for two, three, or even five years in advance; developing their sales, sales promotion and research departments in such manner as to insure the healthy growth desired; thereby maintaining a satisfied staff of skilled workers, free from the twin specters of unemployment and want.

Great size is no barrier to such intelligent planning, but we cannot help believing that the lack of such procedure on the part of many of our industrial giants is in large measure responsible for the extreme length of the present "quiet business" period.

### Production Only Deferred

THE Bureau of the Census figures for production, factory consumption, import and export of animal and vegetable oils during 1930, which were published in *Oil & Fat Industries* in August, reveal some very interesting facts in relation to the trend of the industry during a period of extreme depression and falling prices.

The most startling single feature was a sensational reduction in output of linseed oil, without any compensating increase in imports; in fact the imports showed a slight decrease as well. This marked slump in production of the leading surfacing raw material indicates an undoubted slowing-down of construction and maintenance work throughout the country, of homes as well as of business and industrial buildings. In all the light of past experience, it can mean only an acceleration of demand in the same line when confidence is once again restored and the nation starts moving forward to overtake the normal gain in demand from increased population and increased useful wealth.

None can deny that even in times of depression useful wealth (the products of mines, mills, and forests) continues to increase. That the value is temporarily lessened by a periodic slackening of demand does not in the least imperil the existence of this wealth which has been wrested from the earth by man's labor, and which will remain as a basis for capital and credit.

The falling off in demand for edible fats has been not so great as that in the technical oil field, and the recovery may be expected to be less sudden. The necessity for fat in the diet is such that even when the family budget