Our pressed material inventory increased in 1948 largely due to a demand on the part of some customers for our dry-mix thick block formula to supplement our standard wet-mix formula. This resulted in our having to carry a double inventory on some part numbers to make both formulae available. By May 1st, the pressed material inventory will be reduced by $75,000.

Our rolled material inventory is too high, and by May 1st we hope to reduce it by $245,000.

Contained in the purchased stock inventory is $50,000 worth of clutch facings which are obsolete. These will be removed from the inventory during 1949, and a monthly reserve has been set up to take care of this loss. This will further reduce our inventory by $50,000 at the end of 1949.

A table showing our inventories since 1938, excluding the war years, is included in the Statements and Statistics section of the report.