

**THE  
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JOURNAL**

**Volume XVI  
Number 3**

**July 15, 1934**

# The Macaroni Journal



Minneapolis, Minn.

JULY 15, 1934

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## New Association Head



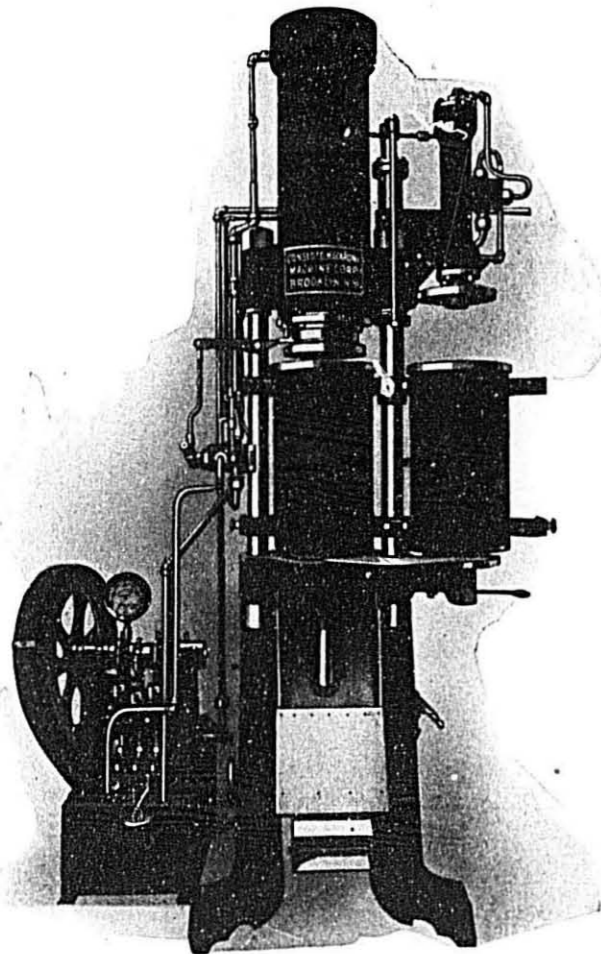
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### Violators Cited to NRA

Several cases against firms and individuals charged with violation of provisions of the Macaroni Code that could not be settled at private and general hearings have been sent to the NRA State

Compliance Directors for adjudication. Not wishing to impose undue publicity on the firms involved since they are the first on which this drastic step is taken, and desiring to await a decision by a court of record before doing so, the names of the violators are not made pub-

lic, the cases being referred to by numbers.

The cases thus advanced and on which a favorable decision is expected are known as Cases R1-1, R1-2, R1-3, R1-4, R1-5, R1-8, R1-13, R3-1, R3-4, R3-5, R3-8, R6-16, R6-17 and R6-18.



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# THE MACARONI JOURNAL

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## Convention Aims at Industry Stabilization

The Macaroni Industry's most important conference of record is now a matter of history and history alone will record how far it has succeeded in its aim and effort to bring about understanding and much needed stabilization in an industry that has been torn asunder by ruinous competition, by jealousies and by an apparently uncontrollable desire to follow the leader, especially in moves that are contrary to those supported by good business judgment.

The macaroni-noodle manufacturers conference in Chicago last month was a record breaker from almost every angle measurable. It was the best attended from the point of manufacturing firms represented and it was the most important from the point of the serious problems considered and action taken.

It was unquestionably the most serious convention ever held. Conditions made it so. Never in the history of macaroni making in this country have there been so many serious matters confronting manufacturers of this food, nor so many major problems to be studied and solved.

Every important macaroni manufacturing center in the United States was represented by the eighty-six manufacturers who enrolled as acting for seventy-four firms, from the largest to about the smallest in the land. To this important conference, they came from the extreme Northwest and from the Gulf region, from Boston to Los Angeles. They sensed the need of interdependence as against the isolation which so many had heretofore assumed, and came there to do their part.

The new problems under the Macaroni Code naturally became the chief subjects of discussion, overshadowing the association matters that for years occupied the attention of the members of the National Macaroni Manufacturers Association at previous conventions.

The two outstanding accomplishments of the 1934 conference, two actions from which so much is expected, are (1) the agreement between the durum millers and the macaroni manufacturers whereby the number of grades of semolina milled for macaroni making will be restricted to two grades,—

(a) a basic or standard grade of semolina of high quality and (b) a fancy grade of exceptionally high quality for those preferring to cater to demands for the very best macaroni, and (2) a general expression of faith in the macaroni code and in the manner of its administration as expressed in unanimous action following several full-day hearings against alleged violators of the provisions of that instrument that is now the law of the trade.

The two-grades plan for semolina has already been put into effect by the durum millers who realized the reasonableness of the macaroni industry's demand for elimination of the "in-between" grades, the reason for which was competition among millers or the demand by manufacturers who sought raw materials at a price to meet competition. Forgetful were they of the evil effects of low grades on macaroni consumption. The whole industry is anxiously awaiting the results of this 30-day experiment.

As a result of the hearings held prior to and following the convention and the sentiment expressed throughout the three days of the conference, the Macaroni Code Authority will proceed more determinedly than ever in its enforcement of the important provisions of the new law, knowing that it has the united support of every progressive manufacturer in the country. Since a big majority of the manufacturers have unreservedly signed certificates of compliance with the Code, the Regional Agencies in the twelve regions have been instructed to proceed immediately to cite all violators for violation of Code provisions and for breaking their pledged word to their fellow manufacturers.

Overshadowing the accomplishments referred to was and is the explicit faith in the leader of the industry in this grave crisis as expressed in every word, every act and every vote of the convention and incidental conferences. The whole industry believes in Chairman Hoskins, in his coworkers, and in its Code. Through this triumvirate shall come better understanding and greatly improved conditions as soon as the adopted program gets fully underway with the solid backing of a united and determined industry.

# INDUSTRY'S PROBLEMS Studied in Convention

The thirty-first annual convention of the National Macaroni Manufacturers Association in Chicago June 12-14, 1934 was undoubtedly the most representative gathering of macaroni-noodle manufacturers ever held in this country. No other meeting ever equaled it in importance of the problems considered and at no other convention were so many manufacturing firms represented by interesting executives.

Aside from the interest shown in the various sessions, the friendly sociability of men and women of similar interests was most noticeable. Perhaps they were fully imbued with the spirit of the convention motto as expressed in Nixon Waterman's poem "If We Knew" appearing on the convention programs: "If I knew you, and you knew me, I'm sure that we would differ less and clasp our hands in friendliness; if I knew you and you knew me."

Much was accomplished at the convention from which the greatest good for the greatest number in the industry will undoubtedly result. From the opening session on June 12 to the closing session on June 14, interest was at fever heat and action almost always by unanimous vote.

## "We're on Our Way to What?"

After the customary opening ceremonies and annual reports the actual business of the convention was started on its way by a resounding keynote address by G. G. Hoskins, president of the National Macaroni Manufacturers association and chairman of the Macaroni Code Authority. His subject was "We're On Our Way to What?" referring to the objective of both the association and the code. His ringing speech won deserving response as the reaction of the convention during all the sessions testifies.

Vice President Louis S. Vagnino was the presiding officer during the entire meeting and his handling of the convention was admirable and most fair. In his introduction of the various speakers he always had an appropriate word of commendation. He was considerate of all during the spirited discussions, deliberate in making decisions and always sure of his ground, with the result that everything moved with precision and usually to the conclusion desired.

The big disappointment of the convention was the inability of Walter White, of Washington, deputy administrator of NRA in charge of the Macaroni Code, to leave his official duties in the nation's capital to address the macaroni men as scheduled. George Carlson, a fellow deputy, pinch-hit for him most ably. He was followed by W. H. Calhoun, administration member on the Macaroni Code, whose cooperation with the Macaroni Code Authority and the objectives of our code had gained for him many friends and supporters in the trade. Later H. L. McCarty, another Federal officer addressed the convention on the work of the state division of NRA, thus bringing to a close the opening session of the industry's greatest convention and most far-reaching in the scope of its proceedings.

## Code Session Program

The session the afternoon of the first day was a most interesting one. It was strictly a Code Session, code matters only being considered. Dr. B. R. Jacobs discussed the labeling and standards provisions, L. W. Beman the labor provisions, W. Fred Dolke, Jr., the open price provisions, and Chairman Hoskins the trade practice provisions. Invaluable information was broadcast to the industry through the representatives privileged to hear the discussions.

As a result of a conference with the durum wheat millers on Tuesday evening, the opening session of the second day of the convention was one of great importance. To simplify the administration of the code, it was agreed between millers and manufacturers to experiment with only two grades of semolina and two grades of durum flour. Edwin C. Colton of Livingston Economic Service, Minneapolis, was the principal speaker, his subject being "As Millers See the Code." Already the experiment is under way and at the end of a 30-day trial will be reviewed with the possibility of ironing out any of the harmful wrinkles that may be found in the plan.

The remainder of the morning session was given over to a discussion of substandard products, but other than reaching a general understanding of the many angles presented by the problem, no conclusion was reached.

## Special Noodle Session

For many years the exclusive noodle manufacturers have been clamoring for a special session during which their particular and peculiar problems would be considered. That opportunity was given them the afternoon of the second day. And what a session it proved to be! There was a sound film presented by L. B. Steele of DuPont Cellophane company on the power of eye appeal as it affects noodle consumption and an illustrated lecture by R. E. Swift of Armour and Company showing the egg from the nest to the noodle. Both were exceedingly interesting and informative.

Overshadowing everything else was the discussion of whether or not the code should be amended to permit manufacture of plain noodles, a food that is not permissible under the strict interpretation of the code as it is now written. Practically every manufacturer present took part in the debate for and against, but definite action was not taken on this controversial point other than to refer it to the resolutions committee.

The closing session the morning of June 14 was also most interesting. Ole Salthe, deputy code executive, New York City led the discussion on "Increasing the Consumption of Macaroni Products" in which most of the leaders joined. The prevailing thought was that the National association officials and the Macaroni Code Authority should collaborate in some plan of action to bring macaroni more favorably before prospective new users of this food.

## New Coördination Plan

During the session the by-laws of the National association were amended to provide for election of 15 directors instead of 12. From the 15 the chairmen of the 12 regions into which the country has been divided for the enforcement of the code are to be chosen, thus coördinating the activities of the Code Authority and of the National association; 3 additional directors at large were provided for. Immediately after the election the directors organized by electing Louis S. Vagnino of St. Louis as association president for the 1934-1935 term; Joseph Freschi was named vice president and M. J. Donna renamed secretary-treasurer.

The close of the convention proper did not herald the end of meetings, as numerous conferences were held even as late as Saturday.

Checked from every angle it was the outstanding conference of the industry since the formation of the national organization nearly a third of a century ago. The addresses and reports featuring the convention follow herewith.

## Welcoming Address by Chairman L. S. Vagnino

We are assembled here to participate in our 31st annual convention of the National Macaroni Manufacturers association, and I am sure you will agree with me that it is the most important in our history. We are gathered here for several reasons. Most of you have no doubt come here to seek guidance and enlightenment concerning that all important document known as the Macaroni Code. Also, you are here to exchange views and experiences with your fellow manufacturers and to discuss the problems confronting your business; and finally you are assembled here for the purposes of enhancing and cementing friendships that have been made with fellow manufacturers. All three are worthwhile objects and we feel sure that they will be fulfilled when this convention is adjourned.

To come back to the first purpose, namely, that of seeking guidance and enlightenment regarding the operations of the Macaroni Code, we want you to come here with an unprejudiced opinion, with no preconceived ideas, as to its success or failure during its short period of existence. If I may draw a parallel from our judiciary you are to sit here as a jury to listen to the evidence and testimony

with an open mind. We ask that you give officers of your association and its employes a fair and honest hearing, that you give them the privilege of presenting their case and then, and only then after all this has been submitted for your consideration do we ask you to form an honest appraisal of their labors.

You must not forget, and I wish to impress upon you most emphatically, that this association is the embodiment or creature of your own making. That if it has failed, you share in that responsibility, and contrawise if it has succeeded you share in that honor. Like the proverbial chain it is no stronger than its weakest link. Wherein it has failed is within your power to correct. Your officers and employes can perform only that which you dictate, which you make known by your demands, and which you manifest by your actions. Only by your wishes can we be steered into the proper channels.

With these thoughts in mind I bid you to give earnest thought and consideration to every feature on our program. It is not only the right of every member to voice his sentiment in the favor or disapproval of their activities, but it is a mandatory obligation which you owe

your fellow members. When the proper time comes to express your views, we want to hear from you. Every opportunity will be afforded for frank and open discussion. May I add a word of counsel: In all your discussions and deliberations manifest a broad point of view, a national sentiment, as the name of this association so well designates, forget your sectional differences. Your actions should be predicated on the conviction that they will be for the best interests of the whole industry. Let us harmonize our respective inclinations and desires toward a larger and more encompassing association, so that the fruits of your deliberation will result in the greatest good for the greatest number.

In closing these preliminary remarks, I welcome you heartily. True achievement in our undertakings rests upon the degree and extent to which each individual member of this association accepts and fulfills the responsibility placed upon him.

It is our hope and fond desire that we can achieve that success, which, in the immortal words of David Starr Jordan, requires three things, wisdom in knowing what to do, skill in knowing how to do it, and finally, the virtue in doing it.

## Report of Secretary-Treasurer of the National Macaroni Manufacturers Association

By M. J. DONNA

Greetings, on this the 31st annual convention of the Macaroni Industry of America as sponsored by the National Macaroni Manufacturers association. Very few industries, some much older, can boast of so long a record of consecutive conferences.

The occasion gives me the pleasant opportunity of reporting to you on the activities during the past year insofar as they concerned this office. In fact, this is the 16th consecutive time that I have had this pleasure.

Since meeting in this same hotel about a year ago there has been quite a big change in the status of the faithful, dependable National association. A Macaroni Code has been put into force, as you all know, and the usual association activities have naturally been subordinated to the more timely, the more important activities under that instrument of warfare on depression. Therefore, I am reporting to you in a dual capacity, as secretary-treasurer of both the National association and the Macaroni Code Authority.

For the first seven months following our convention last June every energy was devoted to our concerted fight for a suitable Code. In that fight we had the financial and moral support of not only

the members of the National association but of practically every important macaroni-noodle manufacturing firm. History



M. J. Donna

will record the gallant fight made by this industry for a just cause.

## The Macaroni Journal

In our battle for a suitable code that would effectuate the policies of the Na-

tional Recovery Act and relieve the depressed conditions existing in our trade. THE MACARONI JOURNAL, as the official organ of the National Macaroni Manufacturers association and the spokesman of the industry took a very helpful part. Time and again it was complimented by Government Officials for the able manner in which it presented the industry's side of the questions at issue, always unselfishly voicing, not only the views and the wishes of the Association Members but of the whole industry. For that and for almost every imaginable, sensible reason, this spokesman of the trade should have the support of every macaroni-noodle manufacturer whose welfare it unceasingly seeks to promote.

In my opinion there is no good reason why every operator in this trade should not be a paid subscriber of this industry's only magazine since the cost is most reasonable, its need so apparent and its object so worthy. Yet, just a little more than one half of the firms subscribe for this JOURNAL, though all of them are sent it regularly. We hope that all will become paid subscribers in the next few months, not only as a sense of duty to their trade organ but also for the more practical reason that it is a source of valuable information to an industry not

otherwise represented in the journalistic field.

**Association Membership**

At the convention a year ago I reported a total of 77 Active Members in good standing, of whom 16 were in Class A; 23 in Class B; 21 in Class C, and 17 in Class D. At that time we had on hand 24 applications for membership and immediately after the convention 106 additional applications were received, of whom 6 never paid dues and were never enrolled as Members.

By Jan. 1, 1934 our membership had surpassed all previous records, reaching a total of 201 Active Members in good standing, classified as follows: Class A—17; Class B—38; Class C—43, and Class D—103. Dues ranged from \$25 to \$200 a year.

Last year I reported 14 firms enrolled as Associate Members; two have since withdrawn, leaving 12 in good standing on our roll.

On the approval of the Macaroni Code and assessments on a barrel basis to finance the activities of the Code Authority, the officers of the National association decided to confer Association Membership on all firms that comply with the Code's provisions respecting assessments. As might be expected, our total membership naturally increased in number until on this date we have on the membership roll a total of 306 firms that are complying to the Macaroni Code in full or in part. However, real interest in the National association continues to remain with the hundred more or less manufacturers who in previous years gave voluntary support to our trade organization movement and who can be depended to renew that support should anything ever happen to the Code law.

**Association Finances**

Though practically every cent that was in the association's treasury a year ago, together with loans solicited and dues paid for 1934 in advance, were all expended in our efforts to get a Code and for its preliminary expenses, the National association enjoys a fairly good

balance as of May 31, 1934. On May 31, 1934 we had in our bank checking account a balance of \$3,094.25 with \$421.01 in outstanding checks. Not one cent of association debt was unpaid as of May 31, 1934, but on the other hand we had bills receivable totaling \$547.50, mostly for JOURNAL advertising which has since been paid and of which only \$18 is uncollectable.

**Association Income**

The total receipts for Association purposes since June 1, 1933 were \$22,091.59 of which \$5,893.75 was for 1933 dues; \$8,750 for loans to finance our Code activities; \$1,914.25, the receipts at our 1933 convention; \$1,230.70 for refunds from the Code Authority; \$3,412.50 for 1934 dues paid in advance; \$355.43 for interest and premium on Liberty bonds sold; \$169.35 for cost supplies and \$365.61 for miscellaneous.

**Expense**

The expenses for the year totaled \$25,280.55 of which \$8,081.02 was for Code Authority salary and traveling; \$3,954.60 for Code office clerical salaries, setup and expenses; \$945.67 for B. R. Jacobs office expense, \$1,400 for secretary's salary, \$583.28 for Braidwood office expense and help; \$132.35 for secretary's traveling expense, \$1,467.83 for printing and supplies, \$61.71 for telegrams and rent; \$1,831.07 for convention expense; \$3,367.25 for committees and directors expenses; \$3,313.62 for the Washington office; \$217.27 for postage on Thrift Recipe Books, \$61.60 for cost supplies and \$203.80 for miscellaneous.

**Journal Income and Expenses**

From June 1, 1933 to May 31, 1934 the receipts from THE MACARONI JOURNAL totaled \$6,985.52 of which \$6,422.83 was for advertising and \$562.69 for subscriptions.

The expense of publication for the year totaled \$5,848.95 of which \$3,560.34 was for printing and mailing, \$1,400 for the editor's salary, \$571.86 for office expense and help and \$316.75 for miscellaneous charges.

**Code Compliances**

As of June 11, 1934 memberships under the Code were as follows: 286 firms had submitted signed certificates of compliance; 306 firms had filed open prices and 296 firms had paid dues in whole or in part for the period during which the Code had been in effect.

Though a more detailed report is available for those interested, I will briefly state the income and expense of the Macaroni Code Authority for the four months ending May 31, 1934. The total amount of assessments paid was \$30,728.11 of which \$18,436.87 was earmarked for national expense and \$12,291.24 for Regional purposes. Against the total income, the national office expended \$16,510.66 leaving a balance of \$1,926.21 as of June 1. Of the Regional income of \$12,291.24, a total of \$7,174.60 has been expended, leaving \$5,448.30 to the credit of the several regions, only one of which has expended more than its prorated share.

**Conclusions**

Realizing your keen interest in the program outlined for this convention I have purposely made my report brief. However, it would be unfair and untimely if I failed to mention here the debt of gratitude and appreciation which the National association and the Industry in general owes our President and Code Chairman G. G. Hoskins for his splendid administration of the Association's affairs during the past year and his able handling of his arduous duties as Code Chairman. Also it would be amiss to fail to commend the generosity of The Foulds Milling company in permitting him to take so much of the firm's valuable time in the precode period.

Personally I have been enjoyably busy doing everything possible in my humble way to help along the program toward trade betterment. For the confidence reposed in me during my long term of service to the National association, to THE MACARONI JOURNAL and in the last few months to the Macaroni Code Authority, I am most thankful.

**WE'RE ON OUR WAY TO WHAT**

*Keynote address by G. G. Hoskins,  
Association President and Code Chairman*

As I planned a few remarks which I felt should mark the opening of this, potentially the most important convention of our industry, the phrases "New Deal" and "On Our Way" kept coming to my mind. I had just read that marvelous documentary record of action "On Our Way," by Franklin D. Roosevelt, and remembering his other book, "The New Deal," I first chose as a subject "The New Deal On Its Way," but later I decided that I could safely leave the recording of events to more

able historians and that perhaps at this convention you and I, by interchange of ideas and experiences and from constructive criticism freely uttered could chart the future course of the macaroni industry. Hence I chose as my subject a question which is in the minds of all of us "We're On Our Way to What?" Now when anyone starts on a journey there are five elements which must be considered. These elements are: a starting point, a destination, a reason for wishing to make the jour-

ney, the best route to travel, and the type of conveyance to be used. The real starting point in the history of cooperative action in the macaroni industry was 30 years ago in 1904, when 20 manufacturers banded themselves together to form the National Association of Macaroni & Noodle Manufacturers of America. The purpose of that association was to make the macaroni industry a better field in which to work. But to most of us the starting point of this particularly exciting jour-



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ney can be located amidst the conditions prevailing last spring. Perhaps a brief descriptive reminder of those conditions will furnish the reason for wishing to make the journey.

After three years of declining markets most plants were battling to maintain sufficient dollar volume to pay running expenses and were thankful to receive even part of their overhead. Labor in some sections was being exploited to a degree which not only curtailed buying power, but in many instances left the worker with an income hardly equal to that of Asiatics inured through ages of oppression to the acceptance of a bare existence.

Standards of quality had fallen under pressure for lower prices. Millions of pounds of macaroni products were being made from low grade flours fit only for animal food. Buyers and consumers alike were losing confidence in the integrity of macaroni manufacturers. One macaroni manufacturer was being played against another by shrewd buyers until in many instances sales were made which did not return the cost of raw material and labor. With a slight mental effort some of you can remember business lost on 24 7-oz. packages when 43c was too high a price to take it. Bulk goods brought 2½¢ a pound, 24 1-lb. packages were sold right here in Chicago for 75¢ delivered.

The wheels of progress were revolving in the wrong direction and no power within the industry seemed strong enough to stop them. We were going somewhere all right, but the road ended over a precipice. Let no one forget that we had traveled a long, long way on that backward path, and that the rate of travel toward destruction was increasing to an alarming extent. Neither an individual nor an industry can regain that lost distance without a sustained uphill pull toward a clearly defined destination. And just what is that destination? As I picture the desired future of the macaroni industry, I see a place at which we will arrive where men have learned that competition is no less keen when the rules are observed. Where the laborer will receive wages that will keep him efficient, satisfied and able to enjoy those privileges which should be the heritage of every American citizen. Where capital can be reasonably assured of a just return. Where the story of macaroni and noodles can be told to the consumer with no fear that she will be disillusioned after she makes her first purchase.

Where the macaroni Blue Eagle will be the sign of an industry proudly announcing to the world that it treats labor fairly and the consumer squarely.

One year ago we met in this hotel and hailed the National Recovery Act as our one chance to work together for better conditions. That Act says: "Section 1 of Title 1, a national emergency productive of widespread unemployment and disorganization of industry, which burdens interstate and foreign commerce, affects the public welfare, and undermines the standards of liv-

ing of the American people, is hereby declared to exist. It is hereby declared to be the policy of Congress to remove obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof; and to provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, to induce and maintain united action of labor and management under adequate governmental sanctions and supervision, to eliminate unfair competitive practices, to promote the fullest possible utilization of the present pro-



G. G. Hoskins

ductive capacity of industries, to avoid undue restriction of production (except as may be temporarily required), to increase the consumption of industrial and agricultural products by increasing purchasing power, to reduce and relieve unemployment, to improve standards of labor, and otherwise to rehabilitate industry and to conserve natural resources."

It is human to quickly forget the achievements of the past and the obstacles overcome in the irritations of the moment, but lest we forget the gradual drawing together of the members of this industry, let's just review some of the things that have been done in one short year. Each date marks an obstacle overcome.

May 25, 1933—your past president, Alfonso Gioia, with the vision to see the possibilities of a marketing agreement for the macaroni industry called the directors together to draw up such a document, under the Agricultural Adjustment Act which had been passed a few days before.

June 20—the proposed marketing agreement and the Code was approved by a majority of the industry. The first time in history that so many macaroni manufacturers had agreed to one thing.

July 19—the Code was filed and accepted by the Agricultural Adjustment Administration.

From July 19 to August 19—11 revisions of the Code to harmonize the desires of the Agricultural Adjustment Administration and the macaroni industry. Both organizations creating a new thing. Both drawing from the experi-

ences of the past to write a law to govern the future.

August 15—the final marketing agreement and Code approved by your directors after a 3-day session.

August 22 to September 15—four more revisions of the marketing agreement and Code.

September 15—date set for formal hearing at Washington.

September 20—announcement by the Agricultural Adjustment Administration legal division that the macaroni industry could not have a marketing agreement, but must be satisfied with a Code.

September 22 to October 5—more hectic days of rewriting Codes.

October 5—the 19th revision of the Code reviewed before members of the industry representing, either by proxy or person, 90% of the total production, and not a dissenting voice on any major problem.

October 5 to December 6—the macaroni industry waits while the two great recovery administrations, AAA and the NRA, try to harmonize their policies.

December 6—President Roosevelt announces that all Codes, except first processors, must be under NRA supervision instead of AAA.

December 21—we left Washington with the definite understanding that the Code would be signed before January 1.

January 6—a telephone call from Dr. B. R. Jacobs saying there was a monkey wrench in the cogs, in the shape of opposition from outside the administration or industry.

January 26—the Code ready for signature by General Johnson.

January 27—the President announces a stay on all open price provisions in Codes.

January 29—THE CODE SIGNED. February 7—the Code in effect.

February 17—the open price provisions reinstated in the Code with exception of the 5-day waiting period.

February 23 to March 2—Regions 1, 2, 3, 4, 5, 6, and 7, organized.

March 10—open prices made available for the first time, 125 price lists filed.

March 19 to April 1—Regions 8, 9, 10, 11, and 12 organized.

March 29—the elements of cost as provided in Art. VII, Sec. 5-A, approved.

April 2—certificates of compliance signed—232.

April 4—members of the Code Authority approved.

April 10—250 open prices filed.

April 25—275 open prices filed. Most of the old ones changed and raised to bring them up to cost.

June 1—the regional organizations and regional adjustment agencies approved.

June 11—312 prices filed. 286 Compliance Certificates signed. 306 members who have paid dues.

A recitation of statistics is usually boring but I knew no other way to paint the picture of our progress. I want you particularly to notice that it has been only within the last two months that we have

had any authority to enforce the cost provisions, and that the Code Authority has been officially recognized by the Administration as the enforcement agency. We are not insensible to the undercurrent of criticism which is now being murmured throughout the industry, but we do not stand here on the defensive explaining away our lack of action. We stand here and place before you the facts which to any thinking man will prove that under direction of your board of directors in the first place, and your Code Authority after the Code came into effect, most remarkable strides have been made toward unification of the industry, undreamed of one year ago.

One of the troubles is that as soon as the Code was applied and its restricting influence began to be felt, many men irritated by the yoke which the Code had imposed upon them began battling against the yoke instead of putting their shoulders against it and helping bear the burden with their fellows. I term the Code a yoke deliberately, because so many of us visualize a yoke as being a mark or emblem of subjection or bondage, when as a matter of fact all yokes are designed not to restrict a burden bearer but to ease and distribute his load. Therefore I say to you that the Code of Fair Competition for the macaroni industry is a yoke designed to distribute across the shoulders of the whole industry the burden of wiping out the unfair trade practices which have grown up over the past years.

It is not uncommon for some rugged individualist to say to me "I am running my business as I damn well please." O. K., we want him to run his business as he pleases, but do we want to revert to the law of the jungle where brute force, stealth and cunning are the attributes which keep the jungle beasts alive? If so, let's kick over all the constructive measures which we have fought for in the macaroni industry over the past years. If so, let's say to macaroni manufacturers "Go out now and practice every known means by which you can get business, because the only thing left is to see who is powerful enough to sustain the fight the longest," and I want to say right here that in most instances it is not those who are yelling the hardest at the restrictions placed upon them by the Code that can sustain the scrap.

If there wasn't criticism of the Code I would consider that it was innocuous. If every clause in it was the best corrective rule for the circumstances I would say it was the most remarkable document since the Constitution of the United States, which some of our friends think is being abridged by the Code. It is neither of these it is an honest attempt by honest men to set up a rule for the fair conduct of a business to which any one can subscribe who is willing to admit that business can be conducted on a plane above reproach. We must all keep in mind that this Code is an experiment in the industry. It can be changed when the industry wants it changed. It is not designed to be a burden—it is designed to make conditions better for all to whom its influence extends, but, gentlemen, let

us approach the problem not as a mob fired by a spirit of hatred and distrust, but as business men banded together to accomplish a common purpose by intelligent reasoning and constructive planning.

There is criticism of the Code Authority's seeming leniency with violators of the Code. I say to you that the United States army could not enforce this Code if the industry itself is not behind it. It is easy enough for us to say "Soak him with a fine"—"Put him in jail"—"Why isn't the Code enforced?"—"Our Code Authority is a bunch of spineless saps"—"Why the hell don't we get some action?" Drastic disciplinary measures have their place in our Administration program and the time is here when the campaign of education, adjustment, and persuasion must be changed to one of coercion by force of law, for the Code is law, but if you will sit down and reason calmly you must admit that our policy of education and adjustment has been the best thing for the industry. Otherwise, in some time during the past 4 months everyone of you would have been brought before the bar of justice. Isn't it better to bring a man in and talk to him and educate him to cooperate than it is to force him into court with the long drawn out proceedings that follow any legal action?

Is it better to have a man willing to work with you in the spirit of an equal or is it better to have him forced by fear to do something he does not want to do.

We have no apologies to make for our past actions. We are firmly convinced that the future of this whole program depends on the willing acceptance by a majority of the members of the industry of the rules of conduct laid down by the Code. Perhaps a few examples which would show the teeth in this thing would have been beneficial, but we preferred to

WALTER WHITE  
Deputy Administrator

National Recovery Administration  
Who was unable to leave Washington, D. C., to fill his engagement as the leading speaker at the opening session of the Macaroni Men's Meeting, June 12. His aide, George Carlson, appeared in his stead.

build to this point by the methods we have used.

It's a good Code. After the Administration helped us rewrite it 24 times, it should be good. If it isn't right it can be changed, if you want it changed badly enough. Your Code Authority has studied the effect of the various Code provisions and in the past few weeks has developed suggestions for changes which will be presented for your approval at another session of this convention.

It has been no small task to build up the organization which we now have. Many members of the industry have served and are serving faithfully on committees. You have 48 regional agency members sitting as a board in the 12 regions to help you help yourself by keeping within the letter of the law, giving their time and best thought because they believe that the road we are traveling is the road to a brighter future in the macaroni industry. There are 12 regional chairmen that spend one half of their time trying to make you see the light. When I think of the way these men have worked on the Code for no compensation but that which comes to every true man when he does a hard job well, I am proud to be associated with an industry that can produce such men. Then here is the Code Authority—nine good men and true—who spend at least one quarter of their time planning how to help their competitors take their business away from them. You elected them and tomorrow you will elect nine more, either these or others. If you do not like these men you have all the power to make a change.

You have state recovery acts in every state where there is any appreciable volume of macaroni production. These state organizations have shown a willingness to actively assist us in enforcing the Code. And then, there is the National Recovery organization. I used to think I was a hard worker, but I very seldom mention it now because of the days and nights I worked with the men in the National Recovery Administration for almost a year. These men were working for an ideal, and they are seeing the accomplishment of that ideal, their critics notwithstanding. They recognize the defects but they are capable of correcting them, will correct them and are going to help us correct the defects that become apparent in our Code and in our organization. But behind all of these are over 300 members of the industry who have pledged themselves to comply with the Code, representing more production, according to their reports, than is shown in the last census of macaroni manufacturers taken by the United States Bureau of Census. With them lies the future of the industry. They must decide. You must decide whether as a united industry you will achieve the destination, which we picture, or as a disorganized mob you will allow return of the law of the jungle. Not the regional agency, not the regional chairmen, not the Code Authority, not the NRA has the power to put this thing across. It lies with you. What are you going to do with it?

## The Macaroni Industry and the National Recovery Program

By **GEORGE CARLSON\***, NRA Deputy

The food industry is very important in the daily life of each and every individual. Your branch of this industry plays a leading part daily and through the efficiency, and so to speak, everlasting efforts of Mr. Hoskins and his associates, the Code for the Macaroni Manufacturing Industry was one of the early food codes to be approved.

The National Industrial Recovery Act in one sense makes the Administration a partner with you, and as such we appreciate that we must be efficient and helpful.

Your Code establishes the proper working foundation provided that each and every member of your industry puts his shoulder to the wheel.

Your business foundation through your Code naturally must be properly cemented—which means your Code Authority.

As I understand it your Code Authority has been properly selected by your industry members, with Mr. Hoskins as chairman. Your Code Authority contacts members of your industry daily and, as the agency through which your Code will be administered, requires full cooperation at all times by every member of the industry if success is to be obtained. Your Code, through your Code Authority brings every member to the same level daily. The Administration Member on your Code Authority is there to assist as well as to be helpful whenever needed.

Labor has rights and management has rights, but it is the business of NRA to see to three very definite things:

1. That management does not exploit labor.
2. That labor does not exploit management.
3. That neither singly nor both jointly exploit the consuming public.

I believe that industry in this country has learned its lesson; that the way to keep our factory wheels turning is to cultivate the vast domestic market of 125,000,000 people; that the way to cultivate that market is to water it with buying power, to give the workers in both industry and agriculture the wherewithal to consume their own production; and that the end of the whole matter in industry is substantially increased wages and materially shortened hours. I think there is no doubt about this in the mind of every well informed and thoughtful industrialist and that opposition to it is practically nil. I know that it is the fixed and determined policy of the President because he has announced it publicly time and again.

The whole of government is working night and day to try to bring about the kind of balance that will increase consumption and start buying.

### Sales Below Cost

Any efficient member of your industry knows his cost of production and selling expense. If any member does not know his cost it is time for a good house cleaning.

What is cost in any manufacturing industry and, for that matter, in any industry?

Production cost is made up as follows:

1. Materials.
2. Labor.
3. Overhead.

The first item represents a cost with which every member is familiar.

The second item is equally important and on labor depends in a large measure the following:

1. Plant efficiency.
2. Quality of product produced.
3. Sales.

To attain these, members of the industry should provide the proper plant facilities, clean and orderly throughout, necessary safety and health protection to all concerned, and see to it that each employe, regardless of duties is paid a proper wage and given reasonable hours. I repeat, this insures quality production at all times, which has an important bearing on the necessary sales turnover for each member of your industry.

The third important item of production cost is overhead and represents items that need a constant check by every member of the industry. In some cases, with some industries, the item, overhead, includes a multitude of sins.

Any efficient plant naturally keeps its overhead in proper relation to other cost factors. If every member of your industry will co-

operate with your Code Authority, through a proper system of cost accounting bearing the approval of the Administrator, each member of your industry as well as consumers should benefit.

### New NRA Price Policy

There has been some misunderstanding about a recently announced NRA policy on price. I cannot use too much emphasis in saying that this policy does not affect codes already approved. It is not a reversal of previous views. It was slated only for the sake of getting some uniformity in future codes.

Pending codes and codes hereafter submitted for approval will be adjusted to the new policy, codes already approved will be amended to conform only as the result of negotiations with and agreement by the interested Code Authorities.

Approved codes are in full effect as now written unless changed by negotiations and continued compliance with all provisions is required.

## From the Inside Looking Out

By **WM. H. CALHOUN**

Administration Member on Macaroni Code Authority

On learning of the subject assigned me on this program I was tempted to ask for an exemption, an amendment or a modification but I thought that I would be a good sport and attempt to talk to you on the subject assigned. As stated in the introduction by your presiding officer, I am the administration member on the Macaroni Code Authority. May I further explain to you that in order to qualify as your administration member it was essential that I should know nothing about your industry, because one of the qualifications that an administration member must meet

national bankruptcy for this country is a physical impossibility. The resources of any nation consist of two things: its natural resources and its population. I am not a religious man nor am I an atheist, but I think that you gentlemen must agree that a divine providence has endowed our nation with a contentment capable of supporting in health, happiness and prosperity three times the population now residing here.

I think we are all conceited enough to believe that as a nation we have a reasonable amount of intelligence. It is my belief, and I state it as a fact in order to dodge the dues that these gentlemen contemplated imposing upon me, that when reasonable men apply reason they must inevitably arrive at a reasonable solution.

Our trouble has been that we have not been applying reason; we have been applying force dictated by personal selfishness. I have heard some criticism of NRA and I want to paint a picture to you of what has happened, not giving you any dates or any figures but outlining to you the general principles involved in the conditions which existed. I do not believe anybody could have presented in a finer way than did Mr. Hoskins the detailed accomplishments of both your Code Authority and of NRA.

But I want to drive this picture home to you, and I want you going out of this room admitting that your criticisms have been the result of mistakes. I believe you are honest men and women who will admit a mistake when it is pointed out to you.

A year ago last March a new President was inaugurated, and he made an inaugural address which changed the entire psychology of the American people and which revived hope. It started the ball rolling, and it could not be allowed to stop. Following that inaugural address, in order to keep the ball rolling there came certain banking regulations, and the ball rolled a little farther toward the return of prosperity. Following the Banking Act there came the President's Reemployment Agreement, and still the ball was rolling toward the ultimate goal—Prosperity. And then came the National Recovery Administration, under the provisions of which industry was to be rolled on. And one man (and I served with him during the war and am proud that he asked me to come back, because if there ever was a taskmaster those men who worked for him individually know General Hugh Johnson is a taskmaster) told me that this thing would take about two days out of the month. I averaged fourteen hours a day for the first six weeks. Here was this one man, set up to codify industry and to correct the cumulative

before he can serve on any Code Authority is that he have no financial interest, either directly or indirectly, in the product manufactured within that industry, and I submit to you that if you have no financial interest in anything you generally know nothing whatever about it.

When I was advised that I came under this code I naturally wanted to know what financial obligations were included and incurred, and how the assessments were levied. I was told that the assessments were levied on the basis of ideas advanced. Being of Scotch descent I have decided that I will advance no ideas, pay no assessments, and will confine my remarks to a statement of facts.

One fact apparent to me above every other fact in considering not only this industry but in considering our country as a whole, is the fact that without some cataclysm of nature a



Wm. H. Calhoun

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mistakes of two thousand years. What happened? An avalanche of selfish individualists descended upon Washington, not in the spirit of the NRA but with the idea of getting all that they could for their own particular industries, irrespective of what might happen to their competitors who were not fortunate enough to be represented in some of the trade associations that came down, irrespective of what might happen to labor, and irrespective of what might happen to the consuming public.

It became necessary therefore, for General Johnson to set up some kind of organization and to build a bulwark against this tidal invasion, because in his wisdom the President of the United States recognized that more than one party was involved. He recognized the truth of that old saying that "There are three sides to every question; your side, my side and the right side."

They built up NRA as a controversial organization. The NRA became a group of boards. There was the Legal Advisory Board, primarily set up to see that the Constitution was not abridged; there was the Labor Advisory Board, primarily set up to see that the provisions of 7-A of the NRA were not abridged; there was the Consumers Advisory Board, set up to protect the rights of the consumer; there was the Industrial Advisory Board, set up to protect the rights of the industries; and there was the Division of Research and Planning, set up to develop those necessary facts upon which to base general and specific policies. The instructions of General Johnson were that those boards were set up deliberately to be controversial, that no one selfish interest might dominate.

If the original invasion of those gentlemen who came looking for codes had been an honest visit those boards would not have been necessary, and the delays which occurred in writing the codes would have been obviated.

Finally those controversial agencies within NRA, aided and abetted by those honest representatives of industry who followed that first avalanche of dishonest ones, began to grind out codes. And then there developed

all over the country a perfect swarm of individuals actuated by selfish motives, who devoted their time and their attention to trying to find ways to avoid those codes.

During all of this condition we have been going through we have been cursed with the same thing that has jeopardized the success of the so-called Christian religions which, if they had been one hundred per cent successful, would have eliminated depressions and would have eliminated the necessity for codes. We have been in that same position that the labor movement found itself in, and which in my opinion constitutes the only real danger to NRA today. I refer to the question of jurisdiction. It happened in your Christian churches. For hundreds of years your ministers have been preaching not the gospel, but their interpretation of the gospel. Your original labor men, who were inspired by the highest motives, were temporarily replaced by men who were not preaching fair play for all labor, but "all work for my own particular union so that I may collect more dues."

You gentlemen are faced with exactly the same thing in your own industry. You have got the question between the north and the south; you have got the question between the large manufacturer and the small manufacturer; you have got the question between the manufacturer who deals through the jobber and the one who deals directly with the retailer; and you have the question between the manufacturer who makes high quality goods and the man who makes low quality goods. You are faced with those same jurisdictional questions, even down to the point where there is a question of jurisdiction developed between your regional adjustment agencies as to whether the case shall be settled in the region where the product was manufactured or in the region where the sale took place.

The last message that I would leave with you is that there is nothing that reasonable men cannot correct if they will apply reason, but that out of no discussion where personalities are considered, past differences of opinion are remembered, bitterness are kept alive, can you hope to accomplish anything!

## State Organization for Recovery

By H. L. McCARTHY, Illinois State NRA

This is a very appropriate time for the macaroni manufacturers who are associated in the macaroni manufacturing industry to get a good look at those who are trying to administer the NRA. Mr. Calhoun, the administration member on your Macaroni Code Authority, spoke for the national NRA and I am speaking for the state NRA.

I am under the impression that some of you may be misled by the use of the word "state" in connection with the organization which I represent. I am a Federal employe. The National Recovery Administration set up in each state an organization to carry out the policies of the National Recovery Administration. That state organization is headed up by a state director. In this state, the state director is John Cassidy. The state director is assisted by a labor compliance officer, who happens to be yours truly, a legal adviser and a trade practice compliance officer. In addition to those officials, the state director has on his staff adjusters whose task it is to deal specifically with certain codes, and to assist the Code Authorities in working out the achievement of the aims and ideals that are set for them in those codes.

So far we have not found it necessary to assign a particular adjuster to the macaroni industry. Perhaps it is because we have not had sufficiently long experience with the industry to discover any violations, but I prefer to think that it is a sign of your cooperation to date, and I for one am very hopeful that the cooperation will be extended into the future and that you will not give us very much work.

However I want you to know something about the method of procedure we are using

and which I promise you we will use to assist you to carry out the policies of your code.

We, too, have been criticized for leniency. The Code Authority is not alone in that respect.



JOHN CASSIDY  
State Director in Illinois

But our instructions, which came from General Johnson at the very beginning of the organization of the state officers, very clearly set forth what our duties and functions were to be, and we are told that we are an Adjustment Agency and not a police agency.

We are not an enforcement agency, we are an Adjustment Agency and we follow that policy.

When a complaint is referred to us our first task is to see whether or not we can get compliance by reasonable and peaceable adjustment by personal conferences with employes. And I am happy to say that out of the 3000 odd cases we have handled in the Chicago offices, 2300 of them have been settled without having to take a single case to court. We have found that reasonable and peaceable adjustment is an effective way of getting compliance.

But we are not going to stop there. We expect the time is coming when we will be faced with the kind of opposition that will not respond to reasonable and peaceable adjustment. And as Mr. Hoskins indicated in his talk, the education period will soon have passed and the enforcement period will necessarily soon begin. We stand ready to carry out necessary enforcement, and the tools to accomplish that purpose are in our hands. I think we have a definite idea how we may use them. We are not interested in hauling into court or prosecuting the man who has responded with some degree of reason to our appeals. We are interested in bringing into line that very small in number and very ragged in character, fringe of violators whom our President has termed "chiselers." There are not very many of them left. I hope that there is none in your industry.

The fact that 306 of you have already signed up and paid your assessments is a pretty good indication that the number of "chiselers" in this industry are negligible, if any.

We have the tools to carry on a campaign against the "chiselers." We have postponed using those tools until such time as we are assured that all our peaceful efforts at adjustment have failed. What are the tools? For cases involving interstate commerce we have the authority to call upon district attorneys to initiate prosecution. For cases involving intrastate commerce, we still have in this state and in some fourteen others a State Recovery Act which in effect makes the National Recovery Administration a part of the machinery of the state laws, and enables us to use the state courts for prosecution. That act in Illinois goes into effect on July 1 and we intend, and I say this officially, to make use of the authority and the power that is given to us by this state act to carry out our enforcement policies wherever it seems that they must be resorted to.

The picture which has been painted to you this morning of progress is an encouraging one. I am not familiar enough with what constitutes a proper price for macaroni products to know whether or not \$1.24 for 24 one-pound packages is correct. The impression I got from the inflection of the voice of Mr. Hoskins when he said that, and the expression on the faces of the audience when they heard it, indicate that it probably was a very destructive thing. I don't know what figures are prevailing now, but I do know that the effort of your Code Authority, with the cooperation of the Recovery Administration, to improve your opportunities for conducting business at a reasonable return to all concerned, has been successful so far.

When we use the words "reasonable return" we usually have to make some explanation. A reasonable return has at least three factors involved. By reasonable return we mean a return which will give fair consideration to the efforts of labor, a fair return to the invested capital and the services of management, but with a reasonable return means a return that will not result in an excessive price to the consumer. That is the goal that we are aiming for. Certainly no reasonable man can consider that statement as to what is necessary to constitute a reasonable price and find fault with it. Certainly it would be a courageous man who would say that he by reason of the fact that he happens to be in a position of power is entitled to more than a reasonable return.

Particularly are we interested in, and the NRA act was written for the purpose of, improving the conditions of labor. We want to see the day when the economic organization of this country will result in a wage return

to labor that will be based not upon the distress of the workman, but upon his productive capacity. We hope that the day is coming through the operation of the codes.

As a final remark, I would like to say that no greater document has ever been presented for your consideration than the one which Mr. Calhoun called to your minds a few moments ago. I think that everybody in this audience could profitably spend some time re-reading the inaugural address, perhaps I should say the first inaugural address of Franklin Delano Roosevelt. Especially do you find that the last three paragraphs of that address are inspiring. I cannot quote them

from memory, but I refer you to them, and especially to that part which says "We seek a newer and a rounded economic life." That is the goal that we are aiming for. We in the administration are inspired by that statement, and we view it as our platform. It is what we stand on and what we are aiming for. The story is told that Columbus when he started didn't know where he was going, when he arrived he didn't know where he was and when he got back he didn't know where he had been. We are not like Columbus. I submit to you that we know where we are going, and in one sense we are going with Roosevelt—we are on our way!

## Report of Administration and Enforcement of Labeling Provisions of Macaroni Code

By B. R. JACOBS

A few days after the Macaroni Code was approved the Washington office of the Code Authority prepared an explanation of the labeling and standard requirements of the Code. This explanation has since had the approval of the National Recovery Administration and therefore is now the accepted interpretation of those provisions of the Code dealing with labeling and standards.

At the request of the Durum Wheat Millers, with whom we had a conference in Minneapolis soon after these explanations were issued, there were two short paragraphs deleted because apparently all, or at least some of the millers, felt that it placed certain responsibility of labeling on them rather than on the macaroni manufacturer. This was conceded by the Code Authority and the NRA was so advised. With their approval therefore these two paragraphs have been stricken.

The explanation of these labeling and standard provisions of the Code aims to answer numerous questions concerning the exact manner in which these provisions are to be administered and enforced. Under false advertising and misbranding any statement which is made on the label and which is not true constitutes a violation of the Code. A macaroni manufacturer who makes an untrue statement on the label concerning the character of the farinaceous ingredients used in the manufacture of his products is violating the Code regardless of whether the raw material he uses is of a higher or of a lower quality than his statement indicates. For example: there are some manufacturers who are making a semolina macaroni and calling it flour macaroni for the sole purpose of underselling their competitors. There are also manufacturers who are making only one grade of macaroni products and selling it under two labels, one a first grade label and the other a second grade label. This is done also for the purpose of chiseling. Some of these cases are now before compliance directors for prosecution.

We have attempted to clarify the manner in which statements required under the Macaroni Code shall be made on labels. There is a provision under the Code that the required information on labels shall be prominently displayed in a conspicuous and readily intelligible manner and therefore it has become necessary for us to indicate the exact phraseology which shall be used, for example the declaration of net weight. Considerable confusion would arise if one manufacturer should declare his net weight in fractions of pounds while another declares his in ounces. The signs which indicate fractions of pound, especially the 1/2 pound, can very easily be printed in such a way as to appear to be a figure 1. We therefore require that fractions of pounds shall be declared in ounces.

Under the Macaroni Code, "Macaroni products in the form of noodles shall contain not less than 5.5% of egg or egg yolk solids by weight on the dry basis." Under this provision the making of macaroni products with

less than the required amount of eggs or without any eggs is a violation of the Code.

The Code Authority at its meeting held here on April 30 passed a resolution which reads as follows: That the Macaroni Code Authority has no choice but to rule that anything that bears the word "noodle" must contain 5.5% or more of egg solids. Manufacturers who make ribbon macaroni products containing no egg, shall find some suitable name for



B. R. Jacobs

such a product. We suggest the adoption of the term "Ribbon Macaroni." Carried unanimously.

Under the standards of the U. S. Department of Agriculture the manufacture of plain noodles which contain no egg whatever is permitted, but I feel quite sure that they would be willing to have the manufacture of this product discontinued if it is in the interest of the industry to do so. Under their ruling egg solids in quantities of less than 5.5% cannot be used in macaroni products without labeling the product an "Imitation Macaroni Product." This is because the department considers that 5.5% of egg solids is the smallest amount that will yield a product which will contain a sufficient amount of egg solids to give it the characteristics of a noodle. The department holds that amounts smaller than the minimum established under the standards will not accomplish this purpose, and are used only for the purpose of deception, and further that in this respect it is equivalent to the use of artificial color.

### Substandard Products

The Code Authority at its last meeting in Chicago passed the following resolution: "That the Code Authority take steps to secure

an agreement from all manufacturers to eliminate the production of substandard macaroni products." Unanimously carried.

Many of our present labeling standards difficulties would be overcome, and some of our worst problems would be solved if this most desirable end were attained.

The most important statement that is required under the labeling provisions of the Code is that used in declaring substandard products. We have found it necessary recently to issue a circular letter concerning the exact size of type and exact position on the label where this statement shall be made. This matter is important, and I am going to read to you the circular that has just been issued showing you the smallest size of type which may be used in making this statement.

SUBJECT—LABELING OF SUB-STANDARD MACARONI PRODUCTS

To All Members of the Macaroni Industry

Under the Macaroni Code, Art. VII, Sec. 3 (a) and (b), macaroni products that are below standard shall bear a statement on the principal label as follows: "THIS PRODUCT IS BELOW STANDARD BUT NOT ILLEGAL."

Considerable confusion has arisen, and many inquiries have been received concerning the precise manner in which this statement shall be made. In order to clarify any misunderstanding that may exist on this subject I wish to quote the following paragraphs regarding statements or other information required on labels to avoid misbranding under the Code: ARTICLE VII, Section 2 (c) 3—"If any word, statement, or other information required on the label to avoid misbranding under any provision of this section, is not prominently placed thereon in such a manner as to be easily seen and in such terms as to be readily intelligible to the purchasers and users of such articles under customary conditions of purchase and use."

Therefore, the Code Authority will consider the above provisions as being complied with if the statement required under Article VII, Section 3 (a) and (b), is printed on a strongly contrasting, uniform background in caps of a size not less than those specified below.

For packages 1 pound net weight or under, 12 point bold face.

For packages over 1 pound net weight, 14 point bold face.

The type shall be CHELTENHAM BOLD CONDENSED CAPS.

In this connection I would like to read to you a letter that a manufacturer received from a jobber concerning the manner in which he wanted his labels printed:

"We are inclosing an order for substandard macaroni. Actually we don't want that at all, but we want something at \$1.10. We believe that according to the macaroni code it would be in order for you to put a label on this 'Macaroni made from Farina flour (or Wheat flour—as the case may be) rather than Semolina'.

"This label should be as small as the law will allow and as inconspicuous as a printer can make it. We are sure you will find a big market for this product with others as well as ourselves."

This letter is not characteristic of the attitude that jobbers have shown toward the Code. It is the exception, but it shows that macaroni manufacturers do have some inducements offered them by unscrupulous buyers for misbranding their products.

We have in the past four months examined hundreds of labels and sent manufacturers recommendations concerning them. We have also examined more than 300 samples of macaroni products and the raw materials that enter into their composition and have reported these to the manufacturers with recommendations concerning the proper labeling of their products.

Among these numerous samples and labels we have of course found some of them that were, in our opinion, direct and willful violations of the Code. In every case we have made an effort to get the manufacturer to change either the raw materials that he is using that they would conform with his labels, or the statement on his labels so that they will conform with the raw materials that he

is using. In most instances we have encountered a fine spirit of cooperation but in some instances we have received just a promise or have been ignored entirely. These cases are now before the Trade Practices Compliance Boards of the NRA, in several localities. In some instances preliminary hearings have been held and formal hearings will be held next week, so that some manufacturers will feel the strong arm of the Department of Justice and will be required to pay a penalty of willful violations.

The Macaroni Code has uncovered a large number of abuses that have existed in the industry for many years, some of which are new to me in the way they were carried out, but are probably old to the manufacturers who practice them.

It must not be expected that these will all be corrected in a day or a year. There will always be infractions of the law, but by comparison I feel very certain that the number of infractions are daily being reduced, particularly those referring to misbranding of macaroni products. However the Macaroni Industry cannot alone enforce the labeling and standard requirements without considerable expense and without considerable difficulty. It needs the full cooperation of the men who furnish the macaroni industry with its raw materials. The macaroni manufacturer who buys a semolina No. 1 has a right to feel that he is getting a very definite product. He probably takes his cue concerning the labeling of his macaroni products from the invoices of raw material furnished by millers, and he has a reasonable right to do this, but he cannot evade responsibility for misbranding of his products by so doing. Considerable confusion has arisen in the macaroni industry due to the large number of brands of raw materials that are offered him. Probably every miller has two grades of semolina No. 1. One miller has three grades with the differential of 75c per

bbl. between the highest and the lowest number one. Some millers have as many as 10 different durum products that they offer the macaroni trade and one miller has a list of 16 with differentials as low as 10c per bbl. between grades. No real difference in quality can exist on such a narrow margin in price and it only offers the macaroni manufacturer an opportunity to do a little chiseling on his price and the millers themselves to chisel against each other. Grades of durum products have become a smear from the highest to the lowest instead of well defined entities which really mean something. It seems to me that unless the number of grades of semolina and durum flour are reduced great harm will come to the established brands of durum products, and the sooner an understanding can be reached the better it will be not only for the macaroni industry but for the milling industry as well. It is quite evident that the time has come when brands and grades of raw material must mean something more than just a name. I am confident that all the legitimate requirements of any macaroni plant can be fulfilled with two grades of semolina and two grades of flour, and many manufacturers would be better pleased if there were only one grade of each.

I am also sure that many of our problems concerning prices would be materially reduced if grades of raw material which are used were well defined in quality, and if the price range were sufficient between grades to really be reflected in the cost of the product.

I most earnestly appeal to the millers in their own interest to give this matter serious consideration and I hope that before this convention closes there will be something accomplished along these lines. The durum wheat millers have always shown willingness to cooperate with the macaroni manufacturers in all matters that are of mutual interest, and certainly this is the most vital and important matter that confronts them now.

## CODE LABOR PROVISIONS

By L. W. BEMAN, Deputy Code Executive

Let's roll away the barrels of semolina—let's forget about the labeling of packages and filed prices and think about mothers and fathers and brothers and sisters.

When anyone talks to you about labor or labor unions it is well to look into his background, because we are all influenced unconsciously by our own interests.

For about fifteen years, my management work has taken me into the labor field. I have represented manufacturers in perhaps a thousand arbitration cases. The splendid men who have assisted me have perhaps been in on two thousand more. I have also assisted some non-union firms in putting in decent wage scales and labor arrangements. However I have never seen the wisdom of putting in a company union.

For the last three months I have acted as chairman of the Code Authority in another industry in this district. In that capacity I set rates of pay and work out most of the labor arrangements with the help of a powerful union and a splendid manufacturers association. In addition, my office is the official arbitration bureau between the manufacturer and his customer, the retail store. For example, Marshall Field's cannot return dresses to Sam Eisenberg on Jackson Blvd. until the matter has first been passed on by an impartial representative from my office.

If you have any doubt that I can fairly and impartially present the macaroni labor question to you, I advise you to consult one of the 150 dress manufacturers in Chicago or to inquire from the heads of that great union which was addressed by General H. S. Johnson last week.

Now let's bust right into this subject: Suppose we are all boys in a big family—there are nine of us. We rush home from school and assemble around the dinner table and you have something that seems tremendously im-

portant to you. You start to ask about it. Our father holds up his hand and says "Silence! Not a word." A little later I have something that is important to me. I need a nickel to get a lead pencil and I am not allowed to even speak about it. After dinner we go out



L. W. Beman

behind the barn and talk the thing over. It doesn't seem fair—but it keeps going on day after day. In the meantime we are getting larger and stronger and finally one day you blow up, and when father moves to strike you we all line up with you, and from that day on we talk all we want to.

That is how labor unions are born. If you will not recognize your employees as individuals you will be forced to recognize them collectively—Keep your office door open!

Tony, who has worked for you for several years—you hardly know him—you have never talked to him. Today he has a serious trouble. For the first time since he has been in your employ he feels that the foreman has given him an unfair decision. Don't make him hammer on your door to get in but go out and find him. It is your job to know when he is in trouble. Walk away to some quiet spot—give him a cigarette and sit down and talk it over. It is tremendously to the interests of your boys and girls at home that you know enough to solve that problem with Tony. If you can't take care of the Tonys when they get into trouble, your boy may be pushing noodles through a machine instead of sitting in the front office and directing a great business.

Another thing in addition to decent recognition that employees want is fair wages. The Code has increased wages so that now I believe fair minded men will say they are right for the present time at least. Most working people want some honest leader. The head of a plant is the natural, logical honest leader. If his employees upon reading the Code find that he has been quietly cheating them on the wages they are entitled to, they will be disillusioned and find other leaders who will make that employer be honest. In addition to this pressure from employees on the occasional cheater who furnishes unfair competition to you, you should all assist in the enforcement of the wage provisions.

The small manufacturer is on a terribly dangerous ground. You large manufacturers who are the natural advisers of the little fellow should listen carefully to the method I have to propose for keeping time records. Oh, I know that you can't buy a time clock of any kind for less than \$200. I am not in the business of selling time clocks or letting you in for a serious expenditure. The whole cost of this system including a 2-year supply of time cards is less than \$5 and it is as accurate as any bookkeeping method in any plant I know of. No books at all are necessary. I might say further that this plan with my consent and help is being adopted by the Illinois department of labor and will be put into all small shops. I have already put it into most of the small contract shops in the dress industry. Here it is:

First, you get a small piece of board like this. If you have nine or ten employees, you get five heavy manila envelopes and seal them shut. Cut them in two in the middle and glue them on to your board. Then get some time cards like this—they cost about \$1.65 a thousand. If you have nine employees, this is a 2-year supply. Write the name and operation (as for example, Frank Jones, Operator) on the outside of the pocket and on the time card that you put in this pocket. Then fasten it to the wall. Hang a \$1.25 alarm clock over it—get a couple of 10c angle irons or bracket from the hardware store and fasten another board as a shelf or writing counter at the right height. Then on Monday morning ask the employees to hang up their wraps and no start marking down their time until about five minutes before the power is turned on. You should have a half dozen indelible lead pencils fastened on string at this writing shelf. They mark down their time in and out just as they would if it would be punched by a time clock. When the week is over you take out these cards, add up the total time, put the figures down in ink on the front of the card, turn the card over again, mark down in ink the total time, below this mark the rate per hour (as for example 55c), multiply the rate by the hours worked and mark down the answer (as for example, \$16.50). You could have a little stamp made that said "Received Payment." Stamp this near the bottom of your card and have each employe on pay day study over the card a minute to make sure it is right and then sign his name in ink.

Any auditor, no matter whether he is a representative of the income tax division, a representative of your Code, or a representative of the NRA, if he is a real auditor would go back of the time keeping books to the time cards anyway so why monkey with time keeping books in a small plant where they are just about sure to make mistakes?

After all of the people have been paid and

have signed the time cards in ink, then wrap a piece of stout paper around the time cards for that week, wrap some string around this (not rubber bands because they dry up and rot), on the outside mark "Pay roll for the week ending \_\_\_\_\_ (whatever it is)" and put these away. Ten years from that time you will be able to prove exactly what you

paid to each employe and in detail what every penny of that was for.

It takes a little time and a little thought to handle the labor problem right but the working people are the main source of all wealth. If you give them the same kind, friendly thought that you give to your customers you will have no labor problem.

## CODE OPEN PRICE PROVISIONS

By W. FRED DOLKE, Jr.

It is no news to most of you that the Code of Fair Competition contains certain definite provisions with regard to price lists and sales-below-cost. By way of preface to this discussion I list these briefly as requiring that sales shall be made only on the basis of an open price which must be filed with the Code Authority, that no sale shall be made below a fair and reasonable cost, that the Code Authority shall investigate any price list which indicates sales below cost, and finally that all price lists shall be available to members of the industry.

These provisions place certain definite duties on the Code Authority, and the performance of these duties is the principal work of the Open Price Division in the Code Authority office.

Before I attempt to describe the method of operation of the open price division and without any intention of making excuses or apologies, I want to call your attention to the fact that in organizing for this new type of effort we had to start from scratch. Probably somewhere in this country there is someone who had performed similar duties, but there was no time available to search for such a person and get his advice. A man who has suddenly been overwhelmed by a snowslide has little opportunity—no matter how great his need or his desire—to consult with experts on the best way to dig himself out.

In the latter part of February the Code Authority office received an avalanche of price lists and there was nothing to do but to start to dig. We went down quite a few wrong paths and had to come back and start again. We had to do considerable experimenting and study different ways and means. We had to set up standards and measuring sticks. And while we were struggling with this double problem of organization and of checking price lists, we were hit by another avalanche in the form of inquiries regarding competitors' price lists. Naturally we made mistakes. We admit it. We were terribly slow in answering letters. But on the whole we made steady progress. Today I can say confidently, the open price division is operating quite smoothly, and the time lag which seems inevitable in this kind of work is being reduced to a minimum.

Such progress as we have made has been due, in no small measure, to the valuable suggestions, criticisms and advice given us by members of the industry, and it is a great pleasure to me to have this opportunity to express publicly my personal appreciation for such cooperation in our difficulties.

Another matter needs attention at this point. Many of you may have thought that the open price division has been rather overinsistent about small matters, rather too ready to make inquiries about items that seemed to have relatively little importance. Now it happens that under any regulatory device such as our code, a supervisory division like the open price division has extremely limited discretionary powers. The code makes certain definite provisions. The Code Authority under its provisions and duties makes certain rules and regulations. The open price division has a certain job to do and it cannot rest content until it has fulfilled its orders. We cannot make any assumption as to the intentions of a price list, and we cannot take for granted the truth of any statement of a member in those cases where the Code or the rules of the Code Authority require a sworn statement. Moreover all price lists must be treated exactly alike.

Due to the fact that price lists are effective

the day they are filed they must be checked promptly. An incoming price list has the right-of-way over all other types of letters in the open price division. This fact will explain to many of you the delays you have experienced in getting answers from us.

Our first action is to check a price list as to its completeness. The Code says, "The term 'Open Price' as used in this section means



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a price list which declares all of the member's prevailing prices, allowances and terms of sale for his macaroni products." Under this definition it is not sufficient for a member to write us—as many have—"I sell my macaroni for \$1.45." That is not a price list. It tells us nothing. Out of our early experiences with these incomplete price lists—and in those days no price list was complete—we prepared a statement of the information which must be given on each price list and published this on March 12 in Bulletin No. 11.

Because we are still having so much difficulty with incomplete price lists I am going through Bulletin No. 11 hurriedly and describe the items of information needed. First, there must be stated the exact grade of the product. Those of you who were at the hearing yesterday probably noticed how frequently I had to question members as to whether their product was a No. 1 semolina or a standard semolina. Lack of this information has been most troublesome to us.

Next, a price list must note accurately the character of the package. The weight per package and the number per case. For example, a price for 12 one-pound packages of macaroni may look somewhat high for a carton package and too low for a cellophane wrapped package.

In one case we had approved a certain price list on the basis of the usual 24 packages per case, and only through the complaint of a competitor did we learn that this manufacturer was packing 25 per case. Naturally this fact made a difference in our review of that price list.

Another troublesome point has been that price lists have not given information as to the grade of different brands, where brand names have been given. On the other hand lack of statement of the manufacturer's brand names frequently causes confusion. Our most difficult problems, however, have arisen from failure to state whether prices as quoted are

list prices with definite discounts applicable to different classes of trade buyers, or whether they are net prices to one class of trade buyer with certain differentials applying to other trade buyers. In addition, we must know every allowance made for carload, truckload or other quantities.

Next as a cause of correspondence and of inability to answer inquiries intelligently is failure to state the delivery conditions applying to the price, whether the products are F. O. B. the factory, whether delivered locally and to local freight station or whether delivered to a distant point. Under the last condition, what is the extent of the delivery? All too frequently we have to question prices as to whether they are high enough to include the freight charges.

There appears to be a mistaken idea about this matter of freight. Manufacturers have been in the habit of averaging this delivery expense over a considerable area. This is a convenient method for the manufacturer, but under the provisions in the Code against any sale below cost the price must include the entire freight charge for delivery to the most distant delivery point. The use of the "average expense" would tend to make a price under these conditions below actual cost.

A tremendous amount of correspondence has been necessary because price lists are not complete in these and minor respects. In the first weeks we were struggling with this difficulty it seemed advisable to have a standard price list form and one was devised. Many of you have seen it. It has been used by some members. We did not proceed with its use by everyone for two reasons. We were not entirely satisfied that one form would be flexible enough to fit all the conditions under which the industry operates, and price lists from the first weeks showed steady improvement both in content and in form. So we are holding this idea in abeyance. I myself still think there may be great value in the use of a standard form of price list and I suggest that you give it consideration.

Our next concern with a price list originates in the duty placed on the Code Authority to determine whether any price indicates sales below a fair and reasonable cost. As provided in Article VII of the Code, the Code Authority developed the elements of cost which enter into the determination of a fair and reasonable cost, published them to the industry on February 26 in Bulletin No. 9, and followed this on March 10 with a statement in Bulletin 13 of the conversion costs which would be used by the Code Authority as a measure to determine whether or not a member's price list indicates sales below cost. We are working constantly to add to our fund of cost information, not only to facilitate our work and secure greater accuracy but also to increase our service to the industry. We have developed basic cost data in tabular form and the more important of these tables were issued to the industry in an extended edition of Bulletin 13 on April 7. Copies of the cost figures used last week in checking every price list in the files were made up in tables and were available to all members present at the hearing on Monday.

After a price schedule has been checked as to whether it is above or below the cost calculated by us, the manufacturer is notified as promptly as possible by us. Our calculations are deliberately made a reasonable minimum. If a member has not filed a statement of his raw material costs we use the lowest prevailing market price of the previous month. Failure of members to file sworn statements of their material costs has made necessary a great deal of unnecessary criticism from us.

If a price list appears to indicate sales below cost, we ask members to do two things. First, if they have not filed a statement of their raw material costs, to do so at once. Second, to review their own costs carefully in connection with Bulletin 9, and if their price is below their cost to revise it at once. If it is not below their cost to file a sworn statement of their costs with the Code Authority, certified preferably by a certified public accountant. If he cannot, or does not, within a reasonable length of time satisfy the open price division as to his price there is no course

left but to refer his case to the Code Authority.

When a price list has been checked it has to be filed, and this was another problem to be solved. Each price list has to be instantly available, always in the same place, and all the price lists have to be close at hand for constant reference. We early decided to use standard 3-ring binders and I am satisfied we made no mistake. We started with one book. Today we have five, and I see the sixth coming within a few weeks.

After a schedule has been checked and filed it is available to members of the industry, and here has been our most difficult job. In the first weeks of an operation, when we were struggling with our first problems with price lists, we were swept by a blizzard of requests for competitors' lists. Every request at that time had to be answered with copies made by hand. Not only were price lists in themselves hard to understand, but the human element entered into the copying and we made many mistakes. We admit it and regret it. Probably the damage was not great and time always has a healing effect.

We devised scheme after scheme to overcome our difficulties, but everyone had to be abandoned except one, because of the tremendous expense involved. Under this one scheme which we are now using rather successfully, we ask each manufacturer to furnish us with 25 or more copies of his price lists, which we can use to answer requests. Many manufacturers have cooperated splendidly with us, but I must say that a number have not kept their promises to us, a large number have never even troubled to answer our requests.

An extension of this method has been under discussion but no decision has been made. Under this scheme one copy of each price list would be filed in each regional office. Each manufacturer would be required to file at least 14 copies of a price list, one to be returned to him either approved or disapproved, one copy similarly marked to be sent to each regional office, and one to be kept in the Code Authority files. This method has the advantage of placing new price lists promptly in regional offices, from which information can be sent as necessary to members and from which they can have quickly and very easily obtained information. As I said, this idea is under consideration and nothing definite has been decided. If any one has any suggestions we will be most pleased to receive them.

The work in the open price division would have been most discouraging if it were not for the fact that from the very start constant improvement has been evident in price lists. They have been more and more complete, some of them today 100% so. They are arranged better. They are more understandable.

It is evident that many manufacturers have been studying the form and content of their price lists most effectively. Schedules which were formerly many pages long, poorly ar-

ranged, hard to understand, now are well arranged in a tabular form that is clear and simple and have been reduced to one or two pages. More and more are the lists printed or mimeographed, and while I admit that I know little or nothing about making or selling macaroni products I want to give you my thought that there is something definite, arbitrary and uncompromising about a printed price list that cannot but help having a much-desired psychological effect on the trade buyer.

This discussion does not, of course, cover all the details of our work. I hope I have made clear the basis of the attitude of the open price division as expressed in correspondence. To us a price list is a price list, not in any sense a representative of a personality. Either it is complete and understandable or it is not. A price is either above our cost basis or it is not. We have to deal solely with facts and rules. I think I will never forget a remark made to me in our early weeks by a member of the Code Authority when we were discussing our problems. He said to me,

### Dramatizes Power of Appetite Appeal

Prelude to a Sound Film Supervised by L. B. Steele, DuPont Cellophane Co., New York City

"The Power of Appetite Appeal," a new talking film which dramatizes the



L. B. Steele

importance of appealing to the appetite in merchandising food products, has been announced by the DuPont Cellophane

"Dolke, you hew to the line—let the chips fall to the Code Authority."

In closing I want to make clear two points about which there seems to be much misunderstanding. First, a price which may have appeared a month ago or even two weeks ago may not be approved today. Changing market conditions may be the reason. Also, not in any sense does an approval on a certain date constitute a blanket approval for all time. This point was made clear at the hearing Monday.

Second, any Code or regulation is supreme to the organization which administers it. Any decision, interpretation or approval given by any member of the Code Authority organization contrary to the Code has no legal standing, and any such action will not serve to excuse a member of the industry for violation of the Code.

Various remarks made to me by members have indicated that there is considerable misunderstanding on these points.

company. In commenting on the film O. F. Benz, director of sales, said:

"The importance of appealing directly to the appetite cannot be overestimated in the sale of food products. From the time we are born, our appetite is always with us—in fact psychologists claim it is our strongest urge. We can't still it or disregard it but we can make it work for us by allowing people to see what they buy. Authorities tell us 85% of all purchases are made through the eye. Think of what this means for the product with 100% visibility!

"The macaroni industry was quick to appreciate the importance of this principle. The widespread application of visible packaging to this class of food-stuff to give the product 'eye appeal,' is an excellent example of the trend toward arousing the appetite through the visual sense.

"Now even the canning industry is beginning to apply this principle of selling on sight. For years they've been putting full color pictures on canned foods, but of course pictures are a mere makeshift in letting people know what's actually 'inside.' Recently one canner overcame this by displaying his product in a glass top can."

The new film was to be shown at the convention of the National Macaroni Manufacturers association. It is expected a great many who are engaged in marketing macaroni products will find this of interest, both in helping solve current merchandising problems and in pointing the way for future development.

#### MISSING—UNDER FIRE

The preacher calling on one of the congregation was met at the door by little Johnny.

Preacher: "Sonny is your father home?"

Johnny: "No sir, Pop hasn't been home since Christmas when Mom caught Santa Claus kissing the cook."

## "Story of Frozen Eggs from Nest to Noodle"

Comments by R. E. Swift, Armour and Company, Chicago, accompanying a motion picture film portraying the process, with subtitles . . . .

The new film was shown at the convention. It is expected a great many who are engaged in marketing macaroni products will find this of interest, both in helping solve current merchandising problems and in pointing the way for future development.

#### "Howdy Folks Let's Get Acquainted"

Insurance in the purchase of raw materials, especially eggs, because of the relative value of eggs in noodles, is a thing in which every noodle maker is interested.

Reliable egg breakers who are seriously concerned with the business of packing, breaking and freezing eggs pay very strict attention in the selection and handling of the eggs they intend to use.

We hope this presentation will assist you in the selection of quality eggs.

#### The Story

No more do women accept home drudgery as the inheritance of their sex. The telephone and electric power have eased their tasks and now more and more quality food products are offering them a release from hot kitchen cares. The bake day is no longer popular. The quality food manufacturers are entitled to full credit for this trend because of:

1. Higher Standards of Ingredients.
  2. Improved and Balanced Formulas.
- "Frozen eggs contribute more than any other single ingredient to the food value of noodles. They are richly endowed with vitamins, minerals, proteins, fats. These are all important because—"

#### "For the Growing Child"

"Rich in proteins, build up resistance against colds and diseases."

Maybe you can promote the sale of macaroni and noodle salads by appealing direct to the youngsters. "The ideal food between meals."

#### "For the Adolescent"

"They are rich in minerals which make firm teeth and strong bones."

A recent large competitive food ad said: "Nibble between meals? SURE!" says Olympic star. "A swimmer has to keep trim. That's why I'm strong for . . . products. They give real pep without overloading you. They surely fill the bill between meals."

#### "For the Healthy Family"

"They should be included in the daily balanced diet."

Eggs were designed by nature as the complete food. They are rich in the vitamins, minerals, fats and proteins which contribute so much to strong bones and teeth, and tissue repair. The elements contained in the egg structure were woven into combinations best suited for the purpose of food. They change from food to body tissue in the shortest time with the least possible loss.

#### "A Picture of My Anatomy Tells About My Care"

Eggs were NOT designed by nature as a food product, but were designed for natural incubation. To understand the conditions and factors that affect the quality as a food we must know more about their structure and composition.

"Production factors affecting my quality are: BREEDING, FEEDING, HOUSING AND SANITATION."

Birds of the strong, healthy breeds produce the best bodied eggs. Feeding affects the strength of the egg, such as firm whites and yolks. Housing and sanitation must coincide with good breeding and feeding.

"Sturdy, well fed stock are the source of our supply."

#### "Use Stock Bred for Large Egg Size"

Through the Poultry and Egg association, state agriculture colleges, 4-H clubs, etc., farmers are being educated to produce quality and large eggs. An example of how some of this work is being carried out.

"Good feeding gets more and better eggs." In some sections eggs are purchased direct



R. E. Swift

from the farmer on a graded basis. This means a more profitable return for the producer and better quality eggs for you.

#### "Care of Eggs"

"Gather at least twice a day." Another of the educational features which show the result of a survey that many farmers are not taking proper care of their eggs.

This educational program has had a decided effect especially in the past year.

For the best product, eggs should be gathered as "near to the nest" as possible, and marketed without delay.

"Washing eggs a bad practice." When an egg is laid the gelatinous coating is put on it just before it leaves the hen's body. This coating seals the pores in the shell and protects the contents of the egg from invasion by bacteria.

Washing the egg with any kind of a liquid solution removes this thin film, opens the pores and makes it possible for moisture to escape from the egg which allows oxygen and bacteria to enter the egg, results in deterioration.

"After I am produced methods of care and handling affect my quality." Therefore

#### "Keep Eggs Cool"

The incubation temperature is from 98 to 103 degrees. Eggs deteriorate rapidly in quality between 70 and 100 degrees. Fertile eggs start germinating at 68 degrees F. For proper protection refrigerator trucks are now being used to gather the fresh eggs directly from the farmer. "Protect eggs from sunshine, rain and jarring."

#### "Rough Handling Bad on Quality"

On the left a good fresh egg; firm, well rounded yolk and thick white. On the right after the white has been ruptured, causing a thin, watery white because of improper handling.

#### "Factors Considered in Grading"

1. When an egg is candled we examine the

condition of the shell for soundness, cleanliness and color.

2. The air cell is looked at to determine its size and regularity. That is the age of the egg.

3. The yolk is examined to determine its color, size, mobility and visibility. For the age of the egg.

4. We look at the white to determine its viscosity or thickness and at the color.

5. The germ spot is carefully examined on the yolk to determine its visibility or development.

#### EE

This frame and the next three are just to show you the air cell or shrink and condition of the yolk and white, used for Quality Frozen Eggs. The EE is a strictly fresh egg. Small air cell, yolk dimly visible; white firm and clear; and no development of the germ, as shown by the strong reflector candling light.

#### "Dirties"

These are not suitable for good quality frozen eggs. Larger air cell.

Yolk may be plainly visible, dark; freely mobile. White may be weak and watery. Therefore the older the egg, the darker the yolk, and the thinner the white.

Do not confuse natural fresh dark colored yolks with the dark colored yolks mentioned in the last five frames. The dark color which I have referred to here is due to the oxidation of the pigment lethicin in the yolks. In other words, the yolks have started to deteriorate.

Natural fresh dark colored yolks, which are altogether different will be discussed more fully later.

#### "Egg Structure"

Shell membranes separate the egg white from the shell. When the egg is first laid and is still warm the contents entirely fill the shell. As the egg cools the contents shrink, a small air cell is found between the two shell membranes, usually at the large end where these membranes separate easily. Evaporation of the contents takes place with the aging of the egg and the air cell grows larger, as shown in former slides.

The egg white consists of an albuminous matter of pure protein which is of high nutritional quality. The white varies in density, being thinnest near the yolk and near the shell and thickest between the two thin layers. It is clear and transparent except for two cloudy white thin portions resembling twisted cords, which adhere to the yolk at the points nearest the ends of the egg. These cords are called chalazae, whose function is to permit the yolk to rotate frequently in the egg, but at the same time serves to retard the rising or settling of the yolk toward the shell when the egg is left in one position for any length of time. Normally 50 to 60 per cent of the white is in the firm layer, the rest is distributed about equally between the two thin layers.

The yolk is suspended in the white at approximately the center of the egg and is surrounded by a thin membrane. On the surface of the yolk and always on its upper side appears the germ spot. In the infertile egg this germ spot is small and irregular in size. In a fresh fertile egg it is round and larger. It is in this germ of a fertile egg that the embryo starts to develop.

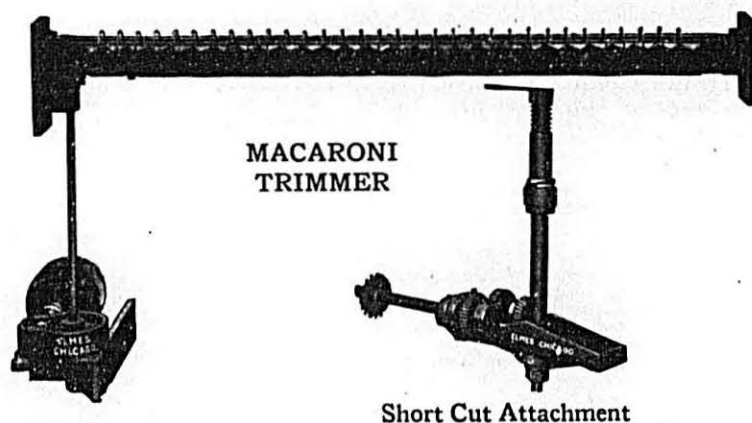
#### "Position of Yolk"

Wrong way, blunt end down, which often causes the yolk to adhere to the shell, which will result in a break. Correct way, point down.

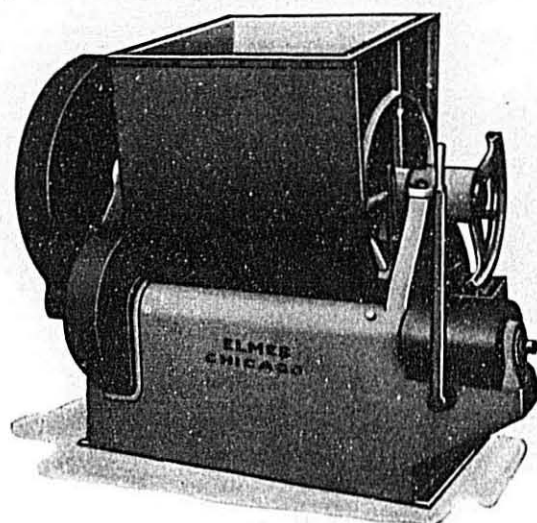
#### "Golden Yolks"

From palest yellow to deepest orange—the egg fancier can have his choice of yolk color. All he needs to do to get the color he prefers is to regulate the feed of his hens. The more green and yellow feeds he includes in their rations the richer in color will be the yolks of their eggs.

Not so many years ago it was quite generally believed that there was a relationship between the color of the shell and the color of the yolk. It was thought that all eggs with brown shells had orange yolks, while



### THE IMPROVED MIXER



MODEL No. 3963

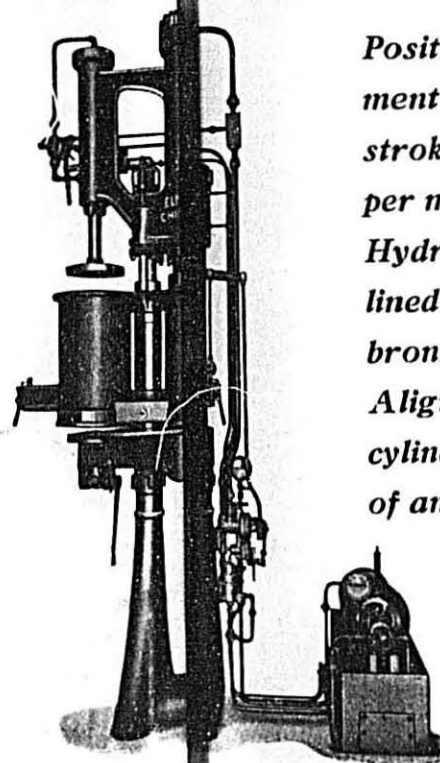
1½ Barrel Capacity Power Tilted Mixer  
Built with V Belt Drive Direct from Motor  
or with Tight and Loose Pulleys for Belt Drive  
Cut Gears Are Used Throughout and  
All Gears Are Inclosed  
Main Driving Shaft Is Mounted on  
Self-Oiling Ball Bearings  
Shaft Bearings Are Lined with  
Bronze Bushings

*All Rotary  
high and low  
pressure  
Pumping Systems  
direct connected  
to motor.  
Self Oiling.  
Requires no  
adjustment  
to compensate  
for wear.  
Combination  
manifold and  
speed regulating  
valve.*

Dough Cylinders 13½ Inches by 30 Inches  
Maximum—7 Charges of Flour Per Hour  
Clearance—Right to Left 6 Feet 3 Inches  
Overall Height 23¼ Inches

# ELMES

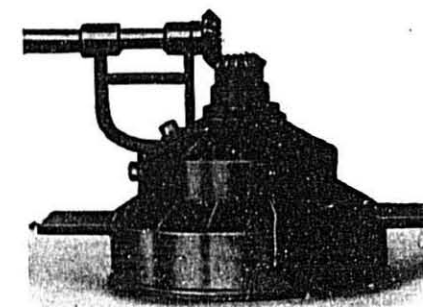
## Late 1934 Models Increased Production at Lower Cost THE NEW PRESS



*Positive speed adjust-  
ment on downward  
stroke from 0' to 4'  
per minute.  
Hydraulic cylinders  
lined with special cast  
bronze bushings.  
Alignment of all  
cylinders within .003  
of an inch.*

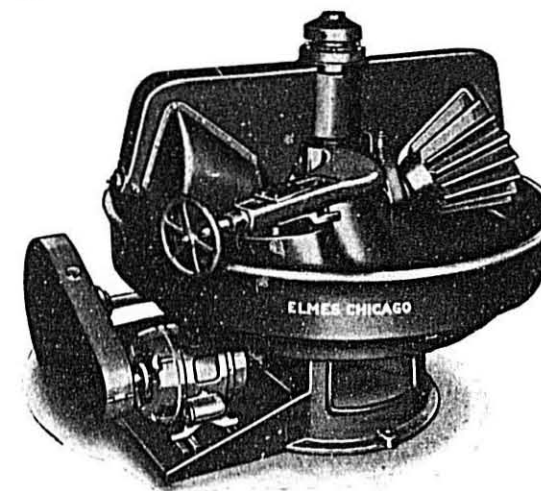
*Positive dough  
cylinder locking  
device.  
Single lever  
valve control*

150 Pounds of Flour Per Charge  
Handles 36 Barrels of Flour in Eight Hours  
Front to Back Clearance 5 Feet 6½ Inches  
Overall Height 23¼ Inches



Conical Shaped Mostaccioli Cutter No. 3154-A

### THE NOISELESS KNEADER



1½ BARREL KNEADER No. 3911

The Silent Running Kneader  
All Steel Gears All Cut Teeth  
Immersed in Oil  
Cast Steel Pan Mounted on  
Roller Bearings  
Pinion Shaft Rotates on Ball Bearings  
Timken Bearings Are Used for the  
Main Drive Shaft

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white shelled eggs were believed to have pale yolks. Now, after years of research, it is known that the color of the shell is determined by the breed of the bird. The meat breeds (Plymouth Rocks, Rhode Island Reds, Wyandottes, Orpingtons) lay eggs with brown shells, while the Mediterranean breeds (Leghorns, Anconas) lay eggs with white shells, and either type may lay eggs with either light or dark yolks.

The hen has the ability to transfer coloring matter from her feed to the yolks of her eggs. If she eats feed rich in the natural coloring matter as alfalfa, green grass and yellow corn, she lays rich orange yolk eggs.

The fresh egg has thick white, rounded yolk, the heated egg thin white, flattened yolk with enlarged germ.

On aging, the yolk has a tendency to flatten out. The moisture content of the yolk is increased as the moisture of the white penetrates through the yolk sac which we call osmosis action. Ordinarily yolks absorb only water from the white, but in some very rare cases the egg white as a whole is able to diffuse the yolk.

#### "Heat Is Bad for Eggs"

Some are of the opinion that there are two kinds of liquefaction of egg whites. One, the usual process, takes place when an egg has lost carbon dioxide, the firm white gradually losing its jelly-like properties until it becomes a clear liquid. The other is due to enzymes, which are unknown composition produced within living organisms and which hasten chemical changes; i.e., breaking of the tiny fibers that hold the substances together. I am of the opinion that liquefaction is a combination of the above two, along with improper handling, jarring and etc.

#### "The United States Poultry Center"

Where about 55 per cent of the poultry and eggs are produced. We call this section the grain belt. With such a perishable product as eggs, naturally eggs should be packed as close to the nest as possible.

Eggs are selected during peak quality months of March, April and May. Mild spring temperatures are conducive to best results in handling from the nest to the plant. Vitality of the laying hen is at its best at beginning of the laying season. This insures a strong bodied egg with a rich yolk.

"These are best quality obtainable, frozen 'Breakfast Fresh.'"

Quality, freshness and uniformity depend on:

1. Source and grade of eggs.
2. Preparation and sanitation.
3. Element of time.
4. Quick sharp freeze.

The various chemical and bacteriological tests by which the manufacturer measures the standard of such ingredients, are held within the most exacting range of control. In addition, the quick sharp freeze produces a small crystal like structure in the egg so necessary to insure the smooth body which the manufacturer looks for when eggs are defrosted.

Slow freezing eggs will cause the moisture to separate from the fat particles. When such a product is defrosted the moisture will be in the bottom of the can. Therefore, quick sharp freezing and clarification is important.

#### "Fleet of Trucks"

Since the element of time is so important a fleet of trucks at each breaking plant are routed to cover the many farms. This fast service brings the eggs to the breaking plant as rapidly as possible. It is just another feature of quality control that characterizes Quality Frozen Egg operations.

Eggs upon arrival are immediately taken to the chill room. Eggs are held in chill room two days before breaking. This firms the egg contents and facilitates the separating process that follows later. "Note the separation for air circulation."

#### "Candling Room"

"Candling room from where only 'Good' eggs pass to breaking room." After the cooling period, they pass the scrutiny of trained candlers and only eggs of "Breakfast Fresh Quality" are passed on to the breaking room.

"Now the eggs are ready for the breaking room," which is well ventilated, light, and sanitary. Eggs of "Breakfast Fresh Quality" then enter a model breaking room, where every precaution is taken for sanitation. This is imperative when dealing with a product so highly vulnerable to bacterial action. An endless chain system carries the buckets of shell eggs to the breakers, and the egg meat from the breakers to the clarifiers.

#### "Equipment Is Sterilized Constantly"

All equipment and utensils in the breaking room are sterilized before using and at frequent intervals during the working day. Speed, precision and carefulness are fundamental principles that are understood and followed by each operator.

"Operations begin with severing whites from yolks." Each girl is seated at a table on which there is a sterilized knifelike arrangement for separating the white from the yolk. Whole eggs are broken individually into sterilized cups. The whites into another cup and the yolks to a third. At this point the sense of smell is used to detect the slightest odor that may contaminate good eggs already broken; incidentally, the nose is the keenest and most critical analytical instrument. Questionable eggs are immediately removed and the exposed utensils returned to the kitchen for sterilization. This process is rigidly followed throughout the day.

"Each girl handles approximately 20 cases of eggs every 8 hours."

#### Clarification Equipment

At this stage of operation all eggs go through the patented Armour clarifying process which removes all shell fragments and shell grit, thus assuring a pure, clean, and wholesome egg ingredient for egg noodles.

"After clarification the liquid eggs are drawn and weighed into the containers and conveyed to quick, low temperature freezers. The entire process, from breaking to freezing is completed within fifteen minutes, preventing bacteria development."

To the uninitiated it may seem that care has been sacrificed for speed. On the contrary, clocklike precision governs the operation with maximum efficiency. Speed is essential to maintain a low bacteria count.

"Where the eggs are frozen to sub-zero temperature thereby retaining all of their fresh quality." Quick sharp freezing is the key to fresh quality preservation. This prevents undue expansion and rupture of the cell walls of the egg, bacterial growth and enzyme action. The small crystalline structure which characterizes quick sharp freezing is assured in Clarified Frozen Eggs.

"Laboratory Control, the proving ground for maintaining state and federal standards, thereby assuring the buyer a technically perfect ingredient."

#### "The Guardian of Quality"

Laboratories are constantly delving into the physical and chemical properties of the foods that bear their advertised labels. We must know all the important properties of food substances as well as the deficiencies. These must be proven. Without this scientific knowledge egg mixtures could not be evaluated.

There are three things that determine the quality of eggs beyond the sense of sight, smell or taste:

#### "Bacterial Count"

Bacterial count is an indication of the quality of eggs used and also shows how good a job was done by the packer in the preservation of this quality. State and Federal standards have been formulated with the idea of preventing the use of poor quality eggs and assuring the employment of the best sanitary procedure in the breaking establishment. Operations are so conducted that all of these standards are fully met. Consulting chemists at all breaking plants continually analyze and supervise the breaking of eggs.

#### "Solids"

The structure of the edible portion of an egg consists of moisture, protein, fat and min-

erals. Of the 3 types of frozen eggs, the approximate analyses are as shown:

	Whole	Whites	Yolk
Moisture	72 to 76	86 to 88	56 to 58
Protein	12 to 15	12 to 14	14 to 16
Fat	12 to 14	Traces	28 to 30
Ash	Traces	Traces	Traces
Sugar		5/10 to 1%	

Federal standard solids content are:  
Whites 12%  
Whole 26%  
Yolks 42%

#### "Ammonical Nitrogen Content"

Ammonical nitrogen is an index of the degree of egg deterioration. "Some types of bacteria in the process of assimilation during multiplication, break down or decompose the protein of the egg substance, forming ammonia." The amount of nitrogen in the form of ammonia present at any given time, is a measure of the deterioration of the product in question. The more ammonical nitrogen the egg product contains, the more deterioration of the product in question. The more ammonical nitrogen the egg product contains, the more deterioration has taken place. A low ammonical nitrogen content indicates that bacterial growth has been kept to a minimum by proper handling. Frozen whole eggs should not exceed .002%; Yolks .003% and Whites .001% ammonical nitrogen content.

The chemical determination of the ammonical nitrogen is reached by the distillation method, which is considered accurate and reliable for eggs. This method is similar to that used in determining protein in flour.

This frame shows the equipment used for making a pH test. The pH test is a method of determining the active acidity, which indicates the degree of deterioration of the egg.

#### "Shell vs. Frozen"

Much can be said in favor of shell eggs that are held in storage at 30 degrees above zero. They serve a distinct purpose for table use in the season of scarcity. However, the problem of shrinkage and deterioration due to shell hindrance is always present. Comparatively, frozen eggs provide the safer and surer return of the original quality with little or no loss or deterioration.

Formerly shell eggs were in general use by bakers. However, now they serve principally for table use.

The average egg consists of approximately:  
11% Shell—a waste  
32% Yolk  
57% White

"Frozen eggs are the most costly ingredient when compared with other raw materials used."

#### Chart

Eggs represent more than one third of the total ingredient cost. Shell waste, shrinkage, and labor are factors that increase costs when shell eggs are used. The problems of supply, uniform costs, and quality are solved by frozen egg usage.

"Frozen eggs are the most perishable ingredient used. Freshness and quality are of prime importance."

The functions of the egg for the noodle manufacturer are color and binding power. In the manufacture of foods, eggs perform different functions, but one requirement they all have in common, for without it the finest food product in the world is not palatable, and that quality is *flavor*. Whether the finished product depends almost entirely on the eggs for its flavor, or whether egg flavor is a secondary consideration, most food manufacturers appreciate the fact that the flavor of the eggs they use contributes much to the final flavor and eating quality of the products.

"With all the care that has been given up to this point, the continuation of that quality rests with the manufacturer."

Requirements:  
Adequate refrigeration.  
Proper defrosting.  
Prompt usage.  
Sanitation.

#### Model Plant

"How are we going to win this market and get these profits?" "Let me first cite one method by which it cannot be accomplished."

I am trying to speak as frankly as I believe one manufacturer should speak to another. You can't use the standards that prevailed in 1920; you can't use the formulas that were in use in 1920; you can't use the type of ingredients that were offered you in 1920. I repeat you can't do these things and then merely by putting on a little additional pressure to your production superintendent and

to your sales organization, expect to win increased sales and increased profits. It can't be done, and it isn't being done anywhere."

Surely you do not want eggs packed by a method as out of date as the 1920 automobile, or the 1920 suit of clothes.

This is an actual photograph of ordinary processing and packing. This shows the bot-

tom of a can of frozen eggs removed to expose shells, sediment, and yolk sacs.

Here we have a 1934 product. Notice the complete absence of shell particles and yolk sacs. This is due to the development of our clarification process.

"Good-bye folks, remember there is a new

## Report of Nominating Committee

WHEREAS, the by-laws of the Association were changed yesterday to make the term of the Directors of the National Macaroni Manufacturers Association one year instead of three, that action automatically ends the term of the Directors whose term had not expired at this convention, and

WHEREAS, the laws were further amended to coordinate the activities of the Association and the Code Authority by suggesting that the Regional Chairmen be elected as Director of the National Association during the existence of the Code, your Committee begs leave to submit the following nominations for Directors of the National Association to

serve until 1935 convention in June:

- Region No. 1—G. La Marca
- Region No. 2—Frank L. Zerega
- Region No. 3—Philip R. Winebrenner
- Region No. 4—R. V. Golden
- Region No. 4—E. C. Oberkircher
- Region No. 6—Robert B. Brown
- Region No. 7—Joseph Freschi
- Region No. 8—Leon G. Tujague
- Region No. 9—Frank S. Bonno
- Region No. 10—Harry Lane
- Region No. 11—M. De Mattei
- Region No. 12—Frank A. Ghiglione

etc. the successor shall automatically succeed to membership on the Board of Directors of the National Association.

John Luehring  
Joseph Viviano  
N. M. Onofrio  
Henry Mueller  
John Ravarino  
Steve La Rosa  
L. M. Skinner

The report was presented to the convention and the chair asked for additional nominations from the floor should any be desirous to make so. None was made and the candidates nominated by the committee were unanimously elected by the convention.

We recommend that in the event that there should occur a vacancy in any regional Chairmanship due to resignation,

## Association Dinner a Social Success

Three hundred macaroni-noodle manufacturers, allied tradesmen, their wives and friends made merry the evening of June 13, 1934 in the beautiful and spacious ballroom of the Edgewater Beach hotel, Chicago enjoying with equal satisfaction the appetizing menu selected by Secretary M. J. Donna, the seating arrangement by Manager Traficanti, the humorous speaker, the delightful entertainment, the tempting dance music and the able handling of the whole affair by Toastmaster Louis S. Vagnino.

Never was there a more beautiful setting, a more colorful gathering or a happier grouping of friendly competitors and immediate friends than assembled at the National Macaroni Manufacturers association's 31st good-will festival, and long will its impressions remain with those fortunate ones who composed the happy and pleased throng. It very properly climaxed a week of business and pleasure at a convention that is outstanding in interest shown and objective attained.

Toastmaster Louis S. Vagnino took advantage of the occasion to compliment the officials of the National association and of the Macaroni Code Authority for past services and asked for them the undivided unstinted support of every manufacturer and of all allied tradesmen in making easier their arduous duties in the future.

The toastmaster in his opening remarks said:

"We are again assembled in this illustrious city of Chicago to participate in our 31st annual banquet. As I look upon this large assembly I cannot help express my admiration of the men and

women who compose this association. It is true that among our members there may exist differences of opinion, likes and dislikes, but you cannot deny that there are two outstanding qualities which characterize macaroni manufacturers as a group. The first is the spirit of co-operation which they manifest in all their undertakings; and the second the firm determination of purpose to achieve a constructive program for the good of the whole industry. That determination is so aptly expressed in a short anonymous poem:

"One ship goes east, another west  
By the selfsame winds that blow.  
It is the set of the sail and not the gale,  
That decides which way they go."

Like the waves of the sea are the ways of fate  
As we journey on through life.  
It is the set of the soul that determines the goal,  
And not the calm or the strife."

"To be connected with and a part of an association such as this, is our good fortune, for it is an institution with a great future. It is like a tree whose roots are so firmly planted in the soil of industry and integrity that the growth has been upright and strong. The wide spreading branches are covered with fruit, which we are privileged to gather.

"We are happy to welcome members of our allied industries and their families, in whose presence we feel deeply honored. They have come here to manifest their sincere interest in our problems. I am sure I voice the sentiment of this association in expressing to each one individually our sincere appreciation."

These commendatory words were as follows:

1934-5 Macaroni Code Authority  
Due recognition should be given the men who compose the governing body of the macaroni industry, The Macaroni Code Authority. The zeal and sincerity which they manifest in all their activities is a compliment of the highest order. It would be amiss if we failed to accord our recognition and respect which is justly due them. I want to take this opportunity to present each member of the Code Authority:

Atlantic District—Wm. Culman, G. Guerri, Henry Mueller. Gulf District—Leon G. Tujague. Allegheny District—Alfonso Gioia. North Central District—John V. Canepa, Louis S. Vagnino. Pacific District—M. De Mattei. At Large—G. G. Hoskins. Member on previous board whose term expired: V. Giatti.

#### Code Executive—Glenn G. Hoskins

Now, we come to the man elected by the industry at large. When he was elected President of this Association last year, I said of him, "I know of no man who is better qualified to grasp the reins of this Association and direct its destinies to a high plane of attainment, than the man you have today elected to carry on for the ensuing year. His constructive leadership is an outstanding qualification. His keen sense of perception, coupled with a firm determination of purpose will carry us throughout his administration with renewed vigor and enthusiasm. To me his sincerity and warmth of heart, and I say this with the utmost of conviction, are the greatest sources of admiration."

That was last June. After a year of his successful administration, I am now

more convinced than ever that you share this sentiment with me. May we all hail our leader and friend, Glenn Hoskins.

#### Administration Member—

W. H. Calhoun

In the administration of the Code under the National Recovery Act, there was required on our Code Authority a member outside of the Macaroni industry to represent the Government in all meetings of the Code Authority. We are particularly fortunate to have appointed to this important position, a man who has manifested a most cordial and friendly attitude toward our members and who has disclosed in the brief time he has been with us a complete grasp of the problems confronting the Macaroni industry. Since I have had the privilege of sitting in with him at our meetings, may I express the sincere appreciation of the entire Code Authority, and of the National Macaroni Manufacturers Association, for the invaluable service he has rendered this industry.

It is my pleasure now to present the Administration member on the Code Authority, W. H. Calhoun.

#### Board of Directors—N. M. M. A.

An amendment to the constitution now provides that the chairmen of the twelve regional districts, under the Macaroni Code, constitute the Board of Directors of the National Macaroni Manufacturers Association. This valuable correlation between the Code Authority and the N. M. M. A. gives the industry a diversified group of men, based on geographical locations. The regional Chairmen, who have given unselfishly of their time in furtherance of this plan of organization, are deserving of our highest praise.

May I present the members of the Board of Directors, and ask that you give them a hearty round of applause.

#### Region No.

1. G. LaMarca
2. Frank L. Zerega
3. Philip R. Winebrenner
4. R. V. Golden
5. E. C. Oberkircher
6. Robert S. Brown
7. Joseph Freschi
8. Leon G. Tujague
9. Frank A. Bonno
10. Harry Lane
11. M. DeMattei
12. Frank A. Ghiglione.

Directors whose term expired at this Convention:

- Walter F. Villaume  
V. Giatti  
Edward Z. Vermylen

#### Secretary-Treasurer—M. J. Donna

There is one man who performs the greatest number of tasks attendant to the running of this Association. He is the vortex of Association activities. From him emanates actual performance of our affairs. He is presumed to see all and know all; to act in any and every capacity on all occasions. He takes the brunt of all criticism and assumes in a like degree the responsibilities of the entire Association, but seldom comes in for his share of recognition and praise for work

well done. If we can lighten his load by a kind word of encouragement and engender in him a spark of enthusiasm, let us not deny him this small token of our appreciation.

Let us all give him a round of applause as a mark of our confidence and respect for his sound judgment in the conduct of his duties. This person is

#### Humorist Delights Guests

Ernesto R. Russo, who baffled the macaroni-noodle makers in his character as Count Ernesto Russo of Milano, Italy as the humorist speaker at a banquet in Chicago two or three years ago, again delighted an interested audience of macaroni makers and friends at the an-



ERNESTO R. RUSSO

nual banquet sponsored by the National Macaroni Manufacturers Association in the Edgewater Beach hotel, Chicago the evening of June 13, 1934. Though readily recognized as "the bogus count" by those who heard him on his previous appearance, they thoroughly enjoyed his ready wit, his spontaneous humor and his wonderful oratory through all the phases of the ridiculous to the sublime during his half hour address, even though he was sans his distinguishing beard, his sash of nobility and his royal bearing.

## Increasing Consumption of Macaroni Products

By OLE SALTIE, Deputy Code Executive, New York City

As practical manufacturers of macaroni products who have attended these conventions regularly for years, there is not much new that an outsider can tell you about your business.

As an individual who has had an opportunity of studying your business at close range and has not as yet lost his perspective, there are some things I have observed which I would like to speak about.

At this particular convention it is only natural that the Code of Fair Competition for the Macaroni Industry should hold the center of the stage. Many of you have asked and have been asked "Do you think the Code is doing the industry any good?" The code lacks teeth. An example should be made of some

our own Secretary-Treasurer M. J. Donna.

#### Washington Representative— B. R. Jacobs

Now, we come to our Washington representative, who likewise has been one of the pillars and supports of our Association, a tireless conscientious worker, whose temperament is seldom ruffled, whose efforts in a preparation and adoption of our Code have proved invaluable. I refer to none other than our good friend, Dr. Jacobs. It is, indeed, a pleasure to extend to him our vote of thanks.

#### Adviser—Alfonso Gioia

That a valuable service is rendered this Association by our former president, in giving us the benefits of his experience during the past year, is often overlooked and forgotten. The adviser in this Association is an important adjunct to the Board of Directors and the Officers. Let us forget, I feel that our adviser should be accorded his due recognition in our Association activities. We are indeed proud to have had the encouragement and warm counsel of our loyal past president, Alfonso Gioia.

#### Honorary Member—Frank Tharinger, Past President

This occasion would be incomplete if we did not acknowledge the debt which this Association owes to the man who, as president, directed its destinies from 1928 to 1930. In those two years, he made an enviable record of accomplishment and achievement. Although no longer connected with the Macaroni industry, he still maintains a keen interest in our affairs and cherishes the warm friendships that were made during his association with macaroni manufacturers.

It is, therefore, fitting and proper, as a symbol of our esteem, that we have today passed in convention a resolution conferring upon him honorary membership into this Association.

It is my signal honor and privilege to present at this banquet our loyal friend and past president, Frank Tharinger.

I have not been asked to discuss these things which are on your mind, but I am sure that your energetic, tireless and capable president and chairman of the Code Authority can and has already satisfactorily answered most of these questions.

In the subject assigned to me I believe there is sufficient latitude so that I can go into the discussion on some of the features of the code, especially the much-discussed price feature. I have had manufacturers tell me on more than one occasion that unless the code could control prices, that code would be of no value. Let us just for a moment consider this particular statement. It was never intended by the Government that the codes should be used to fix prices. Codes were in-

tended as a protection for the legitimate merchant against the chiseler. The code of the macaroni industry does prohibit the sale of macaroni products below a fair and reasonable cost. This to my mind is one of the most important provisions of the code. It may be properly argued that it is difficult to enforce this provision. No one with any experience in enforcing law will dispute that statement.

From the day the President of the United States approved the Macaroni Code the Government and the macaroni industry became partners. The industry's part of this partnership agreement was that it would improve the working conditions of its employees, establish fair rates of wages and shorten the hours of employment. The Government's part of the partnership agreement was to cooperate with industry in protecting its members against unfair methods of competition, one of which was the sale of macaroni products below a fair and reasonable cost. Personally, I do not believe that this partnership will be successful until another very interested and necessary individual is added to this partnership—I refer to the consumer.

In our plans and deliberations we must not forget our customer, the consumer. What is the industry doing now to tell her about the changes that are taking place in the industry? I also urge that in the enforcement of the code, when it becomes necessary to prosecute, we bring as our first case for violation of any provision of the code one which directly affects the consumer, such as proper labeling, especially as to the declaration of ingredients and weight. If we show the consumer that we want to give her every protection, then we are going to get her confidence. With her confidence the enforcement of the other provisions will become much easier.

The Government, because right now it is good copy, gets a full share of publicity of its efforts in behalf of the consumer, but what about the macaroni industry? What is the industry doing to explain to the consumer that only a year ago she could buy macaroni for 5c a pound for which she now pays more? It may be proved that this was a very poor grade of macaroni, but it was wholesome and it was labeled macaroni.

Unfortunately the consumer does not stop to read the small print on the label and only a very few stop to read the label at all. When she does, what does it help her to read that it was made from semolina, farina or flour? When she buys her macaroni in bulk, she has no opportunity to even read the label, because the bin where it is kept is not labeled. The consumer asks for macaroni and because what she gets looks like macaroni, she accepts it. She does not stop to consider that it may be made of flour or farina or semolina. And what does the average consumer know about semolina or farina? It's all flour to most of them. She does, however, remember that she formerly paid 5c a pound for it. Now when she has to pay 10c and more, an increase of 100% in just a year, what does she think? Does she buy other products, potatoes for example, or does she ask the storekeeper for the reason for the macaroni increase? If she does, what does the storekeeper tell her? He has not been advised as to the reason for the increase, so he blames it on the code. How many so-called merchants and dealers are hiding their own shortcomings behind the codes? Should not the industry educate the storekeeper as to the real facts about the macaroni products and the industry? It surely should not leave this entirely to its salesman.

Is not the problem now, one of better understanding by all—the miller, the manufacturer, the wholesaler, the retailer and the consumer?

Are not our difficulties going to multiply unless we increase the present partnership by including the consumer?

The consumer does not want to sit down with us in our deliberation, but she does and should be told the price conditions and facts. Have we not now reached the point, if we want to hold the business we have, without thinking about increasing our business, where we must take the consumer into this partnership and give her the real facts so as to gain her confidence? Don't forget that all this in-

dustry is and aspires to be, depends in large measure upon keeping the confidence of the consumer to continue the use of its products.

With the prices of raw materials advancing, with higher wages, with shorter hours of employment, the price to the consumer has to advance, unless the manufacturer wants to go into bankruptcy and so defeat the purpose of the National Recovery Act. Many of the manufacturers will undoubtedly meet this problem by lowering the quality of their products, thus increasing the poor quality of poor macaroni products. This will set the industry back many years and also help to cut consumption because the people are the judges of what they like to eat.

If the consumer were part of this partnership this could be avoided, because if the consumer had the real facts she would prefer to buy the better quality product at an increased price, because she is getting greater value for her money.

I do not want to give the impression that flour macaroni products are unwholesome. They are not.

The macaroni industry is fortunate for 2 reasons. First because of the nutritional value of its products and their comparatively low costs.

Dr. Royal S. Copeland in talking about the nutritional value of macaroni products says: "Dishes of macaroni and spaghetti are a welcome addition at luncheon, dinner or supper. They may be used in place of potatoes or rice. When macaroni or spaghetti are prepared with tomatoes, and green peppers or cheese or small pieces of beef or lamb, they form a well balanced dish which may be used as the main course of a meal."

"The human body requires food that will give it energy and heat to carry on. It is estimated that three fifths of our fuel supply should be taken in the form of carbohydrates. Macaroni and spaghetti contain 72% carbohydrates.

"In addition they contain approximately 10 to 13% protein. This important substance is necessary for the satisfactory growth of the body."

Dr. Copeland further says: "Macaroni and spaghetti are easily digested and may be given to all members of the family, including the child one year old."

The second reason that this industry is fortunate is because of the natural demand by a certain portion of our population for this par-

ticular food. To man, the use of macaroni products is almost as essential as milk is to the baby.

Still in times like these unusual things happen. Take for example the demand for bakery products made from white flour. For years the consumption of white bread just grew in leaps and bounds. Then the promotion of other foods and education of the people to their value started to show results. Then the slenderizing fad and the unfair statements as to the fattening properties of white bread, together with the unusual conditions under which we all have had to live for the past few years, started to cut into the consumption of breadstuffs made from white flour, until today it has become a serious problem not only for the baking industry but also the millers,—so serious that one of the larger millers is spending hundreds of thousands of dollars to try to encourage the greater consumption of bakery products made from white flour.

At the last session of the New York legislature \$500,000 was appropriated for a campaign to encourage greater consumption of milk.

Do not these facts warrant this industry to give serious thought to enlisting the confidence of the consumer and making her one of the partners of this new order? We must not wait too long either.

I am not advocating any particular campaign of advertising, but I do strongly urge that consideration be given to the practical education of the consumer, not only as regards the nutritional value of macaroni products but more particularly in the buying of quality products.

I also strongly urge that the industry obtain the confidence of the consumer by telling her about the industry and its products. Of course the means chosen to do this must be carefully considered and worked out so that the message will reach the consumer in a manner which will interest her and in a manner which she will understand. There never was a time in the history of this business when you needed the confidence of the consumer more than you do at this particular time and if you want the code to be really successful, then collectively and individually endeavor now to obtain the confidence of the consumer by truthfully, tactfully and intelligently telling her about your product.

## Report of Resolutions Committee

The Resolutions Committee presents for convention approval the resolutions adopted by the Macaroni Code Authority together with several resolutions prepared for the convention's consideration and moved and approved.

#### Resolutions by Code Authority

(1) SEMOLINA GRADES.  
Moved by DeMattei, seconded by Culman.  
BE IT RESOLVED that the proposition of the durum millers to make two grades only of semolina, one of which shall be a standard or basic grade of semolina of high quality and the other a fancy grade of semolina of exceptionally high quality, for those of the trade who desire such a product, be accepted by the Code Authority as tending toward a solution of the problems of the Macaroni Industry.

BE IT FURTHER RESOLVED that insofar as practicable, taking into account the fluctuations of the quality of durum wheat, the mills establish the minimum requirement for each of these grades and submit such definition to the Macaroni Code Authority for review.

(Carried unanimously by Macaroni Code Authority and later approved by convention.)

(2) ADJUSTMENT OF ASH CONTENT.

Moved by Vagnino, seconded by DeMattei.  
BE IT RESOLVED that it is the opinion

of the Code Authority that some adjustment must be made in the ash content as provided in the standard provisions of the Macaroni Code, but that research is necessary before determining the point at which the new ash content shall be established, the Code Authority instructs the chairman to proceed immediately to work with Dr. Jacobs and the durum millers on a plan for recommendation to the Code Authority.

(Carried unanimously by the Macaroni Code Authority and later approved by convention.)

(3) LIQUIDATED DAMAGES.

Moved by Vagnino, seconded by Culman.  
BE IT RESOLVED that the amendment to the Macaroni Code providing for liquidated damages, as expressed in the resolution below, be approved and submitted to the convention for its approval; that on obtaining said approval the chairman take steps to have the code amended to this end.

Amend Article VI of the Code of Fair Competition for the Macaroni Industry by adding thereto a new section numbered and reading as follows:

(1) Since any violation of the provisions of this Code will cause injury to all the members of the industry and the amount of such injury would not be readily ascertainable, it is hereby agreed by and between all members of the industry that each of such members who violate any provision of this Code shall pay the Secretary of the Code Authority as an individual, or to such person as may be designated by the Code Authority, in trust to-

wards the payment of the expense of the administration of this Code, as and for liquidated damages, and not by way of penalty a sum equal to not more than twenty per cent (20%) of the gross amount of any contract or order for Macaroni products taken in violation of any provisions of this Code, or a sum of five hundred (\$500.00) dollars for each violation, whichever amount is the greater, as the Code Authority may determine in addition to and separate and apart from any other sums requested to be paid by the provisions of this Code or by law. Before fixing such sum the Code Authority shall give the offending member notice and a hearing and the amount fixed shall be in proportion to the gravity of the violation. If such sum be not paid the person so designated is hereby entitled to sue therefor as assignee in his own name.

(Carried unanimously by the Macaroni Code Authority and later approved by the Convention.)

**(4) DECLARATION OF AN EMERGENCY NECESSITATING ESTABLISHMENT OF LOWEST REASONABLE COST.**

Moved by Canepa, seconded by Giatti.

BE IT RESOLVED that the resolution requesting declaration of emergency in the Macaroni Industry and establishing the lowest reasonable cost, as given below, be approved.

(a) WHEREAS as a result of a public hearing of macaroni manufacturers held in Chicago, June 11, 1934, at which appeared members of the Industry whose combined production exceeded 47% of the total productive capacity of the industry, and whose members were accorded an opportunity to testify orally and submit written statements of costs, the Code Authority is of the unanimous opinion that a destructive price war is imminent; and

(b) WHEREAS the proper efforts of the Administration to raise prices of agricultural products supplemented by the effects of the drought have resulted in marked increases in the price of semolina, farina and flour, and

(c) WHEREAS testimony taken indicated that manufacturers having adequate capital or credit were in a position to purchase or contract for raw materials far in advance of their anticipated normal inventory requirements, thereby putting them in a position to justify costs below those possible for small manufacturers of limited means who are compelled to buy and sell on the market, and

(d) WHEREAS adequate cost systems are not available in a great many small plants by which it can be determined whether or not a member is selling below cost, and further, since to impose cost systems of this kind would constitute an undue burden on these manufacturers, and

(e) WHEREAS it is recognized that the purpose of the National Industrial Recovery Act is to afford ample protection to labor through the maintenance of fair wages and reasonable hours, both of which are jeopardized by the ability of some manufacturers to base their costs on the lower price paid for their raw materials; and further

(f) WHEREAS it is evident that for the same reason standards of quality are being jeopardized against the interests of the public. THEREFORE, BE IT RESOLVED that the Code Authority requests that an Administrative Order be issued and made effective at once, substantially as follows:

1. An emergency exists in the Macaroni Industry and the cause thereof is destructive price cutting such as to render ineffective or seriously endanger the maintenance of the provisions of the Code. Therefore, the Code Authority shall cause to be determined the lowest reasonable cost of macaroni products for each Regional Group, such determination to be subject to such notice and hearing as the Administrator may require.

2. The conversion factors attached hereto, which were developed by the application of the Elements of Cost previously approved by the Administrator, shall be used by all members of the Industry in determining their costs and during the period of the emergency, it shall be considered an unfair trade practice to sell at a price lower than that developed by applying these conversion factors to the prevailing market basis of raw materials used

in accordance with the provisions and rules established by the Code Authority and approved by the Administrator, and including the full cost of packing materials and delivery expense.

3. Any manufacturer employing less than five (5) people shall be permitted to reduce the conversion factors by not more than 5% on such macaroni products as are produced within his own plant, provided, however, that his raw materials shall be figured on market basis in accordance with the provisions and the rules established by the Code Authority and approved by the Administrator and further provided that no manufacturer whose sales of all macaroni products are in excess of 25,000 pounds per calendar month shall be exempted from using the full conversion factor.

4. Investigation shall be made of all contracts entered into from June 13, 1934, until this order is approved and prosecution will be expedited if evidence is forthcoming that any such contracts constitute sales below cost, and it will be maintained by the Administrator that each day that such contracts exist shall constitute a separate violation and be subject to the full penalties provided for in the National Industrial Recovery Act, and that nothing herein shall be construed as relieving any member of this Industry from suffering the full penalties of the law for any violation of the Code.

(Carried unanimously by the Macaroni Code Authority and later approved by the Convention.)

**(5) CONTINUATION OF APPROVED ELEMENTS OF COST.**

Moved by Canepa, seconded by Vagnino. That the resolution on continuation of approved elements of cost, as given below, be approved.

That chairman of Code Authority is hereby instructed to carry out continuation of Administrative Order 234-4 approving plan of Elements of Cost for Macaroni Industry expiring June 29th and to request the establishment of market price as basis for determining cost of raw materials, such market price to be determined by averaging the average weekly quotations of not less than five (5) mills supplying the macaroni trade. The lowest weekly market price in any month thus determined shall be used as the market price basis for the ensuing calendar month and announcement of such price shall be made not less than five (5) days from the beginning of any calendar month.

Ayes in person—Hoskins, Vagnino, Canepa. Ayes by wire—Giatti, Tujague, Culman, Ghiglione, DeMattei, Muller.

(Carried without opposing vote by macaroni Code Authority and later approved by the convention.)

**(6) APPROVAL OF CODE AUTHORITY BUDGET.**

Moved by Vagnino, seconded by Canepa. RESOLVED that the Code Authority approve a budget based on an assessment of 5c per barrel with approximately 3c per barrel to be appropriated for the National Code Authority administration and approximately 2c per barrel to be allotted for Regional Adjustment Agency administration, and that the budget for any region shall not exceed the 2c per barrel estimated on the basis of a probable production for that region between the period of July 1, 1934 and June 30, 1934. The items of said budget to be substantially the same as those previously submitted to the Administration for approval.

(Carried unanimously by Macaroni Code Authority and later approved by Convention.)

**CONVENTION RESOLUTIONS**

**(7) RESOLUTIONS OF GOOD WISHES.**

(a) WHEREAS the Convention has learned with sorrow and concern the unfortunate circumstances which prevent the attendance of Mr. N. Russo, therefore, be it resolved that the convention expresses its sympathy and sincere wishes for rapid recovery and that the Secretary forward a copy of this resolution to Mr. Russo.

(b) WHEREAS the Convention has learned that J. Harry Diamond of Goch Food Products Company has suffered an attack of

appendicitis which prevents his attendance at this convention, BE IT RESOLVED that the convention expresses its best wishes for rapid recovery and that the Secretary forward a copy of this resolution to Mr. Diamond.

(c) WHEREAS, Antonio Ruttino, President of the Italian Mercantile & Manufacturing Company, Saint Louis, and members of his family suffered severe injuries in an automobile wreck while enroute to our convention, necessitating hospitalization in St. James Hospital in Pontiac, Illinois, BE IT RESOLVED that this convention, through its Secretary, wire its sympathy to the entire party and hopes for speedy recovery.

(Carried unanimously.)

**(8) APPRECIATION OF MILLERS' MACARONI ADVERTISING.**

WHEREAS, certain of the mills have, through their advertising and publicity, furthered the education of the public in the advantages and desirability of Macaroni Products, THEREFORE BE IT RESOLVED that this Convention acknowledges the very helpful contribution made to the Industry by such publicity and advertising.

(Carried unanimously.)

**(9) CONDEMNATION OF CERTAIN ALLEGED GOVERNMENT BULLETINS DISCOURAGING WHEAT CONSUMPTION.**

WHEREAS, the Bureau of Economics of the United States Department of Agriculture has issued bulletins recommending a decrease in the consumption of flour and other cereal products in the American diet, and

WHEREAS, this is in direct opposition to the objectives of the Agricultural Administration in adjusting wheat production to present demand, and not in accord with present day nutritional knowledge.

BE IT RESOLVED, that we, the members of the National Macaroni Manufacturers Association go on record as opposed to the publishing of such bulletins and similar anti-wheat propaganda by federal authority, and ask for the cessation of issuance of such matter and complete withdrawal of this activity.

(Carried unanimously.)

**(10) STATEMENT OF FARINACEOUS INGREDIENTS USED.**

BE IT RESOLVED, that it is the consensus of opinion of this convention that Article VII, Section 3 (c) of the Macaroni Code be amended to read:

"Macaroni Products, including noodles, made from Semolina, Farina, Flour or mixtures thereof shall bear a true statement of the names of the farinaceous ingredients used, except that on labels, wrappers, cartons or other printed packaging materials on hand or in stock on the effective date of this Code would be exempt from this provision provided that the manufacturer files with the Code Authority within ten days from the effective date a complete certified inventory of such supplies with subsequent inventories every sixty days. And further provided that such labels, wrappers, cartons and other printed packaging materials do not bear statements which are false or misleading, and further provided that the names of the farinaceous ingredients appear on the shipping containers."

(Unanimously adopted.)

**(11) MILLERS' PROPOSAL FOR TWO SEMOLINA AND TWO FLOUR GRADES.**

BE IT RESOLVED, that the following proposal submitted by the durum millers be approved by the convention and recommended for adoption by the Code Authority.

Inasmuch as the Macaroni Manufacturers of this country harassed by the industrial perils of the present times, have seen fit, after long and arduous deliberation, to request that the Federal Authorities at Washington declare an emergency to exist in their industry and that they, through their national trade organization, the National Macaroni Manufacturers Association and their Federal Code Authority, have been fit to request from the Durum Millers a very definite act of cooperation, and the Durum Millers, feeling a deep and friendly understanding with the Macaroni Manufacturers and their problems and a decided conviction that their own inter-

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# King Midas Semolina

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FOR the discriminating Macaroni Manufacturer who wants, insists upon, and who will not take a substitute for the best in a strong evenly granulated, rich amber colored and cleanly milled Semolina.

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**KING MIDAS MILL CO.**  
Minneapolis, Minn.



ests lie parallel with those of the macaroni manufacturers in the furtherance of the ideals and aims of that industry, those millers therefore have met and considered most earnestly the above mentioned request and have determined to so coordinate and direct their own activities that they may grant the request of the Macaroni Manufacturers made through their National Macaroni Association and Code Authority at a meeting with the Durum Millers on June 12, 1934 as follows:

1. The Durum Millers agree to make two grades only of Semolina, one of which shall be a standard or basic grade of semolina of high quality and

2. A fancy grade of Semolina of exceptionally high quality, which alone can be designated as No. 1, for those in the trade who desire such a product.

3. The Durum Millers agree to manufacture one grade only of Durum Fancy Patent, and one grade only of Durum Flour, and most earnestly request, that in order to make practical and possible of accomplishment the above program, that

(a) Amendments to the Macaroni Code or Code Interpretations be made limiting the maximum ash on Durum Flour to between 85% to one per cent.

(b) That the type and kind of farinaceous ingredients entering into the manufacture of Flour Macaroni shall be stated on each package of macaroni or macaroni products offered for sale.

The Durum Millers, with the Macaroni Manufacturers, recognizing that Macaroni made from Semolina is accepted as the Standard of Excellence, request that the National Macaroni Manufacturers Association and the Macaroni Code Authority shall use their influence in discouraging the use of flour in the manufacture of Macaroni.

(Carried unanimously.)  
(12) PLAN FOR CIRCULATION OF OPEN PRICES.

BE IT RESOLVED, that the following report of the Committee on Publication of Open Prices be approved by the Convention and recommended for adoption by the Code Authority.

The committee on price publication, consisting of Mr. Hanke, Mr. Bergman, Mr. Dulles, Mr. Dolke and Mr. Brown, has met and formulated a plan for the circulation of prices in the future. The recommendations which we make are subject to the approval of the manufacturers, the Code Authority, and the Regional Chairmen.

1. We recommend that all manufacturers be requested to file immediately with the open price division of the Code Authority a list of all those manufacturers in whose prices they are interested—this list to be a permanent one to be corrected from time to time by the manufacturer. Each manufacturer will then receive automatically a copy of the price list of all these manufacturers for whose price list he has asked and of all corrections thereto.

2. That the Regional Officers maintain complete price lists of all manufacturers which will enable them to take care of all inquiries by telegraph, telephone and letter for prices outside of those for which requests have been filed as above.

3. Filing of requests in advance as provided in our first recommendation will relieve the Code Authority of a great burden of correspondence and telephone and telegraph calls and will make it possible for a given manufacturer to keep up to date automatically on the prices of those competitors in which he is particularly interested.

The amount of special inquiries made on the Regional Officers will be thus confined to emergency calls where a manufacturer has failed to ask for a price list which he should have. We recommend that, if this plan is approved by the manufacturers, the Code Authority, and the Regional Chairmen, that it be put into effect on July first with the filing of new prices.

(Carried unanimously.)  
(13) BANISHING BLENDS.

BE IT RESOLVED, that the following resolution submitted by Dr. Lojacano, Liberty Macaroni Manufacturing Company, Buffalo, be approved.

WHEREAS, the only grades of durum

### Convention Honors F. J. Tharinger

In recognition of unselfish service to the N. M. M. A. during his term as president, particularly his actions in connection with the industry's nation wide macaroni advertising campaign, the 1934 convention voted unanimously to confer an honorary membership in the National association on Frank J. Tharinger, for-



F. J. Tharinger

merly associated with the Tharinger Macaroni company in Milwaukee.

In a brief address reviewing his pleasant relations with officers and members of the N. M. M. Ass'n a few years ago, Honorary Member Tharinger responded to the thunderous peal of applause that followed the unanimous approval of the resolution which made Mr. Tharinger the only individual on whom such an honor has ever been conferred by the Macaroni association in its 30 long years of pioneering work for the macaroni industry of America.

He was an honored guest of the association and of the industry at the former's annual festival and dinner the evening of June 13, 1934.

wheat products recommended in the manufacture of Macaroni are a Fancy grade of Semolina of high quality, a Standard of basic grade semolina, durum fancy patent and Durum Flour.

THEREFORE, BE IT RESOLVED, that it will be in the interest of the enforcement of the Macaroni Code that all blending of these farinaceous ingredients be eliminated. (Carried unanimously.)

(14) LABELING OF NET WEIGHTS.  
BE IT RESOLVED, that the following report of the Committee on the labeling of net weight be approved.

The Committee recommends that on all printed cartons the weight be designated in type on the principal panel or panels not smaller than 12 point condensed bold Cheltenham, and on goods packed in wrapped packages, labeled bags or printed bags on account of the poorer visibility of the printing, that the weight be designated on the principal panel or panels in type not smaller than 14 point condensed bold Cheltenham.

The provision shall be effective August 1, 1934 provided, however, supplies now on hand may be used if certified inventories and samples of labels, bags and packages on hand are submitted to the Washington Office of the Macaroni Code Authority prior to July 1,

1934 and written permission to use them is authorized by them.

Amendments by Canepa, seconded by Tujague, that resolution further provide as follows:

That copies of invoices accompany the filing of such inventory and that no invoices based on an order placed after June 14, 1934 be accepted as allowing the manufacturer to use such labels, even though he may file them as provided in this resolution. (Adopted as amended.)

(15) UNIFORM SALES CONTRACT.

BE IT RESOLVED, that it is the consensus of opinion of this convention and recommendation to the Code Authority, that a uniform sales contract be prepared for approval of the Industry, and that each sale or sales contract calling for delivery of macaroni beyond a thirty day period, shall provide for increases or decreases in macaroni prices in accordance with market changes of raw materials as determined by a plan approved by the Code Authority.

(Carried unanimously.)  
Due to the limitations of time, it has not been possible for the Committee to make sufficient study of the resolutions and suggestions pertaining to the Standard Provisions of our Code which would enable them to present definite recommendations to the Convention, they, therefore, request the minutes of the Convention be made available to the Code Authority so that they might have the advantage of the discussion which has taken place on the floor of the convention.

Respectfully submitted,  
PHILIP WINEBRENNER,  
FRANK L. ZEREGA,  
WALTER VILLAUME.

The committee's report was adopted and the committee's work commended.

### Ladies at Convention

Among the ladies who were registered as guests of the Macaroni Men's Convention at the Edgewater Beach Hotel, Chicago, Ill., June 12-14, 1934, were:

Mrs. Wm. Minkoff, sons Donald and Michael, Los Angeles.  
Mrs. W. S. Halsey, son Meeker, Oriskany Falls, N. Y.  
Mrs. H. W. Henning, Dunkirk, N. Y.  
Mrs. E. J. Villaume, St. Paul, Minn.  
Mrs. Walter F. Villaume, St. Paul, Minn.  
Mrs. Margaret J. Villaume, St. Paul, Minn.  
Mrs. Leon G. Tujague and daughter, New Orleans, La.  
Miss Grace Baldanza, Passaic, N. J.  
Mrs. Vincent J. Lentini, Buffalo, N. Y.  
Mrs. Fred W. Becker, Cleveland Ohio.  
Mrs. Alfredo Rossi, Auburn, N. Y.  
Mrs. V. Procino, Auburn, N. Y.  
Mrs. John Ravarino, St. Louis, Mo.  
Mrs. Henry D. Rossi, daughter Harriet, Henry and Albert, Braidwood, Ill.  
Mrs. Gaetano Viviano, St. Louis, Mo.  
Mrs. C. H. Smith, Ellwood City, Pa.  
Mrs. J. F. Diefenbach and family, Minneapolis, Minn.  
Mrs. Charles Wrobel, Chicago, Ill.  
Mrs. E. J. Thomas, daughter Aljean, Minneapolis, Minn.  
Mrs. C. Surico, Brooklyn, N. Y.  
Mrs. I. Klein, son Aldin, Pittsburgh, Pa.  
Mrs. Fred T. Whaley, Boston, Mass.  
Mrs. W. E. Wooley, Minneapolis, Minn.  
Mrs. W. J. Dougherty, Minneapolis, Minn.  
Mrs. David Wilson, New York, N. Y.  
Mrs. Thos. L. Brown, Minneapolis, Minn.  
Mrs. G. G. Hoskins, son Charles, Libertyville, Ill.  
Mrs. B. R. Jacobs, Washington, D. C.  
Mrs. M. J. Donna, daughters Esther L. and Lucile M.

### Macaroni Machinery for Convention Exhibit

There was considerable disappointment among macaroni manufacturers who looked in vain for the new macaroni machinery that the Charles F. Elmes Engineering Works, Chicago, Ill. had announced it would exhibit at the convention last month. Failure to make such an exhibit is explained in the firm's statement: "As previously announced we had planned to exhibit these new machines in the west lounge of the Edgewater Beach hotel during the recent macaroni convention. However, due to unfortunate labor difficulties at the hotel it was impossible to complete these plans. The machines were therefore placed in the manufacturer's plant and a number of manufacturers had the opportunity of seeing them during their stay in Chicago."

Having in mind the necessity for lower production costs made possible by a modern, efficient equipment and handling methods, a need that is continually increasing in all classes of industry, the Charles F. Elmes Engineering Works have made some very important changes in the design of their macaroni machinery. The chief aim behind the changes was to give the highest practical production together with the lowest possible maintenance costs.

This company, in its 83 years experience in the hydraulic fields, has furnished press equipment for all the varied branches of industry throughout the country. This makes it possible to main-

tain a particularly capable engineering staff who can make use of broad engineering knowledge in the design of efficient macaroni equipment.

Their new 1934 design 13/4" Vertical Macaroni Press is now operated by means of a Rotary Plunger Type Pumping Unit which is entirely enclosed and self lubricating. It gives a very high efficiency in relation to the horse power consumed.

The Main Cylinder and the Packing Cylinder of the Press are now cast in one piece, which gives a strength and rigidity never before obtained in a press of this type and also permits extremely accurate machining. The Dough Cylinders are also one casting and machined by the same method, which gives perfect alignment.

The 1/2 barrel Kneader has a single rigid base casting with all gears enclosed and running in oil, and is equipped with a Cast Steel Dough Pan. All the bearings used throughout this Kneader are either Timken Roller or Ballbearing Type. This Kneader is designed to stand up under the most severe type of work.

The 1/2 barrel Mixer is self contained, with the motor enclosed in the base connected by a "V" Belt Drive and equipped with a Power Tilting Device. All bearings in this Mixer are either bronze bushed or roller type.

### VICE PRESIDENT



Joseph Freschi of Mound City Macaroni Company, St. Louis, Mo., was honored at the recent convention of the National Macaroni Manufacturers Association in Chicago by unanimous election as vice president of that organization. He is chairman of Region No. 7, and had previously served on the board of directors of the National association.

### Hearings on Alleged Violations Interesting and Informative

Nearly 150 macaroni-noodle manufacturers from practically every section of the country were cited early in June by the Macaroni Code Authority to a general hearing in Chicago on June 11, 1934 to answer to charges of alleged violations of the Macaroni Code. Some were charged with major violations but most of them were cited for minor violations.

G. G. Hoskins, chairman of the Authority, presided flanked by W. Fred Dolke, head of the Open Price Division with facts and figures and by W. H. Calhoun, the administration's member on the Code Authority guarding the interest of the Government and the consumer. In his opening remarks Chairman Hoskins stated that the motive behind the hearing was intended to be more educational than punitive, though no mercy would be shown deliberate and wilful violators. He had distributed and later read a pamphlet entitled "Explanation of Group Hearing Covering Alleged Violation of Sales Below Cost," so as to avoid any possible misunderstanding of the purposes of the hearings.

From the Government angle, Administration Member W. H. Calhoun classified the alleged violators in his statement preceding the actual hearing of cases called. He said:

"I think that those of you who are here may properly be divided into 2 gen-

eral classes, those who can justify their prices and those who cannot. As Administration Member it is my duty to see that absolute fairness is maintained. That does not mean fairness to the Code Authority; it does not mean fairness to the large manufacturer or to the small manufacturer, to the consumer or to labor. It means fairness to all of the industry, the people whom it serves and to its employees. To those of you who can justify your prices, I want to point out that there is nothing in the National Industrial Recovery Act, there is nothing in the Code, designed to permit monopolies or monopolistic practices, conspiracies in restraint of trade, or arbitrary fixing of prices, unless such arbitrary price fixing is approved by the Administration or Administrator and is done as the result of an emergency which might result in a number of serious things.

"Now those of you who are violating the Code, I divide into 4 classes:

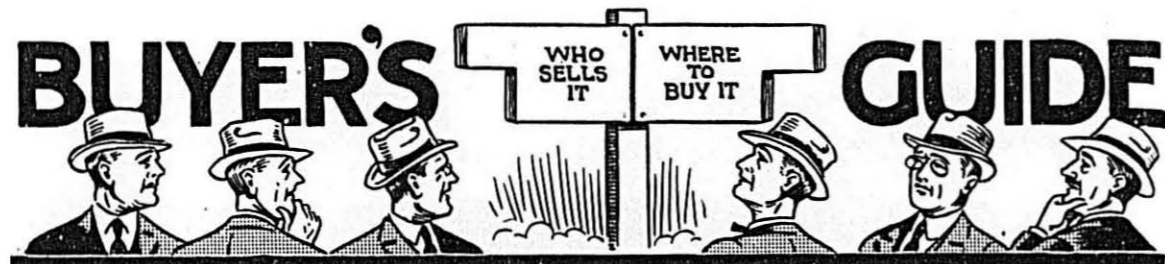
"Class A—those who are making lower prices as a result of violating the wage and hour provisions of your Code, and to such I issue a stern warning that you must not do it, and I recommend that you read carefully these provisions of your Code, particularly that portion that provides for equitable readjustments to maintain proper differentials between the wages paid in the higher brackets and

the wages set up as minimums for certain classes of help. Labor and hour violations will be prosecuted. The handling of them will be taken out of the control of your Code Authority. The Government has appreciated, and I think properly, that a board set up as an agency of the Code Authority to handle questions of wages and hours cannot look at it in an unbiased way and guarantee to your employees that absolute fair and square deal which NRA proposes to give.

"Class B—next in importance, concerns violations of standards and I issue a stern warning to you against violating standards because cases of that kind will result in prosecution probably even in the Federal Courts. When you violate a standard you are not only working an injustice upon the legitimate, honest, clean member of your industry, but you are hitting right at the great consuming public, and while public sentiment may be antagonistic where you try to enforce a price provision, even if it is a reasonable price provision, you can absolutely count on 100% support of the public in any effort made to prevent manufacturers or merchants from indulging in misrepresentation through furnishing stuff that is not of a standard that the public has a right to expect from the type of advertising that you do.

"Class C—includes the deliberate CHISELER who says, 'If I will cut my price, I will get so much volume that I will be able to justify my price.' I want that class to thoroughly familiarize itself with the approved elements of cost and in studying those you will find that





### Responsible Advertisers of Equipment, Machinery, Materials and Services Recommended by the Publishers

(For addresses see advertisements in this issue.)

EQUIPMENT AND MACHINERY	Mixers	MATERIALS
<b>Dies</b>	John J. Cavagnaro Consolidated Macaroni Machinery Corp. The Charles F. Elmes Engineering Works Champion Machinery Co.	<b>Bags—Display</b> Continental Paper & Bag Corp.
John J. Cavagnaro Frank Lombardi F. Maldari & Bros. Inc. The Star Macaroni Dies Mfg. Co.	<b>Noodle Cutters and Folders</b> John J. Cavagnaro Clermont Machine Co. The Charles F. Elmes Engineering Works Consolidated Macaroni Machinery Corp.	<b>Cartons</b> National Carton Co. Rossotti Lithographing Co.
<b>Die Cleaners</b>	<b>Noodle Dough Brakes</b> John J. Cavagnaro Champion Machinery Co. Clermont Machine Co. The Charles F. Elmes Engineering Works Consolidated Macaroni Machinery Corp.	<b>Eggs</b> Seymour Packing Co. Tranin Egg Products Co.
John J. Cavagnaro Consolidated Macaroni Machinery Corp. The Charles F. Elmes Engineering Works	<b>Packing Machinery</b> Peters Machinery Co.	<b>Flour</b> Baur Flour Mills Co.
<b>Driers</b>	<b>Presses</b> John J. Cavagnaro Consolidated Macaroni Machinery Corp. The Charles F. Elmes Engineering Works	<b>Labels</b> Rossotti Lithographing Co.
Barozzi Drying Machine Co., Inc. Clermont Machine Co. Consolidated Macaroni Machinery Corp. The Charles F. Elmes Engineering Works	<b>Pumps</b> John J. Cavagnaro Consolidated Macaroni Machinery Corp. The Charles F. Elmes Engineering Works	<b>Semolina</b> Amber Milling Co. Capital Flour Mills Commander Milling Co. Crookston Milling Co. Duluth-Superior Milling Co. General Mills King Midas Mill Co. Minneapolis Milling Co. Pillsbury Flour Mills Co. Washburn Crosby Co.
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<b>Kneaders</b>		
John J. Cavagnaro Consolidated Macaroni Machinery Corp. The Charles F. Elmes Engineering Works		

those elements of cost are based upon an assumed production. My recollection is that it is 75%, so that when you come to measure your costs or your selling prices to determine whether or not you are indulging in predatory, below-cost selling, do not measure them against 100% or 150% capacity. Measure them against the percentage of capacity that is established in your elements of costs.

"Class D—the least important of all. In it I put those people who read only the headlines of the newspapers. Last week an article came out 'NRA Backs Down On Price Fixing' and the whole industry was in an uproar. But when you read down through the body of the article, no matter how partisan the press might be, if you actually read all of that article and analyzed it and compared it with the policies that have been adopted by your Code Authority, you found that what the NRA had done was to endorse publicly the action which your Code Authority has been trying to take. At no time has it attempted to force a man to raise his price to help a competitor. At no time has your Code Authority insisted upon anything other than that you should be able to demonstrate that your selling price was not below cost arrived

at by use of the approved elements of cost.

"In this connection let me call your attention to a telegram from Walter White, Deputy Administrator in charge of the Macaroni Code, regarding the purported backing down of the NRA on price fixing. It reads—'NRA's announced policy does not affect approved codes. Strict compliance with all provisions of the Macaroni Code is still required.'

"In conclusion, my suggestion is this: that after having got my explanation and Mr. Hoskins' explanation and such other explanations as you may get, remember that you have the right to sell at any price you want to sell at if you can demonstrate that that price is not below cost and that you are observing the hour and wage provisions of your Code, and you are not indulging in misbranding or other forms of misrepresentations. If you cannot classify under those provisions, my earnest advice to you is to refigure your prices, reprint your labels and begin to play the game fairly and squarely as a great number of the industry are trying to do."

The cases called alphabetically by regions occupied the entire day, the gen-

eral result being a better understanding of the price and other provisions of the Code and the filing of much valuable information by members on costs that will be made good use of by the Macaroni Code Authority in setting up measures of cost and in prosecuting such cases as were not amicably settled during the hearing.

All minor violators were discharged with admonitions while the major violators were cited for further hearing, some of them to State Compliance Boards.

#### Mayonnaise Code Amendment

The Mayonnaise Code Authority has determined that an emergency has arisen in that industry caused by destructive price cutting, and has asked the administrator to approve a schedule of lowest reasonable costs. Public hearing on the request was held July 6 in the Mayflower hotel, under direction of Deputy Administrator Walter White.

Most lives are a shuttle between "should I?" or "shouldn't I?"

## Secrets of Successful Trade Marking

By WALDON FAWCETT  
Written Expressly for The Macaroni Journal

### Trade Mark Problems the Codes Haven't Solved

For marketers of brands in the macaroni-noodle field the NRA code, for all its brave determination of trade practice ethics, isn't wholly a millennium. Of course it was not expected to be. The most enthusiastic code builders jolly well know there are so many versions and varieties of trade practices that it will never be possible to write specifications for all of them into any blanket code. But aside from these individualistic offshoots the basic code leaves for future disposal several problems of wide application. A goodly share of these hangers-over have to do with trade marking and labeling.

There is nothing surprising either, in the news that branding and packaging-for-recognition-and-display is left up in the air as to some of its tactics and strategies. For one thing, latterday marketing conditions have precipitated a fresh crop of trade mark problems which are so new that there has not been time for a shaking down of trade sentiment regarding them, much less an arrival at conclusions. For another thing, certain branding issues haven't been tackled because they threaten controversial feeling within the macaroni family circle. In other words, it would not be a case of the whole macaroni community making common front against bad habits at the distributing level or in the field of ultimate consumption. Instead there yawns the gap between opposing schools of thought within the industry.

The last predicament is well illustrated by the state of affairs with respect to private branding. Some members of the industry have felt that sooner or later the code should take cognizance of the complications of marketing national brands alongside proxy brands or "own label" goods. How the logical conflict of views on this subject is to be reconciled is not readily seen. The situation would be far from hopeless if all private-brand-contracting-to-the-trade were in the hands of concerns that also put out their own "manufacturers' brands" and simply have recourse to delegated-branding to work off surplus. But as it happens, there are a number of makers of national brands of macaroni who do not sponsor stepchildren of this kind. And there are private-branders-to-the-trade that have no leaders of their own but devote all their energies to branding by proxy.

One phase of the private brand problem seems certain to demand a showdown via code, or otherwise. This is the propriety of compelling disclosure of the actual origin of the goods. As matters stand today, privately branded packages

may be "signed" only by the distributor, wholesaler or retailer as the case may be. The proposal of the wouldbe reformers is to require proclamation on every package of the name and address of the primary manufacturer or producer. The distributor's flag may be flown also if desired, with the explanation: "Packed For —," or any similar stipulation. But by the cult of the revisionists the name and address of the party of the first part must appear, whether or no.

Firms that have built up a big volume of "own label" business balk at this prospect. The more so, usually, if they have gathered a family or full line of packaged food specialties under a common tying mark. They are not ashamed of their sources of supply, they say. Rather is it that they don't want to hazard complications and risk misdirection of repeat orders by cluttering up a package with several seals of responsibility. Like it or not, though, this question of etiquette in private branding is like the proverbial cat on the doorstep. It can't be shooed away, because even though the macaroni group may avoid starting the subject through code regimentation, yet will the issue have to be faced sooner or later because the administrators of the Federal food law are determined to keep harping on the subject until given special authority by Congress to require the posting on every food package of the name and address of the packer or processor.

If the macaroni community does ever undertake voluntarily, to evolve a "conscience" in respect to the proper conduct of private branding there will be several debatable questions to be settled. For example a set of rules will have to be worked out to prevent any chance of misunderstandings as to whether the packer of private brands, or the distributor who contracts for a private label pack owns the trade mark that is, so to speak, operated on shares. A standard formula is needed also for allotting territory under exclusive franchise where a farmed-out brand is to be allotted to the use of different parties in nonconflicting market areas.

A sizable responsibility not contemplated to date in the code program but ultimately a candidate for attention, is the determination of what is the "common vocabulary," the share-and-share-alike language of the trade. The object of policing in this quarter is to prevent any member of the trade from innocently or otherwise appropriating to his exclusive use a trade term or designation that

should be forever open to the free use of all firms that need to employ it for purposes of specification. There is an impression in some quarters that the Federal trade mark censors at Washington keep the traffic lanes clear and open for generic terms. Actually the Federal officials and Federal courts take a hand only when somebody attempts to register a "descriptive" term. It is no affair of theirs what goes on so long as the grabber of a grade-mark or some other term that belongs in the public domain does not undertake to clinch his possession with a certificate of registration. If any gentleman's agreement is ever made in respect to unfenceable trade terms, the trade must presumably work out its own golden rule.

An aching void just outside the boundaries of the NRA code for the macaroni industry, is occasioned by the lack of uniform state trade mark laws and the absence of standardized state regulations for labeling food products. Uncle Sam being bound to the wide horizons of interstate commerce, has never been able to do anything to get into uniform the food regulatory platforms of the several states, although the need has been as apparent as the need for uniform divorce laws and uniform bankruptcy laws. Lately, though, hope has sprouted that with the breakdown of code authorities into regional or grand divisional organizations it may be possible for industry itself to bring to bear more pressure than has ever yet been applied in behalf of the adoption by all states of a uniform pattern or trade mark and label laws.

"Compulsory trade marking" is an issue in trade-policy making that has been looming larger and larger of late, and may one of these days cast its shadow across the code path. The idea, as our readers know, is to raise the question whether it would not be for the best interests of the trade at large if some arrangement were entered into which would make it obligatory to attach to every marketed unit of macaroni an identifying symbol, fixing the responsibility for the character and quality of the contents. The system would of course banish from the market anonymous packages, the "orphans" of the tribe. And it is claimed that by making every unit confess on its face its natural parentage or foster parentage the play would tend to build consumer confidence and encourage on the part of the macaroni eating public the habit of always buying by brand.

A want that cannot well be dealt with by code pooling but which is a most nev-



### A User's Comment

Chicago Telephone 71  
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Lincoln Brand Macaroni and Egg Noodles

Braidwood, Ill. January 12, 1931

Champion Machinery Company  
Joliet, Illinois

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The water was very dirty and a dandy, also the Sanitary handling machinery. The machinery that we use and require very little power.

You are at liberty to have any inspection of our machinery at any time.

Very truly yours,  
**PETER ROSSI & SONS**  
By Felix J. Rossi, Treasurer

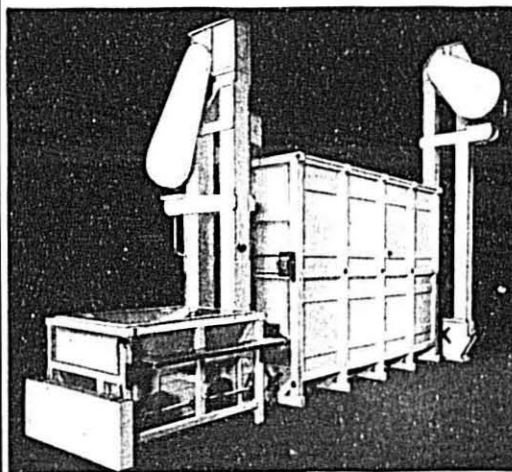
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are the successful plants in the macaroni and noodle manufacturing industry. Champion equipment enables them to save many hundreds of dollars annually and to produce superior quality products which result in a steady increase in business.

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### PRODUCTION STATISTICS

1933

Forty six of the larger manufacturers throughout United States reported for the year 1933

Total No. of bbls. of raw material used for the year 1,710

Total average No. of bbls. per plant for the year 37

Total average No. of bbls. per month 3.1

Average No. of bbls. per plant per month

1934 Compared With 1933

Forty six of the larger manufacturers (same as above) throughout the United States reported

	1933	1934	% Change	1933	1934	% Change
February	143,185	150,008	3,282	3,112	3,112	
March	143,185	157,792	3,436	3,112	3,112	
April	143,185	118,000	2,570	3,112	3,112	
May	143,185	101,870	2,215	3,112	3,112	
Total to date	572,740	529,670	11,506	12,448	12,448	

These statistics were compiled and presented to us by R. A. Thornton of W. B. and Company, certified public accountants, to whom the confidential information of manufacturers has been reported.

When in need of flour

Wire **BAUR**

**ROMEO**

That Good Hard Wheat  
Flour

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By MacNoodle



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Appreciate  
Appreciation

Thank you, said a customer, to a salesperson who had been following him for some time. "I had that in a house," he concluded the remark.

A striped soldier, as the saying is, was in the store. "I'll take this one, please," he said, pointing to a package of the product. "I'll take this one, please," he said, pointing to a package of the product.

When in those moments of the day, the "Thank you" will be the only word that will be heard. And it will be the only word that will be heard.

With a good name, a good product, and a good service, you will have a good business. With a good name, a good product, and a good service, you will have a good business.

The "Thank you" will be the only word that will be heard. And it will be the only word that will be heard.

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### "I'LL TAKE THIS ONE PLEASE"

SWEET music, invariably accompanied by the merry jingle of the cash register are the words of the consumer, pointing to your package, saying "I'll take this one, please." The success of your product is largely dependent upon public acceptance and preference. How important it is, then, to "dress up" your product fashionably—giving it such forceful sales appeal that it will stand out from all the rest, suggesting to consumers, "Take me, I'm better!"

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LITHOGRAPHING COMPANY, INC.  
121 VARICK STREET, NEW YORK CITY  
PACKAGING HEADQUARTERS FOR THE MACARONI TRADE

**The MACARONI JOURNAL**

Successor to the Old Journal—Founded by Fred Becker of Cleveland, Ohio, in 1903

Trade Mark Registered U. S. Patent Office  
 Founded in 1903  
 A Publication to Advance the American Macaroni Industry  
 Published Monthly by the National Macaroni Manufacturers Association as its Official Organ  
 Edited by the Secretary-Treasurer, P. O. Drawer No. 1, Braidwood, Ill.

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 The publishers of **THE MACARONI JOURNAL** reserve the right to reject any matter furnished either for the advertising or reading columns.  
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Vol. XVI July 15, 1934 No. 3

**Proposed Modification of Macaroni Code**

By unanimous action of the Macaroni Code Authority concurred in by the macaroni convention last month, it was agreed to petition the National Recovery Administration to amend the Macaroni Code as provided below. The proposed amendment has been acknowledged and passed on to the NRA advisory board for review.

The Code of Fair Competition for the macaroni industry shall be modified by deleting Art. VI, Sec. 5 and inserting in lieu thereof the following:

"Section 5.  
 "1. It being found necessary in order to support the administration of this Code and to maintain the standards of fair competition established hereunder and to effectuate the policy of the act, the Code Authority is authorized:  
 "(a) To incur such reasonable obligations as are necessary and proper for the foregoing purposes, and to meet such obligations out of funds which may be raised as hereinafter provided and which shall be held in trust for the purposes of the Code;  
 "(b) To submit to the Administrator for his approval, subject to such notice and opportunity to be heard as he may deem necessary (1) an itemized budget of its estimated expenses for the foregoing purposes, and (2) an equitable basis upon which the funds necessary to support such budget shall be contributed by members of the industry;  
 "(c) After such budget and basis of contribution have been approved by the Administrator, to determine and obtain equitable contribution as above set forth

by all members of the industry, and to that end, if necessary, to institute legal proceedings therefor in its own name.

"2. Each member of the industry shall pay his or its equitable contribution to the expenses of the maintenance of the Code Authority, determined as hereinabove provided, and subject to rules and regulations pertaining thereto issued by the Administrator. Only members of the industry complying with the Code and contributing to the expenses of its administration as hereinabove provided, shall be entitled to participate in the selection of members of the Code Authority or to receive the benefits of any of its voluntary activities or to make use of any emblem or insignia of the National Recovery Administration.

"3. The Code Authority shall neither incur nor pay any obligation in excess of the amount thereof as estimated in its approved budget, except upon approval of the Administrator; and no subsequent budget shall contain any deficiency item for expenditures in excess of prior budget estimates except those which the Administrator shall have so approved."

**Asks Markup Ruling**  
 The National-American Wholesale Grocers association recently petitioned the Recovery Administration for an executive ruling covering the proper markup on products sold by manufacturers, canners, importers and other primary sellers who sell both to the retail and the wholesale trade.

While a ruling has been promised requiring all retailers who purchase direct from producers to immediately add a markup of 8%, it is the wish of the association sponsoring the move to obtain a ruling definitely placing such direct sellers in the category of wholesalers and as such compelled to add the wholesale 2% labor markup on direct sales to consumers.

**Macaroni Products in International Trade**  
 The reports of the Bureau of Foreign and Domestic Commerce show that the importation and exportation of macaroni products during April 1934 increased. The products exported were shipped to 40 foreign countries and insular possessions.

**Imports Increase**  
 Total imports for April showed a slight increase over March. The April imports amounted to 96,561 lbs. worth \$7,719 as compared with 92,386 lbs. valued at \$8,475 in March 1934. In the first 4 months of 1934 there was imported a total of 396,652 lbs. worth \$34,030.

**Exports Continue to Rise**  
 The exports for April continued to increase slightly reaching a total of 191,313 lbs. worth \$15,322. Compare this with the March 1934 figures, total 183,675 lbs. valued at \$16,115, showing an increase in poundage but a decrease in value. The export totals for the first 4 months of 1934 were 642,827 lbs. bringing \$53,436.

Listed below are the countries to which

macaroni products were shipped during April by American exporters:

Countries	Pounds
Canada	51,417
British Honduras	747
Costa Rica	864
Guatemala	460
Honduras	14,581
Nicaragua	1,835
Panama	42,128
Salvador	126
Mexico	11,825
Miquelon and St. Pierre Islands	31
Newfoundland and Labrador	2,180
Bermudas	306
Barbados	254
Jamaica	208
Trinidad and Tobago	30
Other British West Indies	875
Cuba	13,137
Dominican Republic	17,417
Netherland West Indies	4,441
Haiti, Republic of	2,563
Virgin Islands, U. S.	1,707
Bolivia	40
Colombia	23
Ecuador	188
Venezuela	605
British India	112
China	1,526
Netherland East Indies	924
Hong Kong	374
Iraq	38
Japan	138
Philippine Islands	10,911
Syria	48
Other Asia	50
Australia	215
French Oceania	1,201
Union of South Africa	6,129
Mozambique	519
Hawaii	74,292
Porto Rico	18,927
Total	284,532

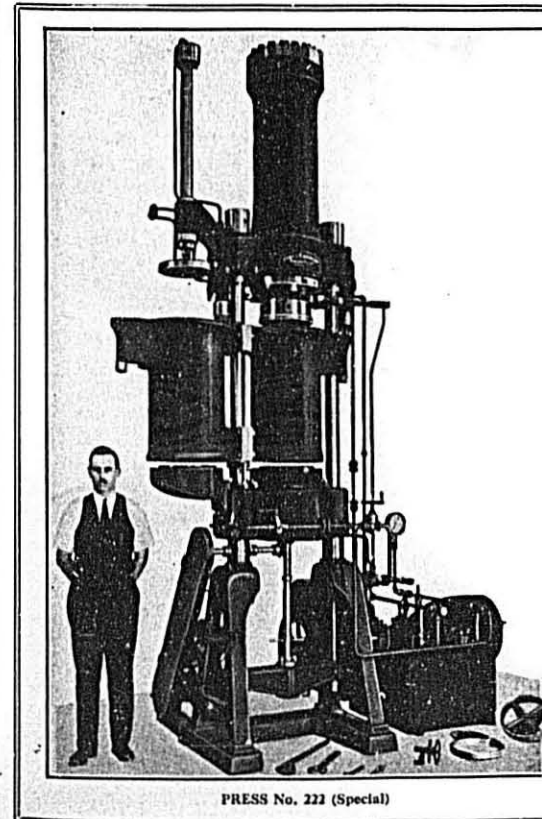
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 25 Shares of Capital Stock of the  
 Kansas City Macaroni & Importing Co.  
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For  
 Quality Macaroni Products  
 Use  
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 Quality Dies  
 New and Rebuilt Dies  
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FOR  
 QUALITY AND SERVICE  
 GIVE US A TRIAL  
**CARTONS**  
 NATIONAL CARTON CO.  
 JOLIET, ILLINOIS

WE are hopeful that the enforcement of the Macaroni code will prove helpful to you and your industry, also that the Millers' Code which has become effective will enable both industries to overcome the obstacles which have hindered prosperous progress and recovery.

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 and Machinists

Harrison, N. J. - - U. S. A.

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EDUCATE  
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ORGANIZE  
HARMONIZE

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Then--  
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**A Message from Our New President**

If there ever was a time for expressing our unqualified confidence in our Association, its Officers and in the Macaroni Code Authority, that time is now. Through our Code we have sought to develop and attain the cooperation of the Macaroni Manufacturers, feeling assured that such cooperation would be advantageous to each manufacturer individually and to the industry as a whole. A great majority of our members have responded to this appeal for cooperation, and responded in a very fine spirit.

Probably no more important era has ever marked the history of our Industry than that covered by the last five months. We have been engaged in recharting our methods of doing business. This recharting is based upon the intelligent recognition of the situation and conditions which require recharting, and the constructive willingness of the majority in the industry to do their part.

From code construction days, we have now passed into the code compliance days. Code enforcement, the thing most manufacturers have been looking forward to, is now on the verge of taking place. The Government has proceeded with care because of the legal questions involved; however, since these have now been fairly well defined, code enforcement will follow with increasing effect over the United States.

As a message of confidence, I have the highest hope that the New Deal is going to provide a square deal for all, when it is fully realized. We must keep in mind at all times that the goal is a well ballasted



L. S. Vagnino

industrial program of operations, if we will recognize all the elements involved including the employer, the employee and the consumer.

There is refreshing reassurance given us in the address of President Roosevelt last week, in which he stated that the agencies of the Government, if capably directed in cooperation with the energy and character of industry, can bring about complete recovery. Such is the Roosevelt credo. "If all things are possible to him that believeth," those things will be done; for President Roosevelt's faith is superb. It is the faith that moves—that has already moved—mountains. Somehow our confidence in America is refreshed and strengthened by the gospel of Democracy as preached by our President.

Finally, our program must have support in those deeper inspirational and spiritual forces which prompt men to think for themselves and, sympathetically at the same time, for others. For such a program, constructive leadership is of prime importance. In our Association and Code Authority, there is a directive knowledge and a sympathetic spirit; in our Code Executive Glen Hoskins, a strong guiding hand, charting the future course and destiny of our industry. *To them do I pledge my unqualified support and loyalty.*

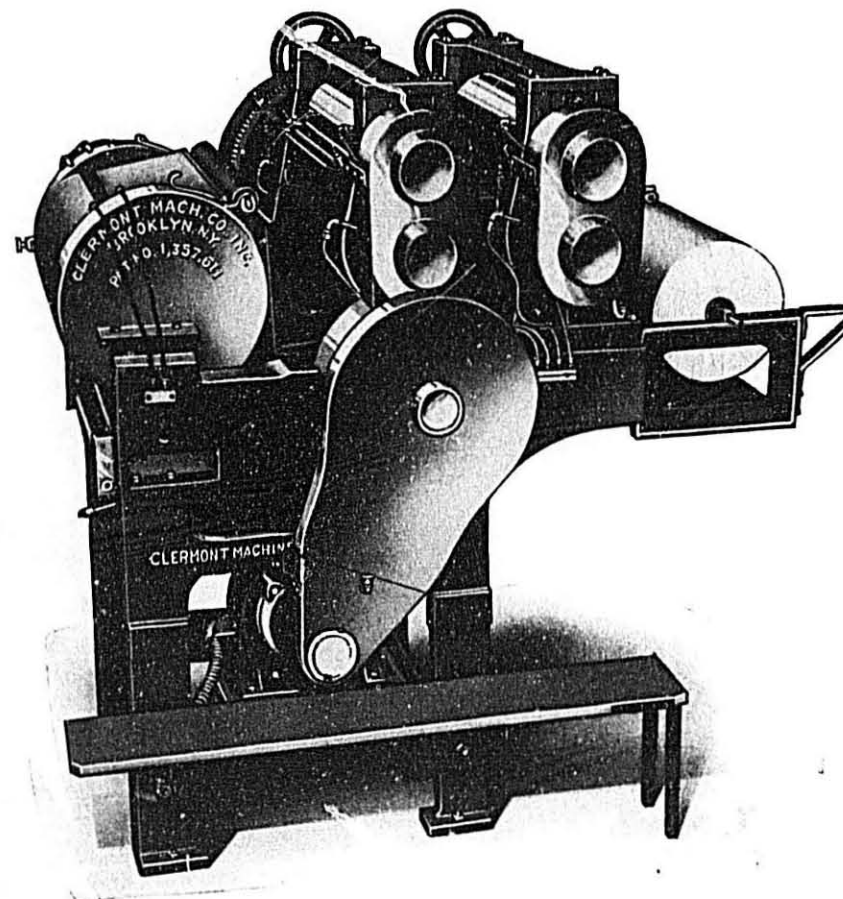
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