Candy Gets Tight

Demands of the military, plus ingredient shortages, will cut down on the confections in Christmas stockings.

Between wartime restrictions on confectionary production and a heavy diversion of sweets to the armed forces, civilians are left holding the bag—a bag with substantially less holiday candy in it than usual.

• **Enough for All**—But while candy makers concede there will be less for Christmas stockings this year, they imply no one will go without. The shortage will be felt in fewer chocolates and possibly thinner coatings, in the absence of items like cream patties, and in fewer peanut candies.

Packages are less elaborate because of both material and labor shortages, and the only metal containers are those left over from palmier days. Package sizes are fewer. Once you could buy any unit from half a pound to ten pounds, but this year there are large gaps in the range.

• **Army Buys Plenty**—Indication of the bite the armed forces' collective sweet tooth takes is the 25,000,000 lb. of hard candy purchased by the Quartermaster Corps by Oct. 20 for casual consumption. It is entirely separate from regular rations, which also contain substantial quantities of confections in one form or another.

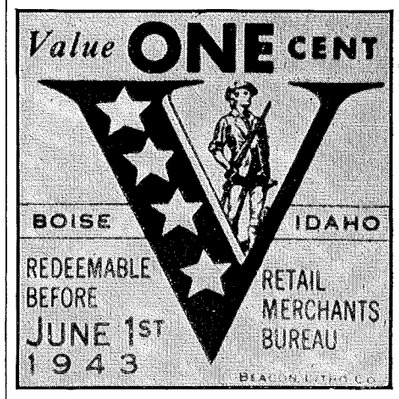
The industry estimates conservatively that about 15% of its production goes to the armed forces, directly or indirectly. In Chicago, the Fred Harvey System, operating in railroad stations, reports a 75% increase in candy turnover. The total adds up to about 50 lb. a year for every service man.

• **Bar Candy Preferred**—Equipment is the real bottleneck of increased candy production. Manufacturers were producing at capacity a year ago, but no new equipment is forthcoming to meet the later demands. Bar-making machines are being strained by the greatest output, because soldiers and sailors prefer candy in small packages, and because bars require less labor than other confections. Penny bars, however, are disappearing from the market, because OPA size regulations have sliced their profit margins too thin.

Dairy products are joining the long list of shortages plaguing candy makers (BW—Jun.20'42,p37); and may be felt first in a caramel scarcity. The 70% sugar ration is supplemented by corn sirup, quantities of which are fairly adequate. But there's a limit to the amount of corn sirup that can be substituted if texture is to be maintained.

• **Chocolate Stretched** — While corn sugar can be used nicely in place of cane or beet sugar, dextrose manufacturers are lucky to supply regular users with quantities equal to their 1941 consumption—let alone taking on new customers. An example of the dextrose situation is "Dyno"—retail dextrose put out by Corn Products Refining Co. Several test campaigns in the East satisfied Corn Products that Dyno would ring the bell with housewives these sugar-restricted days, but there just isn't enough dextrose to go around, so Dyno is consigned to oblivion for the duration.

Because of the 60% cocoa ration,



PAPER PENNY

Caught short of pennies when a 1¢ tax on cigarettes went into effect recently, merchants in Boise, Idaho, welcome cardboard pennies issued and to be redeemed by the Retail Merchants Bureau.

VITAMINS FOR VICTORY

J. H. Kindelberger, president of North American Aviation, distributed questionnaires among his employees last June to discover how they liked their work and the company (BW—Jun.6'42,p60). There was considerable complaint about the commissary at the Inglewood (Calif.) plant.

One innovation resulting from the questionnaire was a "Vitamin Bar," now entering its third month of service and going strong. Its business is far greater than that of the nearby soda fountain.

At the Vitamin Bar workers get large paper cups of almost any fresh fruit or vegetable juice for 5¢. Most popular drink is orange juice (3,000 pt. daily). Carrot and kraut juice rank high, although tomato and pineapple juice are the favorites after orange juice. About 30% of the workers have acquired the Vitamin Bar habit. Most of them supplement their lunches with a fruit or vegetable drink.

candy manufacturers are still running along on prewar chocolate inventories. When war broke out it was estimated that American warehouses held about a year's supply of cocoa beans. Now the industry feels it can get by the first quarter of 1943, hoping that good news from Africa will be good news to the chocolate business. But, chocolates will be scarcer this Christmas – notably molded novelties which WPB ordered out of production Dec. 15 to conserve cocoa. Usually they are made during the summer and kept in cold storage, but last summer ingredients and equipment were needed to meet the current demand.

• **Nut Prices Double**—Thanks to the war, peanuts have come into their own. The wholesale price has doubled and, as yet, there's no ceiling. Reason for the increase is that the government, in its eagerness for more peanut oil, has supported a "floor" on peanuts in an effort to encourage production. Some manufacturers have discontinued peanut brittle and peanut squares, but higher priced peanut candies are still available. Peanuts are still the cheapest nuts for confectionery use. The almond price has doubled in the past few years but remains somewhat lower than the 1941 average because of a bumper crop in California. Pecans, filberts, and Brazil nuts also have doubled in price since the war began while pistachios have tripled. Only nuts to remain steady are walnuts.

• **Inventories Are Low**—Half of the industry's $400,000,000 annual sales are made in the last four months of the year. Ordinarily, candy is made from two to three months ahead, but this year the lag is only three or four weeks. This is partly because of greatly increased demands, partly because cocoanut oil is now unobtainable and candy makers must use domestic fats, which do not keep as well.

PAPER "SNOODS" DIM LIGHTS

A street light hood, which is claimed to meet all requirements so far demanded by dimout authorities, is being manufactured by Standard Paper Box Co., Los Angeles, to sell for only 25¢.

Simply a large paper bag resembling tar paper with drawstrings at the bottom to fasten snugly around the lamp, the "snood" has been adopted by Los Angeles for its 65,000 street lamps and by such satellite towns as Beverly Hills and Monrovia. It is made of weatherproof building paper, guaranteed to remain opaque two years.

For the 50 different types of Los Angeles street lights, Standard Paper Box Co. makes ten adaptations of the original. In every case the snood extends to about 1½-in. below the lamp filament, allowing less than 10% of the light to escape skyward.

BUSINESS WEEK REPORT

BUSINESS WEEK REPORTS
TO EXECUTIVES ON

CONTROLLED MATERIALS PLAN

HOW IT WILL WORK. HOW TO GET READY FOR IT.

"A hard, inescapable headache is in store for nearly every manufacturer during the next seven months. That headache is the Controlled Materials Plan—the new scheme for controlling the nation's industrial activity on which the War Production Board is staking all its efforts."

Thus Business Week's Washington Bureau reports on the job that industry and the war agencies face in applying CMP to the basic problem of "eking out the limited national supply of raw materials to get the largest and most war-useful production of goods."

But just how hard that headache hits the individual manufacturer depends heavily on the preparatory job that he does, beginning right now, to make his key men and his company familiar with the organizational and operational details of CMP in advance of the dates on which it goes into partial and into full effect. To help him on that job and to help that job speed the victory is the business of this Report to Executives.

In the following pages, Business Week's Washington Bureau has described the objectives, the machinery, the red tape, and the paperwork of the whole complex Controlled Materials Plan in the language of a business primer. Some details of the plan will be changed in the months ahead, but here is the outline, here is what it is intended to do for you, and here is what you are expected to do to help it solve those material and production problems on which priorities and the Production Requirements Plan fell short.

Whether CMP can be "the final plan," as WPB Vice Chairman Eberstadt hopes (BW—Nov.7'42,p15), depends both on the war agencies and on industry. This is industry's guide to that end.

THIS IS ONE OF A SERIES OF SPECIAL REPORTS TO EXECUTIVES ON CURRENT OPPORTUNITIES, PROBLEMS, AND TRENDS OF MAJOR SIGNIFICANCE TO BUSINESS