

tell so far ahead what would be wanted and were left with a large stock of unsold goods which not only handicapped them in continuing an active, up-to-date business, but reacted on the mills.

"Perhaps the same thing is true of this problem which applies to so many others—that there is some compromise. I have not the slightest doubt but what the 'hand-to-mouth' buying policy has been carried to an extreme and the wholesalers and retailers will be forced to carry a somewhat larger stock than has been necessary during the past two or three years, when they were reducing accumulated stocks of goods. . . .

"To sum up, I am quite sure that the Pacific Mills would be better off to so organize our manufacturing and selling that we can quickly supply our customers with the varying and changing kinds of goods which they really need to satisfy the fickle fashions of modern times, but with it all we must necessarily run a considerable amount of business in fair volume and I think this will be possible, too.

"I think you will find that many would agree with me in the thought that some of the largest losses are taken by manufacturers and merchants in getting rid of goods which are no longer in demand rather than in our inability to make money on goods which have a higher cost but which are produced and offered at a time when they are in demand."

FREQUENT STYLE CHANGES RESULT OF PRESENT CONDITIONS

Mr. EDWIN S. BAYER, the president of Julius Kayser & Co., manufacturers of silk gloves, fabric gloves, silk hosiery, silk and cotton goods, dress nets and veilings, states that the "hand-to-mouth" buying problem has been a continual source of perplexity to manufacturers in this country. He writes as follows:

"For the manufacturer whose productive facilities limit him to the manufacture of only certain articles, it is not so easy to operate in the manner of the retailer. With advance orders not forthcoming, he must take chances and speculate in the manufacture of his products. Of course, he will do this to as small an extent as possible. There is no question but that this interferes seriously with the economies which result from mass production, but he must seek to obtain mass production within the limitations thus imposed. The result must be a certain increase in the cost of manufactured articles. The price which the manufacturer is able to obtain for his

product does not depend solely upon cost, but upon a competitive condition, which has been rendered more acute by the national tendency to overproduction of articles in which business may be active. Therefore it is often difficult for him to make the retailer bear any portion of the increased cost.

"Personally, I cannot look forward to any important modification of the 'hand-to-mouth' buying policy as long as manufacturers continue in their practice of overproduction. Merchandise managers who control the buying of the larger department stores have been so successful with this policy that only a serious shortage of many articles of manufacture can influence them to change it. As there does not seem to be any prospect of such a shortage we must accept the present condition as a continuing fact."

MUST CO-ORDINATE PRODUCTION AND DEMAND

Mr. EDWARD FRESCHL, the president of the Holeproof Hosiery Company, also regards the hand-to-mouth buying problem as most perplexing. He states that he believes the present condition will continue for a generation, and that he cannot see anything ahead that could be expected to change the situation:

"This being the case there is nothing for the manufacturer to do but to make up his mind that he is up against a real gamble. If he plays safe and curtails his production, he is on the other hand going to be unable to give service to his customers and will eventually be out of business. If he piles up inventories in order to give adequate service, thus meeting competition, he is going to be sure to guess wrong at some time or other and take a tremendous loss either as regards style fluctuations or costs of material.

"Summing this up, it looks to me as though the manufacturer is in a position where he will have to exert all the ingenuity he possesses to co-ordinate his production with the demand which he may be in a position to expect."

In conclusion, Mr. Freschl remarks: "It seems to be a situation that calls for comment similar to Mark Twain's remark about the weather, namely: 'Everybody is discussing it, but nobody does anything about it,' " and the only solution of the problem as far as he can see is for each manufacturer to exercise eternal vigilance in the matter of his production and sales.