

for certain commodities will force the buyers to anticipate their needs. The result of the present buying habits of the public will, therefore, render it necessary, in his opinion, for the manufacturer or the jobber, or perhaps both, to carry larger stocks.

His suggestion of the solution of the problem is as follows: "In order that this may not work too much of a hardship it looks to me as though there might be merit in the suggestion of the Department of Commerce to eliminate a great many of the different kinds and sizes of all products that are now made and adopt certain kinds and sizes as standard and only carry the standard goods in stock. If this is done the inventories carried will be no larger than formerly and the manufacturer and the jobber with no larger investment will be able to supply his trade better than he now can."

"KEEP AS CLOSE TO THE BUSINESS AS
POSSIBLE"

The Link-Belt Company, which is engaged in the business of manufacturing and engineering, and covers the entire line of conveying, elevating and transmission machinery, malleable and machine-made driving chains, locomotive cranes and wagon loaders, have felt the effects of the "hand-to-mouth" buying practice, experiencing even in their line difficulties arising from changes in designs.

Mr. ALFRED KAUFFMANN, the president of the company, makes the following comment:

"With the records of many years before us and by keeping close tab through our various sales offices and afterwards on what our customer was manufacturing and trying to sense the general market and business conditions through our own contact, we have evolved a system whereby due to monthly checks we have been able to balance our stock in such a way that what at one time was an aggravating and dangerous condition, is today going along in a smooth, safe and sane manner. In the case of the automobile business we have tried to work to certain standards. We watch our raw stock; we watch our work in process, which is the next stage between the raw and the finished assembled part and we watch our assembled chain. We watch this not only through records which constantly

come to the heads, but we insist that there is no better way of watching stock than by constantly walking through the plants and the storerooms. . . .

"We try to learn how much of an order is going into the shop monthly so that we can keep up with the customers' requirements and yet not find ourselves loaded up with material which can't be used if he should cancel. Of course there is always the alternative of having a larger plant with more equipment and working right up to within a few weeks of your orders on hand, but we do not believe this to be good management. We would much rather put in overtime work and all night work where necessary to take care of the peak loads.

"I do not want to give you the impression that even with all this care we do not miss our guess occasionally. We do find in checking up in mid-summer and again at the end of the year that we have obsolete rough stock or finished stock on our hands due to changes in condition, styles or cancellations, but when we find these conditions exist, rather than assume that we will be more fortunate than others in being able to dispose of the material, we simply face the situation, either dispose of it by selling for scrap, or if there is a likelihood of getting rid of it within a reasonable length of time, marking it down to the very lowest permissible figure and swallow our loss in that manner. . . .

"Personally, I don't believe there is any real answer to the problem except to constantly watch one's business from all angles; to be as interested in production and stock as in the selling and financial end; in other words, to be as close to the business as one possibly can get and then to solicit the best judgment from the organization to keep the ship on an even keel."

THE HARVESTING MACHINERY
AND AGRICULTURAL IMPLEMENT
INDUSTRY

Mr. ALEX. LEGGE, president of the International Harvester Company, which company, as is well known, are large manufacturers of harvesting machinery and farm implements, believes that the "hand-to-mouth" buying problem is gradually being adjusted and that the retailer today is anticipating his reasonable requirements far better than he was doing a couple of years ago. In connection with his business he states:

"We do not have much trouble with changing styles, but we get something quite similar to it when