

**DOES DISTRIBUTION COST TOO MUCH?**

## A TWENTIETH CENTURY FUND INVESTIGATION

The Trustees of the Fund choose subjects for Fund investigations, underwrite their expenses, and appoint the special Committees which have charge of the surveys. The Trustees, however, assume no responsibility for the research findings or the recommendations for action.

### TRUSTEES

A. A. BERLE, JR.	OSWALD W. KNAUTH
FRANCIS BIDDLE	MORRIS E. LEEDS
BRUCE BLIVEN	ROBERT S. LYND
PERCY S. BROWN	JAMES G. McDONALD
HENRY S. DENNISON	CHARLES P. TAFT
JOHN H. FAHEY	HARRISON TWEED
ROBERT H. JACKSON	WILLIAM ALLEN WHITE

### OFFICERS

JOHN H. FAHEY, <i>President</i>
PERCY S. BROWN, <i>Treasurer</i>
EVANS CLARK, <i>Executive Director</i>
J. FREDERIC DEWHURST, <i>Economist</i>

COMMITTEE ON DISTRIBUTION OF  
THE TWENTIETH CENTURY FUND

The following Committee has been in charge of an investigation by a special research staff, the findings of which are summarized in Chapters 1 to 10 inclusive of this volume. The Committee itself is responsible for the recommendations for action which are incorporated in Chapter 11.

WILLARD L. THORP, *Chairman*

Director of Economic Research, Dun & Bradstreet; formerly Director,  
United States Bureau of Foreign and Domestic Commerce

STUART CHASE

Formerly President, Consumers' Research; author, *The Tragedy  
of Waste*, etc.

ALVIN DODD

President, American Management Association

JOHN P. FREY

President, Metal Trades Department, American Federation of Labor

CARL L. HAMILTON

of Booz, Fry, Allen and Hamilton

HELEN HALL

Head of Henry Street Settlement

HECTOR LAZO

Executive Vice-President, Cooperative Food Distributors of America

PAUL H. NYSTROM

President, Limited Price Variety Stores Association; Professor of  
Marketing, Columbia University

ROBERT G. STEWART

Formerly Director, Standard Oil Company of New Jersey

# DOES DISTRIBUTION COST TOO MUCH?

*A Review of the Costs Involved in Current  
Marketing Methods and a Program  
for Improvement*

## THE FACTUAL FINDINGS

By PAUL W. STEWART and  
J. FREDERIC DEWHURST  
*with the assistance of*  
LOUISE FIELD

THE PROGRAM  
BY THE COMMITTEE ON  
DISTRIBUTION

*Twentieth Century Fund*

*New York*

THE TWENTIETH CENTURY FUND

1939

COPYRIGHT 1939 BY THE  
TWENTIETH CENTURY FUND, INC.

X: 51.73.14  
G9  
166226

MANUFACTURED IN THE UNITED STATES OF AMERICA  
UNDER THE DIRECTION OF RAYMOND RICH ASSOCIATES

## FOREWORD

THE COSTS of distribution are paid by the ultimate consumer. Every time we buy a package of cigarettes, a pair of socks or a loaf of bread, we are directly and personally concerned with the expense of getting it from its point of origin to the store counter—and of persuading us to buy it. Because these costs are fully as large as, or larger than, the original costs of production, and because less has been done to make distribution more efficient, cutting marketing expense offers a greater opportunity to get lower prices and a higher standard of living for all of us.

Largely because distribution so closely concerns us all, it has stirred up a whirlwind of conflict and controversy. It has become much more than a question of economics or business. The battles of chains and independents, of private enterprise and cooperatives, of super-markets and mail-order houses, have been waged in the field of politics as well as in the market place. The issues have been carried into municipal councils and state legislatures, and into the national Congress.

The country has come to need an accurate over-all picture and appraisal of the distribution system as a whole and a program for making it more efficient—all from the point of view of the general public. We ought to be able to see how the system and its parts actually work and how they can be made to work more successfully.

This has been the goal of the survey reported in this volume. It has been carried through by the Twentieth Century Fund's usual method of dealing with controversial public issues—by a special Committee and research staff. A special staff of investigators gathered the essential facts on the methods and costs of distribution in the United States and reported their findings to the Fund's Committee on Distribution. The Committee, composed of men and women of widely differing interests and points of view, but with special knowledge of the field, used the research report to formu-

late a series of concrete recommendations aimed to improve the methods and reduce the costs of distribution. Chapters 1 to 10 of this book constitute the research report, and Chapter 11 is the program of the Committee.

The Fund is indebted to several other persons than those named on the title page for contributions to this book and for aid in the investigation. The section on transportation costs in Chapter 8 is based directly on a report prepared by Robert J. McFall, who was also responsible for the statistical analysis from which the Flow of Goods Chart and the estimate of total costs of distribution were derived. Edwin C. George wrote most of Chapter 8, while the section on super-markets in Chapter 4 was written by Victor H. Pelz, and the sections on consumer credit costs in Chapter 8 by F. R. Hoisington, jr. Research and editorial aid has been given at various stages in the preparation of the report by Jean F. Carroll, Herbert W. Bohlman, Dorothy Van Doren, Charles W. Wood and Carolyn Stetson. In addition, many organizations and individuals in the field of distribution have been generous in contributing advice and information. To all those who have cooperated in the undertaking—and especially to the members of the Committee who contributed generously of their time—the Fund extends its deep appreciation.

EVANS CLARK  
*Executive Director*  
*The Twentieth Century Fund*

330 WEST 42ND STREET  
NEW YORK CITY  
JULY 15, 1939

## CONTENTS

### THE FACTUAL FINDINGS

	Page
CHAPTER 1. THE CHALLENGE OF DISTRIBUTION	3
1. The Problem	3
2. Trends in Production and Distribution	8
3. The Expanding Role of Distribution	15
4. Opportunities and Handicaps	21
CHAPTER 2. PRICE SPREADS IN DISTRIBUTION	23
1. Unprocessed Food Products	25
2. Processed Food Products	29
a. Meats	31
b. Cereal Products	32
c. Canned Fruits and Vegetables	34
d. Milk	34
e. Candy	39
3. Apparel	40
a. Hats	41
b. Women's Dresses	43
c. Leather Shoes	45
d. Rubber Footwear	46
4. Other Products	46
a. Cigarettes	47
b. Rye Whiskey	49
c. Medicinals	49
d. Electric Refrigerators	51
e. Automobile Tires	52
f. Gasoline	54
CHAPTER 3. THE FLOW OF GOODS THROUGH DISTRIBUTION CHANNELS	58
1. Measuring the Flow of Commodities	59
a. Sales from Primary Sources	61
b. Sales of Manufacturing Industries	61
c. Intermediary and Retail Sales	63
d. Terminal Purchases	64
2. The Increase of Values	65
3. Total Sales and Purchases	67



	Page
<b>CHAPTER 4. DISTRIBUTORS AT WORK</b>	69
1. Retail Distribution	70
a. Independent Stores	78
b. Corporate Chain Stores	81
c. Cooperative and Voluntary Chains	85
d. Consumer Cooperatives	88
e. Super-Markets	95
2. Intermediary Trade	100
3. Distribution of Industrial Goods	110
<b>CHAPTER 5. COSTS AND PROFITS IN DISTRIBUTION</b>	116
1. What We Pay for Commodity Distribution	117
2. Profits in Distribution	120
3. Upward Trend of Distribution Costs	123
<b>CHAPTER 6. THE COSTS OF RETAILING</b>	127
1. Comparisons by Lines of Trade	128
2. Comparisons by Types of Stores	133
a. All Groups Compared	133
b. Chains versus Independents	138
3. Comparisons by Size of City and Store	141
4. Wages as a Cost Factor	146
a. Personnel Costs in Different Kinds of Business	146
b. Independents Compared with Chains	148
5. Stock Turnover in Relation to Expense	152
6. Expenses in Four Lines of Trade	156
a. Food Stores	156
b. Department Stores	159
c. Retail Hardware Stores	165
d. Retail Shoe Stores	168
<b>CHAPTER 7. COSTS OF PRIMARY AND INTERMEDIATE DISTRIBUTION</b>	171
1. Intermediary or Wholesale Costs	171
a. Comparisons by Types of Establishment	173
(1). Seven Consumer Goods Lines	178
(2). Food Wholesaling	180
(3). Drug Wholesaling	184
b. Cost Elements in Intermediary Trade	185
c. Factors that Influence Costs	189
(1). Effect of the Size of Establishment	190
(2). Population Density	192

## CONTENTS

xi

	Page
(3). Size of Account	192
(4). Lines of Merchandise Carried	192
(5). Inventory Turnover	193
(6). Credit Operations	196
2. Manufacturers' Distribution Costs	198
a. Distribution Costs of 312 Manufacturers	200
b. Manufacturers' Distribution Costs: 1935 Census	202
c. Comparison of Data From Various Sources	205
3. Primary Producers' Costs	207
CHAPTER 8. THE COSTS OF FACILITATING AGENCIES	210
1. Costs of Transportation	211
a. The Railroads	214
(1). Cross-Hauling	215
(2). Circuitous Car Routing	216
(3). Empty Car Movement	217
(4). Unprofitable Facilities	218
(5). Burden of Fixed Charges	219
b. Inland Waterways	220
c. Motor Trucks	222
2. Storage and Warehousing Costs	225
3. The Costs of Advertising	225
4. Credit Costs in Distribution	229
a. Bad-Debt Losses	230
b. Consumer Credit	233
c. Consumer Credit Costs	234
(1). Instalment Credit	237
(2). Retail Open Accounts	237
(3). Commercial Banks	238
(4). Industrial Banks	239
(5). Personal Finance Companies	240
(6). Pawnshops and Remedial Loan Societies	240
(7). Credit Unions	241
(8). Other Types of Consumer Loans	241
d. Effects of Consumer Credit on Distribution	242
CHAPTER 9. GOVERNMENT REGULATION OF DISTRIBUTION	245
1. Pressure Groups	246
2. The Laws	249
a. The Sherman and Federal Trade Commission Acts	249
b. The Clayton Act and the NRA	250

	Page
c. The Robinson-Patman Act	251
d. The Borah-Van Nuys Act	251
e. Resale Price Maintenance Laws	252
f. Chain Store Tax Laws	253
g. Laws Restricting Interstate Trade	254
3. Government Regulations: Issues, Controls, and Effects	255
a. Business Size	257
b. Price-Fixing	261
c. Price-Filing	263
d. Sales Below Cost	264
e. Price Discrimination	266
f. Resale Price Maintenance	271
g. Chain Store Taxes	277
h. Barriers Against Interstate Trade	279
i. Unethical Practices	282
j. Commercial Bribery	289
CHAPTER 10. SOME REASONS FOR HIGH COSTS	292
1. The Costs of Competition	297
a. Duplication of Sales Efforts	297
b. Multiplicity of Outlets	299
c. Services Rendered	299
d. Multiplicity of Brands	301
e. Competitive Advertising	303
2. The Consumer and Distribution Costs	306
a. New Demands and Services	306
b. Consumer Ignorance	309
3. The Costs of Inefficiency	314
a. Difficulty of Measuring Costs	315
b. Zeal for Volume	318
c. Poor Management in Retailing	320
d. Poor Planning	325
e. Price Policies	327
THE PROGRAM	
CHAPTER 11. CONCLUSIONS AND RECOMMENDATIONS OF THE COMMITTEE ON DISTRIBUTION	333
1. Conclusions and Assumptions	333
a. Distribution Costs and Profits	333
b. Changing Roles of Production and Distribution	336
c. Competition and the Consumer	338

CONTENTS		xiii
		Page
d. Variety and Change in Distribution		342
e. Assumptions Underlying the Report		346
f. Is Distribution Too Costly?		348
2. Recommendations		349
a. Consumer Knowledge		349
b. Operating Information and More Efficient Performance		354
c. Competitive Restrictions and Regulation		362
APPENDIX		
Note I. Sources of Data and Methods Used for Flow Chart and Table 10		371
Note II. Sources and Methods Used for Estimating National Bill for Distribution		374
APPENDIX TABLES		377
INDEX		395
THE FLOW OF GOODS IN THE UNITED STATES CHART	<i>inside pocket of back cover</i>	

## TABLES

	Page
1. Spoilage Losses for Fruits and Vegetables	28
2. Average Prices and Price Spreads of Meat Products, 1925-1934	32
3. Breakdown of Selling Price of Grade B Milk	37
4. Costs and Price Spreads of Men's and Women's Hats, 1936	42
5. Costs and Price Spreads of Women's Dresses, 1936	44
6. Costs and Price Spreads of Leather Shoes, 1936	46
7. Costs and Price Spreads for Popular Brands of Cigarettes, 1937	48
8. Average Prices and Costs of Automobile Tires, 1921 and 1933	54
9. Costs and Price Spreads of Gasoline at New York, 1936	55
10. Estimated Sales and Purchases of Goods by Various Branches of Industry and Trade	62
11. Distribution of Retail Trade by Size of Community, 1935	77
12. Retail Stores and Sales by Types of Operation, 1929 and 1935	79
13. Independent Retailers' Share of Total Business in Various Lines of Trade	80
14. Distribution of Intermediary Trade by Various Types of Agencies, 1935 and 1929	106
15. Comparison of Wholesale Merchants' Position in 1935 and 1929	108
16. The Distribution of Industrial Goods, 1929	114
17. Sales and Operating Expenses of Chains Compared with All Other Stores by Selected Kinds of Business, 1935 and 1929	138
18. Operating Cost Ratios of Various Types of Independent Stores by Size of Business, 1936	145
19. Personnel Costs, Total Expenses, Average Earnings and Average Sales for Eighteen Kinds of Retail Business and Five Types of Operation, 1933	147
20. Personnel Costs, Total Expenses, Average Earnings and Average Sales for Chains and Independent Stores for Eighteen Kinds of Retail Business, 1933	149
21. Stock-Turn Compared with Total Expenses and Gross Margins for Hardware and Department Stores and Food Chains	153
22. Elements of Department Store Expense by Size of Store, 1936	160
23. Operating Expenses of American and English Department Stores, 1933	163
24. Operating Factors in Hardware Retailing by Size of Business, 1936	166
25. Operating Expenses of Hardware Stores by Size of Business and Size of Town, 1936	168

TABLES

xv

	Page
26. Expenses and Sales of Intermediaries in Selected Consumer Products, 1929	172
27. Net Sales and Operating Expenses for Seven Kinds of Business by Types of Intermediary Establishment, 1935 and 1933	176
28. Operating Costs in Relation to Size of Business for Three Types of Wholesale Grocers, 1935	183
29. Operating Costs in Relation to Stock-Turn, 1929, 1933, 1935	194
30. Discounts Granted by Manufacturers to Different Types of Dealers in Three Trades, 1929-1930	195
31. Influence of Credit on Operating Expenses for Selected Types of Intermediary Dealers, 1933	197
32. Manufacturers' Distribution Costs, 1935	204
33. Average Selling Expenses of Manufacturers by Industries, According to Three Sources	206
34. Relative Importance of Transportation Agencies, 1926 and 1937	213
35. Estimated Amount of Credit to Consumers and Approximate Average Rate and Yearly Cost	236

APPENDIX

A. Distribution of Gainful Workers in the United States, 1870-1930 ( <i>In Per Cent of the Total for Each Year</i> )	377
B. Distribution of Gainful Workers in the United States, 1870-1930	377
C. Estimated Allocation of Gainful Workers to Production, Distribution and Service; and Population, 1870-1930	378
D. Index Numbers of Estimated Number of Gainful Workers in Production and Distribution and Volume of Goods Produced and Distributed, 1870-1930	379
E. Average Price Spreads of Unprocessed Food Products, 1935	379
F. Distribution of Consumer's Dollar Paid to Chain Stores for Selected Agricultural Products Sold in Certain Large Cities	380
G. Average Prices and Price Spreads of Milk in Chicago	381
H. Retail Stores and Sales by Size of Business, 1935, 1933, and 1929	381
I. Relative Importance of Different Kinds of Retail Business, 1935 and 1929	382
J. Index Numbers of Sales and Patronage Refunds of Consumers' Cooperatives	383
K. Distribution of Intermediary Trade by Principal Commodities, 1935 and 1929	384
L. Percentage of Manufacturers' Sales Made Through Various Channels of Distribution, 1935 and 1929	385

	Page
M. Operating Expenses of Various Kinds of Retail Business, 1935, 1933, and 1929	386
N. Sales and Expense Ratios of Various Types of Retail Operation, 1935, 1933, and 1929	387
O. Operating Expenses and Average Annual Sales Per Store in Cities of Various Sizes, 1929	388
P. Average Weekly Wages of Full-time Employees in Chain Stores and All Types of Stores	389
Q. Stock-Turn Compared with Expense Ratios for Chains and All Other Types of Stores for Various Kinds of Business, 1935	390
R. Net Sales and Operating Expenses of Various Types of Intermediary Establishments, 1935, 1933, and 1929	391
S. Operating Expenses of Wholesale Merchants and Distributors in Various Kinds of Business, 1935	392
T. Operating Expenses of Wholesale Merchants and Distributors for Seven Selected Kinds of Business by Size-Groups, 1935	393
U. Distribution Costs of 312 Manufacturers, 1931	394

## FIGURES

	Page
1. Distribution of Gainful Workers in the United States	10
2. Volume of Goods Produced and Distributed Compared with Gainful Workers and Population	12
3. Per Capita Volume of Goods Produced and Distributed	14
4. Price Spreads of Unprocessed Food Products in 1935	26
5. Distribution of Consumer's Dollar Paid to Chain Stores for Agricultural Products in Certain Large Cities	30
6. Average Prices and Price Spreads of Milk in Chicago	35
7. Retail Sales by Size of Business in 1935 and 1929	73
8. Relative Importance of Different Kinds of Retail Business in 1935	75
9. Sales and Patronage Refunds of Cooperatives	92
10. Distribution of Intermediary Trade by Principal Commodities in 1935	103
11. Distribution of Manufacturers' Sales Through Various Channels	109
12. Operating Expenses of Various Kinds of Retail Business	130
13. Sales and Expenses of Various Types of Retail Operation in 1935 and 1929	135
14. Operating Expenses and Average Sales Per Store in Cities of Various Sizes in 1929	143
15. Stock-Turn Compared with Expense Ratios for Chains and All Other Types of Stores in 1935	155
16. Net Sales and Operating Expenses of Various Types of Intermediary Dealers in 1935	174
17. Operating Expenses of Wholesale Merchants and Distributors in Various Kinds of Business in 1935	187
18. Operating Expenses of Wholesale Merchants and Distributors for Seven Kinds of Business by Size Groups in 1935	191
19. Distribution Costs of 312 Manufacturers in 1931	201



## APPENDIX

### Note I

#### SOURCES OF DATA AND METHODS USED FOR FLOW CHART AND TABLE 10

THIS EFFORT to show the flow of goods largely represents an analysis of data collected in the U.S. Census for 1929 covering manufacturing, wholesaling, retailing, construction and several of the primary industries, supplemented by figures from other official sources. A complex system of balance sheets showing amounts sold and purchased or retained at the source by each branch was constructed on a commodity basis in most cases, but in others only the total flow out of the particular branch of industry or trade could be allocated. In this way obvious weaknesses in one set of data (such as the oversight of contract work in the purchase account of manufacturers and shortcomings in the distribution of sales of grain, livestock, tobacco, and dairy products in wholesale trade) were corrected by reference to data in other parts of the same general system of official figures. The purchases of goods for capital account and replacement by manufacturers (not shown by the Census of Manufactures) and by other industrial buyers were estimated.

The allocation of transportation costs (totaling \$8.8 billion as shown in Table 10) to the various streams of movement is based largely on the value of the goods, modified in some instances by considerations of bulk and weight in relation to value.

The following sections refer to the rectangles shown on the Flow Chart and to data shown in Table 10.

#### 1. PRIMARY SOURCES AND IMPORTS

##### (a). *Agriculture*

Value from *Income from Farm Production in the United States—1933* (reprinted from *Crops and Markets*, U.S.D.A.), plus value of livestock transfers from U.S.D.A. files. Distributed on basis of data from U.S. Bureau of Agricultural Economics, Census of Manufactures (purchases) and Census of Distribution (country buying of wholesalers and retailers).

##### (b). *Mines and Quarries*

*Census of Mines and Quarries*, 1930; distributed according to purchases by industries as indicated by Census of Manufactures, Census of Distribution, Report of Board of Engineers, U.S. Army, Interstate Commerce Commission, and reports of U.S. Bureau of Mines.

(c). *Oil and Gas Wells*

Based upon reports of U.S. Bureau of Mines, supplemented by Census of Manufactures.

(d). *Fishing and Trapping*

Value of fish catch—\$123 million (U.S. Bureau of Fisheries) plus estimate of \$20 million for hunting and trapping (*Census of Distribution*, 1930, Vol. II, p. 4). Thirty million dollars distributed to manufacturing by reference to *Census of Manufactures*, 1929, Vol. II, p. 95; balance assumed to go through intermediary trade.

(e). *Forestry*

Based upon production figures appearing in *Present and Potential Timber Resources*, Senate Document No. 12, 1933, supplemented by data from Census of Manufactures and Interstate Commerce Commission—values calculated from information supplied by U.S. Forest Service. Distributed according to indicated use of various commodities by specific industries.

(f). *Imports*

*Statistical Abstract*, 1931, p. 495. Distributed to intermediary trade upon basis of value of goods sold by wholesale importers and import agents (*Census of Distribution*, 1930, Vol. II, p. 85). To obtain the estimated value of the goods as they entered the country it was necessary to deduct the estimated mark-up of such dealers as well as the estimated transportation charges. The \$100 million shown as going to retailers is a purely nominal figure to represent an unknown amount of goods imported direct by retailers. The residual amount was allocated to manufacturing.

## 2. MANUFACTURING

Based on *Distribution of Sales of Manufacturing Plants*, 1929, Census of Distribution; although the figures covered only 84 per cent of the total volume, the outlets for most of the remaining 16 per cent were evident from the characteristics of the commodities and industries involved. In order to determine net sales it was necessary to deduct the estimated cash discounts earned (\$1.1 billion) from the gross value of products sold by manufacturers. Discounts, estimated on the basis of data in *An Analysis of the Distribution Costs of 312 Manufacturers*, Association of National Advertisers, 1933, were allocated to the various outlets in accordance with the value of products assigned to them.

Two adjustments were made in the source figures showing sales to intermediary trade. The first of these represented a deduction of \$3.1 billion estimated as moving directly from manufacturers to the export market without the intervention of any intermediary. This estimate was calculated by subtracting from the total value of exports (*Statistical Abstract*, 1934,

p. 412) the value of goods handled by exporters and export agents and estimated transportation costs.

The second adjustment represents an addition to the volume moving through intermediaries and a corresponding reduction in the amount reported as going direct to retailers. An analysis of the sales of manufacturers to their own wholesale branches of \$10 billion, reported in the *Distribution of Sales of Manufacturing Plants, 1929*, p. 43, shows that about \$1.6 billion worth of petroleum refining products was reported moving through wholesale branches in 1929, whereas the Wholesale Census considered such sales as moving through bulk-tank stations. Deducting petroleum sales from the total reported sales through manufacturers' own wholesale branches of \$10 billion leaves \$8.4 billion worth of sales through wholesale branches, in the sense of the word as used in the report of the Census of Distribution. But this \$8.4 billion falls far short of the \$16.3 billion reported for 1929 (*Wholesale Distribution: 1933*, p. A-1) as the volume of sales of manufacturers' sales branches, indicating that all manufacturers, in reporting their distribution of sales for 1929, did not recognize their wholesale branches as such.

The difference—or \$7.9 billion—represents goods which moved through sales branches not only to retailers, but also to all other types of outlets. Fortunately the 1933 Census furnishes a clue as to the share of the \$7.9 billion which went to retail outlets. An analysis of the distribution of sales of manufacturers' wholesale branches in 1933 applied to the 1929 data by kind of business and type of establishment indicates that about 43.6 per cent of such sales went to retail outlets. Accordingly, it is estimated that \$3.5 billion worth of sales which actually went through manufacturers' branches was presumably concealed in the \$12.8 billion reported in 1929 as sales to retail organizations in the publication *Distribution of Sales of Manufacturing Plants*.

It was also considered that the volume of sales handled by manufacturers' agents, selling agents and chain store warehouses for ultimate distribution to retailers was reported as going direct. The amount (\$2.9 billion) handled by these intermediaries for retail distribution was calculated in the same manner as that handled by manufacturers' sales branches. The total of these items, or \$6.3 billion, was deducted from the reported sales to retailers to arrive at the estimated direct sales of manufacturers to retailers. The \$6.3 billion had to be added, on the other hand, to the reported sales of intermediaries to approximate the actual volume passing through middlemen, including manufacturers' own wholesale branches, selling agents and chain store warehouses, as well as wholesalers proper.

### 3. INTERMEDIARY TRADE

Based on data appearing in *Wholesale Distribution, 1930*, p. 78, Census

of Distribution; the figure for sales to industrial consumers (\$15 billion) was increased by \$2.4 billion estimated to represent the movement of goods which were not shown in the distribution of sales. The resulting total value was then allocated to manufacturing and to other industrial consumers, such as the extractive industries and public utilities, in accordance with the indicated outlets for the various commodities covered. Intermediary sales to the export market were assumed to equal the sales of exporters and export agents (*Wholesale Distribution*, 1930, Summary, p. 85). Livestock transfers, valued in the U.S. Department of Agriculture files at \$468 million, were considered to have been handled by intermediary dealers and were shown as sales to agriculture.

#### 4. RETAIL TRADE

Based on data appearing in *Retail Distribution*, 1930, Vol. I, pp. 15, 85, 87; total sales were increased by sales of milk dealers not reported herein. The \$3.3 billion of sales to agriculture is intended to cover farmers' purchases of supplies, feed, equipment, etc., used for production and includes an unknown amount of goods actually purchased from intermediary dealers. The total amount was based on the estimated operating expenses of farmers (*Income from Farm Production in the United States*, 1933, p. 1, a reprint from *Crops and Markets*).

#### Note II

#### SOURCES AND METHODS USED FOR ESTIMATING NATIONAL BILL FOR DISTRIBUTION

##### *Retail Trade*

Total operating expense, including imputed compensation of proprietors (*U.S. Census of Distribution*, 1930, Vol. I, p. 51) plus dividends, corporate savings and business savings of individuals in retail trade (Senate Document No. 124, *National Income*, 1929-1932, p. 113).

##### *Wholesale Trade*

Total operating expense (*U.S. Census of Distribution*, 1930, Vol. II, p. 65) plus withdrawals of entrepreneurs, dividends, corporate savings and business savings of individuals in wholesale trade (Senate Document No. 124, *National Income*, 1929-1932, p. 113).

##### *Manufacturers' Distribution*

Based upon data appearing in *An Analysis of the Distribution Costs of 312 Manufacturers*, covering 1931-1932, by the Association of National Advertisers in collaboration with the National Association of Cost Ac-

countants. The average distribution cost for each of twenty-nine industry groups included in the study was applied to the sales of the appropriate industry classification reported by the Census of Manufactures for 1929; the cost ratio for all of the industries not represented in the study was assumed to be the average expense ratio (weighted according to sales) of the industries that were represented.

The expense ratios (based upon 1931 reports) were modified in accordance with the estimated change in cost of wholesale and retail trade between 1929 and 1931 on the assumption that manufacturers' distribution costs followed the same trend as that of other distributors. Income tax figures published by the United States Treasury Department furnished the basis for estimating the change in the latter's costs.

The cost figures based upon the Association study were further modified by the elimination of three items of expense incurred by manufacturers: transportation charges on outgoing shipments (included in the estimate of the total cost of transportation); the expense of maintaining sales branches (included in the cost of wholesale trade); and expenditures for national advertising (included in "other costs"). (See Chapter 7, section 2, for further discussion of these data and the figures relating to manufacturers' distribution costs appearing in the report of the 1935 Census of Business entitled *Distribution of Manufacturers' Sales*.)

#### *Transportation*

*Rail freight*—Freight revenue plus milk service revenue (included in passenger service). These amounts as reported in the I.C.C. statistics are limited to Class I carriers. The estimated figure for all carriers is based upon the ratio of the sum of freight and milk revenue to total operating revenue of Class I carriers. This figure is only slightly larger than the reported figure for Class I carriers.

*Water freight*—Based on data on "income produced" in water transportation as reported in *National Income, 1929-1932*, Senate Document No. 124, p. 96. This "income produced" figure being primarily wages and interest, was first increased to a "gross income" figure on the basis of the ratio of "employee compensation" to "total operating revenues" as reported in I.C.C. *Carriers by Water* with lines carrying less than 25 per cent of passengers. This "gross revenue" figure is reduced to a domestic freight basis by eliminating foreign water service elements (using data in *The Balance of International Payments of the United States*) and by also eliminating the total passenger revenue of domestic water carriers, as reported in the I.C.C. statistics.

*Railway Express*—I.C.C. statistics.

*Electric freight, motor trucking and pipe line transportation*—*National Income, 1929-1932*, Senate Document No. 124, p. 93.

*Parcel post*—Annual report of the Postmaster General.

*Other Costs*

(a). *National advertising*—Data for newspapers from Bureau of Advertising, American Newspaper Publishers Association; for magazines, farm publications, and radio, from National Advertising Records; for trade publications, from Associated Business Papers, Inc.; and for outdoor and street-car advertising, from *Commerce Yearbook*, 1932.

(b). *Distribution of natural gas*—Represents the difference between the value at the well and the value at the point of marketing (*Mineral Resources of the United States*, 1929, Part II, p. 320, U.S. Bureau of Mines).

(c). *Finance charges on consumer instalment purchases*—Lacking any authoritative statistics, an admittedly rough estimate has been made. In making the estimate it was assumed that the average amount of instalment credit outstanding was about half the estimated instalment sales for the year (\$6.5 billion) and that the average interest and carrying charge was 10 per cent. The estimated cost is probably on the conservative side in view of the 15 per cent rate which was used in Table 35, Chapter 8.

**TABLE A**  
**DISTRIBUTION OF GAINFUL WORKERS IN THE UNITED STATES,**  
**1870-1930<sup>a</sup>**

*(In Per Cent of the Total for Each Year)*

	1870	1880	1890	1900	1910	1920	1930
<b>Total</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>Distribution and clerical</b>							
Trade	6.8	7.9	8.8	10.6	9.7	10.0	12.5
Transportation and communication	4.2	4.8	6.0	6.7	7.1	7.3	7.9
Clerical	0.6	0.9	2.0	2.5	4.6	7.3	8.2
<b>Service</b>							
Public	0.7	0.8	0.9	1.0	1.2	1.7	1.8
Professional	2.6	3.2	3.8	4.1	4.6	5.1	6.7
Domestic and personal	9.7	8.8	9.6	9.7	10.1	8.0	10.1
<b>Production</b>							
Agriculture	53.0	49.4	42.6	37.5	31.0	27.0	21.4
Forestry and fishing	0.5	0.6	0.8	0.7	0.6	0.6	0.5
Mineral extraction	1.4	1.7	1.9	2.4	2.6	2.6	2.0
Manufacturing and mechanical industries	20.5	22.1	23.7	24.8	28.5	30.3	28.9

a. Adapted from "Industrial Distribution of the Nation's Labor Force: 1870 to 1930," Bureau of the Census, October 23, 1938.

**TABLE B**  
**DISTRIBUTION OF GAINFUL WORKERS IN THE UNITED STATES,**  
**1870-1930<sup>a</sup>**

*(In Thousands)*

	1870	1880	1890	1900	1910	1920	1930
<b>Total</b>	12,925	17,392	23,318	29,073	37,371	42,434	48,830
<b>Distribution and clerical</b>							
Trade	878	1,371	2,050	3,085	3,633	4,258	6,081
Transportation and communication	540	828	1,395	1,952	2,665	3,104	3,843
Clerical	82	160	469	737	1,719	3,112	4,025
<b>Service</b>							
Public	90	138	201	284	431	739	856
Professional	342	550	876	1,181	1,711	2,171	3,254
Domestic and personal	1,253	1,524	2,234	2,819	3,756	3,380	4,953
<b>Production</b>							
Agriculture	6,850	8,585	9,938	10,912	11,592	11,449	10,472
Forestry and fishing	60	97	182	210	242	270	251
Mineral extraction	187	298	447	694	965	1,090	984
Manufacturing and mechanical industries	2,643	3,841	5,526	7,199	10,657	12,861	14,111

a. Adapted from "Industrial Distribution of the Nation's Labor Force: 1870 to 1930," Bureau of the Census, October 23, 1938.



**TABLE C**  
**ESTIMATED ALLOCATION OF GAINFUL WORKERS TO PRODUCTION, DIS-**  
**TRIBUTION AND SERVICE; AND POPULATION, 1870-1930<sup>a</sup>**

(In Millions)

Year	Estimated Number of Gainful Workers <sup>b</sup>					Population
	Total	Production and Distribution			Service	
		Total	Production	Distribution		
1870	12.9	11.2	9.7	1.5	1.7	38.6
1880	17.4	15.2	12.9	2.3	2.2	50.2
1890	23.3	20.0	16.2	3.8	3.3	62.9
1900	29.1	24.7	19.1	5.6	4.4	76.0
1910	37.4	31.3	23.7	7.6	6.1	92.0
1920	42.4	35.9	26.2	9.7	6.5	105.7
1930	48.8	39.4	26.5	13.0	9.4	122.8

a. Based on "Industrial Distribution of the Nation's Labor Force: 1870 to 1930," and *Population*, 1930, Vol. V, p. 408, Bureau of the Census; *Statistical Abstracts of the United States*, 1937, Bureau of Foreign and Domestic Commerce.

b. Estimated number of gainful workers in "production" computed by adding to the total number in "agriculture," "forestry and fishing," "mineral extraction," and "manufacturing and mechanical industries," in each year, 16.1 per cent of the number of clerical workers in the same year, as shown in Table B. Number of workers in "distribution" estimated in same way by adding to the total number in "trade" and "transportation" and "communication," 76 per cent of the number of clerical workers. Number of workers in "service" estimated by adding to the total number of "domestic and personal," "professional" and "public" service workers, 7.9 per cent of the number of clerical workers. Percentage allocation of clerical workers to production, distribution and service based on the difference between the number of workers in each occupation (except clerical) as shown in "Industrial Distribution of the Nation's Labor Force: 1870 to 1930" (Bureau of the Census, October 23, 1938), and the total number of workers in each industrial division as shown on p. 408 of *Population*, Vol. V (Bureau of the Census). The resulting figures do not purport to be accurate estimates of the actual numbers engaged in each branch of activity in each Census year, but it is believed that they provide a reasonable basis for estimating employment trends as shown in Table D.

**TABLE D**  
**INDEX NUMBERS OF ESTIMATED NUMBER OF GAINFUL WORKERS IN**  
**PRODUCTION AND DISTRIBUTION AND VOLUME OF GOODS PRO-**  
**DUCED AND DISTRIBUTED, 1870-1930<sup>a</sup>**

Year	Volume of Goods Produced and Distributed								
	Gainful Workers in Production and Distribution <sup>a</sup>					Per Worker <sup>a</sup>			
	Popu- lation <sup>a</sup>	In Pro- duction	In Dis- tribution	Com- bined Total	Total Volume <sup>b</sup>	Per Capita of Popu- lation <sup>a</sup>	In Pro- duction	In Dis- tribution	In Pro- duction and Dis- tribution Combined
1870	100	100	100	100	100	100	100	100	100
1880	130	132	157	135	176	135	133	112	130
1890	163	166	257	178	240	147	145	94	135
1900	197	196	378	220	343	174	175	91	156
1910	239	243	513	279	508	213	209	99	182
1920	274	268	657	320	745	272	278	113	233
1930	318	271	877	351	910	286	335	104	259

a. Computed from data in Table C.  
b. "Annual Index of Physical Production," Research Department of the Federal Reserve Bank of New York, March 1939.  
c. Derived from data presented in first five columns of the table.

**TABLE E**  
**AVERAGE PRICE SPREADS OF UNPROCESSED FOOD PRODUCTS, 1935<sup>a</sup>**

Product	Spread Between Price Received by Farmer and Retail Price				
	Price Received by Farmer <sup>b</sup>	Retail Price	Amount	Per Cent of Farm Price	Per Cent of Retail Price
	(In Cents)	(In Cents)	(In Cents)		
Cabbage, per pound	.7	4.0	3.3	471.4	82.5
Carrots, per bunch	1.0	5.5	4.5	450.0	81.8
Celery, per bunch	2.3	10.3	8.0	347.8	77.7
Onions, per pound	1.3	5.2	3.9	300.0	75.0
Oranges, per dozen	8.7	31.8	23.1	265.5	72.6
Beans, per pound	3.5	12.0	8.5	242.9	70.8
Sweet potatoes, per pound	1.3	4.4	3.1	238.5	70.5
Lemons, per dozen	8.6	27.3	18.7	217.4	68.5
Apples, per pound	1.9	5.8	3.9	205.3	67.2
Lettuce, per head	3.0	8.8	5.8	193.3	65.9
Spinach, per pound	3.1	7.9	4.8	154.8	60.8
Potatoes, per pound	.8	1.9	1.1	137.5	57.9
Hens, per pound	16.5	29.2	12.7	77.0	43.5
Eggs, per dozen	24.1	36.6	12.5	51.9	34.2

a. Adapted from Richard O. Been, Jr. and Frederick V. Waugh, "Price Spreads Between the Farmer and the Consumer," U.S. Bureau of Agricultural Economics, July 1936, Table 2, p. 9.

b. Equivalent farm value—represents the estimated amount which farmers received on the average for the given quantity of products purchased at retail by the consumer. In practically all cases the farmer receives somewhat less of the consumer's retail dollar than these figures indicate. This arises from the fact that no allowance was made for shrinkage losses or waste between the farmer and the consumer; actually, of course, such losses occur but are impossible to estimate.

**TABLE F**  
**DISTRIBUTION OF CONSUMER'S DOLLAR PAID TO CHAIN STORES FOR**  
**SELECTED AGRICULTURAL PRODUCTS SOLD IN**  
**CERTAIN LARGE CITIES**

(In Cents)

	Proceeds to Growers	Packing and Loading Costs	Margins of Mer- chant Ship- pers and of Brokers for Growers	Transpor- tation and Other Costs	Wholesalers' and Inter- mediate Dis- tributors' Margins	Retail Margin	Total Price
Maine potatoes <sup>a</sup>	46.0	8.3 <sup>a</sup>	0.4	18.9	3.2	23.2	100.0
Idaho potatoes <sup>b</sup>	35.3	7.7	1.7	27.2	1.9	26.2	100.0
California navel oranges <sup>a</sup>	33.2	10.2	1.7	23.0	0.9	30.9	100.0
Georgia and Carolina peaches <sup>d</sup>	31.2	12.0 <sup>b</sup>	2.5	21.7	2.1	30.5	100.0
Florida tomatoes <sup>a</sup>	30.0	7.4	1.3	8.5	7.3	45.3	100.0
Florida oranges <sup>f</sup>	29.6	19.6 <sup>a</sup>	1.5	14.4	2.4	32.5	100.0
California table grapes <sup>a</sup>	28.0	10.9 <sup>a</sup>	2.9	28.2	4.4	25.5	100.0
Florida grapefruit <sup>h</sup>	23.7	20.6 <sup>a</sup>	0.5	17.7	3.8	33.7	100.0
California tomatoes <sup>l</sup>	23.1	11.0	2.6	17.6	1.4	44.3	100.0
Pacific Northwest apples <sup>l</sup>	21.4	17.6 <sup>a</sup>	2.7	23.3	3.7	31.3	100.0
Pacific Coast iceberg lettuce <sup>a</sup>	19.9	14.4	0.6	26.4	5.2	33.5	100.0
Texas cabbage <sup>l</sup>	14.5	10.2	0.7	35.9	2.2	35.5	100.0
Texas onions <sup>m</sup>	12.2	11.6 <sup>a</sup>	3.4	28.0	3.1	41.5	100.0
Florida cabbage <sup>n</sup>	11.3	14.7 <sup>a</sup>	1.2	27.5	4.9	40.2	100.0

Source: *Agricultural Income Inquiry*, Federal Trade Commission, June 10, 1937, Part II, Chap. IV.

a. Sold in New York City, Philadelphia, Boston and Baltimore—October 1935 to December 1936.

b. Sold in New York City, Philadelphia, Chicago, St. Louis, Kansas City, Detroit, Minneapolis, Dallas and New Orleans—October 1935 to December 1936.

c. Sold in New York City, Philadelphia, Boston, Chicago, Baltimore, St. Louis, Kansas City, Detroit and Dallas—October 1935 to December 1936.

d. Sold in New York City, Philadelphia, Boston, Chicago, Baltimore, St. Louis and New Orleans—during the peach season, 1936.

e. Sold in New York City, Philadelphia, Boston, Chicago and Baltimore—November 1935 to December 1936.

f. Sold in New York City, Philadelphia, Boston, Chicago, Baltimore, Atlanta, St. Louis, Kansas City and Detroit—October 1935 to December 1936.

g. Sold in New York City, Philadelphia, Boston, Chicago, Baltimore, St. Louis, Kansas City and Dallas—October 1935 to December 1936.

h. Sold in New York City, Philadelphia, Boston, Chicago, Baltimore, Atlanta, St. Louis, Kansas City and Detroit—October 1935 to December 1936.

i. Sold in New York City, Philadelphia, Boston, Chicago, Baltimore, St. Louis, Kansas City and Dallas—October 1935 to December 1936.

j. Sold in New York City, Philadelphia, Boston, Chicago, Atlanta, St. Louis, Kansas City, New Orleans and Dallas—October 15, 1935 to December 15, 1936.

k. Sold in New York City, Philadelphia, Boston, Chicago, Baltimore, Atlanta, St. Louis, Kansas City and Dallas—October 1935 to December 1936.

l. Sold in New York City, Philadelphia, Boston, Chicago, Baltimore, Kansas City and St. Louis—December 1935 to June 1936.

m. Sold in New York City, Philadelphia, Boston, Chicago and Baltimore—during the onion harvesting year, 1936.

n. Sold in New York City, Philadelphia, Boston and Baltimore—December 1935 to December 1936.

o. Includes sorting and inspection costs and a storage cost of 1.6 cents.

p. Includes harvesting and inspection costs.

q. Includes packing costs.

r. Includes storage of 0.09 cent.

s. Includes a storage cost of 2.9 cents.

t. Includes hauling cost.

u. Includes cutting costs.

**TABLE G**  
**AVERAGE PRICES AND PRICE SPREADS OF MILK IN CHICAGO<sup>a</sup>**

Year	Producer's Price	Retail Price	Dealer's Spread	Per Cent of Retail Price Received by Producer
	(Cents Per Quart) <sup>b</sup>	(Cents Per Quart) <sup>c</sup>	(Cents Per Quart)	
1917	5.1	10.0	4.9	51.0
1918	6.2	12.5	6.3	41.6
1919	7.0	14.2	7.2	49.3
1920	6.8	14.9	8.1	45.6
1921	4.5	13.3	8.8	33.9
1922	4.0	12.0	8.0	33.3
1923	5.5	13.5	8.0 <sup>o</sup>	40.7
1924	5.4	14.0	8.6	38.6
1925	5.3	14.0	8.7	37.9
1926	5.4	14.0	8.6	38.6
1927	5.4	14.0	8.6	38.6
1928	5.4	14.0	8.6	38.6
1929	5.8	14.0	8.2	41.4
1930	5.7	14.0	8.3	40.7
1931	5.0	13.0	8.0	38.5
1932	4.0 <sup>d</sup>	11.2 <sup>d</sup>	7.2	35.7
1933	3.7 <sup>d</sup>	9.9 <sup>d,e</sup>	6.2	37.4 <sup>o</sup>
1934	4.3	9.4	5.1	45.7
1935	4.5	10.8 <sup>e</sup>	6.3	41.7 <sup>o</sup>

a. Based on *Sale and Distribution of Milk and Milk Products—Chicago Sales Area*, Federal Trade Commission, April 15, 1936, p. 57.

b. Prices paid producers for class I milk. Producers received much lower prices for milk sold in other classes.

c. Average of monthly prices in quart bottles delivered to homes. Does not take into consideration prices for milk in pint bottles or wholesale prices.

d. Due largely to the activities of independent dealers purchasing from non-members of the Pure Milk Association.

e. Figures slightly adjusted to take account of apparent inconsistencies.

**TABLE H**  
**RETAIL STORES AND SALES BY SIZE OF BUSINESS, 1935, 1933, AND 1929<sup>a</sup>**

Size of Business (Annual Net Sales)	Per Cent of Total Number of Stores <sup>b</sup>			Per Cent of Total Sales <sup>c</sup>		
	1935	1933	1929	1935	1933	1929
United States Total	100.0	100.0	100.0	100.0	100.0	100.0
\$1,000,000 or more	0.1	0.1	0.1	10.1	9.7	12.3
500,000 to 999,999	0.2	0.1	0.3	5.0	3.7	6.3
300,000 to 499,999	0.3	0.2	0.6	5.5	4.5	6.5
100,000 to 299,999	2.3	1.6	4.1	17.6	15.0	20.1
50,000 to 99,999	4.4	3.7	8.4	15.1	15.0	17.8
30,000 to 49,999	7.3	5.8	11.5	13.9	13.4	13.7
20,000 to 29,999	7.9	7.1	11.2	9.5	10.4	8.6
10,000 to 19,999	17.7	17.1	20.3	12.3	14.5	9.0
Less than 10,000	59.9	64.4	43.6	11.0	13.8	5.7

a. Census of Business: 1935, *Retail Distribution*, Vol. I, p. 1-31.

b. Total number of stores: 1935—1,653,961; 1933—1,526,119; 1929—1,543,158.

c. Total sales: 1935—\$33.2 billion; 1933—\$25.0 billion; 1929—\$49.1 billion.

**TABLE I**  
**RELATIVE IMPORTANCE OF DIFFERENT KINDS OF RETAIL**  
**BUSINESS, 1935 AND 1929<sup>a</sup>**

Kind of Business	Net Sales				Stores			
	Amount		Per Cent of Total Sales		Number		Per Cent of Total Number	
	1935	1929	1935	1929	1935	1929	1935	1929
	<i>(In Millions)</i>				<i>(In Thousands)</i>			
United States Total	\$35,161	\$49,115	100.0	100.0	1,654	1,543	100.0	100.0
<b>Food group</b>	<b>8,362</b>	<b>10,837</b>	<b>25.2</b>	<b>22.1</b>	<b>532</b>	<b>482</b>	<b>32.1</b>	<b>31.2</b>
Grocery stores (without meats)	2,203	3,449	6.6	7.0	189	192	11.4	12.4
Combination stores (groceries and meats)	4,150	3,904	12.5	8.0	166	115	10.1	7.5
Meat markets	612	1,337	1.9	2.7	40	50	2.4	3.2
Candy and confectionery stores	314	571	0.9	1.2	55	63	3.3	4.1
Dairy products stores	629	798	1.9	1.6	22	12	1.3	0.8
Other food stores	454	778	1.4	1.6	60	50	3.6	3.2
<b>Automotive group (except filling stations)</b>	<b>4,612</b>	<b>7,828</b>	<b>13.9</b>	<b>15.9</b>	<b>117</b>	<b>136</b>	<b>7.1</b>	<b>8.8</b>
Motor vehicle dealers	3,848	6,407	11.6	13.0	35	45	2.1	2.9
Accessories, tire and battery dealers	374	599	1.1	1.2	14	22	0.9	1.5
Garages and repair shops	370	785	1.1	1.6	66	67	4.0	4.3
Other automotive (including bicycle)	20	37	0.1	0.1	2	2	0.1	0.1
<b>General merchandise group</b>	<b>4,620</b>	<b>6,444</b>	<b>13.9</b>	<b>13.1</b>	<b>45</b>	<b>54</b>	<b>2.7</b>	<b>3.5</b>
Department stores (including mail-order)	3,311	4,350	9.9	8.9	4	4	0.3	0.3
General merchandise and dry-goods stores	528	1,190	1.6	2.4	29	38	1.7	2.4
Variety stores	781	904	2.4	1.8	12	12	0.7	0.8
<b>Apparel group</b>	<b>2,656</b>	<b>4,241</b>	<b>8.0</b>	<b>8.6</b>	<b>96</b>	<b>114</b>	<b>5.8</b>	<b>7.4</b>
Men's and boys' stores	660	1,193	2.0	2.4	21	28	1.3	1.8
Women's ready-to-wear specialty stores	795	1,088	2.4	2.2	22	18	1.3	1.2
Family clothing stores	359	552	1.1	1.1	8	11	0.5	0.7
Accessories and other apparel stores	331	601	1.0	1.2	26	33	1.6	2.1
Shoe stores	511	807	1.5	1.7	19	24	1.1	1.6
<b>Lumber, building and hardware group</b>	<b>1,864</b>	<b>3,846</b>	<b>5.6</b>	<b>7.8</b>	<b>73</b>	<b>90</b>	<b>4.4</b>	<b>5.8</b>
Lumber dealers	867	1,981	2.6	4.0	21	26	1.3	1.7
Hardware stores (including farm implement dealers)	759	1,225	2.3	2.5	37	37	2.2	2.4
Heating and plumbing stores	89	334	0.3	0.7	5	13	0.3	0.8
Other building (paint, glass, electrical)	149	306	0.4	0.6	10	14	0.6	0.9

TABLE I (Continued)

Kind of Business	Net Sales				Stores			
	Amount		Per Cent of Total Sales		Number		Per Cent of Total Number	
	1935	1929	1935	1929	1935	1929	1935	1929
	(In Millions)				(In Thousands)			
Farmers' supplies and country general group	1,709	3,690	5.1	7.5	87	131	5.3	8.5
Country general stores	1,110	2,571	3.3	5.2	67	104	4.1	6.7
Farmers' supply stores	599	1,119	1.8	2.3	20 <sup>b</sup>	27	1.2	1.8
Furniture and household group	1,290	2,755	3.9	5.6	45	59	2.7	3.8
Furniture stores	695	1,510	2.1	3.1	17	25	1.0	1.6
Household appliance stores	381	380	1.1	0.8	14 <sup>a</sup>	9	0.8	0.5
Radio stores	57	562	0.2	1.1	4	16	0.3	1.1
Other furniture and household	157	308	0.5	0.6	10	9	0.6	0.6
Miscellaneous group								
Restaurants and eating places	2,391	2,125	7.2	4.3	251 <sup>d</sup>	134	15.2	8.7
Filling stations	1,968	1,787	5.9	3.6	198	122 <sup>e</sup>	11.9	7.8
Drugstores	1,233	1,690	3.7	3.4	57	58	3.4	3.8
Fuel and ice dealers	859	1,013	2.6	2.1	35 <sup>f</sup>	19	2.1	1.2
Jewelry stores	235	536	0.7	1.1	12	20	0.8	1.3
Cigar stores and cigar stands	183	410	0.6	0.8	15	33	0.9	1.2
Other retail stores	1,179	1,913	3.6	3.9	90	89	5.4	5.8

a. Census of American Business: 1933, *Retail Distribution*, Vol. I, p. a-13; 1935, Vol. I, p. 2-04.

b. Includes hay, grain, feed stores (both with and without groceries).

c. Includes appliance-and-radio stores.

d. Includes 98,005 drinking places with \$725 million sales not reported in 1929.

e. Includes fuel-oil dealers reported under "fuel and ice dealers" in 1935.

f. Includes fuel-oil dealers reported under "filling stations" in 1929.

TABLE J  
INDEX NUMBERS OF SALES AND PATRONAGE REFUNDS OF  
CONSUMERS' COOPERATIVES<sup>a</sup>

Year	Retail Store Associations		Petroleum Associations	
	Sales	Patronage Refunds	Sales	Patronage Refunds
1925	82.3	88.1	38.6	30.3
1926	88.5	82.6	54.0	54.8
1927	93.0	91.5	62.9	51.0
1928	98.1	97.3	79.4	57.4
1929	100.0	100.0	100.0	100.0
1930	97.4	93.1	114.6	146.6
1931	76.7	82.7	103.5	120.4
1932	59.7	83.3	95.0	101.3
1933 <sup>b</sup>	55.5	58.1	93.4	101.6
1934	64.2	81.8	114.9	122.1
1935	75.2	92.5	142.9	142.7
1936	87.5	129.8	168.8	173.9

a. Florence E. Parker, *Consumers' Cooperation in the United States, 1936*, Bulletin No. 659, Bureau of Labor Statistics, 1938, p. 14.

**TABLE K**  
**DISTRIBUTION OF INTERMEDIARY TRADE BY PRINCIPAL COMMODITIES,**  
**1935 AND 1929**

Kind of Business	Net Sales				Establishments			
	Amount		Per Cent of Total Sales		Number		Per Cent of Total Number	
	1935 <sup>a</sup>	1929 <sup>b</sup>	1935	1929	1935 <sup>a</sup>	1929 <sup>b</sup>	1935	1929
	<i>(In Billions)</i>				<i>(In Thousands)</i>			
United States Total	\$44.7	\$68.9	100.0	100.0	177.2	169.7	100.0	100.0
Groceries and foods (except farm products)	8.0	11.7	18.0	16.9	22.1	21.7	12.5	12.8
Farm products—raw materials	5.8	11.7	12.9	17.0	19.5	29.6	11.0	17.5
Farm products—consumer goods	3.7	5.7	8.2	8.3	23.8	20.8	13.4	12.3
Petroleum and its products	3.0	3.2	6.7	4.7	28.2	23.0	15.9	13.6
Dry-goods	2.4	3.8	5.4	5.5	4.9	5.2	2.7	3.0
Machinery, equipment and supplies (except electrical)	2.2	3.1	5.0	4.4	13.5	11.8	7.6	7.0
Automotive products	2.2	2.3	4.8	3.3	7.1	4.6	4.0	2.7
Metals (except scrap)	1.7	4.4	3.9	6.4	1.9	2.3	1.1	1.3
Tobacco and its products (except leaf)	1.5	1.6	3.4	2.4	2.5	2.0	1.4	1.2
Clothing and furnishings	1.5	2.1	3.2	3.1	5.7	5.5	3.2	3.2
Electrical goods	1.1	2.4	2.5	3.5	3.8	3.8	2.1	2.3
Beer, wines, and liquors	1.1	"	2.4	"	6.0	"	3.4	"
Chemicals and paints	1.0	1.2	2.2	1.7	2.6	2.2	1.5	1.3
Lumber and building materials (other than metal)	.9	2.1	2.0	3.1	4.1	5.5	2.3	3.2
Coal and coke	.8	1.2	1.8	1.7	1.2	1.3	0.7	0.8
Paper and its products	.7	1.1	1.6	1.6	3.2	3.1	1.8	1.8
Drugs and drug sundries	.6	.8	1.4	1.1	2.0	1.7	1.1	1.0
Furniture and house furnishings	.5	1.0	1.0	1.4	2.8	3.0	1.6	1.7
Hardware	.5	.9	1.1	1.3	1.5	1.8	0.9	1.1
Farm supplies	.4	.9	1.0	1.3	2.3	2.0	1.3	1.2
Waste materials	.4	.5	1.0	0.8	4.9	4.0	2.8	2.4
General merchandise	.4	.6	1.0	0.9	.3	.4	0.2	0.2
Plumbing and heating equipment and supplies	.4	.8	0.9	1.2	2.7	2.8	1.5	1.6
Amusement and sporting goods	.4	.5	0.8	0.7	1.7	1.4	1.0	0.9
Jewelry and optical goods	.3	.5	0.6	0.7	2.2	2.4	1.2	1.4
All other products	1.3	2.9	3.0	4.2	6.2	7.2	3.5	4.2
Total, excepting chain store warehouses	42.8	67.0	95.8	97.2	176.7	169.1	99.7	99.7
Chain store warehouses <sup>d</sup>	1.9	1.9	4.2	2.8	.5	.6	0.3	0.3

a. Census of Business: 1935, *Wholesale Distribution*, Vol. V, pp. 27, 28.

b. Census of American Business: 1933, *Wholesale Distribution*, Vol. 1, pp. 2-1, 2-3. (These are revised figures for 1929.) Sales of chain store warehouses reported on p. 2-17 have been deducted from each classification to make the figures comparable with 1935.

c. Not available in 1929.

d. Census of Business: 1935, *Retail Chains*, p. 39.

TABLE I

PERCENTAGE OF MANUFACTURERS' SALES MADE THROUGH VARIOUS CHANNELS OF DISTRIBUTION, 1935 AND 1929<sup>a</sup>

Industry Group	Own Wholesale Branches		Wholesalers and Jobbers		Industrial Users		Retailers		Own Retail Stores		Household Consumers	
	1935	1929	1935	1929	1935	1929	1935	1929	1935	1929	1935	1929
All Industries	20.6	18.0	27.3	31.8	24.6	26.0	22.9	20.0	2.2	2.4	2.4	1.8
Petroleum and coal products	64.3	60.1	19.6	18.6	10.0	8.5	1.6	5.2	4.4	7.6	0.1	b
Rubber	43.0	41.7	15.9	16.1	29.3	25.9	9.0	15.6	2.7	0.5	0.1	0.2
Stone, clay, and glass products	28.5	4.9	18.8	49.8	31.6	36.3	16.9	6.2	0.3	0.1	4.1	2.7
Food and kindred products	21.5	24.6	28.5	31.6	7.9	6.9	33.2	29.2	3.8	5.2	5.1	4.5
Iron and steel and their products	21.3	5.9	13.4	34.1	59.8	55.8	4.8	3.9	0.3	0.3	0.4	b
Leather and its manufactures	20.4	21.5	16.7	25.0	18.4	14.5	41.6	35.1	2.7	3.7	0.2	0.4
Chemicals and allied products	20.2	12.2	31.0	39.1	30.9	35.5	15.3	12.7	0.3	0.5	2.3	2.0
Machinery	20.1	17.8	24.6	29.0	44.5	41.9	7.4	6.7	2.9	4.4	0.5	0.2
Transportation equipment	19.4	17.0	26.3	27.5	21.8	24.3	31.4	29.1	0.4	1.9	0.7	0.2
Nonferrous metals and their products	6.8	5.9	20.6	27.8	61.1	56.3	10.4	8.2	0.2	0.3	0.9	1.5
Forest products	5.9	4.5	27.1	30.2	32.0	38.8	29.6	24.5	1.3	1.2	4.1	0.8
Paper and allied products	5.8	3.8	32.4	39.1	54.9	51.8	6.8	5.3	..	..	0.1	b
Textiles and their products	4.8	5.8	15.3	22.4	16.9	13.0	55.3	50.8	5.1	4.6	2.6	3.4
Miscellaneous	4.4	5.9	72.6	67.0	6.6	9.0	13.9	14.8	0.6	0.6	1.9	2.7

a. Census of Business: 1935, *Distribution of Manufacturers' Sales*, p. 20. The table is limited to industries which are directly comparable in 1935 and 1929.

b. Less than one-tenth of one per cent.



**TABLE M**  
**OPERATING EXPENSES OF VARIOUS KINDS OF RETAIL BUSINESS,**  
**1935, 1933, AND 1929<sup>a</sup>**

(*As Per Cent of Net Sales*)

Kind of Business	Total Operating Expense			Wages and Salaries <sup>b</sup>		Rents		All Other Expenses	
	1935	1933	1929	1935	1929	1935	1929	1935	1929
United States Total	27.5	32.2	24.8	15.5	14.3	3.9	4.2	8.1	6.3
Restaurants, cafeterias, lunchrooms	52.0	51.0	39.9	24.9	24.2	6.8	7.1	20.3	8.6
Jewelry stores	41.9	53.5	35.5	22.2	19.4	6.6	6.8	13.1	9.3
Furniture stores	34.7	41.6	31.1	17.5	15.6	4.5	4.8	12.7	10.7
Women's ready-to-wear	31.1	35.1	29.1	15.3	14.3	6.2	6.2	9.6	8.6
Shoe stores	30.8	35.6	29.4	14.0	13.7	7.5	7.6	9.3	8.1
Men's clothing and furnishings	30.4	35.5	28.9	14.9	14.2	6.0	6.9	9.5	7.8
Department stores	29.2	32.7	28.4	14.2	14.3	3.0	2.8	12.0	11.3
Hardware stores	28.0	34.3	26.6	16.8	16.2	4.2	4.4	7.0	6.0
Drugstores	27.6	32.1	27.1	15.5	15.9	5.3	5.6	6.8	5.6
Variety stores	27.1	29.3	25.0	12.2	11.1	6.6	6.2	8.3	7.7
Cigar stores	27.0	32.4	31.4	15.1	18.2	7.7	9.3	4.2	3.9
Filling stations	26.4	32.5	23.8	17.3	15.3	5.0	5.4	4.1	3.1
Meat markets	24.9	30.8	19.6	15.3	12.4	3.6	3.2	6.0	4.0
Groceries (without meats)	20.1	24.4	17.4	13.0	10.9	2.8	2.8	4.3	3.7
Combination (groceries and meats)	18.4	21.4	16.1	10.8	10.0	2.3	2.3	5.3	3.8
Motor vehicle dealers (new)	16.3	21.4 <sup>c</sup>	17.7 <sup>c</sup>	9.3	9.6	1.2	1.7	5.8	6.4
General stores (with food)	15.9	19.9	13.6	10.5	9.1	1.6	1.5	3.8	3.0

a. Census of Business: 1935, *Retail Distribution*, Vol. V, pp. 14, 22; *Retail Operating Expense*, pp. 8, 16. Census of American Business: 1933, *Retail Distribution*, Vol. I, p. a-5. Census of Distribution for 1929, Vol. I, pp. 47, 51.

b. Includes compensation imputed to proprietors as well as expenses reported as payrolls.

c. Includes used-car dealers.

**TÁBLE N**  
**SALES AND EXPENSE RATIOS OF VARIOUS TYPES OF RETAIL OPERATION,**  
**1935, 1933, AND 1929<sup>a</sup>**

Type of Operation	Net Sales as Per Cent of Total Net Sales			Operating Expenses as Per Cent of Net Sales <sup>b</sup>		
	1935	1933	1929	1935	1933	1929
United States Total—all types	100.0	100.0	100.0	27.5	32.2	24.8
<b>Independents</b>	73.1	71.3	77.5	28.4	33.9	25.6
Single-store	65.2	...	64.1	28.7	...	26.4
Two-store	5.3	...	6.1	25.6	...	25.5
Three-store	2.3	...	2.6	25.9	...	26.3
Local-branch systems	0.3	...	0.1	32.4	...	28.2
Retailers-country buyers	...	...	3.6	...	...	14.4
Retailers-wholesalers	...	...	1.0	...	...	17.5
<b>Chains</b>	22.8	25.4	20.0	25.0	27.2	23.3
Sectional and national	19.3	...	12.5	24.0	...	22.6
Local	3.1	...	6.7	29.6	...	23.5
Manufacturer-controlled	0.4	...	0.8	39.5	...	31.6
<b>All other types</b>	4.1	3.3	2.5	26.2	31.9	25.8
Mail-order houses	1.3	1.0	1.1	25.4	28.1	23.4
State liquor stores	0.5	...	...	8.3	...	...
Utility-operated stores	0.4	0.3	0.3	35.6	40.0	29.1
Direct selling (house-to-house)	0.4	0.4	0.2	45.7	44.4	46.0
Leased departments, chain	0.3	...	0.3	34.2	...	39.9
Commissaries and company stores	0.3	0.4	0.2	14.9	15.5	11.7
Leased departments, independent	0.1	...	0.1	31.4	...	32.5
Other types	0.8	1.2 <sup>c</sup>	0.3	25.2	30.5 <sup>c</sup>	15.7

a. Census of Business: 1935, *Retail Distribution*, Vol. IV, p. 13; Vol. V, p. 14; Census of American Business: 1933, *Retail Distribution*, Vol. I, p. a-12; Census of Distribution for 1929, Vol. I, p. 68.

b. Operating expenses include imputed compensation of proprietors and firm members computed on basis of average annual earnings per full-time employee for all types of operation. Data are available for both 1929 and 1933 by which it is possible to compute the proprietors' compensation for the individual types of operation, but since the 1935 figures do not permit of this, general averages were used for all three years. The average annual earnings in 1935 were based on the average weekly wage for all kinds of business for a representative week.

c. Includes "Leased departments, independent," and "Leased departments, chain" which were reported separately in 1929 and 1933.

Note: Blank spaces denote that data were not available for comparison with 1935 figures.

TABLE O  
OPERATING EXPENSES AND AVERAGE ANNUAL SALES PER STORE IN CITIES OF VARIOUS SIZES, 1929<sup>a</sup>

Kind of Business	Operating Expenses as Per Cent of Net Sales								
	Exclusive of Proprietors' Compensation						Average Annual Sales Per Store		
	Cities with Population of: More than 30,000			Cities with Population of: 10,000 to 30,000			Cities with Population of: More than 30,000		
	More than 30,000	10,000 to 30,000	Less than 10,000	More than 30,000	10,000 to 30,000	Less than 10,000	More than 30,000	10,000 to 30,000	Less than 10,000
All Groups	24.7	20.3	14.5	27.7	23.7	20.2	\$41,707	\$35,266	\$21,345
Restaurants and eating places	36.7	31.5	26.8	41.2	34.0	37.2	22,994	14,463	7,559
Furniture and household group	31.9	28.3	21.4	33.9	31.4	27.1	69,228	41,937	21,413
Jewelry stores	30.3	28.7	21.7	34.9	37.2	36.7	40,967	20,576	9,136
Apparel group	29.0	23.7	17.8	31.6	27.6	25.0	46,465	29,458	17,281
General merchandise group	27.9	23.3	18.4	28.4	24.0	20.9	218,808	94,567	36,839
Lumber and building group	26.8	24.5	18.5	29.0	27.1	21.6	64,306	52,844	38,633
Drug stores	25.0	23.0	18.5	28.3	26.8	24.7	34,689	34,990	20,776
Hardware stores	23.1	22.7	17.5	28.5	25.7	24.0	28,807	45,198	23,633
Automotive group	21.5	18.1	15.3	23.6	20.6	17.5	60,522	52,050	22,828
Food group	15.9	13.9	12.0	21.0	18.4	18.6	24,886	25,921	17,672
General stores	11.8	11.3	8.9	15.9	15.1	13.8	21,046	28,775	24,710

a. Derived from Census of Distribution for 1929, Vol. I, pp. 969, 972, 975.

**TABLE P**  
**AVERAGE WEEKLY WAGES OF FULL-TIME EMPLOYEES IN CHAIN STORES AND ALL TYPES OF STORES<sup>a</sup>**  
 (Based on Census Sample for Week of October 26, 1935)

Kind of Business	Total Full-time Employees				Selling Employees			
	All Type Stores <sup>b</sup>		Chain Stores		All Type Stores <sup>b</sup>		Chain Stores	
	Number of Employees	Average Weekly Wage	Number of Employees	Average Weekly Wage	Number of Employees	Average Weekly Wage	Number of Employees	Average Weekly Wage
United States Total	2,641,041	\$19.56	137,563	\$23.80	1,230,132	\$19.65	84,983	\$23.65
Accessories, tire, battery	37,273	23.61	1,443	27.88	16,010	25.11	965	25.88
Cigar stores	10,691	19.20	632	25.04	7,787	19.96	497	23.00
Department stores	270,284	21.24	3,201	23.59	123,218	18.39	1,858	21.63
Drug (with fountain)	77,612	18.43	11,496	21.03	48,974	19.36	7,085	23.58
Drug (without fountain)	21,836	21.27	499	24.66	15,339	21.57	256	22.95
Filling stations	142,920	17.37	11,044	35.52	116,267	17.34	9,074	35.21
Food stores	451,345	19.66	40,345	25.09	324,014	20.26	34,972	24.58
Candy and confectionery	22,974	14.08	1,302	19.26	11,845	14.50	702	16.90
Combination stores	206,996	18.92	28,711	25.88	163,341	19.54	26,804	25.76
Dairy products and milk	55,358	28.05	2,805	29.48	28,634	31.17	858	22.73
Grocery (without meats)	88,397	18.05	5,540	21.03	69,788	18.70	5,339	20.68
Meat markets	32,627	21.89	930	26.60	22,604	23.04	619	26.63
Fuel and ice dealers	46,009	23.71	3,644	33.34	7,174	22.28	720	38.64
Furniture	59,437	25.61	3,149	26.76	21,665	25.65	875	30.24
Household appliance and radio	36,474	23.78	3,251	29.03	22,384	23.32	2,175	27.90
Jewelry stores	18,935	28.76	632	30.06	8,934	26.92	188	32.58
Lumber and building materials	59,050	25.14	2,881	28.79	11,738	24.96	1,111	29.38
Men's stores	40,537	26.84	815	32.27	24,385	24.67	448	32.10
Millinery	11,426	18.11	748	18.51	9,333	17.41	647	16.02
Motor-vehicle dealers (new)	226,895	24.90	2,844	28.93	64,570	25.86	776	31.19
Restaurants and cafeterias	369,639	13.06	16,789	15.16	29,760	15.07	1,670	14.72
Shoe	29,969	24.15	3,496	26.79	23,782	23.01	2,873	24.27
Variety	57,761	13.55	20,783	18.98	42,105	12.16	13,998	12.98
Women's specialty	73,638	20.49	1,038	24.73	46,655	17.82	678	20.19

a. Census of Business: 1935, *Retail Distribution*, Vol. V, pp.

b. Including employees of chains.

**TABLE Q**  
**STOCK-TURN COMPARED WITH EXPENSE RATIOS FOR CHAINS AND ALL**  
**OTHER TYPES OF STORES FOR VARIOUS KINDS OF BUSINESS, 1935**

Kind of Business	Total Sales <sup>a</sup>	Stocks on Hand at End of Year <sup>a</sup>	Stock-Turn: Total Sales Divided by Stocks at End of Year	Total Expenses as Per Cent of Net Sales <sup>b</sup>
<i>(In Millions)</i>				
U.S. Total	\$33,161	\$4,298	7.7	27.5
Chains	8,461	860	9.8	25.0
All others	24,700	3,438	7.2	28.3
Groceries (without meats)	2,203	192	11.5	20.0
Chains	300	19	15.8	15.6
All others	1,903	173	11.0	22.8
Combination stores (groceries and meats)	4,150	258	16.1	18.4
Chains	2,184	113	19.4	17.5
All others	1,966	145	13.5	19.0
Department stores	3,311	495	6.7	29.2
Chains	1,216	197	6.2	24.7
All others	2,095	298	7.0	30.9
Variety stores	781	106	7.4	27.2
Chains	701	90	7.8	27.2
All others	80	16	4.9	26.5
Women's ready-to-wear	795	108	7.4	31.1
Chains	210	19	11.0	28.8
All others	585	89	6.6	31.8
Shoe stores	511	128	4.0	30.8
Chains	283	51	5.5	29.6
All others	228	77	3.0	32.0
Drugs (with fountain)	950	194	4.9	27.6
Chains	257	30	8.6	26.1
All others	693	164	4.2	28.1
Filling stations	1,968	74	26.8	26.4
Chains	453	15	28.7	29.9
All others	1,535	59	26.3	25.4

a. Census of Business: 1935, *Retail Distribution*, Vol. I, p. 2-28; *Retail Chains*, pp. 33-37.

b. From Table 17.

Note: "All other" stores are composed largely of independents.

**TABLE R**  
**NET SALES AND OPERATING EXPENSES OF VARIOUS TYPES OF INTER-**  
**MEDIARY ESTABLISHMENTS, 1935, 1933, AND 1929<sup>a</sup>**

Type of Establishment	Net Sales			Operating Expenses as Per Cent of Net Sales		
	1935	1933	1929 <sup>b</sup>	1935	1933	1929 <sup>b</sup>
	(In Millions)					
United States Total	\$44,667	\$32,151	\$68,950	9.5	11.5	8.9
Wholesalers proper	17,662	12,997	29,288	12.6	15.0	11.7
Wholesale merchants	14,372	11,303	25,371	13.2	15.8	...
Importers	1,068	776	1,809	9.2	10.5	...
Exporters	571	558	1,508	9.1	6.1	...
Industrial distributors	445	...	...	16.4	...	...
Drop shippers or desk jobbers	366	...	...	6.6	...	...
Converters	284	...	...	8.8	...	...
Wagon distributors	213	...	...	14.6	...	...
Retailer-cooperative warehouses	153	...	...	5.9	...	...
Voluntary-group wholesalers	101	...	...	8.9	...	...
Cash-and-carry wholesalers	74	...	...	4.1	...	...
Mail-order wholesalers	14	...	...	21.4	...	...
Manufacturers' sales branches	11,066	7,557	16,336	10.1	12.5	9.8
With stocks	7,446	5,145	...	11.8	14.9	...
Without stocks	3,620	2,413	...	6.6	7.4	...
Agents and brokers	8,908	6,502	14,257	2.9	3.2	3.2
Brokers	2,890	2,088	4,038	1.3	1.7	...
Commission merchants	2,662	2,225	4,695	2.5	3.2	...
Selling agents	1,440	988	2,623	4.4	4.2	...
Manufacturers' agents	769	574	1,775	5.7	6.8	...
Other agents, including export and import	1,147	627	1,126	3.7	3.4	...
Bulk-tank stations (petroleum)	2,704	1,889	2,390	14.5	19.7	11.3
Assemblers and country buyers	2,463	1,774	4,749	6.7	9.8	4.5
Cooperative marketing associations	956	686	1,458	6.5	9.6	...
Assemblers of farm products	646	719	2,304	5.1	10.8	...
Elevators	600	338	987	5.0	7.5	...
Packers and shippers	231	...	...	1.8	...	...
Cream stations	30	31	...	3.3	15.6	...
Chain store warehouses	1,864	1,432	1,930	4.1	4.5	4.3

a. Census of Business: 1935, *Wholesale Distribution*, Vol. I, p. 56; *Retail Chains*, p. 13; Census of American Business: 1933, *Wholesale Distribution*, Vol. I, p. a-1.  
b. These are revised figures for 1929. The data previously issued included a number of concerns dealing in grain and petroleum and its products that were erroneously reported and classified in the Wholesale Census.

Note: Blank spaces denote that data were not available for comparison with 1935 figures.

**TABLE 5**  
**OPERATING EXPENSES OF WHOLESALE MERCHANTS AND DISTRIBUTORS**  
**IN VARIOUS KINDS OF BUSINESS, 1935<sup>a</sup>**

Kind of Business	Operating Expenses as Per Cent of Net Sales							Number of Establishments	Net Sales
	Total	Selling	Administrative	Occupancy	Warehouse	Delivery	Other		
<b>Total—34 kinds of business</b>	<b>12.1</b>	<b>3.6</b>	<b>3.3</b>	<b>1.4</b>	<b>1.3</b>	<b>1.2</b>	<b>1.3</b>	<b>8,200</b>	<b>\$4,564,916</b>
Automotive equipment	25.2	8.4	7.8	3.0	2.3	1.3	2.4	514	122,407
Books, periodicals, newspapers	21.6	7.3	7.1	1.7	1.8	2.7	1.0	68	20,586
Auto tires and tubes	21.1	7.0	6.1	2.3	1.3	1.9	2.0	76	18,969
Furniture	20.7	6.5	6.5	2.8	1.9	1.2	1.8	62	18,391
Builders' supplies	19.4	4.0	5.6	2.8	2.7	2.4	1.9	95	26,461
Industrial equipment and supplies	18.7	6.3	5.6	2.1	1.9	1.1	1.7	102	54,122
Plumbing and heating equipment	18.7	4.6	6.0	2.4	2.0	1.2	2.5	206	64,218
Electrical household appliances	18.6	9.4	4.6	1.3	.9	.8	1.6	250	187,545
Iron and steel (except structural)	18.5	4.5	6.4	2.3	2.3	1.8	1.2	105	40,911
Hardware	17.7	5.8	5.6	2.1	2.1	.8	1.3	326	257,316
Jewelry	17.2	6.3	6.2	1.8	.4	.4	2.1	65	27,578
Dairy products	15.2	3.2	2.7	2.4	1.6	3.8	1.5	309	186,053
Dry-goods	14.7	5.4	3.9	1.6	1.2	.6	2.0	146	135,312
Electrical merchandise (except appliances)	14.6	4.9	4.7	1.6	1.7	.7	1.0	421	187,773
Petroleum and products	14.2	4.2	4.1	1.7	1.1	1.8	1.3	97	54,350
Clothing and furnishings	13.9	5.4	4.7	1.4	.5	.7	1.2	108	34,208
Shoes and footwear	13.9	5.8	4.1	1.0	.8	.8	1.4	146	87,010
Drugs	13.6	3.4	4.7	1.0	2.0	.7	1.8	194	238,006
Leather and leather goods	12.3	3.7	4.1	1.6	.9	.9	1.1	127	44,122
Meat and products	11.3	2.3	2.8	1.6	1.4	1.3	1.9	643	278,714
Fruits and vegetables (fresh)	11.0	2.2	2.6	1.4	1.4	2.3	1.1	1,379	523,277
Groceries	9.3	2.5	2.4	1.0	1.3	1.1	1.0	1,837	1,260,377
Automobiles	9.0	3.5	2.3	1.5	.6	.2	.9	163	206,966
Tobacco and products (except leaf)	5.2	1.6	1.5	.5	.5	.5	.6	740	490,244

a. Census of Business: 1935, *Wholesale Distributors*, Vol. VI, Table 5. These are combined figures for wholesale merchants and industrial distributors having sales of more than \$100,000.

**TABLE T**  
**OPERATING EXPENSES OF WHOLESALE MERCHANTS AND DISTRIBUTORS**  
**FOR SEVEN SELECTED KINDS OF BUSINESS BY SIZE-GROUPS, 1935<sup>a</sup>**  
*(In Per Cent of Net Sales)*

Size of Business (Annual Net Sales)	Kind of Business						
	Drugs	Hard- ware	Furni- ture	Elect- rical Goods	Groceries and Foods	Dry- Goods	Cloth- ing
Under \$10,000	29.7	27.5	26.0	25.3	19.5	18.4	17.7
\$10,000 to \$49,999	25.7	22.8	24.0	24.0	16.9	16.7	15.8
\$50,000 to \$99,999	22.9	24.1	21.4	22.5	14.4	16.1	15.0
\$100,000 to \$199,999	21.5	21.2	19.7	19.3	12.6	15.2	13.9
\$200,000 to \$299,999	19.4	19.7	18.1	17.9	10.6	14.8	14.4
\$300,000 to \$499,999	17.9	18.6	16.4	16.4	9.5	13.7	12.9
\$500,000 to \$999,999	15.8	17.7	14.6	16.8	9.7	12.5	13.8
\$1,000,000 to \$1,999,999	13.0	17.1	14.1	16.8	9.9	12.1	12.9
\$2,000,000 and over	13.2	17.5	14.9	15.9	11.1	12.7	12.2

a. Census of Business: 1935, *Wholesale Distribution*, Vol. VI, p. 32.



TABLE U  
 DISTRIBUTION COSTS OF 312 MANUFACTURERS, 1931<sup>a</sup>  
 (In Per Cent of Net Sales)

	Total	Direct Selling Costs	Adver- tising and Pro- motion	Transpor- tation and Ware- housing	Credit and Finan- cial	Adminis- tration and Other
<b>Consumer products</b>						
Drugs and toilet articles	38.8	11.3	18.4	3.7	2.6	2.8
Paints and varnishes	38.6	17.1	7.5	5.5	4.1	4.4
Furniture	33.1	14.8	6.1	5.1	4.0	3.1
Heating equipment	32.9	15.8	7.9	3.1	1.8	4.3
Office equipment and supplies	32.2	21.3	3.2	3.0	2.4	2.3
Confections and bottled beverages	31.6	11.5	6.7	6.8	3.3	3.3
Petroleum products	31.0	10.9	6.0	7.8	1.0	5.3
Jewelry and silverware	28.7	11.5	6.3	0.8	5.6	4.5
Grocery products	27.1	11.1	6.2	6.0	2.3	1.5
Household appliances	26.5	12.8	6.8	1.4	1.7	3.8
Automotive	24.7	12.9	4.0	2.9	2.9	2.0
Clothing	22.6	11.2	3.7	1.1	3.7	2.9
Home furnishings	21.7	12.4	2.9	2.0	3.0	1.4
Shoes	21.2	8.7	3.7	2.2	4.2	2.4
Hardware	18.9	9.1	2.2	1.9	3.2	2.5
Agricultural supplies	18.4	8.2	1.6	4.8	2.6	1.2
Tobacco products	18.3	3.2	8.2	1.1	3.8	2.0
Sporting goods	18.2	8.4	3.6	1.9	3.6	0.7
Radio equipment	16.5	5.4	5.3	1.4	2.6	1.8
<b>Industrial products</b>						
Machinery and tools	25.8	14.6	4.4	1.8	2.3	2.7
Building materials	23.7	11.8	3.0	2.4	4.7	1.8
Stone, clay, and glass	21.7	10.0	3.1	2.7	3.1	2.8
Paper products	20.4	9.4	2.5	3.6	2.0	2.9
Chemicals and allied products	19.9	10.6	1.2	4.0	2.9	1.2
Electrical equipment	19.7	12.0	3.0	1.9	1.7	1.1
Iron and steel	19.0	9.0	2.0	1.9	2.8	3.3
Nonferrous metals	18.5	10.2	1.1	2.4	2.2	2.6
Transportation equip- ment	15.5	8.8	1.7	2.1	1.9	1.0
Textiles	9.2	5.1	1.3	0.7	1.5	0.6

a. *An Analysis of the Distribution Costs of 312 Manufacturers*, Association of National Advertisers and the National Association of Cost Accountants, New York, 1933, pp. 64, 106.

## INDEX

- ADMINISTRATIVE EXPENSE**, *see* Manufacturers' distribution; various lines of trade
- Advertising**, 20, 286, 287, 288, 303 ff., 376; costs, 225 ff.; *see also* Department stores; Manufacturers' distribution; Price spreads
- Agents and brokers**, 106, 174, 197, 391; *see also* Intermediary trade
- Agricultural Adjustment Administration**, 276, 313; Consumers' Counsel Division of, 313
- Agricultural supplies, intermediary trade in**, 108, 384; manufacturers' distribution of, 201, 394; retail trade in, 75, 80, 383
- Agriculture and agricultural products**, 62, 371; gainful workers in, 10, 377; intermediary trade in, 103, 108, 176, 384; *see also* Food products, unprocessed; Retail trade
- American Association of Purchasing Agents**, cited, 119
- American Can Co.**, 267
- American Column and Lumber Co., et al. v. U. S.**, 264
- American Industrial Bankers Association**, 236
- American Investment Company of Illinois**, 234
- American Management Association**, 235, 328, 329, 330; Marketing Conference, 328, 330
- American Marketing Association**, 4, 293, 305
- American Newspaper Publishers Association**, 376
- American Standards Association**, 313
- American Stores Co.**, 97
- Anti-trust laws**, 249 ff., 259 ff.
- Appalachian Coals, Inc., et al. v. U. S.**, 262
- Apparel**, *see* Clothing, etc.
- Arrow Hart & Hegeman Electric Co. v. Federal Trade Commission**, 259
- Assemblers and country buyers**, 106, 174, 197, 391; *see also* Intermediary trade
- Associated Business Papers, Inc.**, 376
- Associated Merchandising Corporation**, cited, 163
- Association of National Advertisers, Inc.**, 200, 205, 306, 372, 374, 394
- Automobiles and automotive equipment**, 52 ff., 145; intermediary trade in, 103, 108, 172, 187, 384, 392; manufacturers' distribution of, 201, 206, 394; retail trade in, 75, 80, 130, 143, 147, 149, 382, 386, 388, 389
- Axias [Achtziabs]**, *see* Consumers' credit
- BECKMAN, THEODORE N.**, cited, 101, 208
- Been, Richard O., jr.**, cited, 31, 379
- Beneficial Industrial Loan Corporation**, 234
- Better Business Bureau**, 291
- Beverages (alcoholic), intermediary trade in**, 103, 108, 384; retail trade in, 80; *see also* State liquor stores
- Beverages (non-alcoholic)**, 206; *see also* Candy, etc.
- Biddle Purchasing Co.**, 269
- Bloomfield, Daniel**, cited, 309
- Boer, A. E.**, cited, 321
- Books, periodicals, newspapers, etc.**, 114; intermediary trade in, 187, 392; manufacturers' distribution of, 204; retail trade in, 145; *see also* Industrial goods, etc.
- Borah-Van Nuys Act**, 245, 251, 252
- Boston Conference on Distribution**, 4, 163, 204, 294
- Brands**, 301 ff.
- Brill Co., Inc., H. C.**, 269
- Brokers**, *see* Agents, etc.
- Brookings Institution**, cited, 214, 329
- Budget and expenditure studies, recommendations of Committee on**, 354
- Building and loan, share loans, *see* Consumers' credit**
- Building materials**, *see* Lumber, etc.
- Bulk-tank stations**, 106, 174, 197, 391; *see also* Intermediary trade
- Burgess, George K.**, cited, 301
- Business size, laws against**, 257 ff.
- Busterick Co. v. Federal Trade Commission**, 259
- Buying clubs**, *see* Consumer cooperatives
- CALIFORNIA "FAIR TRADE" LAW**, 272, 273
- California Pharmaceutical Association**, 275
- Candy, confectionery, etc.**, 39 ff.; manufacturers' distribution of, 201, 206, 394; retail trade in, 145, 382, 389
- Capper-Kelly bills**, 273

- Captive markets, 112 f.
- Cash-and-carry wholesalers, 106, 174, 391; *see also* Intermediary trade
- Caskets and coffins, transportation charges for, 212
- Cates, Dudley, cited, 235
- Cement Manufacturers' Protective Association v. U. S.*, 264
- Census: of American Business; of Business; of Distribution; of Manufacturers; of Population; *passim*
- Cereal products, 32 ff.
- Chains, cooperative and voluntary, 85 ff., 106, 174, 181 f., 391; *see also* Food, etc.; Intermediary trade; Retailer-cooperatives; Retail trade
- Chains, corporate, 81 ff., 154 ff.; costs, 135, 138 f., 147, 155, 387, 390; leased departments, 135, 387; taxes, 245, 253 f., 277 ff., 363; wages, 389; warehouses, 103, 106, 174, 178 f., 194, 197, 384, 391; *see also* Food, etc.; Intermediary trade; Retail trade
- Chemicals, paints and allied products, 114; intermediary trade in, 103, 108, 384; manufacturers' distribution of, 109, 201, 204, 206, 385, 394; *see also* Industrial goods, etc.; Retail trade
- Chesapeake and Ohio Railroad, 221, 222
- Chester, C. M., cited, 295
- China and household utensils, 212
- Cigarettes, *see* Cigars, etc.
- Cigars, cigarettes and tobacco, 47 ff., 195; advertising, 227 f.; intermediary trade in, 103, 108, 172, 187, 384, 392; manufacturers' distribution of, 201, 394; retail trade in, 80, 130, 147, 149, 383, 386, 389
- Clayton Act, 245, 250, 251, 252, 255, 259, 261, 267, 268
- Clerical occupations, gainful workers in, 10, 377
- Clothing, apparel and furnishings, 40 ff.; intermediary trade in, 103, 176, 187, 191, 384, 392, 393; manufacturers' distribution of, 201, 206, 394; retail trade in, 75, 143, 382, 388. Coats and suits, 206. Dresses, 43 ff., 206. Family clothing, retail trade in, 80, 145, 147, 149, 382. Hats and millinery, 41 f., 389. Hosiery, 206. Knitted underwear, 206. Men's and boys', intermediary trade in, 80; retail trade in, 130, 139, 145, 147, 149, 382, 386, 389. Women's ready-to-wear and speciality, retail trade in, 80, 130, 139, 145, 147, 149, 155, 382, 386, 389, 390. *See also* Shoes, etc.
- Coal, *see* Fuel products, etc.
- Coats and suits, *see* Clothing, etc.
- Coke, *see* Fuel products, etc.
- Combination stores, *see* Food, etc.
- Commercial bribery, 289 ff.
- Commercial Investment Trust Company, 235
- Commissaries and company stores, 135, 147, 387; *see also* Retail trade
- Commission merchants, 106, 174, 197, 391; *see also* Intermediary trade
- Committee on Distribution, conclusions and recommendations of, 333 ff.
- Committee on Elimination of Waste in Industry, 4
- Competition in distribution, 297 ff., 338 ff., 362 ff.; *see also* Distribution
- Conclusions and recommendations of the Committee on Distribution, 333 ff.
- Consumer cooperatives, 88 ff., 383
- Consumer cooperatives and group buying agencies, recommendations of Committee on, 352 f.
- Consumer Credit Institute of America, Inc., 256
- Consumer information, 309 ff.; recommendations of Committee on, 349 f.
- Consumer knowledge, recommendations of Committee on, 349 ff.
- Consumer problems, development of courses in, recommendations of Committee on, 354
- Consumer products, 201, 206, 394
- Consumer-Retailer Relations Council, 314
- Consumers, 62, 306 ff., 338 ff.; *see also* Competition in distribution
- Consumers' credit, amounts, rates and costs of, 233 ff.; Axias, 236, 241; building and loan association share loans, 236; commercial banks, 236, 238 f.; credit unions, 236, 241; effects on distribution, 242 ff.; industrial banks, 236, 239; instalment, 236, 237, 376; life insurance policy loans, 236; pawnshops, etc., 236, 240 f.; personal finance companies, 236, 240; remedial loan associations, 236; retail open account, 236, 237 f.; savings banks, 236
- Consumer's dollar, *see* Price spreads
- Consumers' Guide*, cited, 36, 39, 313, 350
- Consumer's Research, Inc., 314
- Consumers Union of U. S., Inc., 314
- Converse, Paul D., cited, 34, 248
- Converters, 106, 174, 391; *see also* Intermediary trade
- Cooperative Distributors, Inc., 314
- Cooperative marketing associations, 106, 174, 391; *see also* Intermediary trade

- Cooperative-retailers, *see* Chains, cooperative and voluntary
- Cooperatives, consumer, *see* Consumer cooperatives
- Copeland Bill, 287
- Corbaley, Gordon C., cited, 86, 88
- Cosmetics, *see* Drugs, etc.
- Costs of distribution, *see* Price spreads
- Cotton cloth, *see* Textile products
- Council of State Governments, 280, 281, 282
- Country general stores, 145, 383; *see also* Retail trade
- Cream stations, 106, 174, 391; *see also* Intermediary trade
- Credit, 229 ff.; *see also* Consumers' credit; Distribution; Intermediary trade
- Credit unions, *see* Consumers' credit
- DAIRY PRODUCTS, intermediary trade in, 187, 392; retail trade in, 382, 389; *see also* Milk
- Dennison Manufacturing Co., 317, 318, 320
- Department stores, 80, 160, 382, 389; American vs. foreign, 162 ff.; costs, 130, 139, 147, 149, 153, 155, 159 ff., 386, 390; profits, 160; *see also* Chains, corporate; Retail trade
- Dipman, Carl W., cited, 99
- Discriminatory laws, recommendations of Committee on, 363 f.
- Distribution, channels of, *see* Flow of goods; government regulation of, 245 ff., 255 ff., 264 ff.; nature and problems of, 3-22, 69 ff., 246 ff., 318 ff., 325 ff., 340 f., 342 ff.
- Distribution cost accounting, recommendations of Committee on, 355 f.
- Distribution costs, 7, 116 ff., 123 ff., 210 ff., 292 ff., 353 ff.; and consumer, 306 ff. Factors in, credit, 229 ff.; duplication of sales efforts, 297 f.; inefficiency, 314 ff.; unethical practices, 282 ff.; unfair competitive methods, 283; variety, 307 f. *See also* Intermediary trade; Manufacturers' distribution; Primary producers', etc.; Retail trade
- Distribution costs, studies of methods and results, recommendations of Committee on, 358 ff.
- Distribution profits, 120 ff., 333 ff.
- Dr. Miles Medical Co. v. John D. Park & Sons Co.*, 272
- Dresses, *see* Clothing, etc.
- Drinking places, 80; *see also* Retail trade
- Drop shippers or desk jobbers, 106, 174, 391; *see also* Intermediary trade
- Drug products, manufacturers' discounts, 195
- Drugs, sundries, cosmetics, etc., advertising, 228 f.; intermediary trade in, 103, 108, 172, 177, 184 f., 187, 191, 384, 392, 393; manufacturers' distribution of, 201, 206, 394; medicinal products, 49, 50, 51, 206; retail trade in, 75, 80, 130, 139, 143, 145, 147, 149, 155, 383, 386, 388, 389, 390
- Drug Trade Credit Exchange of Chicago, cited, 275
- Dry-goods, intermediary trade in, 103, 108, 172, 176, 187, 191, 384, 392, 393; retail trade in, 145
- Dun & Bradstreet, Inc., 121, 122, 144, 145, 156, 161, 165, 168, 169, 180, 188, 190, 192, 193, 196, 197, 198
- Dun's Review*, 274
- EASTMAN, JOSEPH B., cited, 213
- Editorial Research Reports*, cited, 281
- Efficiency in production, 123 ff.
- Elder, Robert F., cited, 320
- Electrical equipment, machinery, supplies, appliances, etc., intermediary trade in, 103, 108, 177, 187, 191, 384, 392, 393; manufacturers' distribution of, 201, 206, 394; refrigerators, 51 f.; retail trade in, 145; *see also* Radios, etc.
- Electric railway freight, *see* Transportation
- Electric railways, traffic of, 213
- Elevators (grain, etc.), 106, 174, 391; *see also* Intermediary trade
- Engle, Nathanael H., cited, 101, 204
- Erie Barge Canal, 221, 222
- Erie Railroad, 221
- Exporters, 106, 174, 197, 391; *see also* Intermediary trade
- Exports, 62
- Extractive industries, products of, 62
- FAIRCHILD'S FINANCIAL MANUAL, 121, 122
- Fair trade laws, 245
- Farm Credit Administration, 236
- Farmers, price received by, 26, 379; *see also* Food products, unprocessed; Price spreads
- Farmers' distribution, 208 f.
- Farm and farmers' supplies, *see* Agricultural supplies
- Farm products, *see* Agriculture, etc.; Food, etc.
- Farrell, A. C., cited, 318
- Federal Coordinator of Transportation, 213 ff.
- Federal Reserve Bank of New York, 379

- Federal Trade Commission, *passim*  
*Federal Trade Commission*  
 v. *Curtis Publishing Co.*, 285  
 v. *Gratz, et al.*, 259, 284  
 v. *R. F. Keppel and Bro. Inc.*, 284  
 v. *Klainer*, 285  
 v. *Reladum Co.*, 284
- Federal Trade Commission Act, 245, 249, 250, 255, 259, 261, 268, 271, 284, 287
- Federal Wholesale Druggists Association, 275
- Feldman, George J., 283
- Filene, Edward A., cited, 124
- Filling stations, *see* Gasoline filling stations, etc.
- Fishing and trapping, 372
- Flour, manufacturers' distribution of, 206
- Flow of goods, 58 ff.; chart, 59 ff., 371 ff., inside back cover
- Flynn, John T., cited, 290
- Food and Drug Act, 287
- Food and Drug Administration, 287
- Food, Drugs and Cosmetics Act, 312
- Food, grocery products, meats, etc., combination stores (groceries and meats), 80, 130, 139, 145, 147, 149, 155, 382, 386, 389, 390; intermediary trade in, 103, 108, 172, 176, 180 ff., 187, 191, 384, 392, 393; manufacturers' distribution of, 109, 195, 201, 204, 206, 385, 394; retail trade in, 75, 80, 95 ff., 130, 139, 143, 145, 147, 149, 153, 155, 156 ff., 180 f., 382, 386, 388, 389, 390; *see also* Food products
- Food products, 114; processed, 26, 29 ff., 379; unprocessed, 25 ff., 30, 212, 379, 380; *see also* Food, etc.; Industrial goods, etc.; Price spreads
- Ford Motor Company, 113
- Forest products, *see* Lumber, etc.
- Forestry and fishing, 372, 377
- Fortune, cited, 224
- Foster, Le Baton R., cited, 236
- Fourteenth Amendment, 278
- Francis, Clarence, cited, 293, 305
- Frankfurter, Felix, 282
- Fraud and misrepresentation, recommendations of Committee on elimination of, 350 f.
- Frederick, J. George, cited, 295
- Fruits and vegetables, *see* Food products, unprocessed; Price spreads
- Fuel products and ice, 114; intermediary trade in, 103, 108, 172, 187, 384, 392; manufacturers' distribution of, 109, 201, 204, 206, 385, 394; retail trade in, 80, 145, 383, 389; *see also* Gasoline, etc.; Industrial goods, etc.
- Furniture and house furnishings, 212; intermediary trade in, 103, 108, 172, 187, 191, 384, 392, 393; manufacturers' distribution of, 201, 206, 394; retail trade in, 75, 80, 130, 139, 143, 145, 147, 149, 383, 386, 388, 389; *see also* Household appliances
- GABLER, WERNER K., cited, 154
- Gas (natural), distribution of, 376
- Gasoline filling stations and garages, 56, 80, 130, 139, 145, 147, 149, 155, 382, 383, 386, 389, 390
- Gasoline and petroleum products, 54 ff.; *see also* Bulk-tank stations; Gasoline filling stations, etc.
- General Foods Corporation, 293, 305
- General merchandise and general stores, intermediary trade in, 384; retail trade in, 75, 130, 143, 382, 386, 388
- George Van Camp and Sons Co. v. American Can Co., et al.*, 267
- Goode, Kenneth, 295
- Goods produced and distributed, per capita volume, 14, 379; workers and population, 12, 379
- Goodyear Tire and Rubber Co., 54, 267
- Government regulation of distribution, *see* Distribution
- Great Atlantic and Pacific Tea Co., 97
- Great Atlantic and Pacific Tea Co., et al. v. Grosjean, et al.*, 278
- Greer, Howard, cited, 31
- Grether, E. T., cited, 274
- Groceries and meats, *see* Food, etc.
- Guffey Coal Act, 276
- HALL, F. K., cited, 324
- Hall, John, cited, 319
- Hardware, intermediary trade in, 103, 108, 177, 187, 191, 384, 392, 393; manufacturers' distribution of, 201, 206, 394; retail trade in, 80, 130, 143, 145, 147, 149, 153, 165 ff., 382, 386, 388; *see also* Lumber, etc.
- Hardware Retailer*, 153, 165
- Harvard Bureau of Business Research, 121, 124, 132, 153, 159, 160, 161, 162, 163, 180, 188, 306, 308
- Hats, *see* Clothing, etc.
- Hay, grain, and feed, 80
- Heating, *see* Plumbing, etc.
- Heikamp, Frederick B., cited, 329, 330
- Henry v. A. B. Dick Co.*, 259
- Hirsch, Julius, cited, 74, 125, 163
- Hoisington, F. R., jr., cited, 233
- Holeproof Hosiery Co., 308
- Holthausen, Duncan, cited, 274, 275
- Home furnishings, *see* Furniture, etc.
- Hosiery, *see* Clothing, etc.

- Household appliances, manufacturers' distribution of, 201, 394; retail trade in, 80, 147, 149, 383, 389; *see also* Furniture, etc.; Radios, etc.
- Household Finance Corporation, 233 f.
- House-to-house selling, 135, 147, 387; *see also* Retail trade
- Hudson's Bay Company, 81
- Hughes, C. E., cited, 319
- ILLINOIS FAIR TRADE LAW, 272
- Importers, 106, 174, 197, 391; *see also* Intermediary trade
- Imports, 62, 371, 372
- Increments of value, 62, 65 ff.
- Independent middlemen, 345 f.; *see also* Intermediary trade; Wholesale merchants
- Independent retailers, 78 ff., 135, 145, 147, 387; leased departments, 135, 387; local-branch systems, 135, 387; single-store, 135, 387; three-store, 135, 387; two-store, 135, 387; *see also* Retail trade
- Industrial banks. *see* Consumers' credit
- Industrial distributors, 106, 174, 391; *see also* Intermediary trade
- Industrial goods, equipment and supplies, 110 ff.; intermediary trade in, 187, 392; manufacturers' distribution of, 201, 206, 394
- Industrial market, nature and scope of, 111, 114
- Inland waterways, *see* Transportation
- Inland Waterways Corporation, 220
- Instalment credit, *see* Consumers' credit
- Institutional buyers, total purchases of, 62
- Intermediary trade, 62, 100 ff., 118, 173 ff., 374 f.; costs, 171-198, 391; credit operations as expense factor, 196 ff.; *see also* Agents and brokers; Assemblers, etc.; Bulk-tank stations; Cash-and-carry wholesalers; Chains, cooperative and voluntary; Chains, corporate; Commission merchants; Converters; Cooperative marketing associations; Cream stations; Drop shippers, etc.; Elevators; Exporters; Importers; Industrial distributors; Mail-order wholesalers; Manufacturers' agents; Manufacturers' sales branches; Packers, etc.; Retailer-cooperative warehouses; Selling agents; Wagon distributors; Wholesale merchants; Wholesalers; and various lines of trade
- Interstate Commerce Commission, 212, 214, 215, 217, 219, 220, 225, 371, 372, 375
- Interstate trade, laws restricting, 254 f., 279 ff.
- Iron and steel products, 114; intermediary trade in, 187, 392; manufacturers' distribution of, 109, 201, 204, 206, 385, 394; *see also* Industrial goods, etc.
- JELL-O COMPANY, 305
- Jewelry, silverware, optical goods, etc., intermediary trade in, 108, 172, 187, 384, 392; manufacturers' distribution of, 201, 206, 394; retail trade in, 80, 130, 139, 143, 145, 147, 149, 383, 386, 388, 389
- KUDZERSKI, S. L., cited, 319
- Kelly Bill, 273
- Knitted underwear, *see* Clothing, etc.
- Kroger Grocery and Baking Co., 97
- Krug, J. H., 283
- Kusman v. Max Factor and Co., 273
- Kuznets, Simon, cited, 212
- LABELLING, 312 f.; recommendations of Committee on, 351
- Labor Relations Act, 276
- Leather products, 114; intermediary trade in, 187, 392; manufacturers' distribution of, 109, 204, 385; *see also* Industrial goods, etc.
- Leigh, W. W., cited, 54
- Lichtenberg, Bernard, cited, 227
- Life insurance policy loans, *see* Consumers' Credit
- Lilly & Company, Eli, drugstore survey, 144, 145
- Litchfield, P. W., cited, 53
- Loose-Wiles Biscuit Co., 227
- "Loss-leader" laws, 276 f.
- Louisville Board of Trade, 323
- Louisville Grocery Survey, 317, 323, 324
- Lumber, forest products, building materials, etc., 114; intermediary trade in, 103, 108, 187, 384, 392; manufacturers' distribution of, 109, 201, 204, 206, 385, 394; retail trade in, 75, 80, 143, 382, 388, 389; *see also* Industrial goods, etc.
- Lynd, Robert S., cited, 308
- Lyon, Leverett S., cited, 308
- McFALL, R. J., cited, 215
- McGarry, E. D., cited, 321
- Machinery, machine tools and equipment, 114; intermediary trade in, 103, 108, 384; manufacturers' distribution of, 109, 201, 204, 206, 385, 394; *see also* Industrial goods, etc.
- McNeil v. Joseph Triner Corporation, 273

- Macy & Co., R. H., 275, 328  
 Mail-order houses, 135, 147, 387; *see also* Retail trade  
 Mail-order wholesalers, 106, 174, 391;  
*see also* Intermediary trade  
 Manufactured products, *passim*  
 Manufacturers' agents, 106, 174, 391;  
*see also* Intermediary trade  
 Manufacturers' discounts, 195  
 Manufacturers' distribution, 104 f., 109,  
 372 f., 374 f., 385; costs, 118, 198-  
 207, 394; *see also* Industrial goods,  
 etc.; Intermediary trade; Manufac-  
 turers' sales branches  
 Manufacturers' sales branches, 106, 174,  
 194, 391; *see also* Intermediary trade  
 Manufacturing and mechanical indus-  
 tries, gainful workers in, 10, 377  
*Maple Flooring Manufacturers Associa-*  
*tion, et al. v. U. S.*, 264  
 Margins, *see* Price spreads  
 Mark-ups, *see* Price spreads  
 Maxwell, W. C., cited, 214  
 Maynard, H. H., cited, 208  
 Meats, *see* Food products, processed  
 Media Records, Inc., 227  
 Medicinals, *see* Drugs, etc.; Price spreads  
*Mennen Co. v. Federal Trade Commis-*  
*sion*, 267  
 Metals and mineral products, 114; inter-  
 mediary trade in, 103, 108, 384;  
 manufacturers' distribution of, 109,  
 201, 204, 385, 394; *see also* Indus-  
 trial goods, etc.; Iron and steel, etc.  
 Metz Bill, 273  
 Middlemen, *see* Intermediary trade  
 Miles decision, 272  
 Milk, 34 f., 381  
 Millard, J. W., cited, 319  
 Miller, Nelson, cited, 274  
 Miller-Tydings Act, 245, 253, 256, 272,  
 274  
 Mineral extraction, gainful workers in,  
 377  
 Mines and quarries, 371  
 Minimum wage laws, 276  
 Monopolistic practices, laws against, rec-  
 ommendations of Committee on, 364  
 ff.  
 Monuments and tombstones, transporta-  
 tion charges for, 212  
 Morris Plan Industrial Bank, 239  
*Motion Picture Patents Co. v. Universal*  
*Film Co.*, 259  
 Motor Carriers' Act, 225  
 Motor trucking, *see* Transportation  
 Motor vehicles, *see* Automobiles, etc.  
 Moulton, Harold G., cited, 214, 217,  
 220, 221, 223, 224  
 NATIONAL ADVERTISING RECORDS, 376  
 National Association of Cost Account-  
 ants, 200, 374, 394  
 National Association of Remedial Loan  
 Associations, 236  
 National Association of Retail Druggists,  
 273, 275  
 National Bureau of Economic Research,  
 172, 212, 244  
 National City Bank of N. Y., 123, 235  
 National Conference on Interstate Trade  
 Barriers, 282  
 National Independent Pharmacists, Inc.,  
 274  
 National Industrial Recovery Act, 245,  
 250, 291  
 National Recovery Administration, 250,  
 253, 264, 265, 273; Consumers' Ad-  
 visory Board of, 313, 350; Division of  
 Review, 283  
 National Retail Dry Goods Association,  
 Controllers' Congress of the, 161  
 National Retail Hardware Association,  
 153, 165  
 National Rivers and Harbors Congress,  
 213  
 National Shoe Retailers' Association,  
 168, 169  
 National Transportation Committee, 217  
 Naumann, F. J., cited, 318  
 Nebbia decision, 255  
 New York Barge Canal system, 221  
 New York State Pharmaceutical Associa-  
 tion, 274  
 Norfolk and Western Railway, 221, 222  
*Northern Securities v. U. S.*, 258  
 Noyes, Charles E., cited, 280, 282  
 Nugent, Rolf, cited, 244  
 Nystrom, Paul H., cited, 321, 322  
 OFFICE AND STORE EQUIPMENT AND  
 SUPPLIES, 212; manufacturers' distri-  
 bution of, 201, 394  
 Ohio State University Bureau of Busi-  
 ness Research, 124, 180, 190, 309  
 Oil and gas wells, 372  
*Old Dearborn Distributing Co. v. Sea-*  
*gram Distillers Corporation*, 273  
*Oliner Brothers, Inc., et al. v. Federal*  
*Trade Commission*, 269  
 Optical goods, *see* Jewelry, etc.  
 PACKERS AND SHIPPERS, 106, 174, 391;  
*see also* Intermediary trade  
 Packing and loading costs, 29, 30, 32,  
 380  
 Paints, *see* Chemicals, etc.  
 Palmer, James L., cited, 300  
 Paper and allied products, 114; inter-  
 mediary trade in, 103, 108, 384;  
 manufacturers' distribution of, 109,

- 201, 204, 207, 385, 394; *see also* Industrial goods, etc.
- Parcel post, *see* Transportation
- Parker, Florence E., cited, 90, 383
- Patent medicines, *see* Drugs, etc.; Price spreads
- Pawnshops, *see* Consumers' credit
- Pelz, V. H., cited, 95
- Pennsylvania Railroad, 214
- Pep Boys, The v. Pyroil Sales Co., Inc.*, 273
- Personal finance companies, *see* Consumers' credit
- Petroleum, *see* Fuel products, etc.
- Petroleum associations, *see* Consumer co-operatives
- Phelps, Clyde William, cited, 232
- Phillips, Charles F., cited, 83, 84
- Pipe line transportation, *see* Transportation
- Plumbing and heating equipment and supplies, intermediary trade in, 108, 172, 187, 384, 392; manufacturers' distribution of, 201, 394; retail trade in, 382
- Poultry and eggs, *see* Food products
- Price discrimination, 266 ff.
- Price-filing, 263 f.
- Price-fixing, 261 ff.
- Price maintenance, 271 ff.
- Price spreads, 23-57; automobile tires, 52 ff.; candy, 39 f.; canned fruits and vegetables, 34; cereal products, 32 ff.; cigarettes, 47 ff.; consumer's dollar, 30, 380; electric refrigerators, 51 f.; food products, processed, 29 ff.; food products, unprocessed, 25 ff., 379, 380; gasoline, 54 ff.; hats, 41 ff.; meats, 31 f.; medicinals, 49 ff.; milk, 34 ff.; rubber footwear, 46; rye whiskey, 49; shoes, 45 f.; women's dresses, 43 ff.
- Pricing policies, 327 ff., 351 f.
- Primary and intermediary buyers, total purchases of, 62
- Primary and intermediate distribution, costs of, 171 ff.
- Primary producers' distribution costs, 207 ff.
- Primary products, sales of, 61
- Production, employment trends in, 8 ff.; gainful workers in, 10, 377; increased efficiency in, 3 ff.
- Production and distribution, changing roles of, 13 ff., 336 ff.
- Profits in distribution, 120 ff.; conclusions of Committee on, 335; *see also* Department stores; Intermediary trade; Retail trade
- Progressive Grocer, The*, 99, 157, 158
- Provident Loan Society of N. Y., 241
- Pure Milk Association, 381
- RADIOS AND EQUIPMENT, 212; intermediary trade in, 172; manufacturers' distribution of, 201, 394; retail trade in, 80, 147, 149, 383; *see also* Electrical equipment, etc.; Household appliances, etc.
- Rail freight, *see* Transportation
- Railroads, burden of fixed charges of, 219 f.; circuitous car routing, 216 f.; costly practices in, 214 ff.; cross-hauling, 215 f.; empty car movement, 217 f.; traffic of, 213; unprofitable facilities of, 218 f.
- Railway Express, *see* Transportation
- Recommendations of Committee on Distribution, 349 ff.
- Reid, James B., 283
- Reilly, Philip J., cited, 163
- Remedial loan associations, *see* Consumers' credit
- Rents in operating expense of various lines of retail trade, 130, 386
- Resale price maintenance, 271 ff.; laws, 252 f.
- Research in consumption and distribution, recommendations of Committee on establishment of institute for, 356 f.
- Research and educational programs between Department of Commerce and schools of business, recommendations of Committee on, 362
- Restaurants, cafeterias, etc., 80, 130, 139, 143, 147, 149, 383, 386, 388, 389
- Retail business, *see* Retail trade
- Retail distribution, *see* Retail trade
- Retailer cooperatives, *see* Chains, cooperative and voluntary; Intermediary trade
- Retailer-cooperative warehouses, 106, 174, 391; *see also* Intermediary trade
- Retailer mortality, *see* Retail trade
- Retailers-country buyers, 135, 387; *see also* Retail trade
- Retailers-wholesalers, 135, 387; *see also* Retail trade
- Retailing, *see* Retail trade
- Retail margins, *see* Price spreads
- Retail trade, 62, 70-99, 143, 320 ff., 343 ff., 362, 374, 381, 382 f., 388; costs, 118, 127-170, 386, 387, 388; outlets, 299; returned goods, 308 f.; wage costs and employee earnings, 130, 146 ff., 386; *see also* Chains, cooperative and voluntary; Chains, corporate; Commissaries; Department stores; House-to-house selling; Independent retailers; Mail-order houses;



- Retailers-country buyers; Retailers-wholesalers; State liquor stores; Utility-operated stores; Variety stores
- Returned goods, *see* Retail trade
- Reynolds, Samuel W., cited, 295
- Robinson-Patman Act, 245, 251, 252, 255, 267, 268, 270
- Rochdale principles, *see* Consumer cooperatives
- Rubber products, 114; manufacturers' distribution of, 109, 204, 385; *see also* Industrial products, etc.
- Russell Sage Foundation, 244
- SAFEWAY STORES, INC., 97
- Sales, *passim*; *see also* Intermediary trade; Manufacturers' distribution; Retail trade
- Savings bank loans, *see* Consumers' credit
- Schechter decision, 250
- Schmalz, Carl N., cited, 124, 153, 159, 160, 163, 180, 308
- Scriven, L. Edward, cited, 295
- Sears, Roebuck and Co., 34, 267
- Sears, Roebuck and Co. v. Federal Trade Commission*, 284
- Securities Exchange Act, 286
- Securities and Exchange Commission, 48, 120, 358
- Selling agents, 174, 197, 391; *see also* Intermediary trade
- Service occupations, gainful workers in, 10, 377
- Services, cost of, 183 f., 299 ff.
- Sheffield Farms Company, 37
- Sherman Act, 245, 249, 255 ff.
- Shoes and footwear, intermediary trade in, 187, 392; manufacturers' distribution of, 201, 206, 394; retail trade in, 80, 130, 139, 145, 147, 149, 155, 168 ff., 382, 386, 389, 390; *see also* Price spreads
- Silverware, *see* Jewelry, etc.
- Size of account, *see* Intermediary trade
- Size of city, *see* Retail trade
- Size of establishment, *see* Intermediary trade; Retail trade
- Size of store, *see* Retail trade
- Slichter, Sumner H., cited, 301, 310, 311
- Sloan, Alfred P., jr., cited, 295
- Small orders and small accounts, high costs of, 318 ff.
- Spectator Life Insurance Year Book*, 236
- Spiegel, May, Stern & Co., 320
- Spoilage losses for fruits and vegetables, 27 ff.; *see also* Price spreads
- Sporting goods, etc., intermediary trade in, 172, 384; manufacturers' distribution of, 201, 394
- Standard Fashion Co. v. Magrane-Houston Co.*, 259
- Standard Oil Company of New Jersey, 317
- Standard Oil Co. v. U. S.*, 258
- Stark, Lloyd C., cited, 281
- State Board of Tax Commissioners of Indiana, et al. v. Jackson*, 278
- State liquor stores, 135, 387; *see also* Retail trade
- Statistics on distribution, recommendations of Committee on, 357 f.
- Steam railways, *see* Railroads
- Stevens Bill, 273
- Stock Yards Act, 286
- Stone, clay and glass products, 114; manufacturers' distribution of, 109, 201, 204, 385, 394; *see also* Industrial goods, etc.
- Storage and warehousing, 225
- Sugar Institute, Inc., et al. v. U. S.*, 264
- Super-markets, 95 ff.; *see also* Food, etc.; Retail trade
- Surface, Frank M., cited, 317
- Swift & Co. v. Federal Trade Commission*, 259
- TAXES, *see* Chains, corporate; Distribution, government regulation of
- Taylor, Frederick W., 4
- Teale, Stanley F., cited, 162
- Temporary National Economic Committee, 257, 366
- Terminal purchases, 62, 64 f.
- Testing and appraising consumer goods, recommendations of Committee on, 352
- Textile products, 114; manufacturers' distribution of, 109, 201, 204, 207, 385, 394; *see* Industrial goods, etc.
- Thatcher Manufacturing Co. v. Federal Trade Commission*, 259
- Thomas, John F., cited, 54
- Thompson, Sanford E., cited, 295
- Tobacco, *see* Cigars, etc.
- Tobin, Bernard F., cited, 31
- Trade, gainful workers in, 10, 377; *see also* Intermediary trade; Manufacturers' distribution; Retail trade
- Trade Practice Conference Rule, 265
- Traffic, *see* Transportation
- Training courses for distributors, recommendations of Committee on, 361
- Transportation, 62, 118, 211 ff., 375; Great Lakes, 213; inland waterways, 213, 220 ff.; motor trucks, 213, 222 ff.; pipe lines, 213; *see also* Manufacturers' distribution; Price spreads; Railroads

- Transportation and communication, gainful workers in, 10, 377
- Transportation equipment, 114; manufacturers' distribution of, 109, 201, 204, 385, 394; *see also* Industrial goods, etc.
- Turnover, 154, 193 ff.
- Twentieth Century Fund, cited, 47, 123
- Twenty-First Amendment, 255, 281
- UNFAIR PRACTICES, 288 f.; laws, 245
- United Shoe Machinery Corporation, 45
- United Shoe Machinery Corporation, et al. v. U. S.*, 259
- United States Bureau of Agricultural Economics, 223, 311, 354, 371, 379
- United States Bureau of the Census, *passim*
- United States Bureau of Fisheries, 372
- United States Bureau of Foreign and Domestic Commerce, *passim*
- United States Bureau of Home Economics, 313
- United States Bureau of Internal Revenue, 120, 121, 123, 358
- United States Bureau of Labor Statistics, 90, 91, 93, 94, 354, 383
- United States Bureau of Mines, 371, 372, 376
- United States Bureau of Railway Economics, 220, 222
- United States Bureau of Standards, 301, 352
- United States Chamber of Commerce, 4, 17, 221; Domestic Distribution Department of the, 320
- United States Department of Agriculture, 350, 362, 371, 374; grading system, 311 f.; *see also* United States Bureau of Agricultural Economics
- United States Department of Commerce, *passim*; *see also* United States Bureau of Foreign and Domestic Commerce
- United States Department of Justice, 263, 365
- United States Department of Labor, 313; Standards Section of, 313, 314, 350; *see also* United States Bureau of Labor Statistics
- United States Forest Service, 215, 372
- United States Treasury Department, 375
- United States v. American Linseed Oil Co., et al.*, 264
- United States (cont.)*
- v. American Tobacco Co.*, 258
- v. E. C. Knight*, 258
- v. International Harvester Co., et al.*, 261, 262
- v. Trenton Potteries Co., et al.*, 262
- v. United Shoe Machinery Co.*, 261
- v. United States Steel Corporation, et al.*, 260, 261, 265
- v. Winslow*, 259
- Utilities, construction and transportation, total purchases of, 62
- Utility-operated stores, 135, 387; *see also* Retail trade
- VALENTINE, ET AL. *v. Great Atlantic and Pacific Tea Co., et al.*, 278
- Van Camp and Sons Co., 267
- Variety stores, 80, 130, 139, 145, 147, 149, 155, 382, 386, 389, 390; *see also* Retail trade
- Vegetables, *see* Food products, unprocessed
- Volstead, Andrew Joseph, 291
- Voluntaries, *see* Chains, cooperative and voluntary
- WAGES AND WAGE COSTS, *see* Intermediary trade; Manufacturers' distribution; Retail trade; and various lines of trade
- Wagon distributors, 106, 174, 391; *see also* Intermediary trade
- Walker, Q. Forrest, cited, 328
- Water freight, *see* Transportation
- Waugh, Frederick V., cited, 31, 379
- Weidler, W. C., cited, 208
- Weld, L. D. H., cited, 226
- Western Electric Company, 319, 320
- Wheeler-Rayburn Bill, 286
- White, Wilford L., cited, 230
- Whitwell, George E., cited, 294
- Wholesale margins, *see* Price spreads
- Wholesale merchants, 106, 108; costs, 174, 187, 191, 194, 391, 392, 393; credit expenses, 197; *see also* Intermediary trade
- Wholesalers, 106, 174, 197, 391; *see also* Intermediary trade
- Wholesale trade, *see* Intermediary trade
- Wolff, Reinhold, cited, 274, 275
- Workers, gainful, 10, 377, 379; estimated allocation of to production, distribution and service, 378