

# AND NEWS OF THE INDUSTRY

## Spanish Exports of Olive Oil During First Eleven Months of 1931

The following information was contained in a report from Commercial Attache Livengood at Madrid, under date of February 12, 1932, and gives exports of olive oil from Spain during the first eleven months of 1931 and 1930:

	January to November	
	1931	1930
	Kilos	Kilos
Argentina .....	13,633,071	17,714,106
Brazil .....	645,087	1,745,131
Cuba .....	4,800,595	6,444,092
France .....	3,659,751	3,387,926
United Kingdom.....	2,334,007	1,814,197
Italy .....	27,234,987	14,984,412
United States.....	12,391,481	10,264,832
Portugal .....	1,860,953	7,347,503
Uruguay .....	3,639,878	7,190,050
Canary Islands.....	1,228,842	1,986,983
Other countries.....	6,359,770	7,888,085
Total .....	77,788,422	80,767,317

The production of cod liver oil in Norway up to March 12, 1932, according to preliminary reports, amounted to 708,400 gallons, as compared with 470,625 gallons for the corresponding period of last season. The price on the primary market on the above-mentioned date was 64 crowns per barrel. (Commercial Attache Marquard H. Lund, Oslo.)

On account of diminished turpentine exports last January and unfavorable conditions in the principal export markets, the Association of Turpentine Distilleries, recently organized, will suspend turpentine production for six weeks, beginning February 15, 1932, during which period the 120 turpentine enterprises will make repairs to their plants. (Commercial Attache Clayton Lane, Warsaw.)

## Mexican Naval Stores Industry

During February the market for naval stores in the Guadalajara district remained stationary. Shipments for the month comprised 8,365 gallons of turpentine consigned to the United States and 60 tons of rosin sold to soap manufacturers in Guadalajara. No stocks, except a few hundred liters of turpentine were available. At Durango seven camps working about 122 crops were active. Chipping was well advanced and although cold weather was experienced the latter part of the month which retarded the flow of gum, operators expected to ship from new production before the end of March. One car of rosin was shipped while no movement was made of turpentine. Stocks on hand the end of February were about 24,000 gallons of turpentine and 40 metric tons of rosin. Operating costs are expected to be much lower than in any previous year. Labor is plentiful, salaries paid have been reduced and piece work rates for chipping, gathering, freighting, and stilling have also been lowered. (Consuls Raleigh A. Gibson and Ellis A. Bonnett, Guadalajara and Durango.)

Porto Rico, while supplying bay oil in relatively small quantities, expanded its sales to the United States during 1931, having been the origin of 16,300 pounds valued at \$26,300, as against 13,300 pounds worth \$22,400 in 1930.

In the territory of Misiones, Argentina, total planting of tung oil trees is estimated at 40,000 trees. The oldest trees on the plantations in the district are 3½ years old and average about 50 fruit per tree. The nuts are of excellent size and all the trees planted in the zone are reported to be progressing well and free from pests. The planters are well pleased with results so far and believe a profitable yield of oil will be derived from groves in that area on account of suitable soil and climate. (Assistant Trade Commissioner Jule B. Smith, Buenos Aires.)

**Loss Leaders and the Chain Store**

*(Continued from page 99.)*

extensively any price concessions he may make. Considerable importance, therefore, attaches to the policy and practice of chains in the use of leaders and loss leaders. This report presents a summary of the facts with reference to chain store leaders and loss leaders so far as they have been reported in the schedule returns, together with some statements of chain store executives regarding their policies in this respect.

The terms "leaders" and "loss leaders" have indefinite meanings and are used by chain store organizations in widely different senses. A loss leader apparently is variously considered as an article sold below net invoice cost, the net purchase cost or net manufacturing cost as the case may be, or it may be applied to goods sold below the net purchase cost of the goods plus operating costs, or simply to goods sold at prices below the usual markup.

In a broad sense leaders may be defined as

merchandise featured or sold at reduced prices to attract buyers and thereby stimulate sales not only of these leaders but also of other goods. Such leaders may be used more or less regularly and may or may not be advertised. Goods marked down because of change in style, end of the season or clearance sales, odd lot offerings, or goods that do not sell readily, or that must be closed out because of their perishability, and therefore sold at reduced prices, or at cost or below cost, are not always considered as leaders by the chains. There are, however, numerous chains which select some of their leaders from one or more of these kinds of merchandise or feature such goods in special sales.

It is not to be understood that the chains necessarily sell their leaders or loss leaders in all their stores at the same time, but rather that they sell them at least in some of their stores some of the time. In some cases, however, one or more of the leaders may be sold in all of the stores all of the time. The general policy, how-

ever, is that all of the retail units within the same trading area, such as a city, shall sell the selected leaders, if they are advertised in newspapers.

According to chain store officials, there are apparently four purposes for which leaders are used. These purposes are pithily summarized in the following statement of the president of a grocery and meat chain which operates several hundred stores: "The extent to which prices are cut depends on competition, the necessity of introducing a commodity, the need for moving a line of goods, and the desire to bring customers into the store." Authority for the selection of leaders may be vested with the headquarters or subheadquarters offices of a chain or with the warehouses or store managers or any combination of the four.

The pricing of leaders, like their selection, may be dictated by central headquarters, subheadquarters, warehouses or store managers or by any combination of them. Even under partial or complete decentralization, however, there appears to be some tendency for the headquarters or subheadquarters to exercise some control over the pricing of leaders particularly if the prices are reduced to or below cost.