

HAND-TO-MOUTH BUYING

**A Study in the Organization, Planning,
and Stabilization of Trade**

BY

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DIRECTOR'S PREFACE

Of the many pronounced changes with which business men found themselves confronted when the post-war boom collapsed in 1920, few caused more uneasiness or aroused more discussion than the practices which came to be called "hand-to-mouth buying." The concern which was felt at that time—when the phenomena were ascribed to the business depression—increased during the following years as it became apparent that hand-to-mouth buying continued even with greatly increased activity of business. It came indeed to be held responsible in many quarters for so-called "profitless prosperity."

This study takes the business man's phrase "hand-to-mouth buying" and interprets it in terms of both the business and the economic issues involved. On the basis of a great mass of business statistics, it undertakes a measurement of the changes which have been going on and of their actual significance in the organization of production and distribution of goods. Examination is made of the relation of all of these phenomena to the problem of business stabilization; and the forces which are likely to determine the future of hand-to-mouth buying are set forth.

The study represents perhaps the most extensive application of trade statistics to a practical problem that has yet been made. Through first-hand contacts with

business, the author has supplemented the large volume of data which the Department of Commerce and the Federal Reserve Board have been collecting over a decade with statistics obtained from trade associations and individual concerns. The result is a volume which should be valuable not only to business men who have found hand-to-mouth buying a matter for consideration, but to all those who are concerned with problems of trade, business stabilization, and economics generally.

The members of the staff appointed to aid the author in the preparation of this book were Charles O. Hardy and Cleona Lewis.

EDWIN G. NOURSE,
Director.

Institute of Economics,
September, 1929.

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