the foundations were laid for a new and greater prosperity. An upward march was resumed which, with minor interruptions, was maintained for eight years. During 1923 business activity equalled the peak established in 1919. In 1924 a sharp but short-lived reaction occurred. In 1925 and 1926 business activity ranged consistently above the normal trend. The moderate reaction which occupied most of 1927 actually carried business below normal for the first time since 1924, yet so gradually as to cause no profound disturbance. Recovering from the dullness of 1927, the year 1928 developed a sparkling tempo which carried over into 1929 with a sweeping crescendo. By July the peak of business activity was reached, followed by an easing off which became increasingly apparent from month to month. In the last quarter, general business passed below the normal trend. At this moment, its downward path was emphasized and accelerated by a disastrous drop in security prices.

And so the Prologue ends with a strong implication that Prosperity, the Hero of the Industrial Drama, has met with foul treatment off-stage. Now for the first act.

The curtain rose on the sober and questioning note of a post-panic depression. The Prologue made it clear that the Drama of 1930 would not be comedy. On the contrary, many in the audience were expecting tragedy. However, the attitude of the seasonal reviewer seemed to indicate that we were to witness neither comedy nor tragedy but a mystery play. In such a drama the plot is never obvious, the audience being kept in continual suspense up to the very last act. Certainly the first act has been in keeping with this assumption. However, like the first acts of most mystery plays, it has done less toward advancing the plot than it has in defining and registering the characters in the play.

These characters are, of course, the old reliables of other years, but the element of mystery is sustained because of their altered appearance and their assumption of new roles.

Take Money, for instance. In 1907 and again in 1920 this character assumed the sinister balefulness of a Shylock. As now played, Money is a benevolent old gentleman dispensing the largess of cheap loans from a Horn of Plenty.

Consider the villainies of Swollen Inventories which in the past have throttled Prosperity by sheer mass. This part is now played by a juvenile whose agile turnovers give him the figure of an athlete.

We see Security Prices, the widow of Prosperity, coming in on the arm of Easier Money. Gone are the sackcloth and ashes of recent bereavement. In fact, it would seem that the lady is definitely "looking around again."

New Construction, whose fall from grace last summer made it a plotter against Prosperity, has now become its principal protagonist.

Unemployment continues as the arch conspirator, putting over the part with an intensity and vehemence not witnessed since 1921.

Vying with Unemployment in dramatic force has been the Decline in Commodity Prices. While there is a tendency to overplay the part, there can be no question but that it involves adjustments which will complicate the Drama of 1930.

So much for the first act. From it the following conclusions may be drawn:

Nineteen-thirty will turn out to be subnormal but more comparable to the years 1924 and 1927 than to 1921. At the worst, it should interrupt rather than terminate the upward trend of the past nine years. Among the constructive factors which should presently increase the tempo of business are these: the stimulation of cheap money, the application of labor and material to the program of new construction, moderate inventories and unparalleled efficiency in transportation.

Opposed to these constructive factors we find unemployment more serious than it has been since 1921, and wide concern over the decline in commodity prices. There has naturally been some "whistling through the graveyard" aimed at restoring confidence. The recent testimony of William Green, President of the American Federation of Labor, before the Senate Commerce Committee, reveals conditions which cannot be taken lightly. When he intimates that three million seven hundred thousand workers were jobless in February and that the loss of wages during the first quarter amounted to one billion dollars, it is evident that despite the expected recovery during the second half, the full year 1930 will show deep scars.

With these characteristics of 1930 in mind, let us see how they are mirrored in current sales problems.

. . . A long established company manufacturing silk of superlative quality, finds its chief problem in the dress goods division. In former years this market was largely composed of women who personally selected the silk from which their dresses were made. With this group the prestige of the product and its wearing qualities were sufficient to command a premium price. This type of consumer buying has steadily declined, leaving the dress manufacturer in command. Here we find the primary emphasis on style, with such rapid changes in color and design as frequently to render the material obsolete before it can be worn out—often before it can even be made up and sold. The quality of material has thus lost much of its appeal and this factor combined with intense competition favors merchandise of lesser quality.

. . . A large manufacturer of hard-surface floor coverings, which are heavily advertised, finds its problem in retail price cutting. The popularity of the product with the public makes it especially susceptible to price cutting as "bait" in attracting the public. The dealer who operates conservatively finds his profits jeopardized and is tempted to take on lines not so well known. In short, he frequently elects to do a harder job of selling rather than forego his normal profit.

. . . The manufacturers of a quality oil burner consider man-power in selling their biggest problem. Curiously enough, this applies not so much to their own sales force, but to their dealers' sales organizations. Oil burners are not sold over the counter but in the home or office of the prospect. To be a successful oil burner salesman calls for qualifications of type, aptitude, experience and training which are not easy to combine in one personality. To sell a quality oil burner at *above* the average price requires all these qualities in a superlative degree. Convinced of the paramount importance of trained man-power, the manufacturer in question has for some time operated a training school. The present problem is to secure men of the right type for training.

. . . A company manufacturing garment pressing machines finds that under normal working conditions a pressing machine should be replaced after five years' usage. If retained for a longer period it will not only become unduly expensive to maintain from a servicing standpoint but will be obsolete in some measure due to improvement on later models.

Replacement orders, thus far in 1930, are not maintaining the normal ratio to total sales. Their major problem is to overcome the natural tendency of the tradesman, which is to retain present equipment so long as depression continues in his business.

. . . A leading manufacturer of food products says that the major problem is to secure better retail co-operation in moving established trademarked goods. The private brand is still a major obstruction in the distributing channel. In the battle royal between the chain stores and the independents, the private brand is being used offensively or defensively by both combatants and quite often to the detriment of the public. This situation is largely responsible for the fact that a dollar's worth of sales and advertising effort is showing a declining, rather than an increasing, turn.

. . . The makers of a nationally known cosmetic feel that intense competition for position on the dealer's shelves, counters and windows is the major problem. They find it far simpler to create public acceptance and demand for a worth while preparation than to keep the product conspicuously placed in the retail store.

. . . The manufacturers of a packaged line of specialty food products state that their fundamental problem is in adjusting their merchandising to the trend of commodity prices, particularly as manifested in hand-to-mouth buying. They feel that this is an economic trend to which the seller must adjust himself if he would prosper.

. . . A national distributor of floor coverings believes its major problem lies in educating the trade to utilize modern merchandising methods. It is expending a sizable part of its own income in developing, testing and simplifying plans which will increase dealer sales and at the same time improve profits through smaller but more effective inventories. These methods have proven successful wherever used, either by retailers or jobbers. The immediate problem is to secure a wider adoption of these merchandising plans by the trade. To do this involves systematic education of the jobber's salesmen who reach the rank and file of the retail trade.

. . . A large factor in the manufacture of cans and containers for packaged products states that they are chiefly concerned over the general uncertainty which is evidenced by a majority of