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FIFTEENTH CENSUS OF THE UNITED STATES

CENSUS OF DISTRIBUTION: 1930

WHOLESALE DISTRIBUTION

DEFINITIONS AND CLASSIFICATIONS

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Distribution No. W-100

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UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1931

WHOLESALE DISTRIBUTION

DEFINITIONS AND CLASSIFICATIONS

Introduction.—In this bulletin are presented—

1. A classification of wholesale establishments by kind of business;
2. A classification of types of wholesale establishments; and
3. Definitions of various types of wholesale establishments.

The definitions and classifications contained in this bulletin are based upon an examination of the schedules or returns covering wholesale establishments in the United States. This bulletin was prepared under the supervision of Robert J. McFall, chief statistician for distribution, by Theodore N. Beckman, in charge of wholesale distribution, assisted by Nathanael H. Engle and C. E. Warner, jr., experts in marketing. The definitions of types of wholesale establishments engaged in the distribution of agricultural products were prepared by Charles D. Bohannan, in charge of agricultural and rural distribution.

General statement.—The Census of Distribution would fall far short of its possible usefulness were it to present data on distribution without breaking down the totals presented into carefully classified categories.

One aim of this census is to present data on the geographical distribution of specific commodities. A second aim is to present a statistical picture of the marketing mechanism of the Nation and its various subdivisions, showing the marketing facilities which exist in each portion of the country, and their relative importance as measured by volume of trade. A third aim is to supply data bearing on the relative efficiency of the different parts of our distribution system. Classifications are the basis for these latter and perhaps more important phases of the Census of Distribution.

The basic classifications are geographical in character and embrace the areas of States, counties, and incorporated cities and towns as fixed by the laws establishing their boundaries. The lack of definite boundaries has made it impossible to present data for many unincorporated cities and towns of some importance.

The classification of the business establishments, kinds of trade, and channels through which trade moves is also of very great importance as a basis for presenting statistical facts relative to distribution. Owing to the complexity of the situation, the partial absence of uniformity in business customs and the lack of adequate definitions in accepted

use, these bases of classification have presented many problems. However, such classifications were necessary and have been made, arbitrarily when this was unavoidable, to fit the needs of this census and with a view to the needs of future censuses.

It has been essential in compiling the reports for the Census of Distribution to classify the field in such a manner that it will fit accepted usage as closely as possible. On the other hand, it has been necessary to apply the same terminology consistently throughout the field even though there are some differences in the customary use of terms as between different trades.

The primary division of merchants into large classes, such as those in the retail field as opposed to those in the wholesale field, presents more complexities than might be expected. There is no simple division between retailers who sell to ultimate consumer on the one hand and wholesalers who sell to retailers on the other. There are many merchants selling to manufacturers, mine operators, and building contractors rather than to either the general public or to retailers. There are, also, many who sell partially to the general public and partially to retailers and other dealers and to industrial purchasers. In the retail division have been classified all the establishments which sell to the home consumer, including all establishments selling goods in a retail manner. Thus, restaurants have been included in the retail section, also stores selling feed and other supplies to farmers and stores selling hardware to the general public as well as to builders.

Wholesaling on the other hand includes those establishments which sell to retailers, to other wholesalers, and to industrial consumers.

The popular conception of the term wholesaler starts with the merchant who sells to the retailer. This is usually enlarged to include the larger houses who sell to smaller wholesalers. (Sometimes the term jobber is used here; in some trades for the first wholesalers, in some for the latter.) In this census the term "wholesale merchant" is used in this narrower and more conventional sense.

There is to-day a large miscellany of merchant concerns doing business in a wholesale manner, many of them performing a large share of the functions of the wholesaler, which do not fall within the ordinary conception of the term wholesaler and which are not classed as wholesale merchants in the census. They have, however, been classed in the wholesale field. Thus, for census purposes, the wholesale field becomes almost the entire non-retail field among the merchandising concerns, including assemblers of agricultural products.

Brokers, commission houses, manufacturers' sales branches, and chain-store warehouses are, in certain respects, unlike wholesale

merchants. However, they perform wholesale functions in general and have been classed in the wholesale field.

There are in addition many business concerns which do not fall clearly in either the retail or the wholesale division. Since it has been impossible, as a rule, to classify any single business in more than one place, it has been necessary arbitrarily to classify each concern in accordance with its major activity. Consequently, concerns engaged in both retailing and wholesaling are classed as retailers or wholesalers in accordance with the bulk of their business. Concerns doing over 50 per cent of their business at retail have been counted as retailers, and those having more than 50 per cent of their business at wholesale have been counted as wholesalers. At the same time provision has been made to compile the retail sales of such wholesalers and the wholesale sales of such retailers, both of which may be termed semi-jobbers. Border-line cases between the retail and wholesale method of doing business occur mostly in what may be designated loosely as the supply and equipment field, or what some call the field of producers' goods.

In the building materials field this problem is the most complex. Here, of course, all dealers selling more than half of their output to other dealers are classed in the wholesale field. On the other hand, all hardware and lumber dealers operating in a retail manner, whose business is open to purchasing on the part of the general public even though many of their sales are made to building contractors, are classed as retailers. Concerns whose schedules show their dealings to consist in one commodity line to the extent of 50 per cent or more have been classed in the wholesale field. (Commodity lines recognized for this purpose are: *a*, Brick, terra cotta, tile, etc.; *b*, building stone; *c*, cement, lime, plaster, etc.; *d*, structural steel, iron, and other metal building materials; *e*, building papers, wood-base insulating boards, etc.; *f*, wall boards other than wood-base; *g*, sand and gravel; and *h*, metal lath.) All dealers who are more generalized in their dealings (and who do not sell chiefly to other dealers) have been classed as retailers.

In addition to distinguishing between those dealers in the retail and wholesale fields and others engaged in the field of distribution, all wholesale concerns have been classified by kind of business and type of establishment, as shown in the following pages.

In order to make these classifications useful to the public it is, of course, necessary to present the definitions on which they are based. Consequently, this bulletin presents in detail the classifications and definitions used by the wholesale division of the Census of Distribution.

Canvass based on establishments.—A wholesale distribution establishment, for census purposes, is a place of business where goods are handled at wholesale. It may be in the form of a store which does

not generally sell to the public, a warehouse, an office, or part of an office, as when the office is shared with other similar organizations. The Census of Distribution was taken on the basis of establishments in order to make it possible to present data by geographic areas and to facilitate the canvass. A separate report was required for each establishment, regardless of whether or not it was owned or operated as part of a larger business organization. Wholesale peddlers and others who maintain no place of business were excluded from this census.

Classification by kind of business.—After a careful examination of the schedules, all wholesale establishments in the United States have been divided into 24 groups. These groups comprise 88 major classifications and 351 minor or detailed classifications. *Each establishment is classified on the basis of the principal line or lines of merchandise handled.* Consequently, the kind of business classifications, while on a commodity basis, must not be confused with the total volume of business in any one commodity. Three distinct bases were considered for the purpose of this classification:

1. The way in which certain goods are distributed, namely, the channels of distribution;
2. The source of supply of the commodity or commodities under consideration; and
3. The utilization of the commodity by those who purchase such commodity from the reporting firm.

To illustrate, soap powder used for household consumption is included among groceries, since the great bulk of such merchandise is handled through grocery channels. This classification obviously follows the first basis mentioned, namely, that of channels of distribution. Hides and skins, on the other hand, are classified under Farm Products, not elsewhere specified, primarily on the basis of source of supply. Similarly, saddlery and harness are classified under leather and leather goods because of the material from which saddlery and harness are primarily made. Fruits and vegetables are classified under food products because of the way in which they are utilized, namely, for food purposes.

In some cases it was necessary to combine two or all three of the bases mentioned. For example, stoves and ranges are classified under plumbing and heating equipment and supplies, partly because they are chiefly distributed through plumbing channels, but largely because they are used for heating purposes, so that both the channels of distribution and the utilization of the products are being followed in this case.

It is important to bear in mind that the 24 groups of kinds of business are all inclusive and that the 88 major classifications are also all inclusive and represent either subdivisions of the respective

24 groups or consist of some of the groups themselves when subdivisions have not been made. The 351 detailed classifications are all inclusive and cover all types of wholesale establishments by kind of business. This makes it possible to condense the detailed classifications into the major classifications and still further into the 24 groups in order to facilitate comparisons as between various geographic areas.

This matter of classification can best be explained by an illustration. Group IV, for example, consists of dry goods and apparel, which is in turn divided into clothing and furnishings (other than millinery and footwear); dry goods (general line); dry goods (specialty, other than specified); millinery and millinery supplies; notions; piece goods; and shoes and other footwear. Establishments handling clothing and furnishings (other than millinery and footwear) are further subdivided into detailed classifications, to wit: Clothing (establishments handling a general line of clothing but no furnishings); clothing and furnishings (establishments handling a general line of clothing and a general line of furnishings); clothing, men's and boys' (establishments engaged in the handling of men's and boys' clothing exclusively or predominantly); clothing, women's and children's (establishments handling women's and children's clothing exclusively or predominantly); clothing, second hand (establishments engaged in the handling of second hand clothing); furnishings (establishments engaged in the handling of a general line of furnishings); furnishings, men's and boys' (establishments engaged in the handling of men's and boys' furnishings exclusively or predominantly); etc. All of the 12 minor classifications appearing under "clothing and furnishings (other than millinery and footwear)" total in value the amount of clothing and furnishings (other than millinery and footwear), while the amounts opposite the seven major classifications appearing in the Dry Goods and Apparel group amount to the total value of that group.

WHOLESALE ESTABLISHMENTS CLASSIFIED BY KIND OF BUSINESS

(Based on the principal lines of merchandise handled)

I. Amusement and Sporting Goods:

1. *Amusement and sporting goods (except cameras and motion-picture equipment and supplies)*—
   - *a.* Amusement and sporting goods (general line).
   - *b.* Amusement equipment and supplies (such as slot machines, games, gymnasium equipment, and playground equipment).
   - *c.* Bicycles and supplies.
   - *d.* Billiards, bowling equipment, and supplies.
   - *e.* Sporting goods (general line).
   - *f.* Toys, novelties, and fireworks.
   - *g.* Other amusement and sporting goods (special lines not provided for above).

I. AMUSEMENT AND SPORTING GOODS—Continued.

2. *Cameras and motion-picture equipment and supplies*—
   - *a.* Cameras and photographic supplies.
   - *b.* Moving-picture apparatus.
   - *c.* Moving-picture films.
   - *d.* Talking-picture apparatus.

II. AUTOMOTIVE:

3. *Automobiles and other motor vehicles*—
   - *a.* Automobiles and other motor vehicles (general line).
   - *b.* Automobiles (new and used).
   - *c.* Automobiles (used).
   - *d.* Motor cycles.
   - *e.* Trucks and tractors.
4. *Automotive equipment*—
   - *a.* Automobile accessories.
   - *b.* Automotive equipment (general line).
   - *c.* Automotive equipment (specialty lines).
5. *Automobile parts (new and used)*—
   - *a.* Automobile parts (new).
   - *b.* Automobile parts (used).
6. *Tires and tubes.*

III. CHEMICALS, DRUGS, AND ALLIED PRODUCTS:

7. *Chemicals*—
   - *a.* Chemicals, industrial (such as wood alcohol, bulk cleaning powders, and crude acids).
   - *b.* Dyestuffs.
   - *c.* Dyes, dry cleaning supplies, and allied products.
   - *d.* Explosives.
   - *e.* Insecticides.
   - *f.* Naval stores.
   - *g.* Other chemicals (including grain alcohol, refined chemicals, and coal-tar products).
8. *Drugs and drug sundries* (general line).
9. *Drugs and drug sundries* (specialty).
   - *a.* Drugs.
   - *b.* Drug sundries.
   - *c.* Patent medicines.
   - *d.* Rubber goods (druggists').
   - *e.* Sanitary supplies, insecticides, etc.
   - *f.* Whisky.
   - *g.* Other alcoholic beverages.
10. *Paints, varnishes, lacquers, and enamels.*
11. *Toilet articles and preparations*—
   - *a.* Toilet articles.
   - *b.* Toilet preparations.

IV. DRY GOODS AND APPAREL:

12. *Clothing and furnishings (other than millinery and footwear)*—
    - *a.* Clothing (general line).
    - *b.* Clothing and furnishings.
    - *c.* Clothing, men's and boys'.
    - *d.* Clothing, women's and children's.
    - *e.* Clothing (secondhand).
    - *f.* Furnishings (general line).
    - *g.* Furnishings, men's and boys'.
    - *h.* Furnishings, women's and children's.
    - *i.* Furs and fur clothing.
    - *j.* Hats and caps.
    - *k.* Hosiery.
    - *l.* Other clothing and furnishings (such as specialty houses for ties, shirts, and sport wear).
13. *Dry goods (general line).*
14. *Dry goods (specialty, other than specified)*—
    - *a.* Knit goods.
    - *b.* Other dry goods (specialty, such as blankets and other specialty lines not provided for).
15. *Millinery and millinery supplies.*
16. *Notions*—
    - *a.* Buttons.
    - *b.* Gloves.
    - *c.* Laces and embroideries.
    - *d.* Notions (general line).
    - *e.* Tailors' trimmings and supplies.
17. *Piece goods*—
    - *a.* Cotton goods.
    - *b.* Gray goods.
    - *c.* Linens.
    - *d.* Piece goods (general line).
    - *e.* Rayons.
    - *f.* Silks and velvets.
    - *g.* Woolens and worsteds.
18. *Shoes and other footwear.*

V. ELECTRICAL:

19. *Electrical goods (including appliances)*—
    - *a.* Electrical merchandise (general line).
    - *b.* Electrical appliances (such as washing machines, toasters, stoves, percolators, and irons and ironers).
20. *Electrical equipment and supplies*—
    - *a.* Batteries.
    - *b.* Electrical equipment and supplies (general line).
    - *c.* Motors and generators.
21. *Radios and radio equipment.*
22. *Refrigerators (electric).*

VI. FARM PRODUCTS (NOT ELSEWHERE SPECIFIED)

23. *Cotton*—
    - *a.* Cotton.
    - *b.* Cotton linters.
    - *c.* Cotton and cottonseed.
24. *Flowers and nursery stock*—
    - *a.* Florists (flowers).
    - *b.* Flowers and nursery stock.
    - *c.* Seeds, bulbs, and nursery stocks.
25. *Grain*—
    - *a.* Corn.
    - *b.* Oats.
    - *c.* Rice.
    - *d.* Wheat.
    - *e.* Grain (general line).
    - *f.* Other grain (such as rye and barley).
26. *Hides, skins, and furs*—
    - *a.* Furs (dressed).
    - *b.* Furs, (raw).
    - *c.* Hides and skins.
27. *Horses and mules*—
    - *a.* Horses and mules.
    - *b.* Mules.
28. *Livestock (except horses and mules)*—
    - *a.* Calves.
    - *b.* Cattle.
    - *c.* Hogs.
    - *d.* Livestock (general line).
    - *e.* Sheep and lambs.
29. *Silk (raw).*
30. *Tobacco (leaf).*
31. *Wool and mohair.*
32. *Other farm products*—
    - *a.* Bristles and hair.
    - *b.* Cotton seed.
    - *c.* Cotton, cottonseed, and fertilizer.
    - *d.* Farm products (not elsewhere classified).
    - *e.* Feathers.

VII. FARM SUPPLIES (EXCEPT MACHINERY AND EQUIPMENT):

33. *Farm supplies (except feed and fertilizer)*—
    - *a.* Farm supplies (general line).
    - *b.* Seeds.
    - *c.* Straw.
34. *Feed*—
    - *a.* Feed (exclusively, mixed and other).
    - *b.* Feed and fertilizer.
    - *c.* Hay, grain, and feed.
35. *Fertilizer and fertilizer materials.*

VIII. FOOD PRODUCTS (NOT ELSEWHERE SPECIFIED):

36. *Confectionery and soft drinks*—
    - *a.* Confectionery and soft drinks (general line).
    - *b.* Confectionery.
    - *c.* Soft drinks.
37. *Dairy products*—
    - *a.* Butter.
    - *b.* Butter and cheese.
    - *c.* Cheese.
    - *d.* Dairy products (general line).
    - *e.* Ice cream.
    - *f.* Milk and cream.
38. *Poultry and poultry products*—
    - *a.* Eggs.
    - *b.* Poultry.
    - *c.* Poultry and poultry products (general line).
39. *Dairy and poultry products.*
40. *Fish and sea foods*—
    - *a.* Fish and sea foods (fresh and cured).
    - *b.* Fish and sea foods (fresh).
    - *c.* Fish and sea foods (cured).
41. *Fruits and vegetables (fresh)*—
    - *a.* Fruits.
    - *b.* Fruits and vegetables (general line).
    - *c.* Produce (including vegetables, fruits, dairy products, fish, poultry, eggs, etc., with fruits and vegetables predominating).
    - *d.* Vegetables.
42. *Meats and meat products*—
    - *a.* Lard.
    - *b.* Meats (cured).
    - *c.* Meats (fresh).
    - *d.* Meats and meat products (general line).
    - *e.* Meats and provisions (including poultry, eggs, dairy products, lard, etc.).

IX. FOREST PRODUCTS (EXCEPT LUMBER):

43. *Boxes, shooks, and cooperage*—
    - *a.* Boxes and box shooks.
    - *b.* Cooperage (such as barrels, casks, and tubs).
44. *Logs, railroad ties, piles, etc.*—
    - *a.* Firewood.
    - *b.* Logs, piles, and posts.
    - *c.* Railroad ties.
45. *Other forest products (including woodenware, pulpwood, turning blocks, pine needles, etc.).*

X. Furniture and House Furnishings:

46. *Furniture*—
   - *a.* Antique goods.
   - *b.* Furniture (general line).
   - *c.* Furniture (household).
   - *d.* Furniture (office).
   - *e.* Furniture (secondhand).
   - *f.* Other furniture (specialty lines).

47. *House furnishings*—
   - *a.* Art goods.
   - *b.* Brooms and brushes.
   - *c.* China, glassware, and crockery.
   - *d.* Curtains and draperies.
   - *e.* Floor coverings.
   - *f.* House furnishings (general line).
   - *g.* Household supplies.
   - *h.* Lamps and lamp shades.
   - *i.* Pictures and picture frames.

48. *Musical instruments and sheet music*—
   - *a.* Musical instruments, accessories, and parts.
   - *b.* Pianos.
   - *c.* Phonographs and phonograph supplies.
   - *d.* Sheet music.

XI. General Merchandise (Establishments Handling in Substantial Proportions Three or More Distinct and Unrelated Lines of Merchandise).

XII. Groceries and Food Specialties:

49. *Groceries (general line).*

50. *Food and grocery specialties.*
   - *a.* Bakery products.
   - *b.* Beans, dried.
   - *c.* Biscuits and crackers.
   - *d.* Canned fruits and vegetables.
   - *e.* Canned goods (general line).
   - *f.* Canned seafood.
   - *g.* Cereals.
   - *h.* Coffee.
   - *i.* Coffee, tea, and spices.
   - *j.* Delicatessen products.
   - *k.* Extracts and spices.
   - *l.* Flour.
   - *m.* Flour and feed.
   - *n.* Fruits and vegetables (dried).
   - *o.* Lard substitutes.
   - *p.* Soaps and soap powders.
   - *q.* Sugar.
   - *r.* Other food and grocery specialties (such as salad dressings, pickles, jams, and jellies).

XIII. HARDWARE:

51. *Hardware (general line).*
52. *Hardware (specialty)—*
    - *a.* Builders' hardware.
    - *b.* Heavy hardware.
    - *c.* Shelf hardware.
    - *d.* Tools and cutlery.
    - *e.* Other hardware (specialty lines such as door hardware, ornamental fencing, sign plates, and marine hardware).

XIV. IRON AND STEEL SCRAP AND OTHER WASTE MATERIALS:

53. *Iron and steel scrap.*
54. *Junk and scrap.*
55. *Waste rubber, rags, and paper—*
    - *a.* Paper (waste).
    - *b.* Rags.
    - *c.* Rubber (scrap).

XV. JEWELRY AND OPTICAL GOODS:

56. *Jewelry—*
    - *a.* Clocks and watches.
    - *b.* Diamonds and other precious stones.
    - *c.* Jewelry (general line).
    - *d.* Silverware.
    - *e.* Other jewelry (such as semi-precious stones, mountings, ornaments, and novelty jewelry).
57. *Optical goods.*

XVI. LEATHER AND LEATHER GOODS (EXCEPT GLOVES AND SHOES):

58. *Leather and leather goods (general line).*
59. *Leather and leather belting—*
    - *a.* Belting (leather).
    - *b.* Leather.
60. *Luggage and leather goods—*
    - *a.* Leather goods (not elsewhere classified).
    - *b.* Luggage.
61. *Saddlery and harness.*
62. *Shoe findings and cut stock—*
    - *a.* Cut stock (leather).
    - *b.* Shoe findings.

XVII. LUMBER AND BUILDING MATERIALS (OTHER THAN METAL):

63. *Construction and building materials (other than metal and wood)—*
    - *a.* Asbestos products.
    - *b.* Brick and tile.
    - *c.* Building stone.
    - *d.* Cement.
    - *e.* Glass.
    - *f.* Granite and marble.

XVII. LUMBER AND BUILDING MATERIALS—Continued.

63. *Construction and building materials*—Continued.
   - *g.* Lime, plaster, etc.
   - *h.* Roofing materials (non-metallic).
   - *i.* Sand, gravel, and crushed stone.
   - *j.* Other building materials (such as insulating and wallboard materials, cork slabs, and art stone).

64. *Lumber and mill work*—
   - *a.* Lumber.
   - *b.* Lumber and mill work.
   - *c.* Mill work.

XVIII. MACHINERY, EQUIPMENT, AND SUPPLIES (EXCEPT ELECTRICAL):

65. *Commercial equipment and supplies*—
   - *a.* Automatic vending machinery.
   - *b.* Butchers' equipment and supplies.
   - *c.* Filling station equipment and supplies.
   - *d.* Florists' supplies.
   - *e.* Hotel and restaurant equipment and supplies.
   - *f.* Office equipment and supplies (other than furniture).
   - *g.* Soda fountain equipment and supplies.
   - *h.* Store equipment and supplies (general line).
   - *i.* Other commercial equipment and supplies.

66. *Construction equipment and supplies*—
   - *a.* Builders' supplies.
   - *b.* Construction equipment (such as derricks, scaffolding, and elevators).
   - *c.* Construction machinery (such as concrete mixers, sanding and polishing machines, excavating shovels, and graders).
   - *d.* Construction machinery, equipment, and supplies (general line).
   - *e.* Road machinery and equipment.

67. *Farm machinery and equipment*—
   - *a.* Dairy equipment.
   - *b.* Farm implements (such as harrows, cultivators, and walking plows).
   - *c.* Farm machinery and equipment (such as harvesters, binders, hay hoists, stationary engines, pump jacks and pumps, gang plows, and corn listers).

68. *Manufacturing, mining, and drilling machinery, equipment, and supplies*—
   - *a.* Bakers' equipment and supplies.
   - *b.* Bottles and bottling equipment.
   - *c.* Canning machinery.
   - *d.* Chemical equipment and supplies.
   - *e.* Conveyor and hoisting machinery.
   - *f.* Drilling machinery.
   - *g.* Foundry equipment and supplies.
   - *h.* Jewelers' equipment and supplies.
   - *i.* Machine tools.

XVIII. MACHINERY, EQUIPMENT, AND SUPPLIES—Continued.

68. *Manufacturing, mining, and drilling machinery, equipment, and supplies*—Continued.

j. Mechanical rubber goods (such as belting, packing, hose, gaskets, and recoil pads).
k. Mill and mine supplies (general line).
l. Oil well machinery, equipment, and supplies.
m. Power engines.
n. Power house equipment (such as boilers, condensers, injectors' filters, and stokers).
o. Printers' and lithographers' supplies.
p. Pumps, pump parts, and supplies.
q. Shoe machinery.
r. Textile machinery and equipment.
s. Welding equipment.
t. Other industrial machinery, equipment, and supplies.

69. *Professional equipment and supplies*—

a. Art supplies.
b. Church equipment and supplies.
c. Dental supplies and equipment.
d. Opticians' equipment and supplies.
e. Pharmacists' supplies.
f. School equipment and supplies.
g. Scientific and laboratory equipment and supplies.
h. Surgical, medical, and hospital equipment and supplies.
i. Other professional equipment and supplies.

70. *Service equipment and supplies*—

a. Barber and beauty parlor equipment and supplies.
b. Bootblack and hat cleaners' equipment and supplies.
c. Dry cleaners' supplies and allied products.
d. Fire protection equipment.
e. Janitors' equipment and supplies.
f. Laundry equipment and supplies.
g. Plumbers' equipment and supplies.
h. Service equipment and supplies (general line).
i. Shoes repairers' equipment and supplies.
j. Undertakers' supplies.
k. Upholsterers' supplies.
l. Warehouse equipment and supplies.

71. *Transportation equipment and supplies*—

a. Aeronautical equipment and supplies.
b. Aircraft.
c. Aircraft and aeronautical equipment.
d. Railroad equipment and supplies.
e. Ship equipment and supplies.
f. Other transportation equipment and supplies (such as tramways, aerial hoists, motor boats (commercial), and compressed air tubes).

XIX. METALS AND MINERALS (EXCEPT PETROLEUM AND SCRAP):

72. *Coal*—
   - *a.* Coal (general line).
   - *b.* Coal, anthracite.
   - *c.* Coal, bituminous.
   - *d.* Coal and coke.
   - *e.* Fuel (including briquets, peat, charcoal, and natural gas).

73. *Iron and steel (except scrap)*—
   - *a.* Castings (metal).
   - *b.* Iron and steel (except scrap).
   - *c.* Iron and steel products (not elsewhere classified).

74. *Metals and metal work other than iron and steel*—
   - *a.* Bearing metals.
   - *b.* Brass and brass products.
   - *c.* Copper.
   - *d.* Lead and zinc.
   - *e.* Sheet metal products.
   - *f.* Silver.
   - *g.* Tin.
   - *h.* Other metals and metal work (such as nickel, bronze, aluminum, and alloying materials).

XX. PAPER AND PAPER PRODUCTS:

76. *Paper and paper products (general line).*

77. *Paper and paper products (specialty, other than specified)*—
   - *a.* Paper.
   - *b.* Wrapping paper and paper bags.
   - *c.* Other paper products (such as novelties, papier mache, paper napkins, mulch papers, calendars, and art goods).

78. *Stationery and stationery supplies.*

79. *Wall paper.*

XXI. PETROLEUM AND PETROLEUM PRODUCTS:

75. *Petroleum and petroleum products*—
   - *a.* Crude oil.
   - *b.* Fuel oil.
   - *c.* Gasoline and oil.
   - *d.* Gasoline and naphthas.
   - *e.* Lubricating oils and greases.
   - *f.* Petroleum and petroleum products (general line).
   - *g.* Other petroleum and petroleum products (such as kerosene, cleaning liquids, road preparations, bitumastic paints, and asphalts).

XXII. PLUMBING AND HEATING EQUIPMENT AND SUPPLIES:

80. *Plumbing equipment and supplies*—
   - *a.* Pipe, valves, and fittings.
   - *b.* Plumbing and mill supplies.
   - *c.* Plumbing and heating equipment and supplies (general line).

XXII. PLUMBING AND HEATING EQUIPMENT AND SUPPLIES—Con.

80. *Plumbing equipment and supplies*—Continued.
   - *d.* Refrigerators (gas).
   - *e.* Ventilating equipment and supplies.
   - *f.* Other plumbing and heating equipment and supplies.

81. *Heating equipment and supplies*—
   - *a.* Furnaces.
   - *b.* Heating equipment (general line).
   - *c.* Oil burners.
   - *d.* Stoves and ranges.

XXIII. TOBACCO AND TOBACCO PRODUCTS (EXCEPT LEAF):

82. *Tobacco products (general line, except leaf)*—
   - *a.* Cigars.
   - *b.* Cigars, cigarettes, and tobacco.
   - *c.* Tobacco.
   - *d.* Tobacco products.

XXIV. ALL OTHER:

83. *Books, periodicals, and newspapers*—
   - *a.* Books and periodicals.
   - *b.* Newspapers and magazines.

84. *Oils and greases (animal and vegetable)*—
   - *a.* Animal oils (including grease and tallow).
   - *b.* Essential oils.
   - *c.* Vegetable oils (cottonseed, linseed, etc.).

85. *Rubber goods (general line).*

86. *Textiles and textile materials (other than dry goods)*—
   - *a.* Bags and bagging.
   - *b.* Burlap.
   - *c.* Cordage and twine.
   - *d.* Tents and awnings.
   - *e.* Textiles and textile materials, other than dry goods (general line).
   - *f.* Yarn.
   - *g.* Other textiles (exclusive of dry goods, not specified above).

87. *Miscellaneous kinds of business*—
   - *a.* Advertising goods (such as signs, calendars, booklets, cloth banners, celluloid and metal novelties).
   - *b.* Artificial flowers and plants.
   - *c.* Baskets.
   - *d.* Boats.
   - *e.* Flour, feed, and coal.
   - *f.* Ice.
   - *g.* Novelties.
   - *h.* Rubber (crude).
   - *i.* Smokers' supplies.
   - *j.* Miscellaneous kinds of business (other than specified).

Types of establishments.—In determining the types of wholesale establishments the approach is primarily on the functional basis. In the grocery business, for example, there are, in addition to what may be termed "service" wholesalers, a number of newer types of wholesale distributors, such as drop shippers or desk jobbers, wagon distributors, and cash-and-carry wholesalers. There are, further, in the grocery business a large number of brokers, chain-store warehouses, exporters, importers, selling agents, and several other types of wholesale establishments. It is not sufficient to present census statistics for any given line of business, inasmuch as the costs of doing business, the methods of operation, and a number of other important factors vary as between different types of establishments operating in the same field. The cost of doing business of a coffee broker, for example, is much lower than the cost incurred by a coffee jobber or wholesaler, since their range of functions differs widely. There are in the wholesale field 43 types of establishments. A complete statement of the classifications of types of wholesale establishments and the definitions of each type are presented in the following pages.

Grouping types of wholesale establishments.—In any attempt to classify or group types of wholesale establishments, one encounters several possibilities. Such establishments may be classified:

1. According to the ownership of goods, into those who take title to the goods involved and operate as merchants and those who do not take title.
2. According to the ownership of the establishments, in order to indicate single unit establishments, branches, chains, etc.
3. According to services rendered, indicating whether they render complete or abbreviated services.
4. On the basis of territory covered, according to which they may be divided into local, sectional, national, etc.
5. According to whether they are engaged in foreign or domestic trade.
6. On the basis of whether they emphasize the buying function or the selling function, namely, a division into buying establishments and selling establishments.

Any one of these classes may be further subdivided. Thus it is possible to classify organizations engaged in foreign trade into buying organizations and selling organizations. Each of these may in turn be classified on the basis of title to the goods in order to show merchant and non-merchant establishments, as well as on the basis of who owns the establishments, in order to determine whether they are integrated with retail establishments as in the case of chain-store warehouses or with manufacturing establishments as in the case of manufacturers' sales branches.

In order to simplify the whole matter and to present statistics for wholesale establishments in such a way as to enable anyone to work out whatever classification he deems most essential, the types of wholesale establishments have been divided into 10 groups or general classes, as shown below. With the exception of Groups I, VIII, and IX, these groupings are self-explanatory, and need no further elaboration except that reference must be made to the specific definitions presented in the following pages for the different types of establishments appearing under or in connection with each of the 10 groups.

In Group I, under "Wholesalers," are included all wholesale establishments engaged in the buying and selling of goods on their own account. They actually take title to the goods. While most of the establishments in this group sell primarily to retailers or in some cases to other wholesalers, some of them handle chiefly industrial goods which are sold to such industrial consumers as manufacturers, mines, and public utilities. On the other hand, this group of establishments does not include many others which operate in practically the same manner, as is true of many manufacturers' sales branches and bulk tank stations, because the one is tied up directly with manufacturing establishments while the other is tied up to a certain extent with retail outlets which they supply with merchandise.

Group VIII, headed "Agents and brokers," comprises all wholesale middlemen who are in business for themselves, but who act as representatives of clients either in the buying or selling of goods, or both. They do not take title to the merchandise involved in their negotiations.

Under Group IX, "Assemblers of Agricultural Commodities," have been grouped a number of kinds of establishments which are peculiar to the handling of agricultural commodities. For the purposes of the Census of Distribution they have been grouped with wholesale types of establishment, although their methods and the functions performed do not closely agree with those of wholesale merchants as that term is generally understood.

The systems of distributing agricultural commodities from the regions of production on to the points of processing or manufacturing and/or actual distribution are, in some respects, quite different from the channels of distribution for groceries and the whole wide range of manufactured articles. Neither, of course, do these establishments operate in a manner similar to retail types of establishments. They do perform some of the recognized functions of wholesale merchants.

For the classification purposes of the Census of Distribution there were included under this general heading of Assemblers of Agricultural Commodities eight subordinate classifications, as follows: Assemblers; Country buyers on salary or commission (not elsewhere specified); Cooperative marketing associations; Cream stations; Elevators (independent); Elevators (line); Milk stations; Packers and shippers.

It is at once apparent that each of these does not necessarily represent a different functional type of establishment but that the classification has to some extent been placed on a kind of business basis. For example, many cream stations, milk stations, and elevators (line) are in many functional respects similar types of establishment.

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I. Wholesalers:	
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TYPES OF WHOLESALE ESTABLISHMENTS DEFINED

Wholesale merchants, sometimes designated as service wholesalers or full-function wholesalers, perform all of the principal wholesale functions. They buy merchandise outright and sell on their own account. They maintain places of business, including warehouses for the storage of the surplus merchandise required by their communities. In most of the trades they usually sell to dealers by means of salesmen who call upon the trade regularly. They extend credit and make deliveries. They assemble certain lines of merchandise in large lots and redistribute them in smaller quantities. In some trades, particularly where the merchandise is of a perishable nature or derived from unstandardized production, the wholesale merchants must perform the function of grading and standardization. Finally, it is necessary that the wholesale merchants assume the risk incident to their type of business activities. (*See Jobbers.*)

Wholesale merchants appear under many guises in many different trades. They may carry an extensive line of products of a varied nature or they may be highly specialized dealers in a single commodity. In the petroleum trade they commonly operate under the name of bulk tank stations, and have been so classified. When their activities are limited to sales to retail stores owned by a single manufacturing or mining company and operated in the interests of the employees of such company, the wholesale merchants become wholesale commissaries, and have been so classified. When engaged in international trade they may be either export merchants or importers. Wholesale merchants frequently operate under the name of jobbers. In the machinery, equipment, and supply business wholesale merchants often operate under the title "Supply and machinery distributors" or are designated as industrial distributors. Sales by these latter firms are made to industrial consumers and to retail and wholesale merchants for utilization rather than for resale. For census purposes, such establishments have been classified under certain conditions as supply and machinery distributors. Many dealers in mill supplies are included under the heading of "Wholesale merchants," however, because the bulk of their business was in hardware or plumbing and heating supplies, with mill supplies as an adjunct to their main business. In the field of agricultural commodities the two chief kinds of wholesalers included in this category are wholesale receivers, or car-lot receivers, and jobbers.

Assemblers of agricultural commodities operate at local producing points or in the cities of the production regions, and are engaged in the purchasing of farm products. Such purchases may be made either from other dealers or direct from farmers. The two principal classes of assemblers included under this general heading are the following:

1. Independent buyers of agricultural commodities, who as a rule forward or consign these commodities to wholesale receivers or distributors in another and usually a larger

market or to manufacturers or processors. The larger independent concerns often maintain offices at a central point and frequently have a considerable group, line, or chain, of buying stations. These buying stations in turn are grouped under the second classification, "Country buyers on salary or commission."

2. Assembling and packing plants maintained at the larger points of concentration in the production regions by some of the large handlers of agricultural commodities. Some of these assembling plants are branches of the parent concern, while others are subsidiaries. Examples of these are the poultry and egg packing plants maintained by some of the packers as well as by some of the other large poultry and egg dealers, and the fruit and vegetable assembling houses maintained by some of the larger distributors in that field. This class of assemblers, like independent assemblers, secures a large share of the commodities which they handle from country buying stations in the smaller cities and towns in their region or district.

Large quantities of agricultural commodities are purchased by local storekeepers or others regularly engaged in some other business. These establishments have not been included under this heading, nor have they been designated as country buyers on salary or commission. Provision has been made, however, to cover their functions as assemblers of agricultural commodities in connection with special reports on the assembling and distribution of agricultural commodities.

Auction companies, as used in the Wholesale Census of Distribution, are concerns that sell by the auction method at wholesale. Sales are conducted under definite rules and are usually made to the highest or best bidder. Such concerns do not take title to the goods but handle them for clients on a commission or fee basis. They provide a place for the public inspection and sale of merchandise consigned to them and may even, on their own responsibility, extend credit to purchasers. F. o. b. auctions differ mainly from the "delivered" auctions, herein defined, in that such establishments do not handle the goods which they sell for their clients.

Brokers are wholesale middlemen whose function it is to negotiate transactions between buyers and sellers. They act as agents for their principals, who are usually wholesalers or producers, although they sometimes represent retailers as well. Brokers may represent either buyers or sellers in a given transaction, or both. (In certain fields brokers may concentrate largely on the buying of goods for their clients. In such cases they are frequently designated as buying brokers.) They do not take title to the goods to which their negotiations apply except incidentally, nor do they ordinarily have possession of the goods or finance their clients.

Brokers are not bound to any set of clients but operate freely in the wholesale field. Their relations with any one client are not continuous as they are in the case of selling agents or manufacturers' agents. The remuneration of brokers is in the form of a commission or fee, based upon the value of the goods or upon the quantity of merchandise involved in the transaction. The quantity unit may be a carload, a ton, a bag, a box, or some other package. In addition to per-

forming the functions of buying or selling, their chief function consists in advising their clients as to market conditions; for knowledge of such conditions, of sources of supply, and of outlets is their main stock in trade. Normally brokers do not handle the invoices and have nothing whatever to do with the amounts invoiced. (In the grocery trade it is difficult to distinguish between brokers, selling agents, and manufacturers' agents, the three terms frequently being used in a synonymous manner.)

Bulk tank stations perform wholesale functions in the distribution of gasoline, oil, and other petroleum products. Out of these stations, tank wagons operated by salesmen-drivers cover the service or gasoline filling stations, both company-owned and independent. In the first instance they resemble chain store warehouses, while in the second case they act as ordinary wholesale merchants. Frequently, bulk stations do business on both bases. In fact, some of the largest oil companies sell the bulk of their products through their bulk tank stations to independent retailers. They also supply in this manner independent wholesalers and large consumers. Most bulk stations are owned and operated by producing companies, although some of them are owned and operated by wholesale marketers of petroleum products who are not engaged in refining. The terms "bulk tank station," "bulk station," or "bulk plant" apply only to multiple unit establishments actually handling the merchandise, thereby excluding brokers and other agents who do not handle the goods, as well as single-unit establishments engaged in the wholesaling of petroleum and petroleum products. All of these are classified in the usual manner.

Cash-and-carry wholesalers buy and sell merchandise in their own name, carry stock in storage, assemble in large quantities, and sell in smaller amounts to retail and other dealers who call for the goods at their places of business and pay cash for them. They are to be distinguished from wholesale merchants by the fact that they usually carry a reduced line of products, mostly staples, and fast-moving items, and do not extend credit to the retailer, nor do they make free deliveries. As a rule, they employ no outside salesmen, hence they reduce the wholesale merchant's emphasis upon the selling function and at the same time cut down upon the amount of market information which the full-function wholesaler makes available for his customers. Frequently, such establishments are operated as branches of "service" wholesalers in order to meet competition from chains, cooperatives, and other cash-and-carry jobbers. For purposes of the Census of Distribution, only establishments that sell primarily on a cash-and-carry basis are regarded as cash-and-carry wholesalers.

Chain-store warehouses are establishments maintained by retail chains as distributing stations used to supply their stores with merchandise. In some respects they are similar in operations to establishments of wholesale merchants and are, in reality, more than mere warehouses. They maintain stocks, break bulk, and deliver and bill the merchandise to the retail outlets. Furthermore, the activities of these warehouses may include accounting and general supervision, and chain stores often maintain branch executive offices at these warehouses charged with the superintendence of the retail outlets within their respective districts.

Commissaries (wholesale) occupy the same position relative to retail commissaries as chain-store warehouses hold with respect to retail chain outlets. Wholesale commissaries are owned and operated by manufacturing or mining concerns for the purpose of supplying their own company stores which cater primarily or exclusively to the wants of their employees. The functions performed are practically identical with those of chain-store warehouses, with the principal emphasis on the buying function. Such establishments are also operated in connection with bakeries and prepared-food depots for the distribution of goods to their own restaurants.

Commission merchants handle commodities consigned to them on a commission basis. As commission merchants they do not take title to the goods they sell for their clients. It is their practice, when the goods require it, to maintain places of business suitable for the handling, conditioning, warehousing, and selling of merchandise. In some few lines of trade, commission merchants, or commission houses, act purely as shippers' agents, but in most lines of business they combine some merchant business with commission dealing. When acting in the capacity of agents for their principals, it is the practice of commission merchants, when the goods require it, to prepare them for the market, to sell them at the best possible prices, and to remit the proceeds after deducting commissions and other charges. In this capacity commission merchants always represent sellers. When the emphasis is placed, however, on outright purchasing, so-called commission merchants become in reality wholesale merchants and are so classified for the purpose of the Census of Distribution. Thus, a concern is classed as a commission merchant only when the sales handled on a commission or consignment basis exceed 50 per cent of the total volume reported.

Converters are wholesale middlemen found chiefly in the textile trade. In addition to most of the functions of wholesale merchants, converters perform or have performed for them some of the functions of textile manufacturing in its final stages, thereby assuming substantial risks incident to style changes. Converters purchase goods from the textile manufacturers for finishing, dyeing, printing, etc. Sales of the finished product are then made to cutters-up, wholesalers, or to large-scale retailers.

In some instances the style risk in connection with the handling of goods by converters is practically absent. There are converters, for example, who take the yardage from certain mills and send it to a bleachery where the merchandise is bleached, starched, yarded, and put in salable condition. Such goods are then distributed to the shoe manufacturing industry, the book-binding industry, and to others.

Converters are included in the Census of Distribution for their merchandising functions. The plants engaged in bleaching, etc., are included in the Census of Manufactures.

Cooperative buying associations include establishments maintained by groups of retailers, wholesalers, manufacturers, farmers, or other groups for the purpose of buying or assembling merchandise for

the use, resale, or further processing by the members. The function thus performed is often referred to as collective or group buying. Warehouses are sometimes maintained for the performance of storage functions. Delivery service may be provided, and limited credit accommodations may be extended to the cooperators. Economy in buying is the principal raison d'etre of these organizations, although savings in operation through curtailed service is another aim to be accomplished. In this classification are not included so-called cooperative wholesalers who share some of the benefits with their customers but who are operated as ordinary wholesale enterprises. All such establishments are regarded as wholesalers.

Cooperative marketing associations is a classification that is, for the most part, self-explanatory. These associations are formed largely by producers of farm products for the purpose of disposing of their goods at the most advantageous prices for the mutual benefit of all the members. In addition to the actual selling of the products, they often grade, store, finance and advertise the commodities they handle. Such associations may also buy for the members various supplies, such as feed, seed, fertilizer, and coal.

In so far as possible to ascertain the essential facts from the schedules this designation is used for the local cooperatives, both those disposing of their products direct and those marketing through a central association or agency. As stated below, these central associations or sales agencies are classified as cooperative sales agencies.

Thus the locals of a State cooperative marketing association are classified as cooperative marketing associations, whereas the State marketing association itself is classified as a cooperative sales agency. This latter term is not in all cases perhaps strictly correct, but it was impossible to set up for the general reports a special classification for each kind of contractual or other relationship between locals and district, State, or regional cooperatives. Yet at the same time it was necessary to make use of some means to indicate that the locals and the central organizations operate on different levels or planes of the distribution process and in order to facilitate as much as possible the elimination of duplication in sales figures.

Cooperative cream and milk stations were classified as cream or milk stations, but their cooperative character is shown in that part of the tabulation dealing with character of organization and will also be shown in the special reports on the assembling and distribution of agricultural commodities.

It should be pointed out that the decision as to whether an organization was or was not cooperative in character was based on the report on the schedule as submitted.

Cooperative sales agencies include both the sales agencies and the central marketing associations which have been set up by a number of agricultural cooperatives to facilitate the sale of the products of the members. Such sales agencies are located in both the producing areas and in the larger marketing centers.

Country buyers on salary and commission is a special subgroup under "Assemblers of Agricultural Commodities" comprising those

country buyers operating on a salary or commission basis which were not covered by some special business classification, as elevator (line), cream station, or milk station. In interpreting this classification it should be constantly kept in mind that the Census of Distribution was essentially on an establishment basis, and hence it is not to be expected that schedule reports were received for all of that rather large group of country buyers who have no established place of business.

Some persons and firms engaged in the handling of agricultural commodities conduct part of their business on an outright purchase and sale basis, and some of it as agents for others on the salary or commission basis. Wherever the information was available they were classed either as assembler or as country buyer on salary or commission, depending on the way in which the greater share of the business was handled.

Cream stations may be operated by creamery companies, either independents or cooperatives, or by individuals or firms, or by cooperative groups of producers. Some cream stations give their full time to the purchase and shipping of cream and, in some cases, eggs, poultry, and other country products to some company. However, the great majority of cream stations are operated in conjunction with some other business, frequently a retail store, an elevator, or a general country buying business, including cream, eggs, poultry, and in some cases, hides, skins, fruits, and vegetables.

Customs brokers are brokers negotiating transactions for buyers in foreign countries or for importers, on a brokerage or fee basis. They act as intermediaries between buyer and seller, and what they spend is reimbursed to them by the purchasers of the merchandise, usually when the same is delivered. Customs brokers are considered experts in all matters connected with imports and exports, such as duties, consular fees, necessary legal documents, invoices, the tariff laws, and in the proper packaging and routing of goods. Such brokers are commonly found in or near the importing or exporting centers. A group of them may be found, for example, in the cities near the Mexican border, representing largely Mexican buyers of American-made goods.

District sales offices are manufacturers' establishments engaged in the supervision of wholesale branches or of independent distributors operating in certain districts. While their chief function is that of a supervising sales office, they may also handle the sales in the immediate vicinity or sell to a selected group of customers throughout the entire district. Such offices may in some cases provide warehouses for the storage of goods to expedite delivery. In such cases all of the wholesale functions are performed and the district sales office resembles to that extent a manufacturer's sales branch. The volume of sales by all establishments in the district was reported by the district sales office in addition to, and consolidated with, the sales made by the office itself.

Drop shippers or desk jobbers usually operate from offices. They do not perform the functions of warehousing or storage and transporting or delivery, since all orders solicited from retailers and others who buy on a wholesale basis are shipped directly from the manufacturers to such retailers and other customers. While they buy and sell in

their own names, assume some risk and may extend credit, drop shippers are to be sharply distinguished from the full-function wholesalers who physically handle the goods. Special provision has been made to show in another connection the amount of business done on a drop shipment basis by so-called regular wholesalers. Under this classification are listed only those wholesale merchants that do all or the bulk of their business on a drop-shipment basis.

Elevators—Independent, line, and cooperative.—The term "Elevator" as used in the Census of Distribution refers to those elevators purchasing and handling grain either on their own account (independent); or for their principals (line). Storage elevators, both public and private, and grain warehouses were not included in the Census of Distribution as this census did not include the warehouse and storage business as such. Consequently, the major part of the establishments classified as elevators are located in the grain producing regions, and for the most part are found in towns of less than 10,000 population.

The independent elevator is as a rule locally owned; and probably in the majority of cases, the company has but the one elevator. Frequently, however, such independent elevator companies expand their business by purchasing one or more additional elevators, usually in adjacent towns.

The term "line elevator" refers to one of a group or chain of elevators operated by a firm of grain dealers or a mill or milling company. There is considerable variation in the number of elevators operated by different elevator companies ranging from only a few in some cases to several hundred in others.

Strictly speaking, the use of the term "line elevator" should be confined to those elevators whose operations are directed from a central office. That is, it is conceivable that an independent elevator company may own two, three, four, or five, or perhaps more elevators, each of which operates to all intents and purposes as a single elevator. For classification purposes, however, it was necessary to establish a numerical basis for classification; hence, any group of three or more elevators was classified as a line elevator company; and independent elevator companies operating more than two units were thus automatically designated as line elevators.

Cooperative elevators may be either independent or line, since some farmers' cooperative elevator associations operate a number of elevators. No separate type of establishment classification was used for these cooperative elevators, either single or multiple; but they were grouped as cooperative marketing associations and designated as elevators under the kind of business grouping.

In addition to the purchasing, handling, storage and shipping of grain, elevators in some sections of the country transact a greater or less amount of retail business. In fact, in some of the older grain States the retail sales of some of the elevators now exceed the total value of the grain handled. Unless the value of the grain handled equalled 50 per cent of the total sales reported, such elevators were considered as retail establishments.

Export brokers, in so far as they differ from ordinary brokers or export agents, are considered as performing for the export trade the ordinary functions of brokers in domestic trade. (*See Export Manufacturers' Agents.*)

Export commission houses generally represent foreign clients and perform the purchasing function for them. Such houses normally confine their trading to foreign countries and receive their income in the form of commissions. In addition to the buying function they secure a certain amount of market information for their foreign clients. They also perform the incidental functions connected with the technic of shipping. Not infrequently they also sell for American firms goods consigned to them.

Export commission houses frequently specialize in markets rather than in commodities, handling almost every conceivable class of merchandise for which there is a demand in the foreign markets in which they specialize. The same observation applies to a number of export merchants and other export agencies.

Export manufacturers' agents may be defined as manufacturers' agents specializing in the export trade. (*See Manufacturers' Agents.*)

Exporters are wholesale merchants selling in the foreign rather than in the domestic market. Furthermore, their sales may be largely to wholesale merchants abroad or to industrial consumers, instead of selling principally to retail merchants, as is the case with wholesale merchants in domestic trade. (*See Wholesale Merchants.*)

Export selling agents may be considered selling agents engaged in export trade, presumably selling the entire output of the mills they represent. In actual practice, however, there is probably little distinction in foreign marketing between export selling agents, export manufacturers' agents, and export brokers. In fact, these titles are uncommon and are generally shortened to the title "export agents." (*See Export Manufacturers' Agents.*)

Factors are wholesale middlemen operating principally in the raw cotton and textile trades, and in the distribution of naval stores. In the textile trade they are generally specialized commercial bankers performing the function of financing for the textile mills. In this trade they originally combined this function with that of selling. This is very unusual at the present time, consequently for purposes of the Census of Distribution the term factor is applied only to operators in the raw cotton trade, and to those other factors who actually engage in the distribution of goods, since purely financial or service establishments are not covered by this census. In the raw cotton trade the functions performed are analogous to those of commission men. The factors are located in the central markets and receive the cotton on consignment from the producing areas. Their work consists, first, in advancing funds to the shipper, who may be a grower but who is usually a country buyer or cotton merchant; second, in warehousing or storing the goods; third, in grading; and, finally, in selling the goods. Factors receive commissions for their services.

General sales offices are separate wholesale sales departments of manufacturers, whose function it is to supervise the sales of district

offices and of manufacturers' sales branches. In addition, general sales offices frequently handle institutional business consisting of sales to very large purchasers, institutions, or departments of government. Export sales are also normally handled through these offices. Most of the oil refineries, for example, make through these offices sales to foreign countries, tanker or cargo sales, pipe-line sales, and tank-car sales from refinery and from producing fields. All of these sales are normally made by the general office through bids or contracts. Ordinarily no warehousing of merchandise is done at these points. While other wholesale functions may be performed by general sales offices, the emphasis is always upon the selling activity.

Importers in the wholesale field are to be largely identified with wholesale merchants as far as functions are concerned. The chief distinction lies in the source of purchases which, for importers, is in the foreign field. Furthermore, sales by importers may be made largely to wholesalers or to industrial consumers rather than direct to retailers.

Import commission merchants or import brokers specialize in making foreign purchases for a number of clients whose individual operations are too small to justify separate organizations for importing. They also attend to the customs formalities for their clients and operate on a commission basis.

Import manufacturers' agents perform the functions connected with foreign trade comparable to those usually performed by the manufacturers' agents in domestic trade. The distinction lies in that the former represent foreign manufacturers. (*See Manufacturers' Agents.*)

Import selling agents occupy a place in the import trade analogous to that held by selling agents in domestic trade. They represent the foreign manufacturers. (*See Selling Agents.*)

Jobbers have not been shown separately. It has been found impracticable for the purpose of this census to distinguish jobbers, as a general classification, from wholesalers, the term being used with different meanings in different trades. The functions of jobbers generally coincide quite closely with those of wholesale merchants. (*See Wholesale Merchants.*)

Mail-order or catalogue wholesalers sell almost exclusively by mail. Otherwise such establishments operate in every way as service wholesalers, extending credit, making deliveries, etc. Many of them employ "good will" traveling men who tend to become active in the solicitation of orders.

Manufacturers' agents sell part of the output of certain manufacturers with whom continuous relations are maintained. These agents are limited with respect to (*a*) territory of operations, and (*b*) prices and terms of sale. Their principal function is selling, although they may also warehouse some of the goods. The compensation of manufacturers' agents is usually in the form of commissions but sometimes they may work on a salary basis. Manufacturers' agents, as used in this census, usually represent two or more manufacturers, the accounts consisting ordinarily of noncompeting but supplementing lines of merchandise, and are in business for themselves. (This type of middleman is not to be confused with brokers or with selling agents.)

Manufacturers' sales branches are wholesale outlets owned and operated by manufacturers largely or entirely for the distribution of their own products. The purchasing aspect is stressed little, since most or all of the merchandise is manufactured by the parent concerns. The emphasis is largely upon the selling function. In fact, some manufacturers' sales branches carry no stocks and confine their activities to the promotion of sales and the securing of actual orders, while others operate in every detail like bona-fide service wholesalers but with little or no emphasis on buying. The demarcation is rather sharp as between certain trades, the steel business illustrating the former type and the meat packing business the latter. (*See General Sales Offices and District Sales Offices.*)

Milk stations are collecting stations or depots located in some fluid milk-producing regions. They may be maintained either by city milk distributors, or by cooperative milk associations, or by independent individuals or firms, or by local milk producer cooperatives. In some sections of the country, milk stations collect milk for manufacturers of dairy products rather than for city fluid milk distributors.

Packers and shippers.—This classification was used in connection with the two following classes of business, first, in connection with production-point assembling of fruits and vegetables, and second, in connection with packing and shipping of sea foods. In connection with the assembling of fruits and vegetables this classification covers establishments, engaged in the packing and shipping of fruits and vegetables, including the sale thereof, but has not been used for establishments which are simply forwarding agents. It also includes some growers who, in addition to their own products, pack and ship for neighboring producers. The Census of Distribution does not include the sale of fruits and vegetables or other agricultural products by farmers or other producers who sell only the products of their own farms or orchards. This is considered as an agricultural process and is covered by the Census of Agriculture.

Purchasing agents, commonly referred to as syndicate buyers in the hardware trade, are independent middlemen who buy merchandise for their clients and also supply their clients with market information. They are to be distinguished from so-called purchasing agents employed in manufacturing plants who are not in business for themselves but merely work for a single employer, maintaining no separate purchasing establishments. Purchasing agents, as used in the Census of Distribution, frequently combine orders from a number of relatively small wholesalers or retailers and buy on a larger scale than would be possible for the individual concerns whom they represent. For the very large concerns they are chiefly useful as sources of current information on trade and price developments. They are often paid on a flat rate by their clients.

Resident buyers are purchasing agents, operating primarily in the dry-goods trade. The relationships of both purchasing agents and resident buyers with their respective clienteles are continuous and not intermittent as in the case of dealings with buying brokers. Resident buyers are located in the central markets and are in close contact with manufacturers in those markets and with wholesalers or retailers

at outlying points. They normally represent the interests of buyers, although they may occasionally also represent sellers.

Selling agents are independent operators working on a commission basis performing chiefly the selling function. They usually sell the entire output of a given line of goods for one or more manufacturers with whom they maintain continuous relations. In a great many cases they give their clients financial assistance. Selling agents differ from manufacturers' agents in the following respects: (1) They normally handle the entire output of their clients; (2) they may sell everywhere while manufacturers' agents are limited in their territory of operation; (3) they have full authority with regard to prices, terms, etc., while the authority of manufacturers' agents is limited in this regard; and (4) they frequently finance their clients and offer assistance in connection with their advertising and other sales promotion activities. (Selling agents are not to be confused with brokers or manufacturers' agents.)

Semi-jobbers refer to combinations of wholesaling and retailing in a single establishment when it is impossible to determine under which category the bulk of the business is handled. Where information is available, however, and it is possible to determine what type of business predominates, the classification is made on the basis of the method responsible for the bulk of the volume reported.

Supply and machinery distributors operate practically as wholesale merchants, performing most of the wholesale functions. As used in this census the term refers to wholesalers engaged in the distribution of construction machinery, equipment, and supplies; manufacturing, mining and drilling machinery, equipment, and supplies; and transportation equipment and supplies, the sales being made primarily to industrial consumers. It does not include wholesalers distributing commercial equipment and supplies or service equipment and supplies. Many concerns handling mill and factory supplies have been classified as wholesale merchants because they handle largely hardware, plumbing, and heating equipment, etc., with mill supplies as an adjunct to their main line of merchandise. (*See Wholesale Merchants.*)

Wagon distributors or wagon jobbers perform the wholesale functions of buying, selling, warehousing or storage, and delivery or transportation. Occasionally they extend credit to their customers. Their chief distinction from ordinary wholesalers lies in the following points:

1. They combine the functions of salesmen with those of deliverymen. In other words, no separate sales force is employed, the work of selling and delivery being carried out by salesmen-drivers.
2. They normally carry a limited assortment of merchandise, consisting of nationally advertised specialties and fast moving items of a perishable nature.
3. Normally they sell for cash and in original packages.

Warehouses specialize in the performance of the storage function. In certain instances warehouse companies buy and sell on their own account. Whenever they add these functions to that of storage, they are included in the Census of Distribution. At such times

they frequently take on additional functions such as the extension of credit and delivery. No warehouses are included in the Census of Distribution unless they buy or sell goods on their own account, regardless of whether they maintain display rooms and sell for clients incidentally to the performance of their storage function, since purely service organizations operating in the wholesale field are not included in the census.

Wholesaling manufacturers consist of establishments engaged primarily in manufacturing and secondarily in wholesaling of goods purchased from other producers for resale, without alteration in form. All establishments classified under this heading produced during the year 1929 between 50 per cent and 90 per cent of the goods sold through them. A good illustration of a wholesaling manufacturer is that of a meat packer who, in addition to selling from his own plant goods produced in that plant, also sells certain quantities of butter and eggs which were purchased for resale in the same form and without further processing. Provision has been made for the presentation of data for another group that may be termed "manufacturing wholesalers" namely, wholesalers who engage to a limited extent in the manufacture of some of the goods which they sell, although their principal business is that of buying merchandise from manufacturers not connected with their wholesaling business. In other words, manufacturing wholesalers operate primarily as wholesale merchants and secondarily as manufacturers.

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